



49th ANNUAL REPORT 2010-2011

MODELLA WOOLLENS LIMITED

MODELLA WOOLLENS LIMITED



Board of Directors

Mr. V. K. Grover (Chairman & Managing Director)

Mr. B. K. Khemka

Mr. R. K. Chaudhary

Mrs. G. Grover

Registered Office :

4-C, Vulcan Insurance Building,
Veer Nariman Road,
Churchgate, Mumbai-400 020.

Tel. : (022) 2204 7424/9879

Fax : (022) 2287 2620

E-mail : modella@vsnl.com

E-mail for investor

grievance:modella@hathway.com

Bombay Stock Exchange Ltd.

Code No. 503772

Demat ISIN in CDSL/NSDL

INE 380D01012

Bankers :
Union Bank of India

Solicitors :
Malvi Ranchoddas & Co.

Auditors :
Desai & Bhagtaney

Registrar & Share Transfer Agent :
Purva Sharegistry (India) Pvt. Ltd.

9, Shiv Shakti Industrial Estate,
Ground Floor, Sitaram Mill Compound,
J. R. Boricha Marg, Lower Parel, Mumbai-
400 011

Tel.: 2301 6761/8261

E-mail: busicomp@vsnl.com

Website : www.busi-comp.com

MODELLA WOOLLENS LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the 49th Annual General Meeting of the members of **MODELLA WOOLLENS LIMITED** will be held at the Walchand Hirachand Hall, Indian Merchants' Chamber Building, 76 Veer Nariman Road, Churchgate, Mumbai-400 020 on Friday the 5th day of August, 2011 at 12.00 noon to transact the following:

As Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B.K. Khemka who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Messrs Desai & Bhagtaney, Chartered Accountants, Mumbai as the Auditors of the Company and to fix their remuneration.

Place : Mumbai,
Dated : 27th April, 2011

By Order of the Board of Directors
V. K. Grover
Chairman & Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER, IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday 28-07-2011 to Friday 05-08-2011 (both days inclusive).
3. Members may kindly note that the Company's share can now be held in de-materialised form with Central Depository Services Ltd.(CDSL) & National Securities Depository Limited(NSDL). The ISIN is INE 380D01012. The Company has appointed M/s. Purva Shareregistry India Pvt. Ltd., 9, Shiv Shakti Industrial Estate, Ground Floor, Sitaram Mill Compound, J.R. Boricha Marg, Lower Parel, Mumbai-400 011 as the Registrar & Transfer Agent.
4. Members can avail of the Nomination facility by filling Form 2B of the Companies (Central Government's) General Rules and Forms, 1956 with the Company or its Registrar & Transfer Agent viz. M/s. Purva Shareregistry India Pvt. Ltd.
5. Members are requested to notify immediately change in their address, if any, to the Company, or to its Registrar & Transfer agent viz. M/s. Purva Shareregistry India Pvt. Ltd. or to respective Depository Participant in case of shares held in de-materialised form.

6. Members desiring any information as regards the accounts & operations of the Company are requested to write to the Company at an early date so that the information sought can be made readily available at the meeting.
7. Pursuant to Circular No.17/2011 dated 21-04-2011 and Circular No. 18/2011 dated 29-04-2011. Issued by the Ministry of Corporate Affairs, Government of India, as a part of green initiative in the Corporate Governance, the Companies have permitted to send notices/documents to the members through email.

Accordingly, the Company proposes to send notices/documents like the Annual Report in electronic form to the members who would register their email address with the depositories, the Register and Transfer Agent or the Company.

The members are requested to register their email addresses by sending their details to the Registrar and Transfer Agent, M/s. Purva Sharegistry India Pvt. Ltd., 9, Shiv Shakti Industrial Estate, Ground Floor, Sitaram Mill Compound, J.R. Boricha Marg, Lower Parel, Mumbai-400 011.

Service of notices/documents to the members whose email addresses will not be registered with the depository or the Company or the Registrar and Transfer Agent will be effected by mode of service as provided under Section 53 of the Companies Act, 1956.

8. Members are requested to bring their copy of the Annual Report as the practice of distributing copies of the Annual Report at the place of meeting has been discontinued as an austerity measure.
9. Members/Proxies are requested to bring their admission slip, duly filled, while attending the meeting.

By Order of the Board of Directors

V. K. Grover

Chairman & Managing Director

Place : Mumbai

Dated : 27th April, 2011

MODELLA WOOLLENS LIMITED

DIRECTORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31ST MARCH, 2011

Your Directors present their 49th Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2011.

FINANCIAL RESULTS :

	2010-2011	2009-2010
	Rs./Lakhs	Rs./Lakhs
Profit before Interest and Depreciation	23.75	6.11
Less : Depreciation	0.11	0.13
Profit for the year before Tax	23.64	5.98
Less: Income Tax including F.B.T.	15.17	(8.76)
(Deficit)/Profit after Tax	8.47	(2.78)

In view of absence of significant business activities, the Managing Director has continued to draw a token remuneration of Rs.100/- p.m. during the financial year.

DIVIDEND :

In view of accumulated losses of earlier years, and with a view to conserve resources the Board decided not to recommend any dividend for 2010-11.

OPERATION :

During the year your Company was able to commence trading activity and it is expected that trading will continue on a regular basis. Your Company has generated sales of Rs.12.70 lakhs resulted in income of Rs.0.80 lakh from trading activities during the year. The funds available with your Company were invested mostly in bonds and fixed deposits that generated an income of Rs.1.88 lakh and Rs.0.39 lakh respectively.

