

**FORM B**  
**(Pursuant to Clause 31 of the Listing Agreement)**

1	Name of the company	MODELLA WOOLLENS LIMITED
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit observation	Qualified
4	Frequency of observation	Repetitive (more than 3 years)
		<p>With regard to Auditors' observation at point No.VII on page No.11 of Annexure to the Auditors' Report, we state 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.</p>
5	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• Auditor of the company</li> </ul>	<p align="center"></p> <p>Mr. Vinodkumar Grover</p> <p>M/s. Desai &amp; Bhagtaney, Chartered Accountants, Mumbai (Firm Registration No. 115646W)</p> <p><b>For Desai &amp; Bhagtaney</b></p> <p align="center"> Partner</p> <p>Mr. Shailesh Sumantray Desai (Partner) Membership No. 36935</p> <p align="right"></p>



**51ST ANNUAL REPORT 2012-2013**

**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](mailto:modella@vsnl.com)

E-mail for investor

[grievance:modella@hathway.com](mailto:grievance:modella@hathway.com)

BSE 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](mailto:busicomp@vsnl.com)

Website : [www.busi-comp.com](http://www.busi-comp.com)

## MODELLA WOOLLENS LIMITED

### NOTICE TO MEMBERS

NOTICE is hereby given that the 51st 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 Thursday the 26th day of September, 2013 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, 2013 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 Ms. Gopee Grover who retires by rotation and being eligible offers herself 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 : 17th April, 2013

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 Wednesday 18-09-2013 to Thursday 26-09-2013 (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 Sharegistry 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 Sharegistry 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 Sharegistry 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.

Place : Mumbai  
Dated : 17th April, 2013

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

## MODELLA WOOLLENS LIMITED

### DIRECTORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31ST MARCH, 2013

Your Directors present their 51st Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2013.

FINANCIAL RESULTS :	2012-2013	2011-2012
	Rs./Lakhs	Rs./Lakhs
Loss before Interest, Depreciation & Extra ordinary items	35.99	25.79
Adjustment for Depreciation	0.09	0.10
Loss for the year before Extra ordinary items	36.08	25.89
Add: Income from Extra ordinary items	0.00	0.00
Loss for the year before tax	36.08	25.89
Adjustment for Income-tax	0.00	0.24
Loss after Tax	36.08	25.65

In view of absence of significant business activities, the Chairman & Managing Director has continued to draw a token remuneration of Rs. 100/- p.m. till September, 2012 & further as the Central Government had vide their letter SRN No. A95923066/4/2011-CL.VII dated 7th February, 2011 approved Remuneration payable to him till 30.9.2012, no remuneration was paid to him thereafter.

#### DIVIDEND :

In view of loss for the year the Board decided not to recommend any dividend for 2012-13.

#### OPERATION :

During the year your Company continued with the trading activities that commenced from the preceding year. Your Company has generated sales of Rs.25.47 lakh as against Rs. 19.80 lakh of the previous year.

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 be able to continue trading in textile fabrics and yarns on a regular basis. The promoters of your Company have always made funds available to your Company whenever there was a requirement in the past and will continue to do so.

Your Company has no borrowings from Banks or Financial Institutions. However, your Company has taken inter-corporate deposits amounting to Rs.15 lakhs during the year to augment its finances. The borrowings are at rate of 8% p.a.

#### 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 loss 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.

**COMPLIANCE CERTIFICATE :**

As required under proviso to sub-section(1) of Section 383A of the Companies Act, 1956, a certificate dated 15/4/2013 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 :**

Ms. Gopee Grover retires by rotation and being eligible offers herself for re-appointment.

Your Directors have informed your Company that they are not debarred for re-appointment/ continuation as directors under Sec274(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 : 17th April, 2013

**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

15.04.2013

Registration No. of the Company : (011) 12080  
Nominal Capital : Rs. 2.00 Crores

To,  
The Members,  
**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, 2013 (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 25.04.2012, 30.07.2012, 07.11.2012 and 29.01.2013 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 5th September, 2012 to 14th September, 2012 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the Financial Year ended on 31.03.2012 was held on 14.09.2012 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 not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
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. There was no appointment of Additional Director, Alternate Directors and Directors to fill casual vacancy during the Financial Year.
  15. The company has not appointed any Managing Director / Whole Time Director / Manger during the Financial Year.
  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 the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under various provisions of the Act during the Financial 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, other Bodies corporate etc. During the Financial year ending 31.03.2013 is within the borrowing limits of the company.
  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.

