



mudra **lifestyle** ltd.

16th Annual Report 2012-13



360° Solution
Fabrics - Garments - Retail



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

1. **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.
2. 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.
6. 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).
7. 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 filled 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



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, 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. www.mudralifestyle.com
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

**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 Dlluted	(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



MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The textiles and garments industry is one of the largest and most prominent sectors of Indian economy, in terms of output, foreign exchange earnings and employment generation. The textile Industry is crucial to the Indian economy in terms of contribution to GDP and employment. It contributes about 4% to the GDP, accounts for over 14% of total industrial production, generates 8% of the Central excise revenue and contributes around 35% of gross export earnings in trade and 16% of gross export earnings. The Indian textile industry currently provides employment to more than 35 Million people. As stated in late January, by Ministry of Textiles, the transformation of the textile industry from a degrading to a rapidly developing industry has become the biggest achievement of the Central Government.

INDUSTRY OUTLOOK

The Indian industry is amongst the very few in the world that is truly vertically integrated from raw material to finished products. It contains within itself, fibre-production, spinning, knitting and weaving, as well as apparel manufacture. Indian industry has consistently remained flexible in terms of production quantity and lead time. While typical production runs are governed by fabric color minimums, India presents the possibility of producing quantities as low as to a few hundred pieces. This capability is especially critical in an unpredictable market where retailers and brands are looking to source ever-smaller quantities of product, increasingly closer to the season. The policy environment that was unfavorable to large-scale manufacturing in the past has also created an unintended strength - a base of design, product development and merchandising capability.

A major gap in Indian industry is its fragmented industry structure with a dominance of small scale industries. Small scale also brings with it the problem of productivity. Smaller companies often do not have the resources to invest in appropriate technology or retraining, or in the re-engineering of processes. While skilled Indian labor is inexpensive in absolute terms, due to lower productivity levels, much of this advantage is lost by small firms.

Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry. The non -availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry.

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer oriented approach.

SWOT ANALYSIS OF THE INDIAN TEXTILE & APPAREL INDUSTRY

Strengths

- * Abundant raw material availability
- * Availability of low-cost skilled labour
- * Presence across the value chain
- * Growing domestic market

Weaknesses

- * Fragmented Industry
- * Impediments due to historical regulations
- * Low productivity
- * Low cost competitiveness with regards to other developing nations
- * Technological obsolescence

Opportunities

- * Opening up of entire market by the end of Agreement on Textile and Clothing (ATC)
- * Research and new product development can help the companies to move across the value chain

Threats

- * Increased competition in the domestic markets
- * Cheaper imports
- * Outdated regulatory framework
- * Increased importance of adherence to ecological and social norms

The textile industry is fiercely competitive. The threat of competition emerges not only from the organized as well as the disorganized sector and from both small and big players. At the international level, the company is in direct competition with companies in nations having a low cost base such as Philippines, China and Bangladesh etc .We are also in direct competition with the leading apparel and fabric manufacturers of India as well as the local brands.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

This part has been discussed in Directors Report.

**ANNEXURE TO THE DIRECTORS REPORT**

Particulars Required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1) Conservation of Energy:

(a) Energy Conservation Measures taken by the Company:

The Company has taken various steps to reduce consumption of energy like separate meters are being installed for effectively monitoring the Section wise energy consumption.

(b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy. Re-sizing of the motors is being done to run the motors at full load conditions.

(c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods. Energy conservation measures have led to reduction in the cost of production.

(d) Total energy consumption per unit of production as per Form "A".

FORM "A"

A. Power and Fuel Consumption	Fabrics	Garments
1. Electricity		
(a) Purchase Unit (Lacs)	87.74	5.60
Total Amount (Rs. Lacs)	723.63	35.58
Rate / Unit (Rs.)	8.25	6.35
(b) Own generation (Through D.G.Set)		
Diesel oil Consumed (Lacs Ltrs.)	nil	0.26
Total Amount (Rs. Lacs)	nil	13.46
Avg. Per Ltr (Rs.)	nil	51.77
B. Consumption per unit of production		
Production	118.46 Lacs Meters	17.92 Lacs Pieces
Electricity (Rs.)	6.11/Meter	2.74/Piece

2) Technology Absorption**I. Research and Development (R & D)**

1. Specific areas in which R & D carried out by the Company:

Product and quality improvement, development, new designs, cost control and energy conservation.

2. Benefits derived as a result of the above R & D:

Product quality has improved.

3. Future plan of action:

The Company continues to focus its efforts on innovations in textile development processes.

4. Expenditure on R & D:

It is not possible to segregate the expenses on R & D.

II Technology absorption, adoption and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company has been developing in-house modifications/improvements in process technology in its various manufacturing sections which, when found suitable, are integrated into the regular manufacturing operation.

2. Benefits derived as a result of the above efforts, eg. Product improvement, cost reduction, product development, import substitution, etc:

High Product quality and increased business potential

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

a) Technology imported

b) Year of import

c) Has technology been fully absorbed?

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action

} Not Applicable as no Imported Technology put to use

3) Foreign Exchange Earnings & Outgo

Total foreign exchange inflow (Export) during the year (1st Oct, 2012 to 31st Mar, 2013) was Rs. 4356.55 Lakhs (Previous Year Rs. 9357.01 Lakhs) towards Garment & Fabrics & others.

Foreign Exchange outgo (Import) during the year towards Capital Goods was Rs. 67.81 Lakhs (Previous Year Rs. 535.22 Lakhs), towards Consumable was Rs. 261.50 Lakhs (P.Y Rs. 559.24 Lakhs), towards Commission was Rs. 6.59 Lakhs (Previous Year Rs. 132.58 Lakhs), towards foreign travel was Rs. 23.74 Lakhs (Previous Year Rs. 48.26 Lakhs) and on business Promotion Rs. Nil (Previous Year Rs. 9.10 Lakhs).

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.



CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance essentially is the system by which Companies are directed and controlled by the management in the best interest of the stakeholders and others. In other words, it involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, the means of attaining those objectives and monitoring performance are determined. It is the way of life, rather than mere legal compulsion. It furthers investor's confidence and commitment to the Company.

Principle Characteristics of Corporate Governance are:-

- * Transparency
- * Independence
- * Accountability
- * Responsibility
- * Fairness
- * Social Responsibility

The policies and guidelines of Corporate Governance have been implemented in all facets of your Company's operations to build up an environment of trust and confidence amongst the stakeholders of the Company.

Mudra believes in professional Management of its business which ensures that decision making powers vested in executive management are used to meet stakeholders' aspiration and social expectations. It also ensures total transparency and complete accountability.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges

2. BOARD OF DIRECTORS

a) Composition of the Board

Presently, the Company has 8 (eight) Directors. The Chairman of the Company is the Executive Director. Among the 8 Directors, the Company has a Managing Director and 3 Executive Directors. The Board has 4 Non- Executive, Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

All the Directors are appointed or re-appointed with the approval of the shareholders. The Independent Directors on the Board are highly experienced and competent persons from their respective fields. The Independent Directors take active part at the Board Meetings and Committee Meetings which add value in the decision making process of the Board of Directors. All Directors have intimated periodically about their Directorship and Membership in various Board and Committee positions of other Companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance Code.

As mandated by Clause 49, none of the Directors is a member of more than ten Board level Committees or Chairman of five such Committees across all Companies in which he is a Director. Necessary disclosures regarding Committee positions in other public Company as on 31st March, 2013 have been made by all the Directors.

b) Number of Board Meetings

The Board of Directors met 2 (two) times during the F.Y. 2012-13(i.e 1st October, 2012 to 31st March, 2013) on 27th November, 2012 and 4th February, 2013. The necessary quorum was present for all the meetings. The maximum gap between any two meetings was less than 4 months.

For every Board Meeting, the agenda papers along with explanatory notes are circulated in advance to the Board Members. The Company places before the Board, the Minutes of Committees of the Board and all other information as may be required including those specified under Clause 49 of the Listing Agreement.

**c) Directors' attendance record and Directorship held**

The table below gives details of Directors attendance, Directorships held in other Public Company and subsidiary of Public Company and the position of Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee in such other Public Company and subsidiary of Public Company.

Sr. No.	Directors	Designation	No. of Directorship (s) /Committee(s) positions held in other public Company and subsidiary of Public Company as on 31st March, 2013			No. of Board Meetings attended out of 2 Meetings held	
			Directorship	Committee Member	Committee Chairmanship	Board	Last AGM
1.	Mr. Eung Kyun Shin	Executive Chairman	-	-	-	1	Yes
2.	Mr. Yangweon Yoo	Managing Director	-	-	-	2	Yes
3.	Mr. Jung Ho Hong	Executive Director	-	-	-	2	Yes
4.	Mr. Kwang Hyuck Choi	Executive Director	-	-	-	-	No
5.	Mr. Sivabalan Paul Pandian	Independent Director	1	-	-	2	Yes
6.	Mr. Chong Tae Baek	Independent Director	-	-	-	1	No
7.	Mr. Gagan Rai	Independent Director	-	-	-	2	No
8.	Mr. Wan Ki Eun	Independent Director	-	-	-	1	No

Notes:-

- (i) A brief resume and profile of the Directors eligible for appointment and re-appointment at the ensuing Annual General Meeting is given in Annexure 1 to the Notice annexed to this Annual Report.
- (ii) None of the Directors has any business / material pecuniary relationship or transactions with the Company
- (iii) None of the Directors has received any loans, advances from the Company during the year.
- (iv) While considering the total number of directorships, directorships of the private Companies, Section 25 Companies and Foreign Companies have not been included

d) Code of Conduct

The Board of your Company, at its meeting on 1st October, 2006 has adopted and laid down a code of conduct for all Board members and Senior Management of the Company. The code of conduct is available on the website of the Company – www.mudralifestyle.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same.