Your Directors are of the view that having regard to the size and nature of business there is no need for a formal internal audit. However, your Directors have put in place suitable system of internal controls and exercises periodic checks to ensure their compliance.

FUTURE OUTLOOK :

Your Directors are expecting to do trading in textile fabrics and yarns on a regular basis.

Your Company has no borrowings from Banks or Financial Institutions. The Company has also not accepted any deposits.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217 (2AA) of the Companies Act, 1956.

Your Directors state that-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) they have selected such accounting policies 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 at the end of the financial year and the profit of the Company for the year..

- (iii) they have taken proper and sufficient care for the 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.
- (iv) they have prepared the annual accounts on a going concern basis because of financial support from promoters.

COMPLIANCE CERTIFICATE :

As required under proviso to sub-section(1) of Section 383A of the Companies Act, 1956, a certificate dated 25-04-2011 from Messrs Jayshree Dagli & Associates, Company Secretaries is attached to this Report.

PERSONNEL:

Your Directors place on record their appreciation for the co-operation of all the staff and officers of the Company and look forward to their continued co-operation in future.

There is no employee whose remuneration exceed the limit specified under Section 217(2A) of the Companies Act, 1956.

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

Pursuant to Rules framed by the Central Government under Section 217, sub-section 1(e), the Board reports as under:

- A. CONSERVATION OF ENERGY : N.A.
- B. TECHNOLOGY ABSORPTION : N.A.
- C. FOREIGN EXCHANGE EARNINGS : NIL
- D. FOREIGN EXCHANGE OUTGO : NIL

DIRECTORS :

Mr. B.K. Khemka retires by rotation and being eligible offers himself for re-appointment.

The Central Government , Ministry of Company Affairs has approved the re-appointment of Mr. V.K. Grover as the Managing Director for a period of 5 years with effect from 01-10-2010. However, his salary as the Managing Director has been approved for a period of 3 years with effect from 01-10-2010.

Your Directors have informed your Company that they are not debarred for re-appointment/ continuation as directors under Section 274(1)(g) of the Companies Act, 1956.

AUDITORS & AUDITORS REPORT :

Messrs Desai & Bhagtaney, Chartered Accountants, Mumbai retire at the conclusion of the Annual General Meeting and being eligible are recommended for re-appointment.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 27th April, 2011

V. K. Grover
Chairman & Managing Director

MODELLA WOOLLENS LIMITED

COMPLIANCE CERTIFICATE UNDER SECTION 383A(1) OF THE COMPANIES ACT, 1956
[FORMING PART OF DIRECTORS' REPORT]

COMPLIANCE CERTIFICATE

25.04.2011

Registration No. of the Company : (011) 12080
Nominal Capital : Rs. 2,00,00,000/-

To,
The Members of,
MODELLA WOOLLENS LIMITED
4-C, Vulcan Insurance Bldg.,
Veer Nariman Road,
Churchgate, Mumbai 400 020

We have examined the registers, records, books and papers of MODELLA WOOLLENS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2011 (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 times respectively on 30.04.2010, 22.07.2010, 26.10.2010 and 24.01.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 26th June, 2010 to 9th July, 2010 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the Financial Year ended on 31.03.2010 was held on 09.07.2010 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Books maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act, in respect of contracts specified in that Section.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.

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11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals for that purpose from the Board of Directors, Members or Central Government.
12. The Board of Directors has approved the issue of Duplicate Share Certificates.
13. (i) The Company has delivered all the Certificates on lodgment thereof for transfer transmission in accordance with the provisions of the Act. Further during the year under review, there was no allotment of securities.
(ii) The Company has not deposited any amount in a separate Bank Account as no Dividend was declared during the Financial Year.
(iii) The Company was not required to post warrants to any member of the Company as no Dividend was declared during the Financial Year.
(iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Additional Director was duly made. There was no appointment of Alternate Directors and Directors to fill casual vacancy during the Financial Year.
15. The re-appointment of Managing Director has been made in compliance with the provisions of the Act and necessary application to the Central Govt. has been made during the financial year and the approval was obtained.
16. The Company has not appointed any Sole Selling Agents during the Financial Year.
17. The Company was not required to obtain any approval of Company Law Board, Regional Director and/or such authorities prescribed under various provisions of the Act during the Financial Year except approval of the Central Government U/s 198, 269, 309 and 310 of the Act, for re-appointment of and remuneration payable to the Managing Director Mr. Vinod Kumar Grover, for which relevant application was made within the prescribed time limit and that the approval for the same was obtained during the year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not issued any Shares, Debentures or Other Securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. There was no redemption of Preference Shares or Debentures during the Financial Year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.
24. The amount borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and others (including Other Bodies Corporate) during the financial year ending

MODELLA WOOLLENS LIMITED

- 31.03.2011 are within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened General Meeting.
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under Scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under Scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under Scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under Scrutiny.
 30. The Company has not altered its Articles of Association during the Financial Year.
 31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the Financial Year for offences under the Act.
 32. The Company has not received any money as security from its employees during the Financial Year.
 33. The provisions of Section 418 of the Companies Act, 1956 are applicable to the Company since the Company has deposited employees' and employer's contribution to Provident Fund with Recognized Provident Fund.

