



mudra lifestyle ltd.

Office No. 509,  
5th Floor, Western Edge-I,  
Western Express Highway,  
Magathane, Borivali (East),  
Mumbai - 400 066.

Tel : +91-22-4097 2600  
Fax : +91-22-4097 2601  
Email : [contact@mudralifestyle.com](mailto:contact@mudralifestyle.com)  
Web : [www.mudralifestyle.com](http://www.mudralifestyle.com)

CIN : L17110MH1997PLC106945

Date: 4<sup>th</sup> September, 2014

**FORM A pursuant to Clause 31 of the Listing Agreement**

1.	Name of the company	Mudra Lifestyle Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis  i) Note 14 "Deferred Tax Assets" of the Financial Statements, wherein the Company has recognized net deferred tax assets of Rs.2623.96 Lakhs on account of unabsorbed depreciation.  ii) The company has incurred huge losses during the period under audit and preceding audit periods which has resulted in substantial erosion of its net worth. Further, during the year, the Company has disposed off its Fabric Business Unit No. D-1, Tarapur, Maharashtra. However, the company has prepared its financial statements on going concern basis being optimistic about company's production and performance of its garment unit.
4.	Frequency of observation	<del>Whether appeared first time</del> / repetitive/since F.Y 2011-12

For Mudra Lifestyle Limited  
Mr. Yangweon Yoo

Managing Director  
DIN: 03629831

For Mudra Lifestyle Limited  
Mr. Byoungsoon Yi

Chief Financial Officer

For K C P L And Associates LLP  
Mr. Mahavir Jain

Partner  
FRN: 119223W  
Membership No. 121275

For Mudra Lifestyle Limited  
Mr. Chong Taq Baek

Chairman of Audit Committee  
DIN: 01566661



mudra **lifestyle** ltd.

## 17<sup>th</sup> Annual Report 2013-2014







**BOARD OF DIRECTORS**

Mr. Yangweon Yoo	- Managing Director
Mr. Jung Ho Hong	- Executive Director
Mr. Kwang Hyuck Choi	- Executive Director
Mr. Chong Tae Baek	- Independent Director
Mr. Sivabalan Paul Pandian	- Independent Director
Mr. Kyoung Hur	- Independent Director (w.e.f. 5 <sup>th</sup> August, 2014)
Mr. Eung Kyun Shin	- Executive Chairman (Upto 31 <sup>st</sup> March, 2014)
Mr. Gagan Rai	- Independent Director (Upto 2 <sup>nd</sup> June, 2014)
Mr. Wan Ki Eun	- Independent Director (Upto 4 <sup>th</sup> August, 2014)

**MEMBERS OF AUDIT COMMITTEE**

Mr. Chong Tae Baek	: Chairman
Mr. Yangweon Yoo	: Member
Mr. Kyoung Hur	: Member

**CHIEF FINANCIAL OFFICER**

Mr. Byounghoon Yi (W.e.f. 30<sup>th</sup> May, 2014)  
Mr. Chung Whon Young (Upto 29<sup>th</sup> May, 2014)

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Ashitosh Sheth

**REGISTERED OFFICE**

Office No. 509, 5th Floor, Western Edge-I,  
Western Express Highway, Magathane, Borivali (East)  
Mumbai 400066  
Tel.: +91-22-40972600, Fax: +91-22-40972601  
**CIN: L17110MH1997PLC106945**

**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**

K C P L And Associates LLP  
Chartered Accountants,  
Mumbai

**SOLICITORS & LEGAL ADVISORS**

J. Sagar Associates  
SB 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**

Garmenting - Bangalore



<b>Contents</b>	<b>Page No.</b>
Notice	1
Directors' Report	8
Management Discussion & Analysis	13
Report on Corporate Governance	17
Auditor's Report	30
Balance Sheet	34
Statement of Profit & Loss	35
Cash Flow Statement	36
Notes to Accounts	37



## NOTICE

NOTICE is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of the Company will be held at Bay Leaf Banquet Hall, Shop No 67,68,69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali East, Mumbai-400 101 on Tuesday, the 30<sup>th</sup> day of September, 2014 at 10.00 a.m. to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jung Ho Hong, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. S R B C & CO LLP, Chartered Accountants, Mumbai (having FRN. 324982E), be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Statutory Auditor, K C P L And Associates LLP (who have expressed their inability to continue as Statutory Auditors of the Company), who shall hold office from the conclusion of ensuing 17<sup>th</sup> Annual General Meeting until the conclusion of the 22<sup>nd</sup> Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting) of the Company on such remuneration and out of pocket expenses as may be decided by Board of Directors of the Company.”

### SPECIAL BUSINESS:

#### 4. Appointment of Mr. Kyoung Hur as an Independent Director of the Company.

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

**“RESOLVED THAT** Mr. Kyoung Hur (having DIN : 00319651), who was appointed as an Additional Director of the Company w.e.f. 5<sup>th</sup> August, 2014 pursuant to the provisions of the Articles of Association of the Company and as per section 161(1) of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Kyoung Hur for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 4<sup>th</sup> August, 2019, who shall not be liable to retire by rotation.”

#### 5. Appointment of Mr. Sivabalan Paul Pandian as an Independent Director of the Company.

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 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sivabalan Paul Pandian (DIN: 01573458), Independent Director of the Company, whose period of office is liable to determination by retirement by rotation and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a shareholder as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Sivabalan Paul Pandian as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”

#### 6. Appointment of Mr. Chong Tae Baek as an Independent Director of the Company.

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 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Chong Tae Baek (DIN: 01566661), Independent Director of the Company, who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a shareholder as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Chong Tae Baek as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”



**7. Increase in the borrowing limit of the Company under Section 180(1) (c) of the Companies Act, 2013.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company’s bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of Rs. 800 Crores (Rupees Eight Hundred Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, matters, deeds and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

**8. Creation of charge / mortgage on assets of the Company under section 180(1) (a) of the Companies Act, 2013.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgaged, shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, matters, deeds and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

**By Order of the Board of Directors**

**Sd/-**

**Ashitosh Sheth**

**Company Secretary**

**Membership No. A25997**

**Place : Mumbai**

**Date : 14<sup>th</sup> August, 2014**

**Registered Office:**

**Office No. 509, 5th Floor, Western Edge-I,**

**Western Express Highway, Magathane,**

**Borivali (East),**

**Mumbai 400066**

**CIN: L17110MH1997PLC106945**



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, ON A POLL, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses is annexed hereto and forms part of this notice.
3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
5. Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 22<sup>nd</sup> September, 2014 to Friday, 26<sup>th</sup> September, 2014 (both days inclusive).
6. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account Details alongwith self-attested document proof. Members holding shares in the electronic form may update such details with their respective Depository Participants.
7. Members/Proxy are requested to bring their Attendance Slip along with their copy of Annual Report at the time of the Meeting. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting.
8. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
9. Members are requested to address all correspondences, including NECS mandates, etc. to the Registrar and Share Transfer Agents – Bigshare Services Private Limited, Unit - Mudra Lifestyle Limited, E – 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072.
10. Any member seeking information with regards to accounts of the Company is requested to write atleast 7 days before the meeting to enable the Company to keep the information ready.
11. The Register of Directors' Shareholdings, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
12. The balance amount lying in Unpaid Dividend Account for the financial year 2006-2007 is due for transfer to the IEPF administered by the Central Government during the month of October, 2014 as per the requirements under Section 124 of the Companies Act, 2013 read with Companies (Declaration & Payment of Dividend) Rules, 2014. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent financial years are requested to claim it immediately from the Company.
13. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card etc., having photo identity) while attending the meeting.
14. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating members' details.  
  
You are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter by post.  
  
The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.
15. The Notice of the AGM and instructions for evoting, along with Assent/Dissent Form, the Attendance Slip and Proxy Form





are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for hard copy of the same. For members who have not registered their email Ids, physical copies of the aforesaid documents are being sent by courier.

16. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 17<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

17. The instructions for e-voting are as under:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on “Shareholders” tab.
- iii. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.  In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank Details field.

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - a. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - b. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - c. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - d. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

Brief resume of Directors being re-appointed (in pursuance of Clause 49 of the Listing Agreement): (Annexure - 1)

Name of the Director	Mr. Jung Ho Hong	Mr. Kyoung Hur	Mr. Chong Tae Baek	Mr. S. P. Pandian
Date of Birth	19 <sup>th</sup> March, 1971	1 <sup>st</sup> February, 1955	6 <sup>th</sup> March, 1960	21 <sup>st</sup> September, 1958
Nationality	Korean	Korean	Korean	Indian
Date of Appointment on the Board	7 <sup>th</sup> February, 2012	5 <sup>th</sup> August, 2014	23 <sup>rd</sup> August, 2011	29 <sup>th</sup> April, 2007
Designation	Whole Time Director	Additional Independent Director	Independent Director	Director
Qualification	Graduate in Laws from Hanyang University	BA, Soongjun University	PhD from Mumbai University; MA in Intercultural Studies, Wheaton College, USA, MA in Ancient Indian History & Culture, Mumbai; B.A. in English literature, Ajou University.	M.Sc. Tech from Mumbai University
Experience/Expertise	Vast experience in Mergers, Acquisitions and other Legal matters of the Company.	General Management in Textiles Business	Experience in General Management Trading and Logistics Business on Textiles	Textile Technologist having worked for more than 20 years in the manufacturing areas of various leading textile mills.
Shareholding in the Company	Nil	Nil	Nil	Nil
Directorships in other Companies	1. E-Land Hotels & Resorts India Private Limited	1. Branee Business S&A Pvt. Ltd 2. Keltech Offshore & Engineering Services Pvt. Ltd.	1. Green Ville Business Solutions And Services Private Limited	1. Lovable Lingerie Limited
Membership in Committees	1. Finance Committee	1. Audit Committee 2. Nomination & Remuneration Committee	1. Audit Committee 2. Nomination and Remuneration	1. Nomination and Remuneration
Relationship with existing Directors of the Company	Nil	Nil	Nil	Nil



**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4**

Mr. Kyoung Hur was appointed as an Additional Director of the Company w.e.f. 5<sup>th</sup> August, 2014. Pursuant to the provisions of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, Mr. Kyoung Hur holds office upto the date of this Annual General Meeting. The Company has received a notice from a shareholder of the Company along with the requisite deposit under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director.

In terms of the provisions of Section 149 and 152 of the Companies Act, 2013, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

Mr. Kyoung Hur has given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Kyoung Hur proposed to be appointed as an Independent Director fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management.

Brief resume of Mr. Kyoung Hur as stipulated under Clause 49 of the Listing Agreement is given in the Notice.

The Board recommends passing of the Ordinary Resolution as set out at item no. 4 of the notice.

Except, Mr. Kyoung Hur, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

**Item Nos. 5 & 6**

Mr. Sivabalan Paul Pandian and Mr. Chong Tae Baek were appointed as Independent Directors of the Company on 29<sup>th</sup> April, 2007 and 23<sup>rd</sup> August, 2011 respectively. Their office is liable to retire by rotation at the Annual General Meetings of the Company as per their terms of appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1<sup>st</sup> April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Sivabalan Paul Pandian and Mr. Chong Tae Baek as Independent Directors of the Company to hold office as such for a period upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.

Mr. Chong Tae Baek and Mr. Sivabalan Paul Pandian have given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notice along with requisite deposit under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director.

In the opinion of the Board, Mr. Chong Tae Baek and Mr. Sivabalan Paul Pandian proposed to be appointed as Independent Directors fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management.

Brief resume of Mr. Chong Tae Baek and Mr. Sivabalan Paul Pandian, proposed to be appointed as stipulated under the Clause 49 of the Listing Agreement, are given in the annexure to the Notice.

The Board recommends the Resolutions as set out at item Nos. 5 & 6 of the Notice for your approval.

Except, Mr. Chong Tae Baek and Mr. Sivabalan Paul Pandian, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolutions.

**Item Nos. 7 and 8:**

In order to meet the future requirements of funds, which may arise on account of the plans/programs/business, the Company may require further loans/borrowings from time to time from financial institutions, banks and other entities. As per provisions of Section 180(1) (c) of the Companies Act, 2013, a Company cannot take loan exceeding aggregate of its Capital and free reserves (except temporary loans obtained from the Company's bankers in the ordinary course of business), unless approved by its members by passing Special Resolution. Further to secure such borrowings, the Company may be required to create charge/ mortgage/ hypothecation on all or any of its movable and immovable assets, both present and future as and when required from time to time. As per the provisions of Section 180(1) (a) of the Companies Act, 2013 a Company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings unless approved by its members by passing Special Resolution.