3. COMMITTEES OF THE BOARD

Currently the Company is having 4 committees of the Board

- A. Audit Committee
- B. Investors'/Shareholders Grievance Committee
- C. Compensation/ Remuneration Committee
- D. Finance Committee

A. AUDIT COMMITTEE**i) Composition**

The Company has an Independent Audit Committee presently comprising of Mr. Gagan Rai, Chairman; Mr. Chong Tae Baek; Mr. Eung Kyun Shin and Mr. Wan Ki Eun as Members of the Committee all being learned and experts having adequate knowledge in the field of finance. The Chief Financial Officer, Internal Auditors and the Statutory Auditors are invitees to the meeting. The Company Secretary acts as the Secretary to the Committee and attended



all the meetings of the Audit Committee. Minutes of each Audit Committee are placed and discussed in the next meeting of the Board. The Chairman of the Audit Committee was unable to attend the last Annual General Meeting, in place of him Mr. Whonyoung Chung, Chief Financial Officer of the Company answered all the queries of the shareholders related to finance and accounts.

The Committee met 2(two)times during the financial year 2012-13 on 27th November, 2012 and 4th February, 2013. Minutes of the Audit Committee were discussed and taken note by the Board of Directors. The details of attendance of the member in the meeting are given in Table.

The gap between two consecutive meetings did not exceed four months. The necessary quorum was present for all the meetings.

Name of the Member	Status & Category	Audit Committee	
		Held	Attended
Mr. Gagan Rai	Chairman(Independent Director)	2	2
Mr. Eung Kyun Shin	Member (Executive Director)	2	1
Mr. Chong Tae Baek	Member (Independent Director)	2	1
Mr. Wan Ki Eun	Member(Independent Director)	2	1

ii) Roles and Responsibilities of Audit Committee

The role of the audit committee includes the following:

- > Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- > Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- > Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- > Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - I. Matters required being included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - II. Changes, if any, in accounting policies and practices and reasons for the same.
 - III. Major accounting entries involving estimates based on the exercise of judgment by management.
 - IV. Significant adjustments made in the financial statements arising out of audit findings.
 - V. Compliance with listing and other legal requirements relating to financial statements.
 - VI. Disclosure of any related party transactions.
 - VII. Qualifications in the draft audit report.
- > Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- > Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- > Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.



- > Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- > Discussion with internal auditors any significant findings and follow up there on.
- > Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- > Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- > To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- > To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- > Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- > Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

The Audit Committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief Internal Auditor shall be subject to review by the Audit Committee.

B. INVESTORS'/SHAREHOLDERS GRIEVANCE COMMITTEE

The Investors/Shareholders Grievance Committee of the Company was constituted pursuant to Clause 49 of the Listing Agreement by the Board of Directors, presently consisting of following members Mr. Chong Tae Baek, Chairman of the Committee, Mr. Eung Kyun Shin and Mr. Yangweon Yoo as members of the Committee. The Committee met during the Financial Year 2012-13 1 (One) time on 23rd January, 2013

Name of the Member	Status & Category	Investors'/Shareholders Grievances Committee	
		Held	Attended
Mr. Chong Tae Baek	Chairman (Independent Director)	1	-
Mr. Eung Kyun Shin	Member (Executive Chairman)	1	1
Mr. Yangweon Yoo	Member (Executive Director) –	1	1

The Committee specially redresses the grievances of the Shareholders. The terms of reference of shareholders grievances committee inter-alia considers the following matters:-

- A. To consider and approve requests for transfers, transmissions, dematerialization /rematerialisation and issue of fresh share certificates on replacement/ subdivision/ consolidation, issue of duplicate share certificate on loss whether by theft, misplacement or otherwise.
- B. To review the status of Dematerialization of Company's shares and matters incidental thereto.
- C. To review and monitor the approval to the transfers and transmission made by any Director under executive authority delegated to him from time to time.



- D. To monitor the matters of litigation related to shareholders and take decisions relating thereto.
- E. To consider, review and monitor the matters related to the shareholders grievances.
- F. To consider and finalize the report on Corporate Governance to be annexed with the Annual Report of the Company.
- G. To deal with any other matters related and/or incidental to the shareholders.

The Committee has authorized its Registrar and Transfer Agent(RTA) to redress any complaints received from members of the Company. To expedite the matter of Share Transfer, RTA has been authorized to approve the Share Transfer requests received for and on behalf of the Company. The committee reviews the report sent by RTA in this regard, periodically.

During the year, 1 complaints regarding non –receipt of Annual Report, 0 Complaints regarding non–receipt of demat credit, 0 complaints regarding non –receipt of Dividend Warrant and 0 complaint SEBI and all of them were resolved. No complaints were pending/outstanding as on 31st March, 2013.

C. COMPENSATION COMMITTEE (REMUNERATION COMMITTEE)

i) Composition

Although, the Remuneration Committee is a non-mandatory Committee but as recommended under Clause 49 of the Listing Agreement, the Company has constituted the Remuneration Committee presently comprising of Independent Directors, namely Mr. Wan Ki Eun as Chairman, Mr. Chong Tae Baek and Mr. S.P Pandian as Members of the Committee.

The minutes of the Remuneration Committee meetings are reviewed and noted by the Board from time to time.

No meeting of the Remuneration Committee was held during the financial year 2012-13.

ii) Remuneration Policy of the Company

Executive Director (Managing & Whole Time Director)

The Remuneration Policy of the Company for managerial personnel is primarily based on the performance of the Company and track record, potential and performance of individual managerial personnel. The Remuneration Committee recommends to the Board the compensation package of the Executive Directors of the Company. The remuneration of the Executive Directors is within the ceilings laid down under Schedule XIII of the Companies Act, 1956.

Since the appointment of the Executive Directors is by virtue of their employment with the Company, their service contract, notice period and severance fees, if any, is governed by the remuneration policy of the Company.

The Company does not have any Employee Stock Option Scheme.

The details of remuneration paid to Executive Directors during the financial year 2012-13 are as under

Name of Director	Designation	Salary Paid (Rs)	No. of shares held as on 31 st March, 2013	Relationship with other Director
Mr. Eung Kyun Shin	Executive Chairman	1265699	Nil	None
Mr. Yangweon Yoo	Managing Director	1545878	Nil	None
Mr. Jung Ho Hong	Executive Director	863629	Nil	None
Mr. Kwang Hyuck Choi	Executive Director	1775640	Nil	None

Non –Executive Directors

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors and Committees within the ceilings prescribed by the Central Government.

The Company has not paid any remuneration to Non-Executive Directors except the sitting fees for attending the meetings of the Board of Directors and its Committees thereof held during the financial year 2012-13

The quantum of sitting fees payable to Independent Directors of the Company is in terms of provisions of the Act.



The details of the sitting fee paid to the Independent Directors of the Company during the financial year 2012-13 are as under:

Name of Director	Designation	Total Sitting Fees paid (Rs)
Mr. Sivabalan Paul Pandian	Independent Director	30000
Mr. Chong Tae Beak	Independent Director	30000
Mr. Gagan Rai	Independent Director	60000
Mr. Wan Ki Eun	Independent Director	30000

D. FINANCE COMMITTEE

The Finance Committee consists of Mr. Yangweon Yoo, Chairman, Mr. Eung Kyun Shin, Mr. Jung Ho Hong and Mr. Wan Ki Eun as Members of the Committee.

No meeting of the Finance Committee was held during the Financial Year 2012-13.

Following powers, duties and responsibilities have been delegated to the Finance Committee:

1. Borrowings from banks / financial institutions upto an aggregate limit of Rs 500 Crore subject to the total borrowing not to exceed the maximum cap pursuant to section 293 (1)(d) of the Companies Act, 1956.
2. Granting Loans to companies / firms / individual, whether subsidiaries / associates or otherwise, upto a limit of Rs 10.00 Crores per Company or firm and Rs 1.00 Crore per individual, for the purpose of business, subject however that the aggregate of loans granted and outstanding to all such companies / firms / individuals, subsidiaries or associates at anytime shall not exceed the applicable ceiling prescribed under Section 370 or other applicable provisions of the Companies Act, 1956.
3. Opening / closing of bank accounts, opening letters of credit issue / renew / cancel bank guarantees and other banking matters.
4. Approval of authorized signatories and delegation of powers to sign cheques, etc. for operating the bank accounts of the Company.
5. Miscellaneous financial matters.

4. GENERAL BODY MEETINGS

The location, date and time of Annual General Meetings held during the last 3 years are given as under

Financial Year	Date	Venue	Time	No. of Special Resolution passed
2009-10	30.09.2010	Hotel Vits, Andheri Kurla Road, Andheri (E), Mumbai – 400 059	10.30 A.M	None
2010-11	30.09.2011	Hotel Kohinoor Continental, Andheri Kurla Road, Andheri (E), Mumbai – 400 059	10.30 A.M	None
2011-12	22.03.2013	Hotel Savoy Suites, Saki Vihar Complex, Saki Naka, Andheri (East) , Mumbai- 400072	9.30 A.M	None

Extra Ordinary General Meetings:

In addition to Annual General Meeting, the Company holds General Meetings of the members of the Company as and when situation arises. During the year under review, the Company had not conducted any Extra Ordinary General Meeting

Postal Ballot

The Company has not conducted any postal ballot during the financial year.



5. DISCLOSURE

a) **Materially Significant Related Party Transactions**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, within its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large. Further details of related party transactions are presented in Note No. 34 of the Accounts.

b) **Status of regulatory compliances**

The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.

c) **Insider Trading Code**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a code of conduct for prohibition of insider trading. The Code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.

d) **Management Discussion and Analysis Report**

A Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under Clause 49[IV] [F] of the Listing Agreement.

e) **CEO/CFO certification**

The certificate in terms of clause 49(V) of the Listing Agreement with Stock Exchanges for the financial year ended 31st March, 2013 was placed before the Board of Directors of the Company in their meeting held on 29th May, 2013 and is annexed to this Report.

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement and there are no instances of non compliances or violations of provisions of this clause by the Company during the financial year.

