



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 st March, 2014
3	Type of Audit observation	Qualified
4	Frequency of observation	Respective (more than 3 years)
		With regards to Auditors' observation at point No.VII on Page No.11 of Annexure to the Auditors' Report, we state that having regards 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.
5	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • Auditor of the Company 	 Mr. Vinodkumar Grover M/s Desai & Bhagtaney, Chartered Accountants, Mumbai (Firm Registration No. 115646W)  Mr. Shailesh Sumantray Desai(Partner) Membership No. 36935 



52nd ANNUAL REPORT 2013-2014

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

BSE Ltd.

Code No. 503772

Demat ISIN in CDSL/NSDL

INE 380D01012

CIN L17120MH1961PLC012080

Bankers :

Union Bank of India

Solicitors :

Malvi Ranchoddas & Co.

Auditors :

Desai & Bhagtaney

Registrar & Share Transfer Agent :
Purva Shareregistry (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

NOTICE TO MEMBERS

NOTICE is hereby given that the 52nd Annual General Meeting of the Members of **MODELLA WOOLLENS LIMITED** will be held on Wednesday, the 24th day of September, 2014 at 12.00 noon at the Walchand Hirachand Hall, Indian Merchants' Chamber Building, 76 Veer Nariman Road, Churchgate, Mumbai-400 020 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Gopee Grover (DIN:00560162) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint M/s. Desai & Bhagtaney, Chartered Accountants (FRN:115646W), Mumbai as Statutory Auditors of the Company, to hold office from the conclusion of 52nd Annual General Meeting until the conclusion of 55th Annual General Meeting subject to ratification by Members at every Annual General Meeting, at such remuneration as may be decided by the Board."

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Binod Kumar Shyamlal Khemka (DIN:00292252), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing in compliance with the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director to hold office for a term of five consecutive years w.e.f. 01.10.2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rajendrakumar Ramcharan Chaudhary (DIN: 02916342), Director of the Company, who was appointed as a Director liable to retire by rotation under the provisions of the Companies, Act, 1956 and in respect of whom, the Company has received a notice in writing in compliance with the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director to hold office for a term of five consecutive years w.e.f. 01.10.2014"

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

"RESOLVED THAT in supersession of Resolution passed u/s. 293(1)(d) of the Companies Act, 1956 at the AGM held on 31.07.2002 & pursuant to the provisions of Sections 180(1)(c), 180(2) and all other applicable provisions, if any, of the Companies Act, 2013, the approval of Members be and is

hereby accorded, to the Board or Committee of Directors to borrow such sum of money from time to time as may be required for the purpose of the Company's business, in excess of the aggregate of the paid up capital of the Company and its free reserves, that is to say reserve not set apart for any specific purpose, subject to the condition that such borrowings together with the money already borrowed (apart from temporary loans obtained by the Company from its bankers/ other entities in the ordinary course of business) shall not at any time exceed Rs.500 Lacs over and above the aggregate Paid up Capital of the Company and its Free Reserves."

Registered Office:

4C Vulcan Insurance Building,
Veer Nariman Road,
Mumbai- 400020

Place: Mumbai

Date: 28th April, 2014

**By Order of the Board of Directors
For MODELLA WOOLLENS LIMITED**

(V.K. Grover)

Chairman & Managing Director
(DIN: 00434129)

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 LESS THAN 48 HOURS BEFORE THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percentage of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies etc., must be supported by an appropriate resolution/ authority as applicable.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th September 2014 to Wednesday, 24th September 2014 (both days inclusive).
3. Explanatory Statement as required pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item Nos. 4 to 6 is annexed herewith.
4. The draft letter of appointment of proposed Independent Director shall be open for inspection at the registered office of the Company by any Member during the normal business hours.
5. 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 'INE380D01012'. 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.
6. Members can avail of the Nomination facility by filling Form No. SH-13 pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company or its Registrar & Transfer Agent viz. M/s. Purva Shareregistry India Pvt. Ltd.
7. Members are requested to notify immediately change in their address, if any, to the Company and/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.

8. 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.

9. 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 Registrar 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 20 of the Companies Act, 2013.

10. 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.