In terms of the provisions of Section 180(1) (c) and 180(1) (a) of the Companies Act, 2013, the Company needs to take approval of members of the Company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the Company to secure the money(ies) borrowed from financial institutions, banks and others financial entities from time to time. Hence it is proposed to take your approval for a limit upto Rs. 800 Crores.

The Board recommends the resolutions as set out at item nos. 7 & 8 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company and relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolutions.

**By Order of the Board of Directors**

**Place : Mumbai  
Date : 14<sup>th</sup> August, 2014**

**Sd/-  
Ashitosh Sheth  
Company Secretary  
Membership No. A25997**

***Registered Office:*  
Office No. 509, 5th Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East),  
Mumbai 400066**

**CIN: L17110MH1997PLC106945**

**DIRECTORS' REPORT**

To,  
The Members of Mudra Lifestyle Limited,

Your Directors present the 17<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS:**

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2014 is summarized below:

(Rs. In Lakhs)

Particulars	2013-14 (12 Months)	2012-13 (6 Months)
Operational & Other Income	34,670.43	13,399.07
Profit before Interest, Depreciation, Exceptional Items & Tax	(5,427.15)	(1,147.63)
Interest	3,579.34	2,839.12
Depreciation & Amortization	2,489.79	1,247.69
Profit/(Loss) before exceptional items and tax	(11,496.28)	(5,234.44)
Less: Exceptional Items	8013.88	-
Profit/(Loss) before tax	(3,482.40)	(5,234.44)
Less/(Add): Provision for Taxation including prior period adjustments	1138.14	290.03
Deferred Tax	1,010.80	-
Net Profit /(Loss) after tax	(1,333.45)	(5,524.47)
Balance brought forward	(35,515.42)	(29,990.95)
Balance carried to Balance Sheet	(36,848.87)	(35,515.42)
EPS Basic	(2.78)	(11.51)
EPS Diluted	(2.78)	(11.51)

**Note:** The above mentioned figures for current year are for 12 months i.e. from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 whereas the previous period figures are for 6 months i.e. from 1<sup>st</sup> October, 2012 to 31<sup>st</sup> March, 2013, hence the current year figures are not comparable with the previous period figures.

**OPERATIONS OF THE COMPANY:**

During the year under review, the Company earned total revenue of Rs. 34,670.43 Lakhs (Previous year Rs. 13,399.07 Lakhs). Total Expenses were Rs. 46,166.71 Lakhs (Previous year Rs. 18,633.5 Lakhs). Loss before tax stood at Rs. 3,482.40 Lakhs (Previous year Rs. 5,234.43 Lakhs). The previous period figures are for 6 months i.e. from 1<sup>st</sup> October, 2012 to 31<sup>st</sup> March, 2013, hence the current year figures are not comparable with the previous period figures.

**DIVIDEND:**

As there are no profits, the Board of Directors of the Company do not recommend any payment of dividend on the shares for the financial year 2013-14. Accordingly, no amounts are proposed to be transferred to reserves.

**REGISTERED OFFICE:**

During the year under review, the Registered Office of the Company was shifted to 509, 5th Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai-400066 with effect from Monday, 18<sup>th</sup> November, 2013.

**BOOK CLOSURE:**

The Register of Members and Share Transfer Books shall remain closed from Monday, 22<sup>nd</sup> September, 2014 to Friday, 26<sup>th</sup> September, 2014 (both days inclusive). The Annual General Meeting of the Company is scheduled to be held on 30<sup>th</sup> September, 2014 in Mumbai.

**SLUMP SALE OF UNIT D-1 LOCATED AT TARAPUR:**

During the year under review, the Company has transferred its Unit D-1 of Fabric Business located at Tarapur on a going concern basis by way of slump sale to E-Land Fashion India Pvt. Ltd., wholly owned subsidiary of the holding company viz. E-Land Asia Holding Pte Ltd. for cash consideration of INR 46.49 Crores.



Approval of the shareholders as required under Section 180(1)(a) of the Companies Act, 2013 for the said transaction of Slump Sale of Unit D-1 was sought by way of Postal Ballot process, result of which was declared on 21<sup>st</sup> March, 2014.

**SALE OF NON-CORE ASSETS:**

The Company also decided to sell its Non-Core Assets to prospective Buyers for an appropriate consideration. The Non-Core Assets identified by the Company are as follows:

- \* All Units of Daman
- \* All Units of Bhiwandi
- \* Unit N-12 of Tarapur

Approval of the shareholders as required under Section 180(1)(a) of the Companies Act, 1956 for the said Non-Core Assets was sought by way of Postal Ballot process, result of which was declared on 21<sup>st</sup> March, 2014.

The Company has already commenced the process of the sale of the above mentioned Non-Core Assets and ascertained the prospective buyers for the same. Majority of the transactions are on advanced stage of completion.

**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 23<sup>rd</sup> August, 2001 and subsequent amendments thereto. The CDR Scheme was approved by the CDR Cell vide its Letter of Approval dated 27<sup>th</sup> June, 2012 subject to the compliance of the conditions mentioned therein. The implementation of the CDR Scheme was to be made within a period of 120 days from the issuance of the said Letter of Approval. The Company has already executed Master Restructuring Agreement (MRA) and has opened the Trust and Retention Account (TRA) with SBI on the terms and conditions set out in Trust and Retention Account Agreement. 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 CDR lenders for majority of its properties is completed and for rest of the properties it is in advanced stage for creation of security.

**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 31<sup>st</sup> March, 2014 have exceeded its entire Net Worth. Accordingly, your Company is required 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 can 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:**

As per provisions of Rule 19A of the Securities Contracts (Regulations) Rules, 1957, and Clause 40A of the Listing Agreement, every listed company shall maintain public shareholding of at least 25% of its listed share capital. However, the promoters of the Company, comprising of Mr. Murarilal Agarwal, Mr. Ravindra Agarwal, Mr. Vishwambharlal Bhoot (Old Promoters) and E-Land Asia Holdings Pte Ltd. hold 85.79% of Equity Shares. Accordingly, at present, the public shareholding of the Company falls short of the required MPS by 10.79%, which is not in compliance with the said rule and clause.

Your Company had received an order dated 4<sup>th</sup> June, 2013, issued under Sections 11(1), 11(2)(j), 11(4) and 11(B) of the SEBI Act, 1992 read with section 12A of SCRA Act, 1956 in relation to the said non-compliance with requirement of Minimum Public Shareholding.

The Company's officials and old promoters of the Company along with Legal Advisors attended the personal hearing before Securities and Exchange Board of India (SEBI) on 26<sup>th</sup> June, 2014. The Company officials deliberated the various options to comply with MPS requirement including Offer for Sale. 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 shall require more time to meet the MPS requirements. SEBI adjourned the meeting till next three months.

**SHARE CAPITAL:**

The Company's Authorised Share Capital is Rs. 6,001 Lakhs comprising of 6,00,10,000 Equity Shares of Rs. 10/- each and paid up share capital is Rs. 4,799.05 Lakhs comprising of 4,79,90,469 Equity Shares of Rs. 10/- each fully paid up. There was no change in capital of the Company during the period under review.

**LISTING:**

The Equity Shares of the Company are listed on BSE Limited (BSE) with Scrip Code '532820' and on The National Stock Exchange of India Limited (NSE) having symbol as 'MUDRA'.

The listing fee for the year 2014-15 has been paid to both the Stock Exchanges.



**DIRECTORS:**

Mr. Eung Kyun Shin, Executive Chairman, Mr. Gagan Rai and Mr. Wan Ki Eun, Independent Directors of the Company resigned from directorship of the Company with effect from close of working hours of 31<sup>st</sup> March, 2014, 3<sup>rd</sup> June, 2014 and 5<sup>th</sup> August, 2014 respectively due to their other occupations. Your Directors take this opportunity to express their deep sense of appreciation for the valuable services rendered by Mr. Eung Kyun Shin, Mr. Gagan Rai and Mr. Wan Ki Eun during their tenure as Directors.

Mr. Kyoung Hur has been appointed as an Additional Independent Director of the Company with effect from 5<sup>th</sup> August, 2014 and holds office upto the date of ensuing 17<sup>th</sup> Annual General Meeting of the Company. The Company has received a notice from a member of the Company under Section 160 of the Companies Act, 2013 in respect of his appointment as the Director at the ensuing Annual General Meeting of the Company, along with the deposit as prescribed there under.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Jung Ho Hong is liable to retire by rotation at the ensuing 17<sup>th</sup> Annual General Meeting of the Company. Mr. Jung Ho Hong, being eligible, offers himself for re-appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 which became effective from 1<sup>st</sup> April, 2014 an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Chong Tae Baek and Mr. Sivabalan Paul Pandian, Independent Directors of the Company to hold office as such upto 31<sup>st</sup> March, 2019 and Mr. Kyoung Hur as an Independent Director of the Company to hold office as such upto 4<sup>th</sup> August, 2019, who shall not be liable to retire by rotation. Your Board recommends for the above appointments.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with the Stock Exchanges.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Company are listed are given in the Notice convening 17<sup>th</sup> Annual General Meeting.

The Company had filed requisite Form 25A for approval of appointment and payment of remuneration for Mr. Jung Ho Hong on 10<sup>th</sup> May, 2013. The Central Government approval for appointment and payment of remuneration of Mr. Jung Ho Hong is pending and the follow up for the same is in process.

**CORPORATE GOVERNANCE REPORT:**

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report
- Corporate Governance Report
- Auditors' certificate regarding compliance of conditions of Corporate Governance

**FIXED DEPOSITS:**

The Company has not accepted/renewed any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956.

**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, hence no such particulars are furnished.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (1) In the preparation of the annual accounts, for the year ended 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 and of the loss of the Company for the year ended 31<sup>st</sup> March, 2014;



- (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) They have prepared the annual accounts 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.

**INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was made before the Committee.

**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 Internal 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 reviews 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:**

The Statutory Auditors, M/s. K C P L And Associates LLP, Chartered Accountants, Mumbai, hold the office till the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them expressing their unwillingness to continue as Statutory Auditors of the Company.

The Company has received a letter from M/s. S R B C & CO LLP, and Associates LLP, Chartered Accountants, Mumbai regarding their willingness to act as Statutory Auditors of the Company. The Company has also received a certificate from them to the effect that their appointment, if made, would be in compliance with the conditions as prescribed under Section 139 of the Companies Act, 2013 and they satisfy the criteria as provided under Section 141 of the Act. They 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 Company has also received a special notice as required under Section 140(4)(i) of the Companies Act, 2013, regarding appointment of M/s. S R B C & CO LLP, Chartered Accountants as Statutory Auditors of the Company.

Your Directors recommend the appointment of M/s S R B C & CO LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of the ensuing 17<sup>th</sup> Annual General Meeting upto the conclusion of 22<sup>nd</sup> Annual General Meeting of the Company subject to ratification of the appointment by members at every Annual General Meetings.

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:**

Pursuant to the provisions of Section 233B of the Companies Act, 1956, the Company was under the purview of Cost Audit. Based on the recommendations of the Audit Committee and approved by the Board of Directors, the Company appointed M/s. Rohit & Associates, Cost Accountants, Mumbai as the Cost Auditors of the Company for audit of the cost accounting records for the financial year 2013-14, with the approval of Central Government.





**RECONCILIATION OF SHARE CAPITAL AUDIT:**

In compliance of Circular No. D&CC/FITTC/CIR-16/2002 dated 31<sup>st</sup> December, 2002 further amended by Circular No.CIR/MRD/DP/30/2010 dated 6<sup>th</sup> September, 2010 issued by the Securities and Exchange Board of India (“SEBI”), Reconciliation of Share Capital Audit has been carried out at the specified intervals by a Practicing 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.

Various Employee related welfare activities were also undertaken by the Company for the welfare of all the employees on the occasion of Women’s Day, World Environment Day, World AIDS Day, Christmas, etc.

Also various Employee Recreation/ Cultural/ Sports/ activities are undertaken by the Company on occasions of New Year, Labour Day, Gandhi Jayanthi, Dussehra, Kannada Rajyotsava etc.

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.

**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.

**Date: 14<sup>th</sup> August, 2014**

**Place: Mumbai**

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-**

**YangweonYoo  
Managing Director  
DIN:03629831**

**Sd/-**

**Jung Ho Hong  
Executive Director  
DIN:02229634**



## 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 and 11% of export earnings. The Indian textile industry currently provides employment directly to more than 45 Million people and 60 million people indirectly. The textile sector is the second largest provider of employment after agriculture. 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. Based on the past trend of growth and estimated end user segment growth, the market size of Technical Textiles in India is projected to Rs. 1.5 lakh crores for the year 2016-17 with a growth rate of 20% per annum.