COMPLIANCE WITH NON-MANDATORY REQUIREMENT

The Company complies with following non-mandatory requirements of Clause 49 of the Listing Agreement.

a) **Remuneration Committee & Finance Committee :**

Although it is not mandatory, the Board of Directors of the Company has constituted a Remuneration Committee and a Finance Committee, the details of which have been provided under Sections "Remuneration Committee" and "Finance Committee".

b) **Audit Qualification:**

There are no audit qualifications on the financial statements of the Company for the financial year 2012-13

c) **Whistle Blower Policy**

The Company currently has not adopted a Whistle Blower policy.

d) **Risk Management**

Risk management is an ongoing process and the Audit Committee periodically reviews risk mitigation measures.

e) **Training of Board Members**

The Company's Board of Directors consists of professionals with expertise in their respective fields and industry. They endeavor to keep themselves updated with changes in global economy and legislation. They attend various workshops and seminars to keep themselves abreast with the changing business environment.

6. MEANS OF COMMUNICATION:

a) **Financial Results**

The quarterly, half-yearly and annual results were published in daily Newspapers which included Free Press Journal, Business Standard & the Regional Language Newspapers (Marathi) in Sakal, Navshakti. The same were sent to Stock Exchanges and were also displayed on the website of the Company, www.mudralifestyle.com.



b) Website

The Company's website www.mudralifestyle.com contains a separate dedicated section 'Investor' where all the information required by the shareholder is available. Annual Report of the Company, Notices of Postal Ballot, Outcome of Board Meeting etc. are regularly updated on the website.

c) NSE Electronic Application Processing System (NEAPS)

NEAPS is a web based application designed by NSE where Corporates are required to upload the prescribed information on the website for viewing by the investors. The Company is electronically filing the Compliance Report on Corporate Governance and Shareholding Pattern on quarterly basis as prescribed by NSE on NEAPS.

d) SEBI Complaints Redress System (SCORES)

SEBI has designed a centralized Web-based system, www.scores.gov.in wherein the investors can lodge their complaints and can view the status of their complaints being replied to by the respective Company. In compliance thereof, the Company is regularly uploading the 'Action taken Report' on the said website in respect of the investors' references received, if any.

7. GENERAL SHAREHOLDER INFORMATION

(a) As indicated in the Notice to our Members, the Annual General Meeting of the Company will be held on Monday, 30th September, 2013 at 10.00 am at Hotel Savoy Suites, Saki Vihar Complex, Saki Naka, Andheri (East) Mumbai 400 072.

(b) Financial Year The current financial year of the company was of 6 months period from 1st October, 2012 to 31st March, 2013.

(c) Date of Book Closure: from Monday, 23rd September 2013 to Friday, 27th September (Both days inclusive)

(d) Dividend payment date Within 30 days from the date of Annual General Meeting.

(e) Financial Calendar (2013-14) (tentative) :

First Quarterly Results	Before 14 th August, 2013
Second Quarterly Results	Before 14 th November, 2013
Third Quarterly Results	Before 14 th February, 2014
Financial Year ending	Before 30 th May, 2013

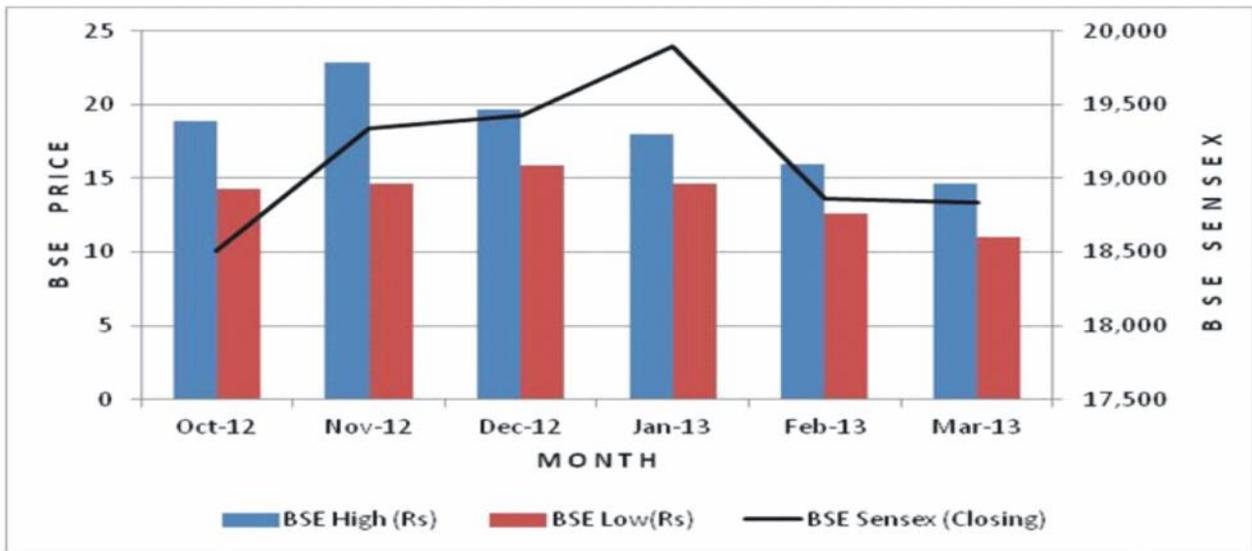
(f) Listing on stock Exchanges: The Company has duly paid the listing fees to Bombay Stock Exchange and National Stock Exchange for the Financial Year 2013-14. The Custodial Fees for the year 2013-14 have been paid to the National Securities Depository Limited and the Central Depository Services (India) Limited.

(g) Stock Code of Company:

Name of Stock Exchange	Code
Bombay Stock Exchange Ltd (BSE)	532820
National Stock Exchange of India Limited(NSE)	MUDRA
ISIN No.	INE311H01018

(h) Stock Market price data for the year 2012-13

Month	BSE		Sensex (Closing)	NSE	
	High (Rs)	Low(Rs)		High (Rs)	Low(Rs)
OCT 2012	18.90	14.26	18,505.38	19.00	14.05
NOV 2012	22.85	14.65	19,339.90	22.85	15.00
DEC 2012	19.65	15.90	19,426.71	20.65	16.00
JAN 2013	18.00	14.65	19,894.98	18.50	14.40
FEB 2013	15.95	12.65	18,861.54	15.75	12.50
MAR 2013	14.65	11.06	18,835.77	15.25	10.70



(i) Distribution of Shareholding as on 31st March, 2013

Range (In Rs.)	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1 – 5000	12429	89.55	17971680	3.74
5001 – 10000	722	5.20	6017180	1.25
10001 – 20000	349	2.51	5365090	1.11
20001 – 30000	144	1.03	3678540	0.76
30001 – 40000	44	0.31	1562560	0.32
40001 – 50000	58	0.41	2815280	0.58
50001 – 100000	66	0.47	4916350	1.02
100001 - 99999999	67	0.48	437578010	91.18
Total	13879	100.00	479904690	100.00

(j) Pattern of Shareholding as on 31st March, 2013

Category	No. of Shareholders	No. of Shares	% of Shareholding
Promoter	4	41172395	85.79
Mutual Funds	0	0	0.00
Financial Institution/ Banks	3	616476	1.2846
Venture Capital Funds	1	126702	0.2640
Foreign Institutional Investor	2	113984	0.0291
Corporate Bodies	298	960275	2.00
Residential Individual	13437	4732521	9.86
Others (Clearing Members)	17	19221	0.0401
NRI	115	118088	0.2461
Trust	1	1	0.00
Total	13879	47990469	100.00



(k) Share Transfer System:

The Company's shares are traded in Stock Exchange compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within 15-20 days from the date of receipt.

(l) Dematerialization of Shares and Liquidity

The equity shares of the Company are in compulsory dematerialized segment and are available in the Depository system of both NSDL and CDSL. The entire shareholdings of the Promoters of the Company are in demat form. Almost the entire shareholding is held in dematerialized form Details of No. of shares held in dematerialized and physical mode as on 31st March, 2013:

Particulars	No. of Shares	Percentage of Total issued Capital
Held in Dematerialized form in CDSL	3136646	6.54%
Held in Dematerialized form in NSDL	4473586	93.22%
Physical	117962	0.25%
Total	47990469	100.00

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India.

(m) Registrar & Share Transfer Agent

The details of Registrar & Transfer Agent appointed by the Company is as under:

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

E-mail address of the Company for redressal of investors' complaints: investor@mudralifestyle.com

(n) Address For Correspondence:-

MUDRA LIFESTYLE LIMITED

3026, A wing, 3rd Floor, Oberoi Garden Estates,
Chandivali Farms Road, Chandivali, Andheri (E),
Mumbai – 400 072
Tel: +91-22- 40972600/01 Fax: +91-22-2847 2603

(l) Plant Locations

Weaving

Bhiwandi(Sonale and Kahler)
Tarapur
Daman

Process House

Navi Mumbai
Tarapur

Garmenting

Bangalore

(m) Unclaimed Dividend

There were no unclaimed/unpaid dividends required to be transferred during the year, pursuant to Section 205A of the Act, to the Investors' Education and Protection Fund (IEPF) of the Central Government.

(n) Details of Unclaimed Shares

The Company came out with Initial Public Offering (IPO) in 2007. The Equity shares issued pursuant to the said IPO which remained unclaimed are lying in the escrow account with Bigshare Services Private Limited. The Company has sent 5 reminders to the shareholders asking for intimating the correct demat account details. As per Clause 5A (1) of the Listing Agreement the Company reports the following details in respect of unclaimed shares:



Particulars	No. of Shareholders	No. of Shares
Aggregate No. of shareholders & Shares pending as on 01.10.2012	8	1087
No. of shareholders who approached for transfer of shares from suspense account during the year	3	557
No. of shareholders & Share transferred from suspense account during the year	3	557
No. of shareholders & Shares outstanding at the end of the year*	5	530

* Invalid Demat Account

The voting rights on the shares outstanding in the suspense account as on 31st March, 2013 shall remain frozen till the rightful owner of such shares claims the shares.