11. Members/Proxies are requested to bring their admission slip, duly filled, while attending the meeting.

12. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility to all Members of the Company to enable them to cast their votes electronically on the items/resolutions mentioned in this notice. The Company has availed e-voting services as provided by National Securities Depository Limited (NSDL).

The Company has appointed Mrs. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, Company Secretaries, Mumbai, as Scrutinizer for conducting the e-voting process in a fair and transparent manner. The instructions of e-voting are detailed hereunder:

- A. Members whose Shareholding is in dematerialized form and whose email addresses are registered with the Company/Depository Participant(s) will receive an e-mail from NSDL informing the User-ID and Password.
- Open e-mail and open PDF file viz. Modella Notice with your Client ID or Folio No. as password. The said PDF file contains your user ID and Password for e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing following URL: <https://www.evoting.nsdl.com>
 - Click on "Shareholder Login".
 - Put User ID and Password as initial password noted in step (i) above and Click Login.
 - Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. We strongly recommend that you should not share your new password with any other persons and take utmost care to keep your password confidential.
 - Home page of "e-voting" opens. Click on – Voting – Active Voting Cycles.
 - Select "EVEN" (E -Voting Event Number) of Modella Woollens Limited .
 - Now you are ready for e-voting as "Cast Vote" page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer on or before 20th September, 2014 (6.00 p.m) on e-mail id: jayshreedagli@gmail.com or suyashri@vsnl.com with a copy marked to e-voting@nsdl.com
- B. For Members holding shares in dematerialized form whose email IDs are not registered with the Company/Depository Participants, Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:
- i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER ID PASSWORD
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- C. The e-voting period commences on Thursday, 18th September, 2014(9.00 a.m.) and ends on Saturday, 20th September, 2014(6.00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- D. The voting rights of Members through electronic means shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company as on the cut-off date of 22nd August, 2014.
- E. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each of the folio/demat accounts.
- F. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- G. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website 'www.modellawoolens.com' and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- H. Poll will also be conducted at the Annual General Meeting and members who has not cast his/her vote through e-voting facility may attend the Annual General Meeting and cast his/her vote.

By Order of the Board of Directors
For MODELLA WOOLLENS LIMITED

Registered Office:
4C Vulcan Insurance Building,
Veer Nariman Road,
Mumbai- 400020

(V.K. Grover)
Chairman & Managing Director
(DIN: 00434129)

Place: Mumbai
Date: 28th April, 2014

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

Item No.4

Mr. Binod Kumar Shyamlal Khemka (DIN:00292252) was appointed as a Non-Executive Director of the Company w. e. f. 31/07/2002. Mr. Binod Kumar Shyamlal Khemka retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and being eligible offers himself for re-appointment. The Company has also received a notice in compliance with the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

As per Section 149 of the Companies Act, 2013, the Company should have at least one third of the total number of Directors as Independent Directors on the Board of the Company. An independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and no independent director shall hold office for more than two consecutive terms. The provisions relating to retirement by rotation shall not be applicable to the Independent Directors.

The Company has received a declaration from Mr. Binod Kumar Shyamlal Khemka that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

He does not hold any shares in the Company.

Mr. Binod Kumar Shyamlal Khemka has a good exposure in the various fields of Industries.

In the opinion of the Board, Mr. Binod Kumar Shyamlal Khemka fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company. His knowledge and experience will be of immense benefit and value to the Company and he is independent of the management. The draft letter of appointment of Mr. Binod Kumar Shyamlal Khemka shall be open for inspection at the Registered Office of the Company by any Member during normal business hours.

The Board recommends passing of this Resolution by way of Ordinary Resolution.

Except Mr. Binod Kumar Shyamlal Khemka, being the appointee, none of the Promoters, Directors, Managers, Key Managerial Personnel, or their Relatives, either directly or indirectly is in any way concerned or interested, financially or otherwise, in the above Resolution.

Item No.5

Mr. Rajendrakumar Ramcharan Chaudhary (DIN: 02916342) was appointed as a Non-Executive Director of the Company w. e. f. 30/04/2010. Mr. Rajendrakumar Ramcharan Chaudhary, whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has also received a notice in compliance with the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

As per Section 149 of the Companies Act, 2013, the Company should have at least one third of the total number of Directors as Independent Directors on the Board of the Company. An independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and no independent director shall hold office for more than two consecutive terms. The provisions relating to retirement by rotation shall not be applicable to the Independent Directors.