For JAYSHREE DAGLI & ASSOCIATES,

JAYSHREE S. JOSHI

F.C.S.1451

C.P. - 487

Encl : As Above

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY

A) STATUTORY REGISTERS :

1. Register of Investments u/s 49(7).
 1. Register of Investments u/s 49(7).
 2. Register of Charges u/s 143 and Copies of Instruments creating charges u/s 136.
 3. Register/Index of Shareholder u/s 150-151.
 4. Register and Returns u/s 163.
 5. Minutes Books of Board/General Meetings u/s 193.
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6. Books of Accounts u/s 209.
7. Register of Particulars of Contracts in which Directors are interested u/s 301.
8. Register of Companies, firms etc. in which Directors are interested u/s 301.
9. Register of Directors, Managing Director, Manager, Secretary u/s 303.
10. Register of Directors' Shareholdings u/s 307.
11. Register of Renewed and Duplicate Share Certificates under Rule 7 of the Companies (Issue of Share Certificate) Rules, 1960.

B) OTHER REGISTERS :

1. Register of Directors' Attendance.
2. Register of Shareholders' Attendance.
3. Register of Proxies.
4. Register of Transfers.
5. Register of Fixed Assets.
6. Register of Documents Sealed.

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the Financial year ending 31.03.2011.

1. Form 32 u/s 302 for Appointment of Mr. R.K.Chaudhary as an Additional Director of the Company, filed on 17.05.2010 vide Challan No.A85279883.
2. Form 23 u/s 192 for Board resolution passed on 30.04.2010 for re-appointment of Mr.V. K. Grover as Managing Director, filed on 26.06.2010 vide Challan No. A87886008 with requisite Additional fees.
3. Form 66 i.e. Compliance Certificate u/s. 383A for the year ended 31.03.2010 filed on 20.07.2010 vide Challan No. P48863997.
4. Form 32 u/s 302 for Change in Designation of Mr. R.K.Chaudhary as Director of the Company, filed on 27.07.2010 vide Challan No.A90048174.
5. Form 23AC and Form 23ACA i.e. Balance Sheet and Profit and Loss u/s. 220 for year ended 31.03.2010 filed on 03.08.2010 vide Challan No. P49217094.
6. Form 23 u/s 192 for Special resolution passed at Annual General Meeting held on 09.07.2010 filed on 03.08.2010 vide Challan No. A90535683.
7. Form 20B i.e. Annual Return u/s. 159 for AGM held on 07.07.2010 filed on 06.09.2010 vide Challan No. P51911733.
8. Form 25A for Application to Central Government for approval of appointment of and remuneration payable to Mr. V. K. Grover as Managing Director, filed on 13.10.2010 vide Challan No. A95923066.

For JAYSHREE DAGLI & ASSOCIATES,

JAYSHREE S. JOSHI

F.C.S.1451
C.P.487

MODELLA WOOLLENS LIMITED

Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

SR. NO. NAME OF THE ENTITY/PERSON

- 1 Ayesha Grover
- 2 Bharat Grover
- 3 Brij Mohan Grover
- 4 Gopee Grover
- 5 Indira Grover
- 6 Kahan Chand Narang
- 7 Kapal Muni Grover
- 8 Kusum Grover
- 9 Madhu Grover
- 10 Neena Hazrat
- 11 Pushpa Grover
- 12 Rakhee Grover
- 13 Ravinder Kumar Grover
- 14 Vanila Mehra
- 15 Vinod Kumar Grover
- 16 Uday Grover
- 17 Modella Textiles Industries Pvt. Ltd.
- 18 Novamod Trading Co. Pvt. Ltd.

AUDITORS' REPORT

To,
The Members of
MODELLA WOOLLENS LIMITED

1. We have audited the attached balance sheet of **Modella Woollens Limited**, as at 31st March, 2011 and also the annexed profit and loss account and cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclosed in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 the law have been kept by the company so far as appear from our examination of those books
 - c. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, none of the directors are disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the accounting policies and notes on accounts particularly note 2.3 and note 5 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011; and
 - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

For DESAI & BHAGTANEY
CHARTERED ACCOUNTANTS

SHAILESH S. DESAI
PARTNER

M. NO. 36935 Firm No. 115646W

Place of Signature : Mumbai.
Date : 27th April, 2011

MODELLA WOOLLENS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we further report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As informed to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
(c) No fixed assets have been disposed off during the year except assignment of trademark "Modella" which has in the opinion of management not affected the going concern.
- ii. (a) We are informed that there was no stock of goods during the year or at the year end and hence physical verification of stock was not required to be conducted by the management. In view of above therefore, we have no comment to offer on frequency of the physical verification of such stocks.
(b) Since company is not having any stock, we have no comment to offer on whether the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) Since company is not having any stock, we have no comment to offer on maintaining proper records of inventory and discrepancies on physical verification of stocks as compared to book records.
- iii. (a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956
- iv. (a) The company has taken unsecured inter-corporate loan from a company covered in register maintained under section 301 of the Companies Act, 1956 as under :

Number of parties	: One
Opening Balance	: Nil
Accepted during the year	: 3,20,000/-
Closing Balance	: Nil

(b) In our opinion the rate of interest and other terms and conditions on which the above loan taken is not prime facie, prejudicial to the interest of the company.
- v. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services.
- vi. (a) On the basis of our examination and according to the information and explanation given to us, the company has not entered transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
(b) The Company has not entered transactions that need to be entered in the register under section 301 of the Companies Act, except assignment of trademark "Modella". As there are no comparable market prices for the similliar transactions we cannot comment that the said transaction has been made at prices, which are reasonable.
- vii. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any order relevant provisions of the Companies Act, 1956 and rules framed thereunder.
- viii. The Company does not have an internal audit system.
- ix. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for any activities of the Company.