Source: <http://texmin.nic.in>, <http://www.cii.in>

### 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.

### SWOT ANALYSIS OF THE INDIAN TEXTILE & APPAREL INDUSTRY

#### Strengths

- Abundant raw material availability
- Availability of low-cost skilled labour
- Availability of technically qualified manpower
- Presence across the value chain
- Core industry in India
- Govt. support for the upgradation of the textile Industry
- Growing domestic market by multifold

#### Weaknesses

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

#### Opportunities

- Free trade Agreement with European Union will open up doors further for Indian textile Products
- Price competition with China is gradually decreasing. It should finally disappear in the near future.



- Huge Potential of exports, as difference between India's Textile export (USD 40 billion) and China's exports (USD 265 billion) reflects the opportunity to be tapped
- Indian Economy expected to grow about 8-9% by the year 2018-19
- Product development will help increasing the profitability
- Growing urbanization and increasing size of the organized market has led to increase in demand for quality apparel

**Threats**

- Increased competition in the domestic markets
- Cheaper imports
- Outdated regulatory framework
- Increased importance of adherence to ecological and social norms
- Slowing down in the world economies pose a challenge
- Fluctuation in currency exchange rate: currently the Indian currency depreciation against the US dollar has served as a significant boost for exports, however in future there is a risk of Indian currency appreciating and impacting exports
- Trade agreements like Trans Pacific Partnership, CAFTA, GSP, etc. favoring other countries to export to US or EU without trade barriers are also a threat to India's exports
- Fierce competition from the organized as well as the unorganized sector and from both small and big players
- 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.

**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.

**ANNEXURE TO THE DIRECTORS REPORT**

Information as per 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 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2014.

**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".

## (e) Natural ventilation equipment installed on the sheds to conserve energy.

## (f) Installed power factor control/capacitor banks to conserve energy.

## (g) Minimizing idle running of various type of equipment like air conditioners, submersible pumps, lights, generators, compressors and ceiling fans.

## (h) Hot water recovering and re-utilization to the process machines like bleaching, dyeing and washing process cycles.

**FORM A**

Form for Disclosure of Particulars with respect to Conservation of Energy.

**A. Power and fuel consumption**

	Fabric		Garment	
	Current Year	Previous Year	Current Year	Previous Year
<b>1. Electricity</b>				
(a) Purchased				
Unit (Lacs)	119.86	87.74	16.86	5.60
Total amount (Rs. Lacs)	984.94	723.63	109.27	35.58
Rate/unit	8.30	8.25	6.48	6.35
(b) Own generation				
(i) Through diesel generator				
Unit (Lacs Ltrs)	NIL	NIL	0.89	0.26
Total amount (Rs. Lacs)			50.43	13.46
Cost/unit			56.66	51.77
(ii) Through steam turbine/generator				
Units	NIL	NIL	NIL	NIL
Total amount (Rs. Lacs)				
Cost/units				
<b>2. Coal (specify quality and where used)</b>				
Quantity (Tonnes)	11073.99	12384.49	NIL	NIL
Total amount (Rs. Lacs)	601.40	588.23		
Average rate	5431	4750		
<b>3. Furnace oil</b>				
Quantity (K. Ltrs.)	NIL	NIL	NIL	NIL
Total amount				
Average rate				

**B. Consumption per unit of production**

Standards (if any)	Fabric		Garment	
	Current Year	Previous Year	Current Year	Previous Year
Products Unit	144.77 Lacs Meters	118.46 Lacs Meters	42.28 Lacs Pieces	17.92 Lacs Pieces
Electricity (Rs.)	6.80/Meters	6.11/Meters	3.78 / Piece	2.74/Piece
Furnace oil	NIL	NIL	NIL	NIL
Coal	0.76 Kgs/Mts	1.05Kgs/Mts	NIL	NIL
Others	NIL	NIL	NIL	NIL



**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. Substitution of raw material with cheaper options has been undertaken. New process developments and devising new innovative products are essential to improve the bottom-line of the company. New Designs for yarn dyed fabrics and up gradation to finer shirting is targeted.

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

Product quality has improved. Cost reduction methods have been devised. Further, up gradation of quality and innovation will improve the profit margins.

**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 during the year was Rs. 10,390.34 Lakhs (Previous period Rs. 4,356.55 Lakhs) towards Garment & Fabrics.

Foreign Exchange outgo during the year towards Capital Goods was Rs. 152.18 Lakhs (Previous period Rs. 67.81 Lakhs), towards Consumable was Rs. 1,203.03 Lakhs (Previous period Rs. 261.50 Lakhs), towards Commission was Rs. 8.44 Lakhs (Previous period Rs. 6.59 Lakhs) and towards foreign travel was Rs. 100.33 Lakhs (Previous Year Rs. 23.74 Lakhs). The previous period figures are for 6 months i.e. from 1<sup>st</sup> October, 2012 to 31<sup>st</sup> March, 2013, hence the current year figures are not comparable with the previous period 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, and 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 6 (six) Directors. Among the 6 Directors, the Company has a Managing Director and 2 Executive Directors. The Board has 2 Non-Executive, Independent Directors and 1 Additional-Independent Director. 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 31<sup>st</sup> March, 2014 have been made by all the Directors.

#### **b) Number of Board Meetings**

The Board of Directors met 4 (Four) times during the F.Y. 2013-14 (i.e. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014) on 29<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 11<sup>th</sup> November, 2013 and 7<sup>th</sup> February, 2014. 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 Companies and subsidiary of Public Companies and the position of Membership/Chairmanship of Audit Committee and Shareholders'/ Investors' Grievance Committee in such other Public Companies and subsidiary of Public Companies.

Sr. No.	Directors	Designation	No. of Directorship (s)/Committee(s) positions held in other public Companies and subsidiary of Public Companies as on 31 <sup>st</sup> March, 2014			No. of Board Meetings attended out of 4 Meetings held	
			Directorship	Committee Member	Committee Chairmanship	Board	Last AGM
1.	Mr. Eung Kyun Shin	Executive Chairman	-	-	-	4	Yes
2.	Mr. YangweonYoo	Managing Director	-	-	-	4	Yes
3.	Mr. Jung Ho Hong	Executive Director	-	-	-	4	Yes
4.	Mr. Kwang Hyuck Choi	Executive Director	-	-	-	-	No
5.	Mr. Sivabalan Paul Pandian	Independent Director	1	-	-	3	No
6.	Mr. Chong Tae Baek	Independent Director	-	-	-	4	Yes
7.	Mr. Gagan Rai	Independent Director	-	-	-	4	Yes
8.	Mr. Wan Ki Eun	Independent Director	-	-	-	-	No

1. Mr. Eung Kyun Shin resigned w.e.f. close of working hours of 31<sup>st</sup> March, 2014
2. Mr. Gagan Rai resigned w.e.f. 3<sup>rd</sup> June, 2014
3. Mr. Wan Ki Eun resigned w.e.f. 5<sup>th</sup> August, 2014
4. Mr. Kyoung Hur is appointed as Additional-Independent Director with effect from 5<sup>th</sup> August, 2014.

**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 1<sup>st</sup> 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](http://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. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Finance Committee

**A. AUDIT COMMITTEE****i) Composition**

The Company has an Independent Audit Committee presently comprising of Mr. Chong Tae Baek as Chairman, Mr. YangweonYoo and Mr. Kyoung Hur 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 present at the last Annual General Meeting and he answered all the queries of the shareholders related to finance and accounts.

The committee met 4 (Four) times during the financial year 2013-14 on 29<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013 , 11<sup>th</sup> November 2013 and 7<sup>th</sup> February, 2014. Minutes of the Audit Committee were discussed and taken note by the Board of Directors. The details of attendance of the members in the meeting are given in the following 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)	4	4
Mr. Eung Kyun Shin	Member (Executive Director)	4	4
Mr. Chong Tae Baek	Member (Independent Director)	4	4
Mr. Wan Ki Eun	Member (Independent Director)	4	-

- Note:**
1. Mr. Gagan Rai resigned w.e.f 3<sup>rd</sup> June, 2014
  2. Mr. Eung Kyun Shin resigned w.e.f close of working hours of 31<sup>st</sup> March, 2014
  3. Mr. Wan Ki Eun resigned w.e.f 5<sup>th</sup> August, 2014

**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 to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (C) of sub-section 3 of section 134 of the Companies Act, 2013
  - 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.
- Review and monitor the auditor’s independence and performance, and effectiveness of audit process.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.





- Approval or any subsequent modification of transaction of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertaking or assets of the company, whenever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the adequacy of internal audit function, 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.
- 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 provided in Clause 49(VII) of the Listing Agreement.

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. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Shareholders/Investors Grievance Committee of the Company was renamed by the Board of Directors as Stakeholders Relationship Committee to comply with Section 178 of Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The present committee consists of Mr. Chong Tae Baek as Chairman and Mr. Yangweon Yoo as members of the Committee. The Committee met on 20<sup>th</sup> April, 2013 during the Financial Year 2013-14.

Name of the Member	Status & Category	Shareholders Relationship Committee	
		Held	Attended
Mr. Chong Tae Baek	Chairman (Independent Director)	1	-
Mr. Eung Kyun Shin (resigned w.e.f. 31 <sup>st</sup> March, 2014)	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 periodically reviews the report sent by RTA in this regard.

During the year, no complaints regarding non-receipt of Annual Report, no Complaints regarding non-receipt of demat credit, 7 complaints regarding non-receipt of Dividend Warrant and 1 complaint of BSE were received and all of them were resolved. No complaints were pending/outstanding as on 31<sup>st</sup> March, 2014.

## C. NOMINATION AND REMUNERATION COMMITTEE

### i) Composition

The Nomination and Remuneration Committee was reconstituted in order to comply with the provisions of Section 178 of Companies Act, 2013 and the amended Clause 49 of the Listing Agreement. The Nomination and Remuneration Committee consists of Independent Directors, namely Mr. Kyoung Hur 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 2013-14.

### 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 in compliance with 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 2013-14 are as under

Name of Director	Designation	Salary Paid (Rs)	No. of shares held as on 31 <sup>st</sup> March, 2014	Relationship with other Director
Mr. Eung Kyun Shin*	Executive Chairman	33,73,579	Nil	None
Mr. Yangweon Yoo	Managing Director	40,16,136	Nil	None
Mr. Jung Ho Hong	Executive Director	27,74,192	Nil	None
Mr. Kwang Hyuck Choi	Executive Director	36,07,380	Nil	None

\* Mr. Eung Kyun Shin resigned w.e.f. close of working hours of 31<sup>st</sup> March, 2014

**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 2013-14.

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 fees paid to the Independent Directors of the Company during the financial year 2013-14 are as under:

Name of Director	Designation	Total Sitting Fees paid (Rs)
Mr. Sivabalan Paul Pandian	Independent Director	45000
Mr. Chong Tae Baek	Independent Director	90000
Mr. Gagan Rai	Independent Director	120000
Mr. Wan Ki Eun	Independent Director	NIL

Note: 1. Mr. Gagan Rai resigned w.e.f 3<sup>rd</sup> June, 2014

2. Mr. Wan Ki Eun resigned w.e.f 5<sup>th</sup> August, 2014

**D. FINANCE COMMITTEE**

The Finance Committee consisted of Mr. Yangweon Yoo, Chairman, Mr. Eung Kyun Shin, Mr. Jung Ho Hong and Mr. Wan Ki Eun as Members of the Committee. The Committee met 2 (Two) times on 20<sup>th</sup> April, 2013 and 8<sup>th</sup> June, 2013 during the Financial Year 2013-14.