The Company has received a declaration from Mr. Rajendrakumar Ramcharan Chaudhary that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

He does not hold any shares in the Company.

Mr. Rajendrakumar Ramcharan Chaudhary is a qualified Practicing Chartered Accountant, having a wide experience of more than 20 years in the various fields of Industrial and Corporate Business.

In the opinion of the Board, Mr. Rajendrakumar Ramcharan Chaudhary fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company. His knowledge and experience will be of immense benefit and value to the Company and he is independent of the management. The draft letter of appointment of Mr. Rajendrakumar Ramcharan Chaudhary shall be open for inspection at the Registered Office of the Company by any Member during normal business hours.

The Board recommends passing of this Resolution by way of Ordinary Resolution.

Except Mr. Rajendrakumar Ramcharan Chaudhary, being the appointee, none of the Promoters, Directors, Managers, Key Managerial Personnel, or their Relatives, either directly or indirectly is in any way concerned or interested, financially or otherwise, in the above Resolution.

Item No.6

In order to meet financial requirements of the business, the Company may have to borrow such sum of money in excess of paid up share capital and free reserves of the Company. Pursuant to provisions of Section 180(1)(c) and 180(2) of the Companies Act, 2013, effective from 12th Sept., 2013, borrowings by a Company in excess of its Paid up Capital and Free Reserves will require approval of the Members by way of a Special Resolution.

Looking at Company's future plans, it is considered desirable to increase the Borrowing powers. The Board considered obtaining Members' consent / authority for borrowing powers not exceeding Rs. 500 Lacs over and above the Paid up Capital and Free Reserves of the Company. Accordingly, pursuant to Provisions of Section 180(1) (c) of the Companies Act, 2013 approval of the Members by way of a Special Resolution is sought in this regard.

None of the Promoters, Directors, Managers, Key Managerial Personnel, or their Relatives, either directly or indirectly, is in any way concerned or interested, financially or otherwise, in the above Resolution.

**By Order of the Board of Directors
For MODELLA WOOLLENS LIMITED**

(V.K. Grover)
Chairman & Managing Director
(DIN: 00434129)

Registered Office:
4C Vulcan Insurance Building,
Veer Nariman Road,
Mumbai- 400020

Place: Mumbai
Date: 28th April, 2014

MODELLA WOOLLENS LIMITED

DIRECTORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31ST MARCH, 2014

Your Directors present their 52nd Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

	2013-2014 Rs./ Lakh	2012-2013 Rs./ Lakh
Loss before Interest, Depreciation & Extra ordinary items	27.70	35.99
Adjustment for Depreciation	0.07	0.09
Loss for the year before Extra ordinary items	27.77	36.08
Add: Income from Extra ordinary items	0.00	0.00
Loss for the year before tax	27.77	36.08
Adjustment for Income-tax	3.04	0.00
	30.81	36.08

DIVIDEND:

In view of the accumulated losses and loss for the year, the Board decided not to recommend any dividend for the year under review.

OPERATION:

The Company has not carried out any business activity during the year. Your Directors are considering various avenues & options for the activities to be undertaken. Your company has earned miscellaneous income including by way of Interest on Loans, Dividend during the year under review.

FUTURE OUTLOOK:

Your Company had to suspend trading in textile fabrics and yarn during the year under review due to paucity of funds. As the textile markets have improved in the last few months your Company plans to restart the trading activity. 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 except inter-corporate deposits amounting to Rs.41.50 lakhs during the year to augment its finances. The borrowings are at the rate of 8% p.a.

PUBLIC DEPOSITS:

The Company has neither invited nor accepted any Public Deposit within the meaning of the Section 58A of the Companies Act, 1956 and rules made there under, during the year under review.

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

Your Directors state that-

- in the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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.
- 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.
- 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 28/4/2014 from Mrs. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, Company Secretaries, Mumbai is attached to this Report.

DIRECTORS:

Mrs. Gopee Grover (DIN:00560162) retires by rotation and being eligible offers herself for re-appointment.