## MODELLA WOOLLENS LIMITED

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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

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### ANNEXURE A

#### REGISTERS AS MAINTAINED BY THE COMPANY

**A) STATUTORY REGISTERS :**

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.
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.
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### 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 31.03.2013.

1. Form 66 i.e. Compliance Certificate u/s. 383A for the year ended 31.03.2012 filed on 27.09.2012 vide Challan No. P89104442.
2. Form 20B i.e. Annual Return u/s. 159 for AGM held on 14.09.2012 filed on 05.11.2012 vide Challan No. P94431624
3. Form 23AC and Form 23ACA XBRL i.e. Balance Sheet and Profit and Loss u/s. 220 for year ended 31.03.2012 filed on 06.12.2012 vide Challan No. Q03969979

For JAYSHREE DAGLI & ASSOCIATES,

JAYSHREE S. JOSHI

F.C.S.1451

C.P.487

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INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
MODELLA WOOLLENS LIMITED

1. We have audited the accompanying financial statements of Modella Woollens Limited, which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
  - ii. in the case of the Statement of Profit and Loss, of the loss 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.
5. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order  
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 account 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 account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement

## MODELLA WOOLLENS LIMITED

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 as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For DESAI & BHAGTANEY  
CHARTERED ACCOUNTANTS**

**SHAILESH S. DESAI  
PARTNER**

M. NO. 36935 Firm No. 115646W

Place : Mumbai.

Date : 17th April, 2013

### 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. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

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.

None of the fixed Assets have been disposed off during the year.

- ii. 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.

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.

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. 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. Accordingly the provisions of clauses 4(iii) (b) to (d) of the Order are not applicable.

The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act except Inter Corporate Deposit from Novamod Trading Company Private Limited. The outstanding balance of Novamod Trading Company Private Limited as at March 31, 2013 was Rs 10,50,000/- and maximum amount outstanding during the year was Rs 10,50,000/-

In our opinion and as per the explanation given by the management the rate of interest and other terms and conditions of loans, deposit taken are prima facie not prejudicial to the interest of the Company.

- iv. In our opinion and according to information and explanations given to us, the Company does have an adequate internal control system commensurate with the size of the Company and the nature of its business in respect of purchases of inventory and fixed assets and for the sale of goods and services.

- v. 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.
- vi. 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 there under.
- vii. The Company does not have an internal audit system.
- viii. The Central Government has not prescribed maintenance of cost records under section 209(l)(d) of the Companies Act, 1956, for any activities of the Company.
- ix. 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.
- 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, 2013 for period of more than six months from the date they became payable.
- x. 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. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. The company has not taken any loans from any financial institution or bank or debenture holders and hence the question of default in payment docs not arise.
- xii. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and 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. 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.
- xv. 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.
- xvi. The Company has not taken any term loan during the year.
- xvii. 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.
- xviii. 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.
- xix. 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.
- xx. 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.
- xxi. 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 : 17th April, 2013

**For DESAI & BHAGTANEY**  
**CHARTERED ACCOUNTANTS**

**SHAILESH S. DESAI**  
**PARTNER**

M. NO. 36935 Firm No. 115646W

**MODELLA WOOLLENS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2013**

PARTICULARS	NOTE No	31st March, 2013 Rs.	31st March, 2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	9,100,000	9,100,000
(b) Reserves and Surplus	2	(13,628,972)	(10,020,696)
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	3	197	197
(d) Long term provisions	3	3,388,834	3,148,421
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	4	1,500,000	-
(b) Trade payables		-	-
(c) Other current liabilities	4	47,044	46,757
(d) Short-term provisions	4	374,939	408,710
<b>Total</b>		<b>782,042</b>	<b>2,683,389</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	5	46,974	55,603
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
<b>(b) Non-current investments</b>			
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	6	347,680	347,680
(e) Other non-current assets	6	1,014	1,014
<b>(2) Current assets</b>			
(a) Current investments	7	62,687	1,846,027
(b) Inventories		-	-
(c) Trade receivables(unsecured,considered good)		-	-
(d) Cash and cash equivalents	8	88,772	148,550
(e) Short-term loans and advances	8	234,915	284,515
(f) Other current assets		-	-
<b>Total</b>		<b>782,042</b>	<b>2,683,389</b>