- x. (a) The Company has been regular in depositing Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, custom duty, excise duty and cess were out-standing as at March 31, 2011 for period of more than six months from the date they became payable.
- xi. The Company has been registered for a period of not less than five years and its accumulated losses at the end of the financial year exceeds fifty percent of its net worth.
- xii. The Company has not incurred cash losses in the financial year immediately preceding current financial year.
- xiii. The company has not taken any loans from any financial institution or bank or debenture holders and hence the question of default in payment does not arise.
- xiv. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xv. The provisions of any special statute applicable to chit fund, Nidhi or mutual Benefit Fund/ societies are not applicable to the Company.
- xvi. On the basis of our examination and according to the information and explanation given to us, the Company during the year has dealt in investments and has maintained proper records of the transactions and contracts with timely entries made therein. The said investment has been held by the company in its own name.
- xvii. On the basis of our examination and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xviii. The Company has not taken any term loan during the year.
- xix. On the basis of our examination of the Cash Flow statement and according to the information and explanation given to us, the funds raised on short-term basis have not been used for long-term investments.
- xx. On the basis of our examination and according to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- xxi. On the basis of our examination and according to the information and explanation given to us, no Debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
- xxii. On the basis of our examination and according to the information and explanation given to us, the Company has not raised any money by way of public issue during the year.
- xxiii. On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

Place of Signature : Mumbai.
Date : 27th April, 2011

For DESAI & BHAGTANEY
CHARTERED ACCOUNTANTS
SHAILESH S. DESAI
PARTNER
M. NO. 36935 Firm No. 115646W

MODELLA WOOLLENS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	31st March, 2011 Rs.	31st March, 2010 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	91,00,000	91,00,000
Reserves & Surplus			
Capital Reserve		9,647	9,647
	TOTAL	91,09,647	91,09,647
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	2	11,58,432	11,47,632
Less : Depreciation		10,92,340	10,81,164
Net Block		66,092	66,468
Investments			
	3	11,73,641	13,45,508
Net Current Assets :			
Current Assets, Loans & Advances	4	41,89,397	25,22,362
Current Liabilities & Provisions	5	37,84,806	31,36,784
		4,04,591	(6,14,422)
Profit & Loss Account		74,65,323	83,12,093
	TOTAL	91,09,647	91,09,647

For principal accounting and disclosure policies refer Schedule 10
For notes forming part of the accounts refer Schedule 11

As per our report of even date attached
For **Desai & Bhagtaney**
Chartered Accountants

Shailesh S. Desai
Partner
M. No. 36935
Firm No. 115646W
Mumbai : 27th April, 2011

V. K. Grover
Chairman & Managing Director

B. K. Khemka
R. K. Chaudhary
G. Grover
Directors

Mumbai : 27th April, 2011

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	31st March, 2011 Rs.	31st March, 2010 Rs.
INCOME :			
Sales of Fabrics		12,69,607	---
Interest on Compensation recd from Official Liquidator		---	17,67,025
Compensation recieved from Assignment of Trade Marks (Refer Note No. 2.3 of Schedule #11)		50,00,000	---
Other Income	6	6,48,981	16,17,105
		<u>69,18,588</u>	<u>33,84,130</u>
EXPENDITURE :			
Purchase for Resale		11,89,607	---
Administrative Expenses	7	33,53,351	27,72,746
Depreciation		11,176	13,387
		<u>45,54,134</u>	<u>27,86,133</u>
PROFIT FOR THE YEAR BEFORE TAX		23,64,454	5,97,997
Less : Income Tax (net)		15,17,684	8,75,667
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		8,46,770	(2,77,670)
Loss brought forward		83,12,093	80,34,423
Loss carried to Balance Sheet		<u>74,65,323</u>	<u>83,12,093</u>
Earnings Per Share (Rs. per Equity Share of Rs. 10/- each)			
Basic & Diluted (Refer Note #5 of Schedule #10)		(+) 0.93	(-) 0.30

For principal accounting and disclosure policies refer Schedule 10
For notes forming part of the accounts refer Schedule 11

As per our report of even date attached
For **Desai & Bhagtaney**
Chartered Accountants

Shailesh S. Desai
Partner
M. No. 36935
Firm No. 115646W
Mumbai : 27th April, 2011

V. K. Grover
Chairman & Managing Director

B. K. Khemka
R. K. Chaudhary
G. Grover
Directors

Mumbai : 27th April, 2011

MODELLA WOOLLENS LIMITED

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 1
SHARE CAPITAL**

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
AUTHORISED :		
20,00,000 (20,00,000) Equity Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
TOTAL	<u>2,00,00,000</u>	<u>2,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
9,10,000 (9,10,000) Equity Shares of Rs. 10/- each fully paid up	91,00,000	91,00,000
TOTAL	<u>91,00,000</u>	<u>91,00,000</u>

Notes : Issued, Subscribed and Paid-up capital includes 2,60,000 fully paid equity shares of Rs. 10/- each allotted as bonus shares by capitalisation of General Reserve.