Name of the Member	Status & Category	Finance Committee	
		Held	Attended
Mr. Yangweon Yoo	Chairman (Executive Director)	2	2
Mr. Eung Kyun Shin	Member (Executive Director)	2	2
Mr. Jung Ho Hong	Member (Executive Director)	2	2
Mr. Wan Ki Eun	Member (Independent Director)	2	-

Note: 1. Mr. Eung Kyun Shin resigned w.e.f close of working hours of 31<sup>st</sup> March, 2014

2. Mr. Wan Ki Eun resigned w.e.f 5<sup>th</sup> August, 2014

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 the provisions of Companies Act, 1956 and 2013.
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
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 (E), Mumbai- 400072	9.30 A.M	None
2012-13	30.09.2013	Hotel Savoy Suites, Saki Vihar Complex, Saki Naka, Andheri (E), Mumbai- 400072	10.00 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**

During the financial year ended 31<sup>st</sup> March, 2014, the company sought approval of its shareholders for passing Special Resolutions through process of Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 and Section 180(1)(a) of the Companies Act, 2013 read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011. The Board of Directors of the Company had appointed Mr. Manish L. Ghia, of Manish Ghia & Associates, Practicing Company Secretary, a Scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner. The Postal Ballot forms received were kept in boxes sealed by the Scrutinizers. The result of the Postal Ballot was announced through newspapers and was also displayed on the Website of the Company, [www.mudralifestyle.com](http://www.mudralifestyle.com). Details of the same are given below:

Particulars	Details / Dates
Date of Board meeting	7 <sup>th</sup> February, 2014
Date of Notice seeking Shareholder's Approval	7 <sup>th</sup> February, 2014
Date of completion of dispatch of Notice	14 <sup>th</sup> February, 2014
Last Date of receipt of duly filled Postal Ballot Forms	18 <sup>th</sup> March, 2014
Date of Submission of scrutinizer's Report to the Chairman	20 <sup>th</sup> March, 2014
Date of Declaration of Results	21 <sup>st</sup> March, 2014

**Voting Pattern**

Particulars	Type of Resolution	Total valid Votes	Total valid Votes cast in favour	Total valid Votes cast against	% of Votes in favour of aggregate votes polled	% of Votes against of aggregate votes polled
Sale of unit D-1	Special Resolution	1,57,16,816	1,57,13,606	3,210	99.98%	0.02%
Sale of specified Business/Assets	Special Resolution	1,57,16,816	1,57,13,608	3,208	99.98%	0.02%

**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 31<sup>st</sup> March, 2014 was placed before the Board of Directors of the Company in their meeting held on 14<sup>th</sup> August, 2014 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 REQUIREMENTS**

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

**a) Finance Committee**

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

**b) Audit Qualification**

There are no audit qualifications on the financial statements of the Company for the financial year 2013-14

**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 & the Regional Language Newspapers (Marathi) in Navshakti. The same were sent to Stock Exchanges and were also displayed on the website of the Company, [www.mudralifestyle.com](http://www.mudralifestyle.com).

**b) Website**

The Company's website [www.mudralifestyle.com](http://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](http://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 Tuesday 30<sup>th</sup> September, 2014, at 10.00 am at Bay Leaf Banquet Hall, Shop No 67,68,69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali East, Mumbai-400 101.

(b) **Financial Year:** The current financial year of the company was from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014.

(c) **Dates of Book Closure:** Monday, 22<sup>nd</sup> September, 2014 to Friday, 26<sup>th</sup> September, 2014 (Both days inclusive)

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

**(e) Financial Calendar (2014-15) (tentative) :**

First Quarterly Results	On or before 14 <sup>th</sup> August, 2014
Second Quarterly Results	On or before 14 <sup>th</sup> November, 2014
Third Quarterly Results	On or before 14 <sup>th</sup> February, 2015
Financial Year ending	On or before 30 <sup>th</sup> May, 2015

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

**(h) Stock Market price data for the year 2013-14**

Month	BSE		Sensex (Closing)	NSE	
	High (Rs)	Low(Rs)		High (Rs)	Low(Rs)
APRIL 2013	14.28	9.75	19,504.18	14.00	10.05
MAY 2013	11.00	7.10	19,760.30	11.20	6.60
JUNE 2013	10.50	7.61	19,395.81	11.35	9.50
JULY 2013	14.49	9.22	19,345.70	13.25	10.80
AUG 2013	11.00	9.19	18,619.72	10.50	10.50
SEPT 2013	12.02	10.98	19,379.77	11.55	9.50
OCT 2013	12.48	8.55	21,164.52	10.00	8.70
NOV 2013	10.37	8.00	20,791.93	9.90	8.70
DEC 2013	9.99	7.82	21,170.68	9.70	8.95
JAN 2014	9.48	6.72	20,513.85	9.40	6.60
FEB 2014	9.15	6.60	21,120.12	9.00	6.50
MAR 2014	14.69	6.30	22,386.27	14.70	6.75

(i) **Distribution of Shareholding as on 31<sup>st</sup> March, 2014**

Range (In Rs.)	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1 – 5000	11992	89.23	17302570	3.61
5001 – 10000	718	5.34	5978250	1.25
10001 – 20000	341	2.54	5287260	1.10
20001 – 30000	149	1.11	3809000	0.79
30001 – 40000	39	0.29	1380370	0.29
40001 – 50000	63	0.47	3044470	0.63
50001 – 100000	68	0.51	5075930	1.06
100001 - 99999999	69	0.51	438026840	91.27
<b>Total</b>	<b>13439</b>	<b>100.00</b>	<b>479904690</b>	<b>100.00</b>

(j) **Pattern of Shareholding as on 31<sup>st</sup> March, 2014**

Category	No. of Shareholders	No. of Shares	% of Shareholding
Promoter	5	41172395	85.79
Mutual Funds	0	0	0.00
Financial Institution/ Banks	4	847282	1.7655
Venture Capital Funds	1	126702	0.2640
Foreign Institutional Investor	0	0	0
Corporate Bodies	279	717124	1.4943
Residential Individual	13030	4986955	10.3916
Others (Clearing Members)	20	26429	0.0551
NRI	99	113581	0.2367
Trust	1	1	0.00
<b>Total</b>	<b>13439</b>	<b>47990469</b>	<b>100.00</b>

**(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 31<sup>st</sup> March, 2014:

Particulars	No. of Shares	Percentage of Total issued Capital
Held in Dematerialized form in CDSL	34,52,612	7.19%
Held in Dematerialized form in NSDL	4,44,20,945	92.56%
Physical	1,16,912	0.25%
<b>Total</b>	<b>4,79,90,469</b>	<b>100.00%</b>

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 detail 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 - 400072.  
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**

Office No. 509, 5th Floor, Western Edge-I,  
Western Express Highway, Magathane, Borivali (East),  
Mumbai - 400066.  
Tel: +91-22-40972600 Fax: +91-22-40972601

**(o) Plant Locations**

Garmenting - Bangalore

**(p) Unclaimed Dividend**

The balance amount lying in Unpaid Dividend Account for the financial year 2006-2007 is due for transfer to the IEPF administered by the Central Government during the month of October, 2014 as per the requirements under Section 124 of the Companies Act, 2013 read with Companies (Declaration & Payment of Dividend) Rules, 2014. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent financial years are requested to claim it immediately from the Company.

**(q) 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 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:

<b>Particulars</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>
Aggregate No. of shareholders & Shares pending as on 01.04.2013	5	530
No. of shareholders who approached for transfer of shares from suspense account during the year	0	0
No. of shareholders & Share transferred from suspense account during the year	0	0
No. of shareholders & Shares outstanding at the end of the year	5	530

The voting rights on the shares outstanding in the suspense account as on 31<sup>st</sup> March, 2014 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.

(r) **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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014, the Company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance Report.

**Place: Mumbai**  
**Dated: 14/08/2014**

**Sd/-**  
**YangweonYoo**  
**Managing Director**  
**DIN :03629831**

**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 31<sup>st</sup> March, 2014.

**Sd/-**  
**YangweonYoo**  
**Managing Director**  
**DIN :03629831**



**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

The Members,

**Mudra Lifestyle Limited**

Office No. 509, 5th Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai-400066

We have examined the compliance of conditions of Corporate Governance by **Mudra Lifestyle Limited**, for the year ended March 31, 2014 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/-**

**SachinManseta**

**Proprietor**

**Place: Mumbai**

**Date:12/08/2014**



## **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, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year 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”) read with General Circular 15/2013 dated 13th September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, 2014;
2. In the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
3. In the case of Cash Flow statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to:

- a. Note 14 “Deferred Tax Assets” of the Financial Statements, wherein the Company has recognized net deferred tax assets of Rs. 2,623.96 Lacs on account of unabsorbed depreciation.
- b. The company has incurred huge losses during the year under audit and preceding audit periods which has resulted in substantial erosion of its net worth. Further, during the year, the Company has disposed off its Fabric Business Unit located at Unit No. D-1, Tarapur, Maharashtra. However, the company has prepared its financial statements on going concern basis being optimistic about company’s production and performance of its garment unit.

### **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 and 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 and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of companies Act, 1956 read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e. On the basis of written representation received by the directors as on March 31<sup>st</sup>, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2014, 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 And Associates LLP**  
**Chartered Accountants**  
**Firm No. 119223 W**

**Mahavir Jain**  
**Partner**  
**M. No. 121275**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2014**



**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, fixed assets have been physically verified by the Company at reasonable interval. During the year under audit the Company has verified part of the fixed assets and no material discrepancies have been noticed on such physical verification.
- c) We draw attention to Note 37 in the financial statements. The Company has disposed off Unit No. D-1 at Tarapur, Maharashtra, which is substantial part of its fixed assets, during the year under audit. As per the explanation and information provided to us, the Company is having other running units and accordingly, in our opinion there shall be no affect on going concern status of the Company.
- (ii) a) As explained to us physical verification of inventories has been conducted during the year 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) According to the information and explanation provided to us, the company has neither granted nor taken loans, secured or unsecured, to or from parties covered in the register maintained under section 301 of Companies Act, 1956. Accordingly clause 4(iii) of the order is 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) According to the information and explanations given to us, there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of Companies Act, 1956. Accordingly clause 4(v) of the order is not applicable to the Company.
- (vi) According to the information and explanation given to us, the Company has not accepted any deposit from the public during the year . Accordingly clause 4(vi) of the order is 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) As per records, there have been delays in depositing undisputed statutory dues in respect of income tax, wealth tax, service tax, municipal taxes, professional tax, sales tax, provident fund, employees' state insurance. The details of outstanding statutory dues as on last day of the year 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.	Municipal Taxes	40.23
2.	Profession Tax	2.38
3.	Gram Panchayat Rules*	41.26

\* This liability has been transferred to E-Land Fashion India Pvt. Ltd. as liability of Company's unit at D-1, Tarapur under the Business Transfer Agreement.



- 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
Income Tax Act	665.35	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)

- (x) The Company has accumulated losses amounting to Rs. 36,848.87 Lacs as at the end of the year under Audit which are more than 50% of its net worth. Further, the Company has incurred cash loss amounting to Rs. 289.26 Lacs during the year under audit and Rs. 4,276.78 Lacs during immediately preceding previous period.
- (xi) During the year, the Company had made delayed payment of principal and interest to bank and financial institutions which have been made good as on the balance sheet date except in the following cases which are overdue as on 31st March 2014.

No.	Bank	Amount	Remarks
1	Axis Bank – Term Loan	0.87	Paid as on date
2	Bank of India – WCTL	13.15	Outstanding
3	Industrial Bank of India – Term Loan	12.64	Paid as on date
4	Industrial Bank of India – FITL	1.12	Paid as on date
5	Oriental Bank of Commerce – Term Loan	8.45	Paid as on date
6	Oriental Bank of Commerce – FITL	3.77	Paid as on date
7	Small Industrial Bank of India – Term Loan	13.49	Paid as on date
8	Small Industrial Bank of India – FITL	0.73	Paid as on date
9	State Bank of Patiala – WCTL	5.57	Paid as on date
10	State Bank of Travancore – Term Loan	30.50	Paid as on date
11	State Bank of India – Overdue Interest	1,608.72	Outstanding

The above overdue outstanding loans and interest, as on 31<sup>st</sup> March 2014, have been transferred to E-Land Fashion India Pvt. Ltd. as loan liability of Company’s unit at D-1, Tarapur under the Business Transfer Agreement.

- (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 year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (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 year under audit.