See accompanying notes 1 to 12 to the financial statements

As per our report of even date attached

**For Desai & Bhagtaney**

Firm Regn No. 115646W

Chartered Accountants

**Shailesh S. Desai**

Partner M. No. 036935

Place: Mumbai

Dated: 17/4/2013

**V. K. Grover**

Chairman & Managing Director

**B. K. Khemka**

**R. K. Chaudhary**

**G. Grover**

Directors

Place: Mumbai

Dated: 17/4/2013

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013**

PARTICULARS	NOTE No.	31st March, 2013 Rs.	31st March, 2012 Rs.
I. Revenue from operations-sale of: fabrics		2,546,803	1,979,960
II. Other Income	9	55,780	515,312
<b>III. Total Revenue (I +II)</b>		<b>2,602,583</b>	<b>2,495,272</b>
IV. Expenses:			
Cost of materials consumed			
Purchase of:fabrics		2,279,841	1,739,711
Employee benefits expense	10	2,754,561	2,244,115
Depreciation and amortization expense		8,629	10,489
Other expenses	11	1,167,828	1,089,757
<b>Total Expenses</b>		<b>6,210,859</b>	<b>5,084,072</b>
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(3,608,276)	(2,588,800)
VI. Exceptional Items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(3,608,276)	(2,588,800)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(3,608,276)	(2,588,800)
X. Tax expense:			
(1) Current tax		-	(23,780)
(2) Deferred tax		-	-
XI. Profit/(Loss) from the period from continuing operations(VII-VIII)		(3,608,276)	(2,565,020)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(3,608,276)	(2,565,020)
XVI. Earning per equity share:			
(1) Basic		(3.97)	(2.82)
(2) Diluted		(3.97)	(2.82)

See accompanying notes 1 to 12 to the financial statements  
As per our report of even date attached

**For Desai & Bhagtaney**  
Firm Regn No. 115646W  
Chartered Accountants

**Shailesh S. Desai**  
Partner M. No. 036935

Place: Mumbai  
Dated: 17/4/2013

**V. K. Grover**  
Chairman & Managing Director

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

Place: Mumbai  
Dated: 17/4/2013

**MODELLA WOOLLENS LIMITED**

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

**NOTE 1**

**SHARE CAPITAL**

PARTICULARS	31st March, 2013	31st March, 2012
Rs.	Rs.	Rs.
<b>(A) AUTHORISED :</b>		
20,00,000 (20,00,000) Equity Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
<b>TOTAL</b>	<u>2,00,00,000</u>	<u>2,00,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
9,10,000 (9,10,000) Equity Shares of Rs. 10/- each fully paid up	91,00,000	91,00,000
<b>TOTAL</b>	<u>91,00,000</u>	<u>91,00,000</u>

**(B) Par value per share - Rs. 10/-**

**(C) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:**

	2012-13	2011-12
Outstanding as at beginning of the year	9,100,000	9,100,000
Change during the year	Nil	Nil
Outstanding at the end of the year	<u>9,100,000</u>	<u>9,100,000</u>

**(D) The rights, preferences and restrictions attaching to each class of share including restrictions on the distribution of dividends and the repayment of capital**

Equity shares-The Company has only class of equity shares. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In case of winding up, if the assets available for distribution are less than the paid up share capital, then the shortfall will be borne by the members proportionately. Where there is an excess the same shall be distributed proportionately among the members.

**(E) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate-Not Applicable**



**(F) Names and number of shares held by shareholders holding more than 5 percent shares.**

Name of Shareholders	No. of Shares as at 31st March, 2013	% of holding	No. of Shares as at 31st March, 2012	% of holding
1. LIC of India	177205	19.47	177205	19.47
2. Mr. V.K. Grover	87108	9.57	87108	9.57
3. Mr. Uday Grover	63579	6.99	63579	6.99

**(G) Shares reserved for issue under options and contracts/commitments for the sale of shares disinvestment, including the terms and amounts**

Nil

**(H) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.**

Nil

**(I) Aggregate number and class of shares allotted as fully paid up by way of bonus shares.**

Nil

**(J) Aggregate number and class of shares bought back.**

Nil

**(K) Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date**

N.A.