As per our report of even date attached, we have examined the accounts of the Company for the year ended 31st March 2011 and we certify that the accounts are correct and complete in all material aspects. We have also examined the Balance Sheet as at 31st March 2011 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Financial Position as at 31st March 2011 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Profit and Loss for the year ended 31st March 2011 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Cash Flows for the year ended 31st March 2011 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Changes in Equity for the year ended 31st March 2011 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Financial Position as at 31st March 2010 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Profit and Loss for the year ended 31st March 2010 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Cash Flows for the year ended 31st March 2010 and we certify that it is correct and complete in all material aspects. We have also examined the Statement of Changes in Equity for the year ended 31st March 2010 and we certify that it is correct and complete in all material aspects.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 2

FIXED ASSETS
(AT COST LESS DEPRECIATION)

Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost from last Balance Sheet Rs.	Additions during the year Rs.	Sales/ Adjustments during the year Rs.	Balance at the end of the year Rs.	Written off upto last year Rs.	Written off this year Rs.	Deduction on a/c. of Sales/ Adjustments Rs.	Total Rs.	Net book value at the end of 31.03.2011 Rs.	Net book value at the end of 31.03.2010 Rs.
Furniture & Fixtures	1,53,364	10,800	-	1,64,164	1,50,234	1,095	-	1,51,329	12,835	3,130
Office Equipments	6,70,696	-	-	6,70,696	6,42,529	5,189	-	6,47,718	22,978	28,167
Electrical Fittings and equipments	3,23,572	-	-	3,23,572	2,88,401	4,892	-	2,93,293	30,279	35,171
TOTAL	11,47,632	10,800	-	11,58,432	10,81,164	11,176	-	10,92,340	66,092	66,468
Previous Year	11,47,632	-	-	11,47,632	10,67,777	13,387	-	10,81,164	66,468	-

MODELLA WOOLLENS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 3 INVESTMENTS

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
CURRENT Investments :		
Quoted-other than Trade		
(At lower of cost and market value)		
1) Templeton India Income Fund-Dividend Reinvestment Nil (1,27,428.82) units face value of Rs.10/-each. [market value Rs. Nil (Rs.13,45,508/-) cost Rs. Nil (Rs. 13,54,945/-)]	---	13,45,508
2) HDFC High Interest Fund STP (Growth) 62,916.007 (Nil) units face value Rs.10/- each [market value Rs. 12,17,305/- (Rs. Nil)]	11,73,641	---
Total	<u>11,73,641</u>	<u>13,45,508</u>

Notes:

Particulars of Current Investments purchased and sold during the year:

Name of Fund/Scheme	Purchase Price Rs.	Sale Price Rs.	Profit/(Loss) Rs.
1. Temptation India Income Fund Dividend Rein	13,71,553	13,66,292	(5,261)
2. HDFC High Interest Fund	31,26,359	31,45,000	18,641
3. 11.4% FCRL Ltd.	25,12,767	25,00,000	(12,767)
Total	70,10,679	70,11,292	613

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 4
CURRENT ASSETS, LOANS & ADVANCES

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
A. CURRENT ASSETS :	3,915	4,163
Cash in hand		
Balance with Scheduled Bank in Current Account	25,95,652	4,61,192
in Fixed Deposit Accounts	<u>9,23,885</u>	---
	<u>35,23,452</u>	<u>4,65,355</u>
B. LOANS AND ADVANCES :		
Unsecured, Considered good :		
Advances recoverable in cash or in kind or for value to be received	1,639	5,22,639
Prepaid Expenses	8,101	45,795
Interest Receivable FD	11,579	---
Advance and loans to staff	3,20,500	1,10,000
Advance Income-tax	2,91,036	13,45,483
Deposits	33,090	33,090
	<u>6,65,945</u>	<u>20,57,007</u>
TOTAL (A + B)	<u>41,89,397</u>	<u>25,22,362</u>

Note

1. Advances recoverable in cash or in kind or for value to be received include Rs. Nil (Rs. 21,000/-) paid to lawyer which will be adjusted on receipt of bills.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 5
CURRENT LIABILITIES & PROVISIONS

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
A. CURRENT LIABILITIES :	1,03,026	70,584
Sundry Creditors	4,058	---
ESIC Payable	<u>1,07,084</u>	<u>70,584</u>
B. PROVISIONS :	26,08,016	24,11,012
For Rent Payable (Refer Note #5.3 of Schedule #11)	1,86,300	1,68,806
For Leave encashment	3,14,845	2,85,249
For Gratuity	44,500	44,500
For Leave Travel Allowances	97,861	79,633
For Ex-gratia	4,26,200	77,000
For Income Tax	<u>36,77,722</u>	<u>30,66,200</u>
TOTAL (A + B)	<u>37,84,806</u>	<u>31,36,784</u>

MODELLA WOOLLENS LIMITED

MODELLA WOOLLENS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 6
OTHER INCOME