**For K C P L And Associates LLP**  
**Chartered Accountants**  
**Firm No. 119223W**

**Mahavir Jain**  
**Partner**  
**M. No. 121275**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2014**

Balance Sheet as at 31<sup>st</sup> March, 2014

(Rs. in Lacs)

Particulars	Notes	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
(a) Share Capital	2	4,799.05	4,799.05
(b) Reserves & Surplus	3	(15,638.07)	(9,555.12)
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	30,318.59	46,170.14
(b) Other Long Term Liabilities	5	1,197.16	36.52
(c) Long-Term Provisions	6	123.25	176.05
<b>Current Liabilities</b>			
(a) Short Term Borrowings	7	3,500.00	14,295.09
(b) Trade Payables	8	1,772.25	3,823.44
(c) Other Current Liabilities	9	1,546.14	4,741.14
(d) Short Term Provisions	10	77.81	826.52
<b>TOTAL</b>		<b>27,696.18</b>	<b>65,312.83</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	11		
Tangible Assets		5,013.70	44,940.75
Intangible Assets		22.34	44.66
Capital Work in progress		92.96	21.74
(b) Non-Current Investments	12	1.00	1.00
(c) Long Term Loans & Advances	13	533.72	767.56
(d) Deferred Tax Assets (Net)	14	2,623.96	1,613.16
<b>Current Assets</b>			
(a) Current Investments	15	7.87	8.28
(b) Inventories	16	2,490.62	8,082.04
(c) Trade Receivables	17	4,535.41	6,442.17
(d) Cash and Bank Balances	18	1,322.45	737.80
(e) Short -Term Loans & Advances	19	1,771.11	1,481.97
(f) Other Current Assets	20	9,281.05	1,171.70
<b>TOTAL</b>		<b>27,696.18</b>	<b>65,312.83</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2-41		

As per our Report of even date  
For K C P L And Associates LLP  
Chartered Accountants  
Firm Reg. No. 119223W

For and on behalf of the Board

Sd/-  
Yangweon Yoo  
Managing Director

Sd/-  
Yi Byoung Hoon  
Chief Financial Officer

Sd/-  
Mahavir Jain  
Partner  
M. No. 121275

Sd/-  
Jungho Hong  
Director

Sd/-  
Ashitosh Sheth  
Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

Statement of Profit and Loss for the Year ended on 31<sup>st</sup> March, 2014

(Rs. in Lacs)

Particulars	Notes	12 Month Ended 31.03.2014	6 Month Ended 31.03.2013
<b>REVENUE</b>			
Revenue from Operations	21	33,390.12	13,027.85
Other Income	22	1,280.31	371.21
<b>Total Revenue</b>		<b>34,670.43</b>	13,399.07
<b>EXPENSES</b>			
Cost of Material Consumed/Traded	23	19,168.74	8,124.34
Manufacturing Expenses	24	13,033.09	6,243.45
Change in Inventories of finished goods and Work-in- progress	25	1,906.99	(1,461.18)
Employee Benefits Expenses	26	1,291.86	481.66
Finance Cost	27	3,579.34	2,839.12
Depreciation and Amortization Expenses	11		
Less Transferred to Revaluation Reserve		2,655.42	165.63
Other Expenses	28	4,696.90	1,158.42
<b>Total Expenses</b>		<b>46,166.70</b>	18,633.50
Loss Before Exceptional and Extraordinary Items and Tax		(11,496.28)	(5,234.44)
Exceptional Items			
Less Profit on slump sale	37	(7,462.45)	-
Less Unsecured Loan written back	5	(551.43)	-
Loss Before Tax		(3,482.40)	(5,234.44)
Tax Expenses			
1) Tax of Earlier Years		(1,138.66)	289.47
2) Deferred Tax		(1,010.80)	-
3) Wealth Tax		0.52	0.56
Loss For The Year		(1,333.45)	(5,524.47)
Earning per Equity Share	30		
(1) Basic (Rs.)		(2.78)	(11.51)
(2) Diluted (Rs.)		(2.78)	(11.51)
Significant Accounting Policies	1		
Disclosure as per "AS-24- Discontinued Operations"	37		
Notes on Financial Statements	2-41		

As per our Report of even date  
For K C P L And Associates LLP  
Chartered Accountants  
Firm Reg. No. 119223W

Sd/-  
Mahavir Jain  
Partner  
M. No. 121275

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board

Sd/-  
Yangweon Yoo  
Managing Director

Sd/-  
Jungho Hong  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

Sd/-  
Yi Byoung Hoon  
Chief Financial Officer

Sd/-  
Ashitosh Sheth  
Company Secretary





## Cash Flow Statement for the year ended 31st March, 2014

(Rs. in Lacs)

Particulars	12 Month Ended 31.03.2014	6 Month Ended 31.03.2013
<b>A) Cash Flows from Operating Activities</b>		
Loss before Taxes	(3,482.40)	(5,234.44)
Adjustments for:		
Depreciation & Amortization	2,489.79	1,247.69
Loss on Sale of Fixed Assets	125.83	-
Interest Income	(58.85)	(14.65)
Provision for Tuff Receivable	(1,071.76)	-
Dividend Income	(0.30)	-
Sundry Balances Written back	(23.15)	(318.88)
Interest / Finance Charges	3,579.34	2,839.12
Sundry Balances Written Off	90.82	8.26
Unsecured Loan Written back	(551.43)	-
Provision for Doubtful Debts	48.96	25.40
Provision for Diminution in value of Investments	0.41	1.83
Provision for Fixed Assets held for sale	653.97	-
Direct Taxes Paid (Net of refund)	(1,139.18)	(30.00)
<b>Operating Profits before working capital changes</b>	<b>662.05</b>	<b>(1,475.67)</b>
Inventories	5,591.42	(1,404.90)
Trade Receivable	1,857.81	(1,898.24)
Other Current Assets	(8,109.35)	(299.41)
Loans & Advances	(55.30)	432.94
Trade Payables	(2,051.18)	(831.01)
Other Liabilities	(2,034.37)	348.47
Provisions	(801.51)	346.98
<b>Net Cash used in Operating Activities (Total A)</b>	<b>(4,940.43)</b>	<b>(4,780.84)</b>
<b>B) Cash Flows from Investing Activities</b>		
Purchases of Fixed Assets (including Capital Work-in-progress)	(878.65)	(137.46)
Sale of Fixed Assets	36,570.55	-
Interest Income	58.85	14.65
Dividends	0.30	-
<b>Net Cash used in Investing Activities (Total B)</b>	<b>35,751.06</b>	<b>(122.81)</b>
<b>C) Cash Flows from Financing Activities</b>		
Proceeds from Loans (Net of Repayment/Transfer)	(26,646.64)	1,708.25
Interest /Finance charges Paid	(3,579.34)	(2,839.12)
<b>Net Cash used in Financing Activities (Total C)</b>	<b>(30,225.98)</b>	<b>(1,130.87)</b>
<b>Net increase / (decrease) in cash and cash equivalents (Total A+B+C)</b>	<b>584.65</b>	<b>(6,034.52)</b>
Cash and cash equivalents at beginning of the year	737.80	6,772.32
<b>Cash and cash equivalents at end of the Year</b>	<b>1,322.45</b>	<b>737.80</b>

As per our Report of even date  
For K C P L And Associates LLP  
Chartered Accountants  
Firm Reg. No. 119223W

Sd/-  
Mahavir Jain  
Partner  
M. No. 121275

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board

Sd/-  
Yangweon Yoo  
Managing Director

Sd/-  
Yi Byoung Hoon  
Chief Financial Officer

Sd/-  
Junggho Hong  
Director

Sd/-  
Ashitosh Sheth  
Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014



**Notes on Financial Statements for the year ended 31st March, 2014**

**1. A) CORPORATE INFORMATION**

The Mudra Lifestyle Limited ("the Company") is a listed public limited company incorporated in 1997. The company is primarily engaged in the business of manufacturing of textiles consisting of fabric and garment.

**B) SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation of financial statement:**

The financial statements have been prepared under historical cost convention on accrual basis in accordance with generally accepted accounting principles and applicable accounting standards as notified under Companies (Accounting Standard) Rules, 2006 and the provisions of Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

**b) Use of Estimates:**

The Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

**c) Inventories:**

Inventories are valued at lower of cost or Net Realisable Value. Cost is determined on weighted average basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

**d) Revenue Recognition:**

- I. Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Sales are accounted for net of sales return.
- II. Export Sales are accounted for on the basis of dates of Bill of Lading.
- III. Export Incentives viz duty drawback and focus marketing are accounted on accrual basis.
- IV. Dividend is accounted on accrual basis when the right to receive the dividend is established.
- V. Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- VI. Income on assets given on operating lease is recognized on a straight line basis over the lease term.

**e) Fixed Assets:**

**Tangible Assets:**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost comprises the purchase price, including duties and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition and indirect costs specifically attributable to construction of a project or to the acquisition of a fixed asset.

**Intangible Assets:**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.



**f) Depreciation and Amortisation:**

Depreciation on fixed assets is provided to the extent of depreciable amount on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life.

Depreciation on the revalued component is provided on the straight line method. Such depreciation is withdrawn from Revaluation Reserve and credited to The Statement of Profit and Loss.

Amortisation of Intangible assets is provided on basis of management estimates. Goodwill is amortised over a period of 10 years on straight line method and Brand value is amortised over a period of 5 years on straight line method.

**g) Impairment of Assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal or external factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate or the recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use.

**h) Foreign Currency Transactions:**

- I. All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- II. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.
- III. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

**i) Employee Retirement and Other Benefits:**

Defined Contribution Plans such as Provident Fund etc. are charged to the Statement of Profit and Loss as incurred.

**Gratuity:**

The present value of the obligation under such plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss.

**Compensated Absences:**

The Company has scheme for compensated absences for employees, the liability for which is determined on the basis of actuarial valuation, carried out at Balance Sheet date.

**Provident Fund & ESIC:**

Contributions to defined contribution schemes i.e. Provident Fund & ESIC is made to the government owned funds and are charge to the Statement of Profit and Loss on accrual basis.

**j) Investments:**

Investments are classified into current and non-current investments. non-current investments are carried at cost. Provision for diminution, if any, in the value of each non-current investment is made to recognise a decline, other than of a temporary nature. Current investments are carried at lower of cost and quoted / fair value.

**k) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to revenue.



**l) Lease:**

**As a lessee:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

**As a lessor:**

Lease income on operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**m) Earnings Per Share:**

The Company records basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 "Earnings Per Share". Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's EPS are the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, which have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares; except where the results are anti-dilutive.

**n) Taxation:**

- I. Tax expense comprises both current and deferred tax. Current tax is the amount of tax payable on the assessable income for the year determined in accordance with the provisions of the Income tax Act, 1961.
- II. Deferred tax is recognized on timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognized only when there is virtual certainty of their realisation and on other items when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rate and laws enacted or substantially enacted on the balance sheet date.

**o) Provisions , contingent liabilities and contingent assets:**

Estimation of the probability of any loss that might be incurred on outcome of contingencies on basis of information available upto the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonable possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The company does not account for or disclose contingent asset, if any.



## Notes on Financial Statements for the year ended 31st March, 2014

(Rs. In Lacs)

## Note 2 Share Capital

Particulars	31.03.2014	31.03.2013
<b>a) Authorized Share capital</b> 6,00,10,000 (6,00,10,000) Equity Shares of Rs. 10 Each	<b>6,001.00</b>	6,001.00
<b>b) Issued, Subscribed &amp; Paid up</b> 4,79,90,469 (4,79,90,469) Equity Shares of Rs. 10/- each fully paid up	<b>4,799.05</b>	4,799.05
<b>Total</b>	<b>4,799.05</b>	4,799.05

## Notes

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

Name of Shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of Share	% of Total	No. of Share	% of Total
(a) E-Land Asia Holdings Pte Ltd (Holding Company)	<b>31,598,094</b>	<b>65.84</b>	31,598,094	65.84
(b) Murarilal Agarwal	<b>4,119,386</b>	<b>8.58</b>	4,119,386	8.58
(c) Ravindra Agarwal	<b>4,141,697</b>	<b>8.63</b>	4,141,697	8.63

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Share	Value	No. of Share	Value
Opening No. of Equity Shares (No. of Shares)	<b>47,990,469</b>	<b>479,904,690</b>	47,990,469	479,904,690
Shares allotted during the year	-	-	-	-
Closing No. of Equity Shares (No. of Shares )	<b>47,990,469</b>	<b>479,904,690</b>	47,990,469	479,904,690

## (iii) Terms/ rights attached to Equity Shares :-

The company has only one class of share capital namely Equity Shares having par value of Rs.10 per share. Each holder of Equity 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 Equity 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 Equity Shares held by the shareholders.

Mr. Murarilal Agarwal, Mr. Ravindra Agarwal, Mr. Vishwambharlal Bhoot (Old Promoters) and E-Land Asia Holdings Pte Ltd form the promoter group of Company. As per the provision of the Securities Contracts (Regulations) Rules, 1957 (as amended) (SCRR), the Company is required to maintain a public shareholding of 25% of the aggregate paid up share capital (Minimum Public Shareholding Threshold) (MPS). Accordingly, at present, the public shareholding of the Company falls short of the required Minimum Public Shareholding 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 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, Company will seek more time to meet the MPS requirement. Till the time minimum public share holding is achieved by the Company, the rights attached to the shares of promoter/ promoter group stands modified as directed by SEBI vide its order dated 04th June, 2013.