**(L) Calls unpaid (showing aggregate value of calls unpaid by directors and officers)**

Nil

**(M) Forfeited shares (amount originally paid up)**

Nil

**MODELLA WOOLLENS LIMITED**

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**NOTE 2**

**RESERVE AND SURPLUS**

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
Capital Reserve	9,647	9,647
Loss the beginning of the year	10,030,343	7,465,323
Add: Loss for the year	(3,608,276)	(2,565,020)
Loss at the end of the year	<u>(13,628,972)</u>	<u>(10,020,696)</u>

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**NOTE 3**

**NON CURRENT LIABILITIES**

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
<b>OTHER LONG TERM LIABILITIES</b>		
- Others	197	197
	<u>197</u>	<u>197</u>
<b>LONG-TERM PROVISIONS</b>		
(a) Provision for employee benefits	337,559	314,845
(b) Others		
- Rent Payable	3,051,275	2,805,020
<b>TOTAL</b>	<u>3,388,834</u>	<u>3,148,421</u>

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**NOTE 4**

**CURRENT LIABILITIES**

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
<b>SHORT TERM BORROWING</b>		
Unsecured Loan		
Inter Corporate Deposits ( interest @ 8% p.a.)	1,500,000	-
	<u>1,500,000</u>	<u>-</u>
<b>OTHER CURRENT LIABILITIES</b>		
Other Payables	47,044	46,757
<b>TOTAL</b>	<u>47,044</u>	<u>46,757</u>
<b>SHORT TERM PROVISIONS:</b>		
Provision for Employee Benefits	344,111	386,778
Others-		
For Electricity	30,000	20,000
For Telephone Expenses	828	1,932
<b>TOTAL</b>	<u>374,939</u>	<u>408,710</u>

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**  
**NOTE 5**

**TANGIBLE ASSETS**  
**(AT COST LESS DEPRECIATION)**

Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost from last Balance Sheet Rs.	Additions during the year Rs.	Disposals at the end of the year Rs.	Written off upto last year Rs.	Written off this year Rs.	Deduction on a/c. of Disposals Rs.	Total Rs.	Net book value at the end of 31.03.2013 Rs.	Net book value at the end of 31.03.2012 Rs.
Furniture & Fixtures	164,164	-	-	153,651	1,901	-	155,552	8,612	10,513
Office Equipments	330,458	-	-	313,194	2,399	-	315,593	14,865	17,264
Computers	340,238	-	-	338,481	703	-	339,184	1,054	1,757
Others: Electrical Fittings and equipments	323,572	-	-	297,503	3,626	-	301,129	22,443	26,069
<b>TOTAL</b>	<b>1,158,432</b>	<b>-</b>	<b>-</b>	<b>1,102,829</b>	<b>8,629</b>	<b>-</b>	<b>1,111,458</b>	<b>46,974</b>	<b>55,603</b>
Previous period	1,158,432	-	-	1,092,340	10,489	-	1,102,829	55,603	-

# MODELLA WOOLLENS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

## NOTE 6

### NON CURRENT ASSETS

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
<b>LONG TERM LOANS AND ADVANCES:</b>		
Unsecured, considered good		
1) Security Deposits	33,090	33,090
2) Other Loans & Advances		
-Advance Income Tax	314,590	314,590
	<u>347,680</u>	<u>347,680</u>
<b>OTHER NON-CURRENT ASSETS:</b>		
Unsecured, considered good		
Other non-current Asset	1,014	1,014
	<u>1,014</u>	<u>1,014</u>

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

## NOTE 7

### INVESTMENTS

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
<b>(A) Current Investments:</b>		
Investments in Mutual Funds		
1. IDFC Money Manager Fund-Daily Dividend Nil (184490.049) Units of Rs.10/- each face value fully paid up [market value of (Rs.Nil) Rs.18,47,004/- ]		1,846,027
2. HDFC Cash Management Fund-Daily Div. 6249.044 (Nil) units face value Rs.10/- each [market value Rs. 62,687/-(Rs.Nil) ]	62,687	-
	<u>62,687</u>	<u>1,846,027</u>

(B) The basis of valuation of individual investments - At lower of cost & market value

(C) Aggregate amount of quoted investments and market value thereof:  
Rs. 62,687/- (Rs.18,46,027/-) and market value of quoted invt. Rs.62,687/-  
(Rs.18,47,004/-)

(D) Aggregate amount of unquoted investments - Nil

(E) Aggregate provision made for diminution in value of investments - Nil

(F) Particulars of Current Investments sold during the year.