Other Information: Shareholders who have not yet encashed their dividend warrant for the earlier years may approach the Company / Registrar and Transfer Agents for revalidation/ issues of duplicate dividend warrant quoting the Ledger Folio Nos. / DP and Client Id.

- (o) Outstanding Global Depository Receipts or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity

The Company has not issued any GDRs / ADRs or Warrants or any Convertible Instruments during the financial year.

DECLARATION UNDER CLAUSE 49

CEO and CFO Certification

As required by sub clause V of Clause 49 of the listing Agreement with the Stock Exchange, we have certified to the Board that for the financial year ended 31st March, 2013 the Company has complied with the requirements of the said sub-clause.

INSIDER TRADING

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended, the Company has adopted the code of conduct for prohibition of insider trading. The code is applicable to all Director and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company:

COMPLIANCE ON CLAUSE 49 OF THE LISTING AGREEMENT:

In so far as compliance with the requirements of Clause 49 of the listing agreement with the stock exchanges for the financial year ended 31st March, 2013 , the Company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance report.

Place: Mumbai
Dated: 12/08/2013

Sd/-
Yangweon Yoo
Managing Director

COMPLIANCE WITH CODE OF CONDUCT:

To,
The Shareholders of Mudra Lifestyle Limited
Sub: Compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the Members of Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct as adopted by the Board of Directors in respect of financial year ended 31st March, 2013.

Sd/-
Yangweon Yoo
Managing Director



AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

**To,
The Members,
Mudra Lifestyle Limited**

We have examined the compliance of conditions of Corporate Governance by Mudra Lifestyle Limited, for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company is compliant with the requirements of Corporate Governance as stipulated in the above mentioned Listing Agreement.

The above compliance however is not an assurance of efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Sachin Manseta & Associates,
*Practising Company Secretary***

Sd/-

**Sachin Manseta
*Proprietor***

**Place: Mumbai
Date: 12/08/2013**



AUDITORS REPORT

To,
The Members,
Mudra Lifestyles Limited

Report on the Financial Statements

We have audited the accompanying financial statement of **Mudra Lifestyle Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financials statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor consider internal control relevant to the company's preparation and fair presentation of the financials statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given us the aforesaid financial statements give the information required by the Act in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:

1. In the case of Balance sheet, of the state of affairs of the Company as at March 31, 2013;
2. In the case of Profit & Loss Account, of the Loss for the period ended on that date; and
3. In the case of Cash Flow statement, of the cash flows for the period ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to:

- i) Note 14 "Deferred Tax Assets" of the Financial Statements, wherein the Company has recognized deferred tax assets of Rs.1613.16 Lakhs on account of brought forward losses and unabsorbed depreciation keeping in view of binding contract with Promoter Company and existing level of turnover.
- ii) The company has incurred huge losses during the period under audit and immediately preceding audit period which has resulted in substantial erosion of its net worth. However, the company has prepared its financial statements on going concern basis being optimistic about company's production and performance in future years.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the act, we give in the annexure a statement of the matters Specified in paragraph 4 and 5 of the order.
2. As required by section 227(3) of the act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of companies Act, 1956;
 - e. On the basis of written representation received by the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2013, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the companies Act, 1956.

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

Sd/-

Paras Jain
Partner

Mem. No. 134160

Place: Mumbai

Date: 29th May, 2013



Annexure to Auditors Report

Annexure referred to in paragraph 3 of the Auditors Report of even date

As required by the Companies (Auditors Report) Order, 2003 (as amended) and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the assets have been physical verified by the management. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
 - c) The Company has not disposed off any substantial part of its fixed assets during the period.
- (ii) a) As explained to us physical verification of inventories has been conducted during the period by the management at reasonable interval.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories and no material discrepancies were notices on physical verification.
- (iii) a) During the period the Company has not granted unsecured loans to any parties covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount involved during the period was Rs. Nil and the period-end balance of such loans was Rs. Nil
 - b) In view of our comments above, clauses (iii) (b) (c) and (d) of the said clause order are not applicable to the Company.
 - c) As per information and explanation provided to us, the Company has not taken any unsecured loan from parties covered in the register maintained under Section 301 of the Act.
 - d) In view of our comments above, clauses (iii) (f) and (g) of the said clause are not applicable to the Company.
- (iv) In our opinion and according to information and explanation received from the Company, it is in continuous process of strengthening its internal controls commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) According to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of each party during the period have been made at a price which appear reasonable as per information available with the company.
- (vi) According to the information and explanation given to us, the Company has not accepted any deposit from the public. Therefore, the provision of clause (vi) of paragraph 4 of the order are not applicable to the company.
- (vii) As per the information and explanation made available to us, the Company has an internal audit system commensurate to the size of the Company and the nature of its business.
- (viii) Based on the information and explanation provided to us, the Company has maintained the cost records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956. However, we have not made detailed examination of such cost records with a view to determine whether they are maintained adequately.
- (ix) a) Undisputed statutory dues in respect of income tax, wealth tax, service tax, municipal taxes and professional tax have not been regularly deposited by the Company and undisputed statutory dues in respect of sales tax, provident fund, employees' state insurance, and excise duty have generally been regularly deposited by the Company during



the period under Audit. The details of outstanding statutory dues as on last day of the period under Audit which are outstanding for a period of more than six months from the date they became payable are as under:-

Sr. No.	Nature	Amount (Rs. In Lacs)
1	Karnataka VAT Act	16.67
2	Daman VAT Act	1.30
3	Maharashtra State Professional Tax Act	8.47
4	Employees M.L.W.F. Fund	0.04
5	Wealth Tax Act	0.69
6	Municipal Tax (New Bombay)	37.89
7	Gram Panchayat Rules, Thane	63.26
8	Income Tax Act ¹	575.65
	Total	703.97

- b) As per the records of the Company, there are no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess except as under:-

Name of Statute	Amount (Rs. In lacs)	Period for which it relates	Forum where dispute is pending
Sales Tax Act	250.22	2001-02 to 2004-05	Commissioner of Sales Tax, Maharashtra

- (x) The Company has accumulated losses amounting to Rs. 35,515 Lakhs as at the end of the period under Audit which are more than 50% of its net worth. Further, the Company has incurred cash loss amounting to Rs. 4,276.78 Lakhs during the period under audit and Rs. 28,510.24 Lakhs during immediately preceding previous period.
- (xi) In absence of the requisite information, we are unable to comment whether company has defaulted in making repayment of dues to various banks and financial institutions.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) As per records of the company and information and explanations given to us by the Company, it is not dealing or trading in shares, securities, and debentures and other investments.
- (xv) As per information's and explanations provided to us, the Company has not given any guarantee in connection with loans taken by others.
- (xvi) As per information and explanation given to us, the Company has not obtained any term loan during the period under audit and hence, this clause of the order is not applicable.
- (xvii) On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the period.
- (xx) The Company has not raised any money by way of public issue during the period.
- (xxi) As per the information and explanation provided to us during the course of audit, no fraud on or by the Company has been noticed or reported during the period under audit.

For K C P L & Associates
Chartered Accountants
Firm No. 119223 W
Sd/-
Paras Jain
Partner
Mem. No. 134160

Place: Mumbai
Date: 29th May, 2013

**Balance Sheet as at 31st March, 2013**

(Rs. in Lacs)

Particulars	Note	As at 31.03.2013	As at 30.09.2012
EQUITY AND LIABILITIES			
Shareholder's Fund			
(a) Share Capital	2	4,799.05	4,799.05
(b) Reserves & Surplus	3	(9,555.12)	(3,946.95)
Non-Current Liabilities			
(a) Long Term Borrowings	4	46,170.14	45,234.50
(b) Other Long Term Liability	5	36.52	36.52
(c) Long-Term Provisions	6	176.05	121.17
Current Liabilities			
(a) Short Term Borrowings	7	14,295.09	13,522.48
(b) Trade Payables	8	4,965.35	4,654.35
(c) Other Current Liabilities	9	3,599.23	4,392.67
(d) Short Term Provisions	10	826.52	564.41
TOTAL		65,312.83	69,378.20
ASSETS			
Non-Current Assets			
(a) Fixed Assets	11		
Tangible Assets		44,940.75	45,112.24
Intangible Assets		44.66	55.84
Capital Work in progress		21.74	1,037.71
(b) Non-Current Investments	12	1.00	1.00
(c) Long Term Loans & Advances	13	767.56	548.33
(d) Deferred Tax Assets (net)	14	1,613.16	1,613.16
Current Assets			
(a) Current Investments	15	8.28	10.10
(b) Inventories	16	8,082.04	6,677.14
(c) Trade Receivables	17	6,442.17	4,543.93
(d) Cash and Bank Balances	18	737.80	6,772.32
(e) Short -Term Loans & Advances	19	1,481.97	2,134.14
(f) Other Current Assets	20	1,171.70	872.29
TOTAL		65,312.83	69,378.20
Summary of Significant Accounting Policies	1		
Notes to Balance Sheet and Statement of Profit and Loss	2-40		

As per our attached report of even date

For and on behalf of the Board

For K C P L & Associates**Chartered Accountants****Firm Reg. No. 119223 W**Sd/-
Yangweon Yoo
Managing DirectorSd/-
Whon Young Chung
Chief Financial OfficerSd/-
Paras Jain
Partner
Mem. No. 134160Sd/-
Jungho Hong
DirectorSd/-
Ashitosh Sheth
Company SecretaryPlace : Mumbai
Date: 29th May , 2013Place : Mumbai
Date: 29th May , 2013



Statement of Profit and Loss for the Period ended on 31st March, 2013

(Rs. in Lacs)