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
Dividend from units	16,608	93,106
Sundry Receipts - Gross [TDS Rs.36500/- (Rs.96602/-)]	3,65,000	6,92,000
Adv. written off now recovered (refer note #1 of Schedule # 11)	---	5,00,000
Profit on Sale of Units	613	---
Excess Provision Written Back	9,437	---
Income Tax Refund	---	47,782
Interest		
on FD Deposits-Gross [TDS Rs. 3,940/- (Rs. 1,616/-)]	39,404	7,130
on Bonds-Gross [TDS Rs.18,817/-(Rs.Nil)]	1,88,177	---
on Staff Loan	29,742	6,524
on Income Tax	---	2,57,323
	2,57,323	2,70,563
	<u>6,48,981</u>	<u>2,84,217</u>
		<u>16,17,105</u>

SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 7
ADMINISTRATIVE EXPENSES

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
Personnel cost-Schedule # 8	19,78,550	15,03,132
Electricity	3,61,219	2,09,402
Rent (Refer Note # 5.1 & 5.2 of Schedule # 11)	2,42,544	2,42,544
Rates and Taxes	5,584	6,628
Insurance	827	3,634
Repairs & Maintenance	34,065	37,575
Travelling and conveyance	9,302	1,104
Postage & telephones	65,162	72,732
Printing & stationery	66,189	61,728
Legal and Professional charges	3,29,108	2,62,404
Advances written off	1,562	---
Advertisement [statutory insertions]	95,030	69,070
Auditors' Remuneration :		
For audit	38,606	37,263
For tax audit	---	5,410
For other services	16,545	16,545
Directors' Sitting Fees	7,000	3,000
Bank charges	1,755	999
Hire charges	16,800	16,800
Miscellaneous expenses	83,503	84,877
Interest on Income Tax	---	1,20,250
Fall in market value of current investments	---	9,437
Net loss on sale of units	---	8,212
TOTAL	33,53,351	27,72,746

MODELLA WOOLLENS LIMITED

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 8
PERSONNEL COST**

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
Salaries, wages, bonus and allowances	15,79,524	12,73,164
Company's contribution to :		
Employees' State Insurance	34,058	11,628
Employees' Provident Fund	97,065	71,463
Employees' Pension Fund	41,809	44,708
Employees' Labour Welfare Fund	216	216
Employees' Deposit Linked Insurance Scheme	2,845	2,691
Employees' Group Gratuity Scheme	58,917	(31,689)
Staff welfare	79,562	59,263
Managerial remuneration : paid/payable to Managing Director (Refer Notes #2.2 & #3 of Schedule #11)	84,554	71,688
Transferred to Schedule # 7		
TOTAL	19,78,550	15,03,132

**SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 9
ADDITIONAL INFORMATION**

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
1. Expenditure in Foreign Currency :		
2. Number of :		
Non-resident shareholders	4	4
Equity shares held by the non-residents	480	480

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 10

PRINCIPAL ACCOUNTING AND DISCLOSURE POLICIES

1. The accounts have been prepared under the historical cost convention on accrual basis of accounting and comply with the accounting standards made mandatory by the Institute of Chartered Accountants of India.
2. Fixed Assets are stated at cost of acquisition less accumulated depreciation. Depreciation is charged on written down value basis at the rates prescribed under Schedule XIV of the Companies Act, 1956.
3. Current investments are valued at cost or market value whichever is less.
4. Other income is recognised on accrual basis.
5.
 1. Gratuity is provided on the basis of premium computed by the Life Insurance Corporation of India.
 2. Under the LIC Scheme, the Company has to bear a part of actual payment to an employee except on death or retirement at sixty. This liability cannot be ascertained.
 3. In the case of employees not covered by the scheme, provision of liability for gratuity is estimated and based on the assumption that the amount is payable to employees at the end of the year.
 4. Provision of liability for earned leave is estimated and based on the assumption that the accumulated leave to the credit of the employees is payable at the end of the year.
6. Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the term of the lease.
7. Legal expenses are provided only on receipt of lawyer's memo of fees as the same cannot be estimated. Advances given to lawyer is adjusted on receipt of final memo of fees.

MODELLA WOOLLENS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 11

NOTES FORMING PART OF THE ACCOUNTS

1. Claim against Rajesh Industries was adjudicated for Rs. 25,00,000/- as per minutes of order dated 24.4.2008 of the Hon'ble Bombay High Court. The default was pursued in the Hon'ble Bombay High Court and the Suit has been disposed off for full & final settlement for Rs. 5,00,000/- by the way of new consent terms dated 26.04.2010. The amount was considered as income for the year ended 31.03.2010
2. Related Party Disclosure:

.1. Borrowing from Parties in which Directors are interested

Name of the related party	Nature of related party relationship	Nature of transaction	Amount in Rupees	
			Volume of Transaction during the year	outstanding balance
Novamod Trading Co. Pvt. Ltd.	Mrs. Gopee Grover is Director of that Company. Mr. V. K. Grover is a relative of Directors of that Company.	Un-secured, renewable inter-corporate deposits for 90 days	Rs. 3,20,000/-	Nil

.2. Key Managerial Personnel:

Name of the related party	Nature of related party relationship	Significant terms of Appointment	Volume of transactions during the period	Outstanding balance
Mr. V.K. Grover	Chairman & Managing Director	Date of re-appointment: 1/10/2010. Period of re-appointment: 5 years. Significant Terms of re-appointment: a. Salary : Rs. 40,000/- p.m. However, the Managing Director had restricted his salary to Rs.100/- p.m. for the financial year. b. Commission : 1%of net profit c. Perquisites : Restricted to an amount equal to annual salary or Rs. 4,50,000/- whichever is lower d. The Central Government approved the re-appointment for a period of five years from 01/10/2010 to 30/09/2015. However it has approved a total annual remuneration of Rs.9,30,000/- per annum for a period of two years from 01/10/2010 to 30/09/2012.	Rs. 84,554/-	Rs. 197/-