Name of Fund	Purchase Price Rs.	Sale Price Rs.	Profit/(Loss) Rs.
1. IDFC MMF Fund	1,847,353	1,848,330	977
2. HDFC Cash Management Fund	1,620,000	1,620,000	-
TOTAL	<u>3,467,353</u>	<u>3,468,330</u>	<u>977</u>

## NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

## NOTE 8

## CURRENT ASSETS

Particulars	31st March	31st March
	2013	2012
	Rs.	Rs.
<b>CASH AND CASH EQUIVALENTS:</b>		
Balance with Bank:		
in Current Account	85,990	142,863
in F.D. Account	-	-
Cash on hand	2,782	5,687
	<u>88,772</u>	<u>148,550</u>
<b>SHORT TERM LOANS AND ADVANCES:</b>		
Unsecured, considered good		
Prepaid Expenses	49,290	8,390
Others Secured, considered good		
Advance Profession Tax	625	625
Advance and loans to staff	185,000	275,500
	<u>234,915</u>	<u>284,515</u>

## NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

## NOTE 9

## OTHER INCOME

Particulars	31st March	31st March
	2013	2012
	Rs.	Rs.
<b>Interest Income:</b>		
: From FD-Gross [TDS Rs.Nil/- (RS.1,612/-) -		19,727
: From loans to staff	20,789	28,041
Dividend Income	34,014	182,474
Net Profit on Sale of investments	977	45,070
Miscellaneous Receipts-Gross [(TDS Rs.Nil/-(Rs.24,000/-)]	-	240,000
<b>TOTAL</b>	<u>55,780</u>	<u>515,312</u>

**MODELLA WOOLLENS LIMITED**

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

**NOTE 10**

**EMPLOYEE BENEFITS EXPENSES**

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
Salaries,wages,bonus and allowances	2,245,108	1,771,586
Company's contribution to :		
Employees' State Insurance	18,251	31,893
Employees' Provident Fund	143,214	118,888
Employees' Pension Fund	33,460	38,949
Employees' Labour Welfare Fund	180	216
Employees' Deposit Linked Insurance Scheme	2,600	2,741
Employees' Group Gratuity Scheme	175,071	107,205
Staff welfare	112,929	101,034
Managerial remuneration: paid/payable to Managing Director (Refer Item #3.2 of Note #12B)	23,748	71,603
<b>TOTAL</b>	<b>2,754,561</b>	<b>2,244,115</b>

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

**NOTE 11**

**OTHER EXPENSES**

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
Electricity	281,920	171,082
Rent (Refer Item # 5.1 of Note # 12B)	230,544	241,544
Rates and Taxes	5,303	5,733
Insurance	1,627	827
Interest on ICD	37,907	-
Repairs & Maintenance	31,013	40,045
Travelling and conveyance	760	15,554
Postage & telephone	52,266	49,371
Printing & stationery	48,622	54,927
Legal and Professional charges	148,849	245,688
Advertisement [statutory insertions]	119,630	85,061
Auditors' Remuneration:		
For audit	39,328	38,605
For other services	16,854	16,545
Directors' Sitting Fees	6,000	6,000
Bank charges	1,563	990
Hire charges	16,800	16,800
Service Tax	555	-
Miscellaneous expenses	128,287	100,985
<b>TOTAL</b>	<b>1,167,828</b>	<b>1,089,757</b>

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**  
**NOTE 12**

**(A) 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 recognized 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. The 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 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 the 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.

**(B) OTHER NOTES TO THE ACCOUNTS**

## 1. 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	Amount in Rupees
			Volume of Transaction during the period	Outstanding Balance
Novamod Trading Co. Pvt. Ltd.	Mr.V.K.Grover is related to the Director of that Company. Mrs. G. Grover also a Director of that Company.	Un-secured, renewable inter-corporate deposit for 180 days.	Interest Paid Gross Amt. Rs.26,926/-	Principal Amount Rs. 10,50,000/-

# MODELLA WOOLLENS LIMITED

## 2. Key Managerial Personnel:

Name of the Related party	Nature of related party Relationship	Significant terms of Appointment	Volume of transaction during the period	Outstanding Balance
Mr. V. K. Grover	Chairman & Managing Director	Date of re-appointment: 01/10/2010. Period of re-appointment: 5 yrs 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 yr. b. Commission :1% of net profit c. Perquisites: Restricted to an amount equal to annual salary or Rs.4,50,000/- which 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.23,748/-	Rs.197/-