Particulars	Note	Period Ended 31.03.2013	Period Ended 30.09.2012
REVENUE :			
Revenue from Operations	21	13,027.85	30,892.39
Other Income	22	369.39	471.84
Total Revenue		13,397.24	31,364.23
EXPENSES :			
Cost of Material Consumed/Traded	23	8,124.32	22,919.88
Manufacturing Expenses	24	6,243.45	14,812.99
Change in Inventories of finished goods and Work-in- progress	25	(1,461.18)	8,642.75
Employee Benefits Expenses	26	537.67	1,454.21
Finance Cost	27	2,718.30	6,942.03
Depreciation and Amortization Expenses	11	1,331.39	
Less:- Transferred to Revaluation Reserve		83.70	
Impairment of Fixed Assets		-	2,563.21
Administrative and Other Expenses	28	1,086.27	3,770.94
Total Expenses		18,496.52	65,221.27
Loss Before Extraordinary Items & Taxes		(5,099.28)	(33,857.04)
Less :-Prior Period Items	29	135.16	219.05
Loss Before Tax		(5,234.44)	(34,076.09)
Tax Expenses			
1) Taxation Earlier Years		289.47	1,111.97
2) Deferred Tax		-	(2,426.33)
3) Wealth Tax		0.56	0.65
Loss For The Period		(5,524.47)	(32,762.38)
Earning per Equity Share			
(1) Basic (Rs.)	30	11.51	(68.27)
(2) Diluted (Rs.)		(11.51)	(68.27)
Summary of Significant Accounting Policies	1		
Notes to Balance Sheet and Statement of Profit and Loss	2-40		

As per our attached report of even date

For K C P L & Associates

Chartered Accountants

Firm Reg. No. 119223 W

Sd/-

Paras Jain

Partner

Mem. No. 134160

Place : Mumbai

Date: 29th May , 2013

For and on behalf of the Board

Sd/-

Yangweon Yoo

Managing Director

Sd/-

Whon Young Chung

Chief Financial Officer

Sd/-

Jungho Hong

Director

Sd/-

Ashitosh Sheth

Company Secretary

Place : Mumbai

Date: 29th May , 2013

**Cash Flow Statement for the period ended 31st March, 2013**

(Rs. in Lacs)

Particulars	Period Ended 31.03.2013	Period Ended 30.09.2012
A) Cash Flows from Operating Activities		
Loss before Taxes & Extraordinary Items	(5,099.28)	(33,857.04)
Adjustments for:		
Depreciation & Amortization	1,247.69	4,115.26
Impairment of Fixed Assets	-	2,563.21
Loss / Profit on Sale of Fixed Assets	-	46.74
Interest Income	(14.65)	(183.12)
Dividend Income	-	(10.40)
Sundry Balances written back	(318.88)	(268.18)
Interest / Finance Charges	2,718.28	6,942.03
Sundry Balances Written Off	8.26	220.62
Provision for Doubtful Debts	25.40	321.21
Provision for Diminution in value of Investments	1.83	1.66
Direct Taxes Paid (Net of refund)	(30.00)	(555.96)
Operating Profit before Extraordinary Items	(1,461.35)	(20,663.97)
Prior Period Items	135.16	219.05
Operating Profits before working capital changes	(1,596.51)	(20,883.02)
Inventories	(1,404.91)	13,774.09
Trade Receivable	(1,898.24)	2,297.81
Other Current Assets	(299.41)	803.65
Loans & Advances	(638.84)	403.99
Trade Payables	310.94	(8,681.79)
Other Liabilities	(1,457.29)	(6,324.08)
Provisions	346.98	(470.67)
Net Cash used in Operating Activities (Total A)	(6,637.28)	(19,080.02)
B) Cash Flows from Investing Activities		
Purchases of Fixed Assets (including Capital Work-in-progress)	(137.47)	(905.36)
Sale of Fixed Assets	-	60.74
Interest Income	14.65	183.12
Dividends	-	10.40
Sale of Investments	-	1,467.55
Net Cash used in Investing Activities (Total B)	(122.82)	816.45
C) Cash Flows from Financing Activities		
Share issued expenses	-	(4.32)
Proceeds from Loans (Net of Repayment)	1,708.25	28,751.30
Interest /Finance charges Paid	(982.67)	(6,942.03)
Net Cash used in Financing Activities (Total C)	725.58	21,804.95
Net increase / (decrease) in cash and cash equivalents (Total A+B+C)	(6,034.51)	3,541.38
Cash and cash equivalents at beginning of the year	6,772.32	3,230.94
Cash and cash equivalents at end of the period	737.80	6,772.32

Note:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standards - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the end of the year consists of Cash in Hand, Balances with Banks and Fixed Deposits
- Previous year have been regrouped, reclassified and/or rearranges wherever necessary to compare with figure for the year. The schedules referred to above and notes to accounts form an integral part of the financial statements.

As per our attached report of even date

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

Sd/-
Paras Jain
Partner
Mem. No. 134160

Place : Mumbai
Date: 29th May , 2013

For and on behalf of the Board

Sd/-
Yangweon Yoo
Managing Director

Sd/-
Jungho Hong
Director

Place : Mumbai
Date: 29th May , 2013

Sd/-
Whon Young Chung
Chief Financial Officer

Sd/-
Ashitosh Sheth
Company Secretary



Notes forming part of the Financial Statements

(Rs. In Lacs)

Note 2 Share Capital

Particulars	31.03.2013	30.09.2012
a) Authorized Share capital 6,00,10,000 Ordinary Shares of Rs. 10 Each	6,001.00	6,001.00
b) Issued, Subscribed & Paid up 4,79,90,469 (4,79,90,469) Ordinary Shares of Rs. 10/- each fully paid up	4,799.05	4,799.05
Total	4,799.05	4,799.05

Notes

(i) Shareholders holding more than 5 percent shares in the Company:-

Name of Shareholders	As at 31.03.2013		As at 30.09.2012	
	No. of Share	% of Total	No. of Share	% of Total
(a) E-Land Asia Holdings Pte Ltd (Holding Company)	31,598,094	65.84	31,598,094	65.84
(b) Murarilal Agarwal	4,119,386	8.58	4,156,674	8.66
(c) Ravindra Agarwal	4,141,697	8.63	4,141,697	8.63

(ii) Reconciliation of the Opening and Closing Outstanding no. of shares

Particulars	As at 31.03.2013		As at 30.09.2012	
	No. of Share	Value	No. of Share	Value
Opening No. of Ordinary Shares (No. of Shares)	47,990,469	479,904,690	47,990,469	479,904,690
Shares allotted during the year	-	-	-	-
Closing No. of Ordinary Shares (No. of Shares)	47,990,469	479,904,690	47,990,469	479,904,690

(iii) Terms/ rights attached to Ordinary Shares :-

The company has only one class of share capital namely Ordinary Shares having par value of Rs.10 per share. Each holder of Ordinary Shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of Ordinary Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Ordinary Shares held by the shareholders.



(Rs. In Lacs)

Note 3 Reserve And Surplus

Particulars	31.03.2013	30.09.2012
a) Capital Reserves	823.57	823.57
b) Securities Premium Account		
Balance as per last account	14,245.60	14,249.92
Less : Deduction during the period	-	4.32
	<u>14,245.60</u>	<u>14,245.60</u>
c) Revaluation Reserve (Refer Note -12 "Fixed Assets")		
Balance as per last account	-	-
Add : Addition during the period	10,349.83	10,530.33
Less : Depreciation on Revaluation of Assets	83.70	180.50
	<u>10,266.13</u>	<u>10,349.83</u>
d) General Reserve	625.00	625.00
e) Surplus/(Deficit) in the Statement of Profit & Loss Account		
Balance as per last account	(29,990.95)	2,771.43
(+) Net Profit/(Net Loss) for the current period	(5,524.47)	(32,762.38)
	<u>(35,515.42)</u>	<u>(29,990.95)</u>
Total	<u>(9,555.12)</u>	<u>(3,946.95)</u>

Note 4 Long Term Borrowings

Particulars	31.03.2013	30.09.2012
(A) Secured Borrowings		
a) Term Loan from Banks	25,494.12	27,719.33
b) Vehicle Loan	8.62	11.77
Total (A)	<u>25,502.74</u>	<u>27,731.10</u>
(B) Unsecured Borrowings		
a) Loans and advances from related parties	20,667.40	17,503.40
Total (B)	<u>20,667.40</u>	<u>17,503.40</u>
Total (A+B)	<u>46,170.14</u>	<u>45,234.50</u>

Notes**(i) Restructuring :**

During the previous period the Company had made a reference to the Corporate Debt Restructuring (CDR) cell for restructuring of the debts of the Company through CDR Mechanism. The final restructuring package was approved by CDR empowered group on June 01, 2012. The Master Restructuring Agreement has also been signed with the lenders participating in the CDR package ('CDR Lenders') on September 24, 2012. Some of the salient features of the CDR package are as follows:

Entire principal outstanding as on cut off date viz October 01, 2011 has been restructured;

Irregular portion of working capital loan has been converted into Working Capital Term Loan (WCTL)



Interest on Term Loans, WCTL and Working Capital Facilities for first 12 months (i.e. from the cut-off date) has been converted into Long term loan;

Repayment tenure of term loans, WCTL extended for a tenure of 10 years from COD -i.e. till 30th September, 2021.

Overall reduction in interest rates on term loans, WCTL and working capital.

Promoters contribution to support restructuring package amounting Rs.171.00 Crores.

Creation of security in favor of CDR lenders in order to secure the debt obligations of the Company under the CDR Package which is under creation.

(ii) Nature of Security of Secured Loans:

(a) All existing term loans, SBI corporate loan, Working Capital Term Loan, FITL, and Working Capital facilities to be secured by first charge on pari passu basis on Fixed Assets and Current Assets. Creation of security in favor of CDR lenders as per Corporate Debt Restructuring (CDR) package is under process.

(b) Vehicle Loans are Secured by hypothecation of specified vehicles against which the finance is obtained.