49th Annual Report 2010-2011

.3. Assignment of Trade Mark:

Name of the related party	Nature of related party relationship	Significant terms of Appointment	Volume of transactions during the period	Outstanding balance
Uday Industries	Mrs. Gopee Grover, is a partner Mr. V. K. Grover is related to some of the partners	Trade Mark and related copyrights "Modella" assigned vide agreement dated 07.05.2010	Rs. 50,00,000/-	Nil

3. Managerial Remuneration

3.1 In view of the loss as computed in accordance with Section 309(5) of the Companies Act, 1956 no commission is payable to the Managing Director.

3.2 Details of Managing Director's remuneration :

	31st March, 2011 Rs.	31st March, 2010 Rs.
Salary	1,200	1,200
Company's contribution to P.F & Pension Fund	144	144
Perquisites	60,134	47,268
Provision for Gratuity	23,076	23,076
	<u>84,554</u>	<u>71,688</u>

4. Disclosure of earnings per share :

.1. Profit/(Loss) for the period

8,46,770 (2,77,670)

.2. Weighted Average Number of Shares Used in Computing

9,10,000 9,10,000

.3. Earnings Per Share (Per Equity Share of Rs. 10/- each)
Basic & Diluted

(+) 0.93 (-) 0.30

5. .1. Rent including society charges for office premises debited to the profit & loss account for the period is **Rs.2,42,544/-** (Rs.2,42,544/-).

.2. Rent for the year **Rs.2,42,544/-** (Rs.2,42,544/-) also include **Rs.12,000/-** (Rs.12,000/-) paid as lease rent of office premises to the Official Liquidator of Modella Textile Industries Pvt. Ltd.

.3. Provision for rent payable upto 31st March, 2011 is **Rs. 26,08,016/-** (Rs. 24,11,012/-) being cheques paid but not cashed by the land lord.

6. The Company has not created deferred tax asset on tax losses and depreciation, that are available for set off against future taxable income, in view of significant uncertainty regarding realisability of the same.

MODELLA WOOLLENS LIMITED

7. The Company has paid minimum alternate Tax (MAT) under section 115JB of the Income-tax Act, 1961 for Assessment Year 2007-08. The amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Income-tax Act other than section 115JB in next seven years.
8. There are no dues to enterprises as defined under the Micro & Small Enterprises Development Act, 2006, which are outstanding for more than 45 days as at March 31st, 2011 which is on the basis of such party having been identified by the management and relied upon by the auditor.
9. In the opinion of the Board, current assets, loans and advances other than those disclosed as doubtful, have a value at least equal to the amounts as shown in the Balance Sheet if realized in ordinary course of the business. The provision for all the liabilities except legal cost (refer note #7 of Schedule # 10) is adequate and not in excess of the amount reasonably necessary.
10. The Company has not accepted any "Public Deposit" as defined in para 2(1)(xi) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction, 1998 as at 31st March, 2011
11. Figures of previous year have been re-grouped/rearranged wherever necessary to confirm to current year.

Signatures to Schedules 1 to 11

V. K. Grover
Chairman & Managing Director

B. K. Khemka
R. K. Chaudhary
Gopee Grover

Directors

Mumbai: 27th April, 2011

SHARE HOLDING PATTERN AS AT 31ST MARCH, 2011

	No. of Shares	% of Share holding
1. Promoters including Directors	3,49,136	38.37
2. Banks, Financial Insts. & Insurance Companies	1,77,884	19.55
3. Private Corporate Bodies	15,235	1.67
4. Indian Public	3,67,265	40.36
5. NRI/Foreign Holdings	480	0.05
	<u>9,10,000</u>	<u>100.00</u>

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CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2011

	31st March, 2011 Rs./Lakhs	31st March, 2010 Rs./Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Loss after F.B.T. and extra-ordinary items	(26.36)	2.78
Adjustments for :		
Depreciation	0.11	(0.13)
Net (Loss)/Profit on Sale of Units/Assets	(0.01)	(0.08)
Dividend from Units	(0.17)	---
Interest on Bond	(1.88)	---
Excess provision written back	(0.09)	(0.09)
Operating Profit before working capital changes	(28.40)	(2.48)
Adjustments for :		
Trade Receivables	14.50	8.49
Loans & Advances	0.32	(0.67)
Current Liabilities	4.15	(6.18)
Others-Provisions	(9.43)	(0.84)
Cash Flow before Tax & extra ordinary items	50.00	---
Compensation received from Assignment of Trade mark	(0.59)	---
Direct Taxes paid	39.98	(0.84)
(Net cash flow from operating activities)		
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Net Cash flow from purchase/sale of assets	(0.11)	---
Dividend from Units	0.17	---
Profit on Sale of Units	0.01	---
Interest on Bank Deposites	0.39	---
Interest on Bond	1.88	---
Net Cash flow from purchase/sale of investments	(11.74)	(13.63)
	(9.40)	(13.63)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Net Increase/(decrease) in cash & cash equivalents	30.58	14.47
Cash & Cash equivalents as at the begining of year	4.65	19.11
Cash & Cash equivalents as at the close of year	35.23	4.64

We have verified the above cash flow statement of Modella Woollens Ltd. for the year ended March 31, 2011 prepared by the Company and certify that the cash flow statement has been derived from the accounts of the Company audited by us and has been prepared in accordance with Stock Exchange listing requirements

For Desai & Bhagtaney

Chartered Accountants

Shailesh S. Desai

Partner

M. No. 36935

Mumbai : 27th April, 2011

V. K. Grover

Chairman & Managing Director

B. K. Khemka

R. K. Chaudhary

G. Grover

Directors

Mumbai : 27th April, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956.