(Rs. In Lacs)

**Note 3 Reserves And Surplus**

Particulars	31.03.2014	31.03.2013
a) Capital Reserves	<b>823.57</b>	823.57
b) Securities Premium Account		
Balance as per last account	<b>14,245.60</b>	14,245.60
Less : Deduction during the year	—	—
	<b>14,245.60</b>	14,245.60
c) Revaluation Reserve (Refer Note -11 "Fixed Assets")		
Balance as per last account	<b>10,266.13</b>	10,349.83
Add : Addition during the period	—	—
Less : Deduction made during the year	<b>4,583.87</b>	
Less : Depreciation on Revaluation of Assets	<b>165.63</b>	83.70
	<b>5,516.63</b>	10,266.13
d) General Reserve	<b>625.00</b>	625.00
e) Surplus/(Deficit) in the Statement of Profit & Loss Account		
Balance as per last account	<b>(35,515.42)</b>	(29,990.95)
(+) Net Profit/(Net Loss) for the current year	<b>(1,333.45)</b>	(5,524.47)
	<b>(36,848.87)</b>	(35,515.42)
Total	<b>(15,638.07)</b>	(9,555.12)

**Note 4 Long Term Borrowings**

Particulars	31.03.2014	31.03.2013
(A) Secured Borrowings		
a) Term Loan from Banks	—	25,494.12
b) Vehicle Loan	<b>1.18</b>	8.62
<b>Total (A)</b>	<b>1.18</b>	25,502.74
(B) Unsecured Borrowings		
a) Loans and advances from related parties	<b>30,317.40</b>	20,667.40
<b>Total (B)</b>	<b>30,317.40</b>	20,667.40
<b>Total (A+B)</b>	<b>30,318.59</b>	46,170.14

**Notes****(i) Restructuring :**

During the earlier years, 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 ("MRA") 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 Fixes 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 has commenced 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 with in 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 Septemeber,2014
- d) Details of terms and repayment of Vehicle loan is as under:

Name of Bank	Rate of Interest	Repayment terms
HDFC Bank Ltd	9.37%	59 Months
HDFC Bank Ltd	9.92%	60 Months
HDFC Bank Ltd	9.92%	60 Months
HDFC Bank Ltd	9.92%	60 Months
Oriental Bank of Commerce	10.51%	38 Months

**iv) Interest Recompense**

Under the CDR package, the lenders have reserved their right of recompense for the reliefs, waivers and sacrifices extended by them to the Company. As per MRA, as on date of MRA, the total amount of sacrifice extended by the lenders to the Company is Rs. 4,544 Lacs.

- v) The entire outstanding term loan and working capital loan related to D1 unit alongwith security provided thereof has been transferred to E-Land Fashion India Pvt. Ltd. as on 29th March 2014 as loan liability of Company's unit at D-1, Tarapur under the Business Transfer Agreement.
- 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

**Note 5 Other Long Term Liabilities**

(Rs. In Lacs)

Particulars	31.03.2014	31.03.2013
a) Rent Deposits	46.52	36.52
b) Other Payable (refer point no. i and ii)	1,150.63	-
<b>Total</b>	<b>1,197.16</b>	<b>36.52</b>



- i) In terms of Tripartite Settlement Agreement (TSA) entered into between the Company, Ex-Promoters, and E-Land Asia Holdings Pte. Ltd. ('E-Land Asia') (Company's Foreign Holding Company), E-Land Asia has repaid the loan amounting to Rs. 1,150.63 lacs to the Ex-Promoters on behalf of the Company. Accordingly, the Company has recorded in its books of accounts, Rs. 1,150.63 lacs as unsecured loans payable to E-Land Asia. The balance amount Rs. 551.76 lacs is written back by the Company in their books as no more payable to Ex-Promoters in terms of TSA.
- ii) The Company is in the process of evaluating the applicability of the various provisions of the Foreign Exchange Management Act and rules and regulations there under to the said transaction. If required, the Company would apply to the regulatory authorities for regularizing the transaction.

**Note 6 Long Term Provisions**

(Rs. In Lacs)

Particulars	31.03.2014	31.03.2013
Provision for Employee Benefits (Refer Note 33)	123.25	176.05
<b>Total</b>	<b>123.25</b>	<b>176.05</b>

**Note 7 Short Term Borrowings**

Particulars	31.03.2014	31.03.2013
<b>(A) Secured Borrowings</b>		
Working Capital Loan (Refer note (i) below)	3,500.00	12,593.02
<b>(B) Unsecured Borrowings</b>		
Loans from Others (Refer note (ii) below)	-	1,702.07
<b>Total</b>	<b>3,500.00</b>	<b>14,295.09</b>

- (i) Refer Note -4 (i) for restructuring & Note - 4 (ii) Nature of Security  
(ii) Refer Note -5 (i) and (ii)

**Note 8 Trade Payables**

Particulars	31.03.2014	31.03.2013
a) Sundry Creditors for Goods	1,402.44	3,071.91
b) Book Overdraft with Banks	369.82	751.53
<b>Total</b>	<b>1,772.25</b>	<b>3,823.44</b>

- (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	31.03.2014	31.03.2013
a) Current Maturities of Long Term Debts	5.99	1,927.57
b) Advance received from Customers	38.18	65.61
c) Creditors for Fixed Assets	306.39	87.28
d) Statutory Dues Payable	224.60	343.14
e) Bonus Payable	185.99	76.15
f) Creditors for Expenses	226.80	1,141.91
g) Unclaimed Dividend	7.30	7.30
h) Others	550.89	1,092.18
<b>Total</b>	<b>1,546.14</b>	<b>4,741.14</b>

**Note 10 Short-Term Provisions**

Particulars	31.03.2014	31.03.2013
a) Provision for Wealth Tax	0.52	1.25
b) Provision for Income Tax	71.44	815.48
c) Provision for Employee Benefits (Refer Note 33)	5.85	9.79
<b>Total</b>	<b>77.81</b>	<b>826.5</b>



**Notes on Financial Statements for the year ended 31st March, 2014**
**Note No. 11 Fixed Assets**

(Rs. In Lacs)

Description	Gross Block			Depreciation/Amortization			Net Block		
	As at 01.04.2013	Additions	Deletions	As at 31.03.2014	Upto 31.03.2013	For the Year	Deduction 31.03.2014	Total As at 31.03.2014	Total As at 31.03.2013
<b>Tangible Assets</b>									
Land	9,902.22	-	6,617.22	3,285.00	-	-	-	3,285.00	9,902.22
Building	9,085.33	35.65	8,795.04	325.94	799.97	261.76	1,001.30	265.51	8,285.36
Plant & Machinery	34,897.70	597.66	33,663.88	1,831.49	9,632.79	2,153.67	11,000.82	1,045.84	25,264.91
Equipment	153.97	15.98	47.74	122.21	51.69	9.91	5.25	65.86	102.28
Furniture & Fixtures	264.71	33.53	75.94	222.29	64.13	17.88	11.08	151.36	200.58
Vehicles	192.61	14.00	17.44	189.17	91.96	18.28	7.69	86.62	100.65
Electrical Installations	1,465.69	82.27	1,234.52	313.44	434.72	145.52	336.41	69.62	1,030.97
Computer	158.99	28.34	35.94	151.39	105.21	26.08	23.79	43.886	53.78
Sub-Total	56,121.22	807.42	50,487.71	6,440.93	11,180.47	2,633.10	12,386.34	5,013.70	44,940.75
<b>Intangible Assets</b>									
Brand Value	550.00	-	-	550.00	550.00	-	-	-	-
Goodwill	223.32	-	-	223.32	178.66	22.32	-	22.34	44.66
Sub-Total	773.32	-	-	773.32	728.66	22.32	-	22.34	44.66
<b>Total</b>	<b>56,894.59</b>	<b>807.42</b>	<b>50,487.71</b>	<b>7,214.25</b>	<b>11,909.10</b>	<b>2,655.42</b>	<b>12,386.34</b>	<b>5,036.04</b>	<b>44,985.49</b>
<b>Capital W.I.P.</b>									
Building	-	54.51	51.05	3.45	-	-	-	3.45	-
Plant & Machinery	16.89	476.55	403.93	89.51	-	-	-	89.51	16.89
Electrical Installations	4.85	18.61	23.46	-	-	-	-	-	4.85
Furniture & Fixtures	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>21.74</b>	<b>549.67</b>	<b>478.44</b>	<b>92.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92.96</b>	<b>21.74</b>
<b>Grand Total</b>	<b>56,916.33</b>	<b>1,357.09</b>	<b>50,966.16</b>	<b>7,307.22</b>	<b>11,909.10</b>	<b>2,655.42</b>	<b>12,386.34</b>	<b>5,128.99</b>	<b>45,007.22</b>
Previous Year	56,778.82	1,175.16	1,037.71	56,916.27	10,573.06	1,331.38	4.68	45,007.14	47,254.09

(i) Out of total Land held by the company, Company has 1 plot of leasehold land at Land plot no SW -27, 28, 29, 30 at Apparel Park II phase, Village Aechalligaddadahalli, Dooda Ballapura through Lease Cum Sale Agreement dated 22 October 2008 (Regn. No. 4366/2008-09) respectively, with Karnataka Industrial Areas Development Board ('KIADB').

(ii) 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.



## Notes on Financial Statements for the year ended 31st March, 2014

## Note 12 Non-Current Investments

(Rs. In Lacs)

Particulars	31.03.2014	31.03.2013
<b>Unquoted</b>		
10,000 Fully paid up Shares of The Bharat Co-op. Bank (Mumbai) Ltd.	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>

## Note 13 Long Term Loans &amp; Advances

Particulars	31.03.2014	31.03.2013
<b>Unsecured, Considered Good</b>		
a) Deposit with Govt. & Semi Gov. Authorities	82.32	196.78
b) Deposit - Others	347.46	350.86
c) TDS Receivable	87.31	65.64
d) Capital Advances	16.62	154.28
<b>Total</b>	<b>533.72</b>	<b>767.56</b>

## Note 14 Deferred Tax Assets (Net)

Particulars	31.03.2014	31.03.2013
a) Written Down Value of Fixed Assets	(361.29)	(2,676.38)
b) Unabsorbed Depreciation	2,879.96	4,233.01
c) Disallowances u/s 43B of the Income Tax Act, 1961	105.29	36.95
d) Employee Separation Compensation	-	19.58
<b>Deferred Tax Assets (Net)</b>	<b>2,623.96</b>	<b>1,613.16</b>

- (i) Deferred Tax Assets on account of unabsorbed depreciation has been recognized considering binding sale contract with Promoter Group and the tax position that unabsorbed depreciation is considered as depreciation of current year under the tax laws. However, the Company has not recognized Deferred Tax Assets on Carried forward business losses.

## Note 15 Current Investments

Particulars	31.03.2014	31.03.2013
<b>Quoted</b>		
Investment in Instruments		
a) Shasun Pharmaceuticals Ltd. 10,000 Share of Face Value of Rs. 10 each fully paid up	5.89	5.89
b) Mahanagar Telephone Nigam Ltd. 13,000 Share of Face Value of Rs. 10 each fully paid up	17.25	17.25
<b>Total</b>	<b>23.14</b>	<b>23.14</b>
Less: Provision for diminution in value of Investment	(15.27)	(14.86)
<b>Total</b>	<b>7.87</b>	<b>8.28</b>
<b>Total Market Value of Quoted Investments</b>	<b>9.05</b>	<b>20.29</b>

## Note 16 Inventories

Particulars	31.03.2014	31.03.2013
a) Raw Materials	-	1,104.27
b) Work-in-progress	-	2,018.95
c) Finished Goods	2,288.04	4,728.15
d) Consumable	202.58	230.67
<b>Total</b>	<b>2,490.62</b>	<b>8,082.04</b>



## Notes on Financial Statements for the year ended 31st March, 2014

## Note 17 Trade Receivables

(Rs. In Lacs)

Particulars	31.03.2014	31.03.2013
<b>(A) Unsecured, Considered Good</b>		
a) For a period exceeding six months	465.70	576.63
b) Less than six months	4,069.70	5,865.54
<b>Total (A)</b>	<b>4,535.41</b>	<b>6,442.17</b>
<b>(B) Doubtful</b>		
a) For a period exceeding six months	35.55	357.27
b) Less than six months	-	25.40
Less: Provision for bad and doubtful debts	35.55	382.67
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>4,535.41</b>	<b>6,442.17</b>

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

## Note 18 Cash and Bank Balances

Particulars	31.03.2014	31.03.2013
a) Balance with banks		
- Currents Account Balances	514.07	115.85
b) Bank Deposits :-		
-With more than 12 Months Maturity	45.56	77.20
-With Less than 12 Months Maturity	748.06	533.09
c) Cash on hand	14.76	11.66
<b>Total</b>	<b>1,322.45</b>	<b>737.80</b>

(i) Balance with banks includes Unclaimed Dividend of Rs. 7.30 Lacs

## Note 19 Short Term Loans and Advances

Particulars	31.03.2014	31.03.2013
<b>Unsecured, Considered Good</b>		
a) Interest Receivable	-	1,443.32
Less :- Provision for Tuff Receivable	-	1,071.77
	-	371.55
b) Export Incentive Receivable	862.44	650.15
c) Loans to Employees	2.85	5.24
d) Advance Receivable in cash or in kind	905.82	455.03
<b>Total</b>	<b>1,771.11</b>	<b>1,481.97</b>

(i) Export Incentive Receivable includes Focus Product Scheme Receivable of Rs. 257.44 Lacs (P.Y. Rs.208.55 Lacs) for which company is in the process of availing license under Focus Product Scheme to get the benefit.