(iii) Terms of repayment of term loan and other loans are as below:

a) Term Loan under TUFF Scheme - Repayment of these loans has commenced from 31st December, 2011 In Quarterly Installment as Follows:-

FY12H1-0.1%, FY12 (H2)-0.2%, FY13-0.2%, FY14-1.75%, FY15-3%, FY16-9%, FY17-10%, FY18-16%, FY19-17%, FY20-18%, FY21-18% & FY22 (H1)-6.75%

b) Other Term Loan & WCTL - Repayment of these loans is commencing from June, 2013 In Quarterly Installment as Follows:-

FY14-1.75%, FY15-3%, FY16-9%, FY17-10%, FY18-16%, FY19-17%, FY20-18%, FY21-18% & FY22 (H1)-7.25%

c) FITL on TUFFS Loans to be paid within 6 quarters from COD i.e. till 31.03.2013, FITL on SBI corporate loan, IDBI & SIDBI TL facilities, Axis MTM Forex, WCTL & on WC facility to be repaid in 8 equal quarterly installments beginning 30th September, 2014

iv) Since execution of Trust Retention Agreement (TRA) is under process bifurcation of repayment of Principal and payment of Interest is pending.

v) Overall reduction in interest rates on term loans, WCTL and working capital are subject to reconciliation with the lenders which will be done after execution of TRA.

vi) Loans and Advances from related parties - Repayment of these loans are as follows :-

- 10% of the loan amount on or prior to December 31, 2022

- 20% of the loan amount on or prior to December 31, 2023

- Balance 70% of the loan amount on or prior to December 31, 2024

(Rs. In Lacs)

Note 5 Other Long Term Liability

Particulars	31.03.2013	30.09.2012
a) Rent Deposits	36.52	36.52
Total	36.52	36.52

Note 6 Long Term Provisions

Particulars	31.03.2013	30.09.2012
a) Provision for Employee Benefits (Refer Note 33)	176.05	121.17
Total	176.05	121.17



(Rs. In Lacs)

Note 7 Short Term Borrowings

Particulars	31.03.2013	30.09.2012
(A) Secured Borrowings		
a) Working Capital Loan	12,593.02	11,818.29
(B) Unsecured Borrowings		
a) Loans & Advances from Others	1,702.07	1,704.19
Total	14,295.09	13,522.48

(i) Refer Note -4 (i) for restructuring & Note - 4 (ii) Nature of Security

Note 8 Trade Payables

Particulars	31.03.2013	30.09.2012
a) Sundry Creditors for Goods & Expenses	4,213.82	4,542.22
b) Book Overdraft with Banks	751.53	112.13
Total	4,965.35	4,654.35

(i) The names of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.

Note 9 Other Current Liabilities

Particulars	31.03.2013	30.09.2012
a) Current Maturities of long term debts	1,927.57	3,279.59
b) Advance received from Customers	65.61	81.66
c) Creditors for Fixed Assets	87.28	251.80
d) Statutory dues Payable	343.14	162.52
e) Bonus Payable	76.15	110.34
f) Others	1,099.48	506.76
Total	3,599.23	4,392.67

Note 10 Short-Term Provisions

Particulars	31.03.2013	30.09.2012
a) Provision for Wealth Tax	1.25	1.34
b) Provision for Income Tax	815.48	556.01
c) Provision for Employee Benefits (Refer Note 33)	9.79	7.06
Total	826.52	564.41



Notes forming part of the Financial Statements

Note No. 11 Fixed Assets

(Rs. In Lacs)

Description	Gross Block			Depreciation/Amortization			Net Block		
	As at 01.10.2012	Additions	Deletions	As at 31.03.2013	Up to 30.09.2012	For the Year	Up to 31.03.2013	Total As at 31.03.2013	Total As at 30.09.2012
Tangible Assets									
Land	9,902.22	-	-	9,902.22	-	-	-	9,902.22	9,902.22
Buildings	8,058.80	1,026.53	-	9,085.33	665.64	129.65	799.97	8,285.36	7,393.16
Plant & Machineries	34,806.37	91.33	-	34,897.70	8,551.02	1,081.77	9,632.79	25,264.91	26,255.35
Equipments	150.33	3.64	-	153.97	47.02	4.67	51.69	102.28	103.31
Furniture & Fixtures	256.42	8.29	-	264.71	55.87	8.26	64.13	200.58	200.55
Vehicles	192.61	-	-	192.61	82.84	9s.12	91.96	100.65	109.77
Electrical Installations	1,450.45	15.24	-	1,465.69	360.06	74.66	434.72	1,030.97	1,090.39
Computers	150.59	8.40	-	158.99	93.12	12.09	105.21	53.78	57.47
Sub-Total	54,967.79	1,153.43	-	56,121.22	9,855.57	1,320.22	11,180.47	44,940.75	45,112.24
Intangible Assets									
Brand Value	550.00	-	-	550.00	550.00	-	550.00	-	-
Goodwill	223.32	-	-	223.32	167.49	11.17	178.66	44.66	55.84
Sub-Total	773.32	-	-	773.32	717.49	11.17	728.66	44.66	55.84
Total	55,741.11	1,153.43	-	56,894.54	10,573.06	1,331.39	11,909.13	44,985.41	45,168.08
Capital W.I.P.									
Building	1,000.64	-	1,000.64	-	-	-	-	-	1,000.64
Plant & Machineries	37.07	16.89	37.07	16.89	-	-	-	16.89	37.07
Electrical Installations	-	4.85	-	4.85	-	-	-	4.85	-
Total	1,037.71	21.74	1,037.71	21.74	-	-	-	21.74	1,037.71
Grand Total	56,778.82	1,175.17	1,037.71	56,916.28	10,573.06	1,331.39	11,909.13	45,007.15	46,205.79
Previous Year	48,098.69	11,519.42	2,839.28	56,778.83	6,362.12	4,295.78	10,573.05	46,205.79	

(i) During the earlier year he Company had revalued Plant and Machinery, Land and buildings situated at Daman, Bangalore, Tarapur, Navi Mumbai, Bhiwandi & Mumbai as on October 01, 2011 and the incremental value on revaluation amounting to Rs.10,530.33 Lacs was credited to Revaluation Reserve and diminution in value of Fixed Assets amounting to Rs.2,563.21 Lacs was debited to P & L account. Consequent to upward revaluation, there is an additional charge for depreciation of Rs.83.70 Lac for the period which has been withdrawn from the Reserves.

(ii) Company has 2 plot of leasehold land, one at Plot No. 9 - M, Yarananahally, Near Ashok Leyland Factory, Bommasandra and other at Land plot no SW -27, 28, 29, 30at Apparel Park II phase, Village Aechalligaddadahalli, Dooda Ballapura through Lease Cum Sale Agreement dated 9 May 2007 (Regn. No. 703/2007-08) and Lease Cum Sale Agreement dated 22 October 2008 (Regn. No. 4366/2008-09) respectively, with Karnataka Industrial Areas Development Board ("KIADB").

Company is in the process of complying with the terms and condition of the said Lease Cum Sale Agreement. The Company would have to incur additional cost to acquire ownership of the said plot of Land from KIADB.

(iii) Addition in Building Rs. 1026.53 laces includes Rs. 836.93 pertains to capitalization of previous period. Consequently the depreciation of Rs. 4.68 laces has been shown as prior period item.



(Rs. In Lacs)

Note 12 Non-Current Investments

Particulars	31.03.2013	30.09.2012
(a) Unquoted		
a) 10,000 Fully paid up Equity Shares of The Bharat Co-op. Bank (Mumbai) Ltd.	1.00	1.00
Total	1.00	1.00

Note 13 Long Term Loans & Advances

Particulars	31.03.2013	30.09.2012
(A) Unsecured, Considered Good		
a) Deposit with Govt. & Semi Gov. Authorities	196.78	153.28
b) Deposit - Others	350.86	214.91
c) TDS Receivable	65.64	56.45
d) Capital Advances	154.28	123.69
Total	767.56	548.33

Note 14 Deferred Tax Assets (Net)

Particulars	31.03.2013	30.09.2012
a) Written Down Value of Fixed Assets	2,676.38	2,440.42
b) Brought Forward Losses and Unabsorbed Depreciation	(4,233.01)	(3,646.02)
c) Disallowances u/s 43B of the Income Tax Act, 1961	(36.95)	(397.07)
d) Employee Separation Compensation	(19.58)	(10.49)
Deferred Tax Assets (net)	(1,613.16)	(1,613.16)

(i) Deferred Tax Assets on account of brought forward losses and unabsorbed depreciation has been recognized keeping in view of binding contract with promoter company for export and increasing turnover.

Note 15 Current Investments

Particulars	31.03.2013	30.09.2012
(A) Quoted		
Investment in Equity Instruments		
a) Shasun Chemicals & Drugs Ltd. 10,000 Equity Share of Face Value of Rs. 10 each fully paid up	5.88	5.88
b) Mahanagar Telephone Nigam Ltd. 13,000 Equity Share of Face Value of Rs. 10 each fully paid up	17.25	17.25
Total	23.13	23.13
Less: Provision for diminution in value of Investment	(14.85)	(13.03)
Total	8.28	10.10
Total Market Value of Quoted Equity Investments	9.08	20.29



(Rs. In Lacs)

Note 16 Inventories

Particulars	31.03.2013	30.09.2012
a) Raw Materials	1,104.27	1,189.77
b) Work-in-progress	2,018.95	1,540.14
c) Finished Goods	4,728.15	3,745.79
d) Consumable	230.67	201.44
Total	8,082.04	6,677.14

Note 17 Trade Receivables

Particulars	31.03.2013	30.09.2012
(A) Unsecured, Considered Good		
a) For a period exceeding six months	576.63	1,852.81
b) Less than six months	5,865.54	2,691.12
Total (A)	6,442.17	4,543.93
(B) Doubtful		
a) For a period exceeding six months	357.27	290.14
b) Less than six months	25.40	67.13
Less: Provision for bad and doubtful debts	382.67	357.27
Total (B)	-	-
Total (A+B)	6,442.17	4,543.93

(i) Ageing of Debtors has been done on the basis of Invoice Date

Note 18 Cash and Bank Balances

Particulars	31.03.2013	30.09.2012
a) Balance with banks		
- Currents Account Balances	115.85	5,956.44
b) Bank Deposits :-		
- With more than 12 Month Maturity	77.20	79.95
- With Less than 12 Month Maturity	533.09	721.42
c) Cash on hand	11.66	14.51
Total	737.80	6,772.32

(i) Balance with banks includes Unclaimed Dividend of Rs. 3,21,741/-



(Rs. In Lacs)

Note 19 Short Term Loans and Advances

Particulars	31.03.2013	30.09.2012
(A) Unsecured, Considered Good		
a) Interest Receivable	1,443.32	1,140.92
Less :- Provision for Tuff Receivable	1,071.77	
	371.55	1,140.92
b) Export Incentive Receivable	650.15	446.05
c) Loans to Employees	5.24	36.13
d) Advance Receivable in cash or in kind	455.03	511.04
Total	1,481.97	2,134.14

- (i) Provision for Tuff receivable of Rs. 1071.77 lacs pertains to Term Loan of Phase II.
- (ii) Export Incentive Receivable includes Focus Product Scheme Receivable of Rs. 208.55 lacs (P.Y Rs.190.14) for which company is in the process of availing license under Focus Product Scheme to get the benefit.