	31st March 2013 Rs.	31st March 2012 Rs.
--	---------------------------	---------------------------

### 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:

Salary	600	1,200
Company's contribution to P.F. & Pension Fund	72	144
Perquisites	-	47,183
Provision for Gratuity	23,076	23,076
	<u>23,748</u>	<u>71,603</u>
	=====	=====

### 4. Disclosure of Earnings per Share:

1. Loss for the Year	(36,08,276)	(25,65,020)
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	(3.97)	(2.82)



5. .1. Rent including society charges for office premises debited to the profit & loss account for the period is **Rs.2,30,544/-** (Rs.2,41,544/-)
- .2. Provision for rent payable upto 31st March, 2013 **Rs. 30,51,275/-** (Rs.28,05,020/-) includes cheques paid but not encashed by the landlord.
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 reliability of the same.
7. 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, 2013 which is on the basis of such party having been identified by the management & relied upon by the auditor.
8. 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 is adequate and not in excess of the amount reasonably necessary.
9. 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 as at March 31st , 2013.
10. Figures of previous period have been re-grouped/rearranged wherever necessary to confirm to current period.

Signatures to Note 1 to 12

**V.K. Grover**

Chairman & Managing Director

**B.K. Khemka**

**R.K. Chaudhary**

**Gopee Grover**

Directors

Mumbai, 17th April 2013

**SHARE HOLDING PATTERN AS AT 31ST MARCH, 2013**

	No. of Shares	% of Share holding
1. Promoters including Directors	3,79,441	41.69
2. Banks, Financial Insts. & Insurance Companies	1,77,884	19.55
3. Private Corporate Bodies	18,659	2.05
4. Indian Public	3,33,156	36.62
5. NRI/Foreign Holdings	860	0.09
	<u>9,10,000</u>	<u>100.00</u>

# MODELLA WOOLLENS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2013

	31st March, 2013 Rs./Lakhs	31st March, 2012 Rs./Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and extra-ordinary items	(36.08)	(25.89)
Adjustments for:		
Depreciation	0.09	0.10
Net (Profit)/Loss on Sale of Units/Assets	(0.01)	(0.45)
Dividend from units	(0.34)	(1.82)
Operating profit before working capital changes	<u>(36.35)</u>	<u>(28.06)</u>
Adjustments for :		
Trade Receivables	-	-
Loans & Advances	0.50	(0.33)
Current Liabilities	15.00	(0.04)
Others-Provisions	2.07	(1.76)
Cash Flow before Tax & extra-ordinary items	<u>(18.78)</u>	<u>(30.19)</u>
Direct taxes paid	-	0.23
(Net cash flow from operating activities)	<u>(18.78)</u>	<u>(29.30)</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Net Cash flow from purchase/sale of assets	-	-
Dividend from units	0.34	1.82
Profit on Sale of units	0.01	0.45
Net Cash flow from purchase/sale of investments	<u>17.84</u>	<u>(6.72)</u>
	<u>18.19</u>	<u>(4.45)</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net Increase/(decrease) in cash & cash equivalents	(0.59)	(33.75)
Cash & Cash equivalents as at the beginning of year	1.48	35.23
Cash & Cash equivalents as at the close of year	0.89	1.48

We have verified the above cash flow statement of Modella Woollens Ltd. for the year ended March 31, 2013 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 : 17/04/2013

**V. K. Grover**

*Chairman & Managing Director*

**B. K. Khemka**

**R. K. Chaudhary**

**G. Grover**

*Directors*

Mumbai : 17/04/2013

## 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 Shareregistrty (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

**51st ANNUAL GENERAL MEETING  
ATTENDANCE SLIP**

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

I hereby record my attendance at the 51st Annual General Meeting of the Company at Walchand Hirachand Hall, Indian Merchants' Chamber Building, #76, Veer Nariman Road, Churchgate, Mumbai-400 020 on Thursday the 26th day of September, 2013 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.....

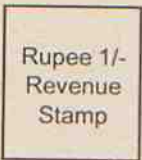
.....in the district of  
.....as my/our proxy to vote for me/us and on my/our behalf at  
the 51st Annual General Meeting of the Company to be held on Thursday the 26th day of  
September 2013 at 12.00 noon at Walchand Hirachand Hall, Indian Merchants' Chamber Building,  
76, Veer Nariman Road, Churchgate, Mumbai-400 020 and at any adjournment thereof.

Signed this.....day of....., 2013

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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