I. REGISTRATION DETAILS

L17120MH1961PLC012080

Registration No. 11
 State Code
 Balance Sheet Date 31st March, 2011

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue -
 Rights Issue -
 Bonus Issue -
 Private Placement -

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities 9,110
 Total Assets 9,110

SOURCES OF FUNDS

Paid up Capital 9,100
 Reserves & Surplus 10
 Secured Loans -
 Unsecured Loans -

APPLICATION OF FUNDS

Net Fixed Assets 66
 Investments 1,174
 Net Current Assets 405
 Miscellaneous Expenditure -
 Accumulated Losses 7465

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover (Total Income) 6919
 Total Expenditure 4554
 Profit/(Loss) before Tax 2364
 Profit/(Loss) after Tax 847
 Earning Per Share 0.93
 Dividend Rate -

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No. (ITC Code)	Description
Qty 6,857.24 Kgs	Nylon Dipped Tire Cord Fabrics

V.K. Grover
 Chairman & Managing Director

B.K. Khemka
R. K. Chaudhary
G. Grover
 Directors

Mumbai :27th April, 2011

MODELLA WOOLLENS LIMITED

Regd. Office : 4-C, Vulcan Insurance Bldg., Veer Nariman Road, Mumbai-400 020

Dear Shareholder,

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' for promoting paperless compliances by companies. According to the circular no. 17/2011 dated April 21, 2011 and Circular no.18/2011 dated April 29, 2011, companies can send notices/documents including Annual Report to its shareholders through electronic mode into the registered address of the shareholder.

Your company hails the spirit of this green initiative, towards facilitating paperless communication, which incidentally underlines your Company focus as well on eco friendly and sustainable products and services.

We, therefore, invite all our shareholders to contribute to the said initiative by filling up the form give below and send it back to the registrar and transfer agent of the company Messers Purva Shareregistry (India) Pvt. Ltd. at 9, Shiv Shakti Indl. Estate, Ground Floor, Sitaram Mill Compound, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.

We are sure you will appreciate this green initiative and will co-operate wholeheartedly in its implementation. Please note that even after you have opted for e-communication as a member of the company, you will be entitled to receive all corporate communication in physical form also upon making specific request for the same.

Thanking you,

For Modella Woollens Limited,

V.K. Grover

Chairman & Managing Director

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no.17/2011 dated 21-04-2011 AND 18/2011 DATED 29-04-2011 issued by the Ministry of Corporate Affairs)

Folio No./DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID(to be registered) :

I/We shareholder(s) of Modella Woollens Limited agree to receive all communication from the Company in electronic mode. Please register my above e-mail id in your records for sending communication through e-mail.

Date:

Signature:
(First Holder)

Note: 1) On registration, all the communication will be sent to the e-mail ID registered in the folio.
2) Shareholder(s) are requested to keep its registrar and transfer agent informed as and when there is any change in the e-mail address.

MODELLA WOOLLENS LIMITED

Regd. Office : 4-C, Vulcan Insurance Bldg., Veer Nariman Road, Mumbai-400 020

**49th ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

FOLIO NO.
(To be filled in by the Shareholder)

I hereby record my attendance at the 49th Annual General Meeting of the Company at Walchand Hirachand Hall, Indian Merchants' Chamber Building, # 76, Veer Nariman Road, Churchgate, Mumbai-400 020 on Friday the 5th day of August, 2011 at 12.00 noon

.....
Full name of the Shareholder/Proxy
(in block letters)

.....
Signature

Note : A Member/proxy attending the meeting must complete this attendance slip and hand it over at the entrance.

Tear Here ✂

MODELLA WOOLLENS LIMITED

Regd. Office : 4-C, Vulcan Insurance Bldg., Veer Nariman Road, Mumbai-400 020

PROXY FORM

FOLIO NO.
(To be filled in by the Shareholder)

I/We.....being a member/members
of **MODELLA WOOLLENS LIMITED** hereby appoint.....
.....of.....
in the district of.....of failing him.....
.....of.....

.....in the district of
.....as my/our proxy to vote for me/us and on my/our behalf
at the 49th Annual General Meeting of the Company to be held on Friday the 5th day of
August 2011 at 12.00 noon at Walchand Hirachand Hall, Indian Merchants' Chamber Building, 76,
Veer Nariman Road, Churchgate, Mumbai-400 020 and at any adjournment thereof.

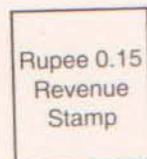
Signed this.....day of....., 2011.

Name.....

Address.....

.....

.....



Signature

Note : The proxy forms should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

BOOK - POST

To,

If undelivered, please return to :

MODELLA WOOLLENS LIMITED

**Regd. Office : 4-C, Vulcan Insurance Bldg.,
Veer Nariman Road, Mumbai-400 020**

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