Note 20 Other Current Assets

Particulars	31.03.2013	30.09.2012
a) Prepaid Expenses	53.06	61.42
b) Advances to Suppliers	1,118.64	810.87
Total	1,171.70	872.29

Note 21 Revenue From Operations

Particulars	31.03.2013	30.09.2012
Sale of Products	12,633.21	29,358.89
Sale of Services	248.68	1,104.41
Other Operating Revenues	329.19	905.06
Less: Excise Duty	(183.23)	(475.97)
Total	13,027.85	30,892.39

Note 22 Other Income

Particulars	31.03.2013	30.09.2012
Interest on Bank Deposits	12.38	93.56
Interest on Others	2.27	89.56
Dividend Income	-	10.40
Sundry Balances Written Back	318.88	268.18
Other Non-Operating Income	35.86	10.14
Total	369.39	471.84



(Rs. In Lacs)

Note 23 Cost Of Material Consumed/Traded

Particulars	31.03.2013	30.09.2012
Opening Stocks	1,189.77	5,467.55
Add: Purchases	7,769.35	18,076.99
Add: Direct Cost	269.47	565.11
Less: Closing Stocks	(1,104.27)	(1,189.77)
Total	8,124.32	22,919.88
Material consumed comprises	31.03.2013	30.09.2012
Yarn	2,718.06	10,331.71
Fabric	3,988.20	8,803.36
Consumables	1,418.06	3,784.81
Total	8,124.32	22,919.88

Note 24 Manufacturing Expenses

Particulars	31.03.2013	30.09.2012
Weaving & Dyeing Charges	398.98	1,249.48
Factory Expenses	55.58	445.76
Wages & Labour Charges	2,770.40	5,310.40
Power, Fuel & Water	1,119.60	2,927.78
Consumables	1,898.89	4,879.57
Total	6,243.45	14,812.99

Note 25 Change in Inventories of Finished Goods and Work-in-Progress

Particulars	31.03.2013	30.09.2012
Finished Goods		
Closing Stock	4,728.15	3,745.78
Less: Opening Stock	3,745.78	8,471.65
Total (A)	982.37	(4,725.86)
Work-in-Progress		
Closing Stock	2,018.95	1,540.14
Less: Opening Stock	1,540.14	5,457.03
Total (B)	478.81	(3,916.89)
Total (A+B)	1,461.18	(8,642.75)
Product wise breakup of Finished Goods & Work-in-Progress		
Particulars	31.03.2013	30.09.2012
Finished Goods		
Finish Fabric	3,577.92	3,181.39
Garments	1,150.23	564.40
	4,728.15	3,745.79
Work-in-Progress		
Grey Fabric	2,018.95	1,540.14
	2,018.95	1,540.14
Total	6,747.10	5,285.93



(Rs. In Lacs)

Note 26 Employee Benefits Expenses

Particulars	31.03.2013	30.09.2012
Salaries and Wages	285.96	927.16
Directors Remuneration	56.01	136.96
Contribution to Provident & Other Funds	153.16	306.59
Staff Welfare expenses	42.54	83.50
Total	537.67	1,454.21

Note 27 Finance Cost

Particulars	31.03.2013	30.09.2012
Interest Expenses	1,632.60	6,595.96
Charges and Commission	13.93	277.71
Provision for Tuff Receivable	1,071.77	-
Net loss on foreign currency transactions	-	68.36
Total	2,718.30	6,942.03

Note 28 Administrative and Other Expenses

Particulars	31.03.2013	30.09.2012
Selling and Distribution Expenses :-		
i) Discount on Sales	128.44	405.71
ii) Freight Forwarding & Clearing Expenses	233.80	401.58
iii) Other Selling and Distribution Expenses	49.74	336.69
Repair and Maintenance:-	-	-
i) Repair to Building	16.59	75.33
ii) Repair to Plant & Machinery	39.07	70.84
iii) Repair Others	48.66	56.33
Statutory Auditors :-		
i) Audit Fees	8.99	29.21
ii) Tax audit fees	4.49	4.49
iii) Certification and others	1.07	5.16
Others :-		
Power & Fuel	8.47	29.70
Insurance	25.02	64.63
Rent, Rates and Taxes	50.64	165.65
Security Charges	50.63	125.14
Loss on Fire	-	414.18
General Expenses	47.91	180.84
Sundry Balance Written Off	8.26	220.62
Provision for Doubtful Debts	25.40	321.21
Printing & Stationery	29.42	67.87
Travelling & Conveyance	160.18	258.59
Communication Expenses	41.62	110.88
Legal & Professional Charges	107.87	426.28
Total	1,086.27	3,770.94



(Rs. In Lacs)

Note 29 Prior Period Items

Particulars	31.03.2013	30.09.2012
a) Rent Rates & Taxes	-	43.20
b) Bank Interest	120.82	-
c) Detention Charges	-	97.10
d) Depreciation of earlier years	4.68	-
e) Salary & Professional Fees	-	2.06
f) Duties & Taxes	-	59.05
g) Other Administrative Expenses	9.66	17.64
Total	135.16	219.05

Note 30 Earning Per Share (EPS)

Particulars	31.03.2013	30.09.2012
a) Net Loss after tax available for equity shareholders.	(5,524.47)	(32,762.38)
b) Weighted average number of Ordinary Shares for Basic EPS	47,990,469	47,990,469
Weighted average number of Ordinary Shares for Diluted EPS	47,990,469	47,990,469
c) Nominal Value of Ordinary Shares (in Rs.)	10.00	10.00
d) Basic Earnings per Ordinary Share	(11.51)	(68.27)
e) Diluted Earnings per Ordinary Share	(11.51)	(68.27)

Note 31 Contingent Liabilities and Commitments (To the extent not provided for)

Particulars	31.03.2013	30.09.2012
(A) Contingent Liabilities		
a) Claims against the company not acknowledged as debts		
i. Income Tax Act, 1961	-	289.47
ii. Works Contract Tax	250.22	250.22
iii. Penalty levied by Director General of Foreign Trade	6.50	6.50
iv. Others	119.23	77.71
Total (A)	375.95	623.90
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	427.70	59.19
Total (B)	427.70	59.19
Total (A+B)	803.65	683.09

(i) The company has imported machinery and raw material under the Export Promotion Guarantee Corporation Scheme of Central Government. Under the said scheme the company has availed the benefit of payment of import duty at subsidized rates which is dependent upon fulfillment of export obligation of Rs. 436.12 Crores, out of which the company has already effected exports of Rs.300.12 Crores thereby the company has pending export obligation of Rs. 136.00 Crores which is required to be fulfilled up to 31.3.2018.

(ii) Refer Note -11 (ii) Fixed Assets for additional contingent liabilities



(Rs. In Lacs)

Note 32 Other Information

Particulars	31.03.2013	30.09.2012
a) CIF Value of Imports		
-Capital Goods	67.81	535.22
-Consumable	261.50	559.24
b) Expenditure in foreign currency		
- Travelling	23.74	48.26
- Business Promotion	-	9.10
- Commission	6.59	132.58
c) Earning in foreign currency		
FOB Value of Exports	4,356.55	9,357.01

Note 33 Disclosure As per AS 15 Revised**A) Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognized as expense for the period is as under :

Particulars	31.03.2013	30.09.2012
Employer's Contribution to Provident & Pension Fund	103.18	212.67
Employer's Contribution to ESIC Fund	49.98	93.66
Total	153.16	306.33

B) Defined Benefit Plan**i) Gratuity (Unfunded)**

Particulars	31.03.2013	30.09.2012
a) The principal assumptions used in the actuarial valuation of Gratuity are as follows		
Discount Rate	8.20%	8.50%
Expected Return Plan Assets	N.A	N.A
Mortality	LIC (1994-96)	LIC (1994-96)
Future Salary Increase	6%	6%
Attrition	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Retirement	58	58
Actuarial assumption may vary in light of economic conditions		
b) Changes in present value of obligations		
Opening Balance of Present value of obligation	104.41	43.83
Interest Cost	4.35	1.47
Current Service Cost	29.01	49.23
Benefits paid	(4.17)	(63.82)
Actuarial(gain)/Loss on obligations	(9.77)	73.70
Total	123.83	104.41
c) Expenses recognized in the Profit and Loss Account		
Current Service Cost	29.01	49.23
Interest Cost	4.35	1.47
Net Actuarial (Gain)/Loss recognized during the period	(9.77)	73.70
Total Expenses recognized in the Profit and Loss account	23.59	124.40



ii) Leave Encashment

Particulars	31.03.2013	30.09.2012
Amount Charged to Profit & Loss Account during the period	50.12	23.82
Total	50.12	23.82

Note 34 Related Parties Disclosure:

A) Name of Related Parties and Description of relationship:

Key Management Personnel	Relationship
Mr. Yangweon Yoo	Managing Director w.e.f 30th September, 2011
Mr. Eung Kyun Shin	Chairman and Whole Time Director(w.e.f 30th September, 2011)
Mr. Jung Ho Hong	Whole Time Director(w.e.f. 7th February, 2012)
Mr. Kwang Hyuck Choi	Whole Time Director (w.e.f 23rd August, 2011)
Mr. Murarilal Agarwal	Chairman & Managing Director(till 31st July 2011) Joint Managing Director(w.e.f 1st August 2011 till 22nd March 2012)
Mr. Ravindra Agarwal	Joint Managing Director (till 31st July 2011) Whole Time Director (w.e.f. 1st August 2011 till 22nd March 2012)

B) Ultimate Holding Company

E Land World Co. Ltd.