## Note 20 Other Current Assets

Particulars	31.03.2014	31.03.2013
a) Prepaid Expenses	19.71	53.06
b) Advances to Suppliers	489.39	1,118.64
c) Fixed Assets held for sale	4,102.46	-
d) Other receivable	4,669.48	-
<b>Total</b>	<b>9,281.05</b>	<b>1,171.70</b>



## Notes on Financial Statements for the year ended 31st March, 2014

(Rs. In Lacs)

## Note 21 Revenue From Operations

Particulars	31.03.2014	31.03.2013
Sale of Products	32,226.45	12,633.21
Sale of Services	237.05	248.68
Other Operating Revenues	926.62	329.19
Less: Excise Duty	-	(183.23)
<b>Total</b>	<b>33,390.12</b>	<b>13,027.85</b>

## Note 22 Other Income

Particulars	31.03.2014	31.03.2013
Interest on Bank Deposits	58.72	12.38
Interest on Others	0.13	2.27
Dividend Income	0.30	-
Provision for Tuff receivable reversed	1,071.76	-
Sundry Balances Written Back	23.15	318.88
Other Income	126.25	37.68
<b>Total</b>	<b>1,280.31</b>	<b>371.21</b>

## Note 23 Cost Of Material Consumed/Traded

Particulars	31.03.2014	31.03.2013
Opening Stocks	1,104.27	1,189.77
Add: Purchases	18,241.94	7,769.35
Add: Direct Cost	435.02	269.48
Less: Closing Stocks	(612.50)	(1,104.27)
<b>Total</b>	<b>19,168.74</b>	<b>8,124.34</b>
Material consumed comprises	31.03.2014	31.03.2013
Yarn	4,281.64	2,718.06
Fabric	10,878.38	3,988.20
Consumables	4,008.72	1,418.06
<b>Total</b>	<b>19,168.74</b>	<b>8,124.32</b>

## Note 24 Manufacturing Expenses

Particulars	31.03.2014	31.03.2013
Weaving & Dyeing Charges	602.61	398.98
Factory Expenses	370.00	55.58
Wages & Labour Charges	6,022.16	2,770.40
Power, Fuel & Water	2,029.59	1,119.61
Consumables	4,008.72	1,898.89
<b>Total</b>	<b>13,033.09</b>	<b>6,243.45</b>



## Notes on Financial Statements for the year ended 31st March, 2014

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

(Rs. In Lacs)

Particulars	31.03.2014	31.03.2013
<b>Finished Goods</b>		
Closing Stock	3,549.58	4,728.15
Less: Opening Stock	4,728.15	3,745.78
<b>Total (A)</b>	<b>(1,178.57)</b>	982.37
<b>Work-in-Progress</b>		
Closing Stock	1,290.54	2,018.96
Less: Opening Stock	2,018.96	1,540.14
<b>Total (B)</b>	<b>(728.42)</b>	478.81
<b>Total (A+B)</b>	<b>(1,906.99)</b>	1,461.18
Product wise breakup of Finished Goods & Work-in-Progress		
Particulars	31.03.2014	31.03.2013
Finished Goods		
Finish Fabric	2,156.40	3,577.92
Garments	1,393.18	1,150.23
	3,549.58	4,728.15
Work-in-Progress		
Grey Fabric	1,290.54	2,018.96
	1,290.54	2,018.96
<b>Total</b>	<b>4,840.12</b>	6,747.11

## Note 26 Employee Benefits Expenses

Particulars	31.03.2014	31.03.2013
Salaries and Wages	816.50	285.96
Contribution to Provident & Other Funds	367.16	153.16
Staff Welfare expenses	108.19	42.54
<b>Total</b>	<b>1,291.86</b>	481.66

## Note 27 Finance Cost

Particulars	31.03.2014	31.03.2013
Interest Expenses	3,450.15	1,739.82
Charges and Commission	129.19	27.53
Provision for Tuff Receivable	–	1,071.77
<b>Total</b>	<b>3,579.34</b>	2,839.12



## Notes on Financial Statements for the year ended 31st March, 2014

## Note 28 Other Expenses

(Rs. In Lacs)

Particulars	31.03.2014	31.03.2013
<b>Selling and Distribution Expenses :-</b>		
i) Discount on Sales	249.64	128.44
ii) Freight Forwarding & Clearing Expenses	438.77	233.80
iii) Other Selling and Distribution Expenses	459.64	49.74
<b>Repair and Maintenance:-</b>		
i) Repair to Building	85.95	16.59
ii) Repair to Plant & Machinery	105.51	39.07
iii) Repair Others	61.87	48.66
<b>Statutory Auditors :-</b>		
i) Audit Fees	19.66	8.99
ii) Tax audit fees	4.49	4.49
iii) Certification and others	-	1.07
<b>Others :-</b>		
Power & Fuel	30.44	8.47
Insurance	79.89	25.02
Rent, Rates and Taxes	120.17	50.64
General Expenses	314.85	183.91
Penalty on statutory dues	16.24	-
Director Remuneration	140.26	56.01
Sundry Balance Written Off	90.82	8.26
Loss on exchange rate difference	30.62	-
Provision for Doubtful Debts	48.96	25.40
Provision for Loss on sale of Fixed Assets held for sale	653.97	-
Advance License Duty	638.98	-
Loss on sale of Fixed Assets disposed off	125.83	-
Interest On TDS	23.05	-
Provision for Loss on diminution of Investment	0.41	1.83
Travelling & Conveyance	437.90	160.18
Legal & Professional Charges	518.96	107.87
<b>Total</b>	<b>4,696.90</b>	<b>1,158.42</b>

## Note 29 Prior Period Items

Particulars	31.03.2014	31.03.2013
a) Bank Interest	(266.22)	120.82
b) Depreciation of earlier years	-	4.68
c) Legal & Professional Fees	4.85	-
d) Selling Expenses	11.12	-
e) Salary	37.30	-
f) Brokerage & Commission	80.82	-
g) Other Administrative Expenses	5.39	9.65
<b>Total</b>	<b>(126.74)</b>	<b>135.15</b>

## Note 30 Earning Per Share (EPS)

Particulars	31.03.2014	31.03.2013
a) Net Loss after tax available for Equity shareholders.	(1,333.45)	(5,524.47)
b) Weighted average number of Equity Shares for Basic EPS	47,990,469	47,990,469
Weighted average number of Equity Shares for Diluted EPS	47,990,469	47,990,469
c) Nominal Value of Equity Shares (in Rs.)	10.00	10.00
d) Basic Earnings per Equity Share	(2.78)	(11.51)
e) Diluted Earnings per Equity Share	(2.78)	(11.51)



## Notes on Financial Statements for the year ended 31st March, 2014

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

(Rs. In Lacs)

Particulars	31.03.2014	31.03.2013
<b>(A) Contingent Liabilities</b>		
Claims against the company not acknowledged as debts		
i) Works Contract Tax	250.22	250.22
ii) Penalty levied by Director General of Foreign Trade	–	6.50
iii) Others	145.07	119.23
iv) Bank Guarantee	231.11	–
<b>Total (A)</b>	<b>626.40</b>	<b>375.95</b>
<b>(B) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	421.29	427.70
<b>Total (B)</b>	<b>421.29</b>	<b>427.70</b>
<b>Total (A+B)</b>	<b>1,047.69</b>	<b>803.65</b>

- (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.
- (ii) Refer Note -11 (i) Fixed Assets of Financial for additional contingent liabilities
- (iii) Refer Note -4(iv)- Interest Recompense

## Note 32 Other Information

Particulars	31.03.2014	31.03.2013
a) CIF Value of Imports		
-Capital Goods	152.18	67.81
-Consumable	1,203.03	261.50
b) Expenditure in foreign currency		
- Travelling	100.33	23.74
- Commission	8.44	6.59
c) Earning in foreign currency		
FOB Value of Exports	10,266.69	4,356.55

## Note 33 Disclosure As per AS 15 Revised

## A) Defined Contribution Plan

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

Particulars	31.03.14	31.03.13
Employer's Contribution to Provident & Pension Fund	111.75	103.18
Employer's Contribution to ESIC Fund	254.69	49.98
<b>Total</b>	<b>366.44</b>	<b>153.16</b>



**B) Defined Benefit Plan**

**i) Gratuity (Unfunded)**

(Rs. In Lacs)

Particulars	31.03.14	31.03.13
<b>a) The principal assumptions used in the actuarial valuation of Gratuity are as follows</b>		
Discount Rate	9.10%	8.20%
Expected Return Plan Assets	N.A	N.A
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	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>b) Changes in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation as on 1-Apr-2013	123.83	104.41
Current Service Cost	53.52	29.01
Interest Cost	7.12	4.35
Actuarial losses (gains)	5.88	(9.77)
Past Service Cost	2.85	-
Benefits paid	(74.00)	(4.17)
Total	119.20	123.83
<b>c) The amounts recognized in the Statement of Profit and Loss are as follows:</b>		
Current Service Cost	53.52	29.01
Interest on obligation	7.12	4.35
Net actuarial losses (gains) recognized in the year	5.88	(9.77)
<b>Total included in employee benefit expense</b>	<b>69.37</b>	<b>23.59</b>

**ii) Leave Encashment**

Particulars	31.03.14	31.03.13
Amount Charged Statement of Profit and Loss during the year	21.11	50.12
Total	21.11	50.12

**Note 34 Related Parties Disclosure:**

A) Name of Related Parties and Description of relationship:

Key Management Personnel	Relationship
Mr. Yangweon Yoo	Managing Director
Mr. Eung Kyun Shin	Chairman and Whole Time Director (Resigned w.e.f. 31st March 2014)
Mr. Jung Ho Hong	Whole Time Director
Mr. Kwang Hyuck Choi	Whole Time Director

B) Ultimate Holding Company : E Land World Co. Ltd.





<b>C) Holding Company :</b>	E-Land Asia Holdings Pte Ltd
<b>D) Fellow Subsidiary Company</b>	E Land Accessories Trading (Shanghai) Co. Ltd. E Land Fashion China Holdings Ltd. Thanh Cong Textile Garment Investment Trading Joint Stock Company E Land Vietnam Co. Ltd. E Land Fashion India Private Ltd. JEWOO Manufacturing Co. Ltd. Wish Hongkong Ltd
<b>E) Entities Under Common Control</b>	E Land Fashion (Shanghai) Co. Ltd Bright Light Garment Mfg Co. Ltd E Land International Fashion Co. Ltd. E Land Retail Ltd E.Land International Fashion (Shanghai) Co., Ltd Elphis Lanka Ltd. Wish Fashion (Shanghai) Co.Ltd Eland Japan Inc WHOAU Holdings Inc. Wish Trading (Shanghai) Co. Ltd. Wish Trading Co. Ltd

(Rs. In Lacs)

	<b>Nature of Transaction</b>	<b>In Relation to "A" Above</b>	<b>In Relation to "B" Above</b>	<b>In Relation to "C" Above</b>	<b>In Relation to "D" Above</b>	<b>In Relation to "E" Above</b>
<b>1)</b>	<b>Transactions :-</b>					
	Directors remuneration	137.71 (54.51)	- (-)	- (-)	- (-)	- (-)
	Loan Taken	- (-)	- (-)	- (-)	9,650.00 (3,164.00)	- (-)
	Other receipts	- (-)	- (-)	1,150.63 (-)	- (-)	- (-)
	Loan Repaid	- (-)	- (-)	- (-)	- (-)	- (-)
	Purchase of Goods	- (-)	532.61 (33.09)	- (-)	- (-)	77.54 (61.96)
	Sale of Goods	- (-)	5,147.34 (2,008.81)	- (-)	111.77 (-)	2,309.36 (625.42)
	Slump Sale of Fabric Unit	- (-)	- (-)	- (-)	4,649.00 (-)	- (-)
	Reimbursement Of Expenses	- (-)	- (-)	- (-)	20.48 (-)	- (-)



(Rs. In Lacs)

	Nature of Transaction	In Relation to "A" Above	In Relation to "B" Above	In Relation to "C" Above	In Relation to "D" Above	In Relation to "E" Above
<b>2)</b>	<b>Outstanding as at year end :-</b>					
	Trade Receivable	- (-)	527.85 (659.51)	- (-)	0.51 (-)	457.33 (291.55)
	Other Receivable	- (-)	- (-)	- (-)	4,669.48 (-)	- (-)
	Trade Payable	- (-)	339.05 (33.09)	- (-)	- (-)	5.51 (2.62)
	Advance Received	- (-)	- (-)	- (-)	- (-)	- (-)
	Director Remuneration Payable	26.90 (23.67)	- (-)	- (-)	- (-)	- (-)
	Other Payable	- (-)	- (-)	1,150.63 (-)	- (-)	- (-)
	Loan	- (-)	- (-)	- (-)	30,317.40 (20,667.40)	- (-)