C) Holding Company

E Land Asia Holdings Pte Ltd

D) Fellow Subsidiary Company

E Land Fashion (Shanghai) Co. Ltd
E Land Retail Ltd
WHOAU Holdings Inc.
Elphis Lanka Ltd.
E Land International Fashion Co. Ltd.
JEWOO Manufacturing Co. Ltd.
Wish trading Co. Ltd
E Land Fashion India Pvt. Ltd.

E) Related Party Transactions:

	Nature of Transaction	In Relation to "A" Above	In Relation to "B" Above	In Relation to "C" Above	In Relation to "D" Above
1)	Transactions :-				
	Directors remuneration	54.51 (126.65)			
	Loan Taken	- (1,500.00)			3,164.00 (17,503.40)
	Loan Repaid	- (216.03)			
	Purchase of Goods	- (-)	33.09 (58.67)		61.96 (199.11)
	Sale of Goods	- (-)	2,008.81 (2,206.83)		625.42 (347.94)



Nature of Transaction	In Relation to "A" Above	In Relation to "B" Above	In Relation to "C" Above	In Relation to "D" Above
2) Outstanding as at period end :-				
Trade Receivable	-	659.51		291.55
	-	(114.04)		(170.19)
Trade Payable	-	33.09		2.62
	-	(-)		(6.84)
Advance Received	-			
	-			
Director Remuneration Payable	23.67			
	(23.18)			
Loan	-			20,667.40
	(-)			(17,503.40)

Figures in brackets pertains to Previous Year

F) Statement of Material Transactions

Nature of Transaction	31.03.2013	30.09.2012
1) Key Management Personnel		
Mr. Kwang Hyuck Choi Director remuneration	17.76	27.34
Mr. Eung Kyun Shin Director remuneration	12.65	36.13
Mr. Jung Ho Hong Director remuneration	8.64	17.85
Mr. Yangweon Yoo Director remuneration	15.46	36.73
Loan Taken	-	851.30
Mr. Ravindra Agarwal Loan Taken	-	648.70
Mr. Murarilal Agarwal Loan Repaid	-	94.16
Mr. Ravindra Agarwal Loan Repaid	-	121.87
2) Ultimate Holding Company		
E Land World Co. Ltd. Purchase of Goods	33.09	58.67
Sale of Goods	2,008.81	2,206.83
3) Fellow Subsidiary Company		
E Land Fashion (Shanghai) Co. Ltd Sale of Goods	290.75	186.11
Eland Retail Ltd Sale of Goods	264.15	21.41
WHOAU Holdings Inc. Sale of Goods	42.12	100.53
Wish trading Co. Ltd Purchase of Goods	60.72	193.64

**Note 35 Segment Reporting:-**

The Company is mainly engaged in the business of manufacturing of textiles consisting of fabric and garments. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz; textile products as reportable segment. The Company operates in Local & Export segments geographically of which the export sales is Rs. 4356.55 Lacs (P.Y. Rs 9,357.01 Lacs) & Local Sales is Rs. 8276.66 Lacs (P.Y. Rs. 21,535.29 Lacs). However due to the integrated nature of business the assets/ liabilities and expenses for these activities can not be bifurcated separately.

Note 36 Lease

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets are:-

Particulars	31.03.2013	30.09.2012
a) Not later one year	24.05	229.16
b) Later than one year and not later than five year	77.84	707.51
c) Later than five year	35.50	61.09

Note 37 The Company is investigating the matter of misappropriation of fund of the company in earlier year and has made appropriate provisions for the same in the books.

Note 38 The Company has filed requisite applications to the Central Government along with the Condonation of delay in terms of the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 to seek approval for the appointment & remuneration of the 4 foreign national Directors. The Company is still awaiting for the approval from the Central Government.

Note 39 Search and seizure operations were carried out by the Income tax authorities on 12 August 2009 at the premises of Mudra Lifestyle Limited. Pursuant to the same, the tax officer re-opened the assessment for tax year 2003-04 to 2009-10 and determined the tax demand of Rs 21.40 crores. Aggrieved by the same, the Company had filed an appeal with the CIT(A) against the above assessment orders. The appeal is pending for disposal before the CIT(A). Further, the Company had filed a rectification application and pursuant to the same, the tax officer rectified the mistakes in the assessment order and issued a revised tax demand of Rs 11.12 crores. Further, MLL has deposited tax demand of Rs 5.56 crores with income tax authorities under protest. The tax officer has agreed to keep the balance tax demand of Rs 5.56 crores in abeyance till March 2013 or disposal of appeal whichever is earlier. Further, penalty proceedings u/s 271(1)(c) of the Income Tax Act, 1961 ('Act') have been initiated for tax year 2003-04 to 2009-10. However, the same has been kept in abeyance until disposal of appeal before the CIT(A). Further, the tax officer had levied penalty of Rs 2.89 crores u/s 271AAA of the Act for tax year 2009-10, MLL has deposited Rs. 30 lacs under protest. However, MLL has filed an appeal before the CIT(A) against the said penalty order and is pending for disposal before the CIT(A).

Note 40 The Company has regrouped/ reclassified the previous period figures in accordance with the requirements applicable in the current period. The previous period figures are not comparable since the previous period was for 18 Month and current period figures is for 6 Months.

As per our attached report of even date

For K C P L & Associates

Chartered Accountants

Firm Reg. No. 119223 W

Sd/-

Paras Jain

Partner

Mem. No. 134160

Place : Mumbai

Date: 29th May , 2013

For and on behalf of the Board

Sd/-

Yangweon Yoo

Managing Director

Sd/-

Jungho Hong

Director

Place : Mumbai

Date: 29th May , 2013

Sd/-

Whon Young Chung

Chief Financial Officer

Sd/-

Ashitosh Sheth

Company Secretary

**Balance Sheet Abstract & Company's General Business Profile****I. Registration Details**

Registration No. :	106945	State Code:	11
Balance Sheet Date :	31 3 2013		
	Date Month Year		

II. Capital raised during the year (Rs. in lacs)

Public Issue (inclusive of Security Premium)	Nil	Rights Issue	Nil
Bonus Issue	NIL	Preferential Allotment (inclusive of Security Premium)	Nil

III. Position of Mobilisation and Deployment of Funds (Rs. in Lacs)

Total Liabilities	65,312.83	Total Assets	65,312.83
Source of Funds			
Paid-up Capital	4,799.05	Reserves and Surplus	(9,555.12)
Share warrants	Nil	Secured Loans	38,847.29
Unsecured Loans	22,369.47	Deferred Tax Liabilities	Nil
Application of Funds			
Net Fixed Assets	45,007.15	Investments	9.28
Net Current Assets	18,683.25	Misc. Expenditure	Nil
Accumulated Losses	Nil	Deferred Tax Assets	1,613.16

IV. Performance of Company. (Rs. in Lacs)

Net Turnover (including Other Income)	13,397.24	Total Expenditure	18,496.52
Profit/(Loss) Before Tax	(5,234.44)	Profit/(Loss) After Tax	(5,524.47)
Earning Per Share in (Rs.)	-11.51	Dividend Rate %	Nil

V. Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)

Item Code No. (ITC Code)	
Product Description	Textile

As per our attached report of even date

For and on behalf of the Board

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

Sd/-
Yangweon Yoo
Managing Director

Sd/-
Whon Young Chung
Chief Financial Officer

sd/-
Paras Jain
Partner
Mem. No. 134160

Sd/-
Jungho Hong
Director

Sd/-
Ashitosh Sheth
Company Secretary

Place : Mumbai
Date: 29th May , 2013

Place : Mumbai
Date: 29th May , 2013



Book-Post

To,

If undelivered, please return to:

MUDRA LIFESTYLE LIMITED

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



MUDRA LIFESTYLE LIMITED

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

ATTENDANCE SLIP

DP Id*..... Folio No.....

Client Id*..... No. of Shares held.....

(*Applicable for investors holding shares in electronic form)

Name of the Member.....

No. of Shares held.....

Name of the Proxy.....

(to be filled only when a proxy attends the meeting)

I hereby record my presence at the 16th Annual General Meeting of the Company on Monday, the 30th day of September, 2013 at 10.00 a.m. Hotel Savoy Suites, Saki Vihar Complex, Saki Naka, Andheri (E), Mumbai-400072.

Signature of Member/ Proxy

*This slip may please be handed over at the entrance of the meeting hall.

Note: Members are requested to bring their copies of the Annual Report to the meeting

PROXY FORM

DP Id*..... Folio No.....

Client Id*..... No. of Shares held.....

(*Applicable for investors holding shares in electronic form)

I/We.....of.....in the district ofbeing member(s) hereby appoint

.....of.....in the district of..... (or failing him/her)

.....of..... in the district of (or failing him/her)

.....of.....in the district of as my/our proxy to attend and vote for me / us on my / our behalf at the 16th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2013 at 10.00 a.m. at Hotel Savoy Suites, Saki Vihar Complex, Saki Naka, Andheri (E), Mumbai-400072 and at any adjournment thereof.

Affix Revenue Stamp

AS WITNESS my hand/our hands thisday of, 2013

Note :

1. The instrument appointing proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Proxy need not be a member of the Company.