Figures in brackets pertains to Previous Year

**F) Statement of Material Transactions**

	Nature of Transaction	31.03.14	31.03.13
<b>1)</b>	<b><u>Key Management Personnel</u></b>		
	Mr. Kwang Hyuck Choi Director remuneration	<b>36.07</b>	17.76
	Mr. Eung Kyun Shin Director remuneration	<b>33.74</b>	12.65
	Mr. Jung Ho Hong Director remuneration	<b>27.74</b>	8.64
	Mr. Yangweon Yoo Director remuneration	<b>40.16</b>	15.46
<b>2)</b>	<b><u>Ultimate Holding Company</u></b>		
	E Land World Co. Ltd. Purchase of Goods	<b>532.61</b>	33.09
	Sale of Goods	<b>5,147.34</b>	2,008.81
<b>3)</b>	<b><u>Fellow Subsidiary Company</u></b>		
	E.Land Vietnam Corp Ltd., Sale of Goods	<b>21.43</b>	-
	Elphis Lanka (Pvt) Ltd Sale of Goods	<b>22.92</b>	-
	Jewoo Manufacturing Co. Ltd Sale of Goods	<b>66.58</b>	-
<b>4)</b>	<b><u>Entities Under Common Control</u></b>		
	E Land Fashion (Shanghai) Co. Ltd Sale of Goods	<b>591.33</b>	290.75
	Eland Retail Ltd Sale of Goods	<b>1,174.31</b>	264.15
	E.Land International Fashion (Shanghai) Co., Ltd Purchase of Goods	<b>30.97</b>	1.24
	Sale of Goods	<b>350.95</b>	28.40
	WHOAU Holdings Inc. Sale of Goods	-	42.12
	Wish Trading (Shanghai) Co. Ltd. Purchase of Goods	<b>46.56</b>	-
	Wish trading Co. Ltd Purchase of Goods	-	60.72

**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. 10,390.34 Lacs (P.Y. Rs 4,356.55 Lacs) & Local Sales is Rs. 22,073.16 Lacs (P.Y. Rs. 8,525.34 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:-

(Rs. In Lacs)

Particulars	31.03.14	31.03.13
a) Not later one year	444.84	24.05
b) Later than one year and not later than five year	1,315.18	77.84
c) Later than five year	739.85	35.50

**Note 37**

Necessary disclosures of the details pertaining to the discontinuing operations in respect of the D1 unit as required under the Accounting Standard - 24 'Discontinuing Operations' (AS-24) are as under:

The Company has entered into a Business Transfer Agreement with its fellow subsidiary M/s. E-Land Fashion India Pvt. Ltd. ("E-Land India") for transfer of D-1 Unit (located at Tarapur, Thane) of its Fabric Business, by way of slump sale, on a going concern basis, w.e.f. 29<sup>th</sup> March 2014, for a total consideration of Rs. 4,649 Lacs.

The Company has obtained necessary approvals of the Board of Directors and of Shareholders through postal ballot.

The Company has identified total assets amounting to Rs. 41,279.86 Lacs and total liabilities amounting to Rs. 38,466.41 Lacs as on 29<sup>th</sup> March 2014 pertaining to D1 unit. The profit amounting to Rs. 7,462.45 Lacs arising on sale of D1 Unit has been credited to the Statement of Profit and Loss.

The Company is unable to determine the income, and expenses clearly attributable to the discontinued operations. Accordingly, the Company is unable to disclose separately the profit/(loss) from the continuing and discontinuing operations, tax expense of the discontinuing operations and profit/(loss) from the discontinuing operations (after tax).

**Note 38**

Balances of Sundry Debtors, Sundry Creditors, Loans and Advances, other Current Assets and Liabilities, Payable and Receivable are subject to confirmation and reconciliation.

**Note 39**

The Company has received approval for appointment and remuneration of 3 foreign directors and awaiting for the approval 1 director from the Central Government.

**Note 40**

As per section 92 and 92F of the Income Tax Act, 1961, the Company has policy to maintain the documents and other information as required by the Transfer Pricing Legislations. The international transactions with Associated Enterprises (AE's) are at arm's length price as per the independent accountants report for the year ended 31 March, 2013. The management is of the opinion that the international transactions are at arm's length and that the aforesaid legislation will not have any impact on these financial statements, particularly on the amount of tax expense and on the provision for taxation.



**Note 41**

The Company has regrouped/ reclassified the previous period figures in accordance with the requirements applicable in the current year. The previous period figures are not comparable since the previous period figures are for 6 Months and current year figures are for 12 Months.

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**As per our Report of even date  
For K C P L And Associates LLP  
Chartered Accountants  
Firm Reg. No. 119223 W**

**For and on behalf of the Board**

**Sd/-  
Mahavir Jain  
Partner  
M. No. 121275  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2014**

<b>Sd/- Yangweon Yoo Managing Director</b>	<b>Sd/- Yi Byoung Hoon Chief Financial Officer</b>
<b>Sd/- Jungho Hong Director</b>	<b>Sd/- Ashitosh Sheth Company Secretary</b>
<b>Place : Mumbai Date : 30<sup>th</sup> May, 2014</b>	

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# MUDRA LIFESTYLE LIMITED

CIN: L17110MH1997PLC106945

**Regd office:** Office No. 509, 5th Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai 400066  
Tel.: +91-22-40972600, Fax: +91-22-40972601, E-mail: investor@mudralifestyle.com, Website: www.mudralifestyle.com

## FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholder(s),

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

<b>Folio No.</b>
<b>Name of the Shareholder</b>
<b>Father's/Mother's/Spouse's Name</b>
<b>Address (Registered Office Addressing case the Member is a Body Corporate)</b>
<b>E-mail Id</b>
<b>PAN or CIN</b>
<b>UIN (Aadhar Number)</b>
<b>Occupation</b>
<b>Residential Status</b>
<b>Nationality</b>
<b>In case member is a minor, name of the guardian</b>
<b>Date of birth of the Member</b>

**Note: Members holding shares in DEMAT mode may furnish these details to their respective DPs.**

\_\_\_\_\_  
**Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. **"BIGSHARE SERVICES PVT. LTD., E 2/3, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKI NAKA, ANDHERI (EAST), MUMBAI 400072"**.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking You,

For MUDRA LIFESTYLE LIMITED

Sd/-

**Ashitosh Sheth**  
**Company Secretary**  
**Membership No. A25997**



# MUDRA LIFESTYLE LIMITED

(CIN: L17110MH1997PLC106945)

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Tel.: +91-22-40972600, Fax: +91-22-40972601, E-mail: investor@mudralifestyle.com, Website: www.mudralifestyle.com

## ATTENDANCE SLIP

### ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER, 2014

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1 Joint Holder 2	

I/we hereby record my/our presence at the Annual General Meeting of the Company held at Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali East, Mumbai-400 101 on Tuesday, 30<sup>th</sup> September, 2014 at 10.00 a.m.

\_\_\_\_\_  
Member's Folio/DP ID/Client ID No.                      Member's/Proxy's name (in Block Letters)                      Member's/Proxy's Signature

**Note:**

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**

**Note:** Please read the instructions for e-voting given along with Annul Report. The e-voting period starts from Monday, 22<sup>nd</sup> September, 2014 (9.00 a.m.) and ends on Wednesday, 24<sup>th</sup> September, 2014 (6.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

**Note:** PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.





# MUDRA LIFESTYLE LIMITED

CIN: L17110MH1997PLC106945

**Regd office:** Office No. 509, 5th Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai 400066  
Tel.: +91-22-40972600, Fax: +91-22-40972601, E-mail: investor@mudralifestyle.com, Website: www.mudralifestyle.com

## **ASSENT/DISSENT FORM FOR VOTING ON AGM RESOLUTIONS**

**(17<sup>th</sup> Annual General Meeting to be held on Tuesday, 30<sup>th</sup> September, 2014)**

1. Name & Registered Address of Shareholder (IN BLOCK LETTER)	
2. Name(s) of Joint holders, if any	
3. Registered folio No./ DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form)	
4. Number of share(s) held	
5. I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 14 <sup>th</sup> August, 2014 by conveying my/our assent or dissent to the Resolutions by placing a tick (✓) mark at the appropriate box below.	

Item No.	Description of the Resolution	No. of share(s)	I/We assent to the resolution (FOR )	I/We dissent to the resolution (AGAINST)
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2014 along with Reports of the Directors and of the Auditors thereon.			
2.	Ordinary Resolution for appointment of a Director in place of Mr. Jung Ho Hong, Whole Time Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for appointment of M/s. S R B C & CO LLP, Chartered Accountants, Mumbai (having FRN:324982E) as Statutory Auditors of the Company to hold office from the conclusion of 17 <sup>th</sup> Annual General Meeting until the conclusion of 22 <sup>nd</sup> Annual General Meeting subject to ratification in every Annual General Meeting.			
4	Ordinary Resolution for appointment of Mr. Kyoung Hur as an Independent Director of the Company to hold office as such upto 4 <sup>th</sup> August, 2019.			
5	Ordinary Resolution for appointment of Mr. Chong Tae Baek as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
6	Ordinary Resolution for appointment of Mr. Sivabalan Paul Pandian as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
7	Special Resolution under section 180(1)(c) of the Companies Act, 2013 to increase the borrowing limits of the Company.			
8	Special Resolution under section 180(1)(a) of the Companies Act, 2013 to give authority to create charge / mortgage on assets of the Company.			

Place :

Date :

\_\_\_\_\_  
(Signature of the shareholder)

- Notes:**
- (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
  - (ii) Last date for receipt of Assent/Dissent Form: Wednesday, 24<sup>th</sup> September, 2014 (6.00 pm)
  - (iii) Please read the instructions carefully before exercising your vote.

## **INSTRUCTIONS**

### **General Instructions**

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey Assent/Dissent in physical form. If a shareholder has opted for physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical Assent/Dissent Form and e-voting, then vote casted through e-voting shall be considered, and vote casted through Assent/Dissent form shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on cut off date, i.e. 29<sup>th</sup> August, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy.

### **Instructions for voting physically in Assent / Dissent Form**

1. Members desiring to exercise vote by Assent / Dissent form should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Manish L. Ghia, Partner, M/s Manish Ghia and Associates, Company Secretaries, Mumbai at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 6.00 p.m. on Wednesday, 24<sup>th</sup> September, 2014. All Forms received after this time and date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything on the Assent / Dissent Form except giving their assent or dissent and putting their signature. If any other paper is sent along with the form, the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

# MUDRA LIFESTYLE LIMITED

(CIN: L17110MH1997PLC106945)

**Regd office:** Office No. 509, 5th Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai 400066  
Tel.: +91-22-40972600, Fax: +91-22-40972601, E-mail: investor@mudralifestyle.com, Website: www.mudralifestyle.com

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### 17<sup>TH</sup> ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER, 2014

Name of the member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/ Client Id: \_\_\_\_\_

DP Id: \_\_\_\_\_

I/We being a member(s) of \_\_\_\_ Shares of the above named Company hereby appoint:

(1) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

(2) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

(3) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 30<sup>th</sup> September, 2014 at Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali East, Mumbai-400 101 at 10.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
	<b>Ordinary Business:</b>			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2014 along with Reports of the Directors and of the Auditors.			
2	Ordinary Resolution for appointment of a Director in place of Mr. Jung Ho Hong, Whole Time Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for appointment of M/s. S R B C & CO LLP, Chartered Accountants, Mumbai (having FRN:324982E) as Statutory Auditors of the Company to hold office from the conclusion of this 17 <sup>th</sup> Annual General Meeting until the conclusion of 22 <sup>nd</sup> Annual General Meeting subject to ratification in every Annual General Meeting.			
	<b>Special Business:</b>			
4	Ordinary Resolution for appointment of Mr. Kyoung Hur as an Independent Director of the Company to hold office as such upto 4 <sup>th</sup> August, 2019.			
5	Ordinary Resolution for appointment of Mr. Chong Tae Baek as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
6	Ordinary Resolution for appointment of Mr. Sivabalan Paul Pandian as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
7	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 to increase the borrowing limit of the Company.			
8	Special Resolution under section 180(1)(a) of the Companies Act, 2013 to give authority to create charge / mortgage on assets of the Company.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

#### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



**NOTE**

Lined writing area with 25 horizontal lines.







To,

If undelivered, please return to,

**MUDRA LIFESTYLE LIMITED**

Office No. 509, 5th Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai 400066

Tel.: +91-22-40972600, Fax: +91-22-40972601