As per provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including statutory modification(s) or re-enactment thereof for the time being in force), the Board recommends the appointment of Mr. Binod Kumar Shyam Lal Khemka (DIN:00292252) and of Mr. Rajendrakumar Ramcharan Chaudhary (DIN: 02916342) as the Independent Directors of the Company for a period of five years w.e.f 01.10.2014. The Company has received a Notice in writing in compliance with the provisions of Section 160 of the Companies Act, 2013 proposing their candidature for the office of Director of the Company.

The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under the applicable provisions of the Companies Act, 2013.

OBSERVATIONS IN THE AUDITORS' REPORT:

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.

The observations made by the Auditors in their Report read with relevant notes given in the Notes on Accounts are self explanatory and therefore, do not require any comments from your Directors pursuant to Section 217(3) of the Companies Act, 1956.

AUDITORS:

M/s. Desai & Bhagtaney, Chartered Accountants (FRN: 115646W), Mumbai retire at the forthcoming Annual General Meeting and being eligible to hold the office for a term of 3 more years, subject to ratification by the Members at every Annual General Meeting, offer themselves for re-appointment. The Auditors retiring have furnished a certificate of their eligibility for re-appointment under Section 139 of the Companies Act, 2013 and rules made thereunder and have indicated their willingness to continue. The Members are requested to consider their re-appointment and authorise the Board of Directors to fix their remuneration.

PERSONNEL:

There is no employee whose remuneration exceeds 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

APPRECIATION:

Your Directors place on record their appreciation for the co-operation of all the Staff and Officers, Shareholders of the Company and look forward to their continued co-operation in future

Registered Office:

4C Vulcan Insurance Building,
Veer Nariman Road,
Mumbai- 400020

Place: Mumbai

Date: 28th April, 2014

By Order of the Board of Directors
For MODELLA WOOLLENS LIMITED

(V.K. Grover)

Chairman & Managing Director
(DIN: 00434129)

MODELLA WOOLLENS LIMITED

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

COMPLIANCE CERTIFICATE

28.04.2014

Registration No. of the Company : 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, 2014 (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 (four) times respectively on 17.04.2013, 22.07.2013, 07.11.2013 and 21.01.2014, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Circular Resolution passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 18th September, 2013 to 26th September, 2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the Financial Year ended on 31.03.2013 was held on 26.09.2013 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 Directors, Alternate Directors and Directors to fill casual vacancy during the Financial Year.
 15. The Company has not appointed any Managing Director/Whole time Director/Manager 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 approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the 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 31.03.2014 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

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).
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.

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 31.03.2014.

1. Form 66 i.e. Compliance Certificate u/s. 383A for the year ended 31.03.2013 filed on 03.10.2013 vide Challan No. Q12093779.
2. Form 23AC and Form 23ACA XBRL i.e Balance Sheet and Statement of Profit and Loss u/s. 220 for the year ended 31.03.2013 filed on 24.10.2013 vide Challan No. Q16452625.
3. Form 20B i.e. Annual Return u/s. 159 for AGM held on 26.09.2013 filed on 22.11.2013 vide Challan No. Q24415390.

For JAYSHREE DAGLI & ASSOCIATES,

JAYSHREE S. JOSHI

F.C.S.1451

C.P.487

AUDITORS' REPORT

To,
The Members of,
Modella Woollens Limited

1. We have audited the attached balance sheet of **Modella Woollens Limited**, as at March 31, 2014 and the annexed Statement of Profit and Loss 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 statement 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 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, 2014 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 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, 2014; and
 - 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.

Place : Mumbai.

Date : 28th April, 2014

For Desai & Bhagtaney
Chartered Accountants

Shailesh S. Desai

Partner

M.No. 36935

Firm No.115646W

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, 2014 was Rs 29,05,000/- and maximum amount outstanding during the year was Rs 29,05,000/-

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 thereunder.
- vii. The Company does not have an internal audit system.
- viii. 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.
- 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 does 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 : Mumbai.
Date : 28th April, 2014

For Desai & Bhagtaney
Chartered Accountants

Shailesh S. Desai
Partner
M.NO. 36935
Firm No.115646W

MODELLA WOOLLENS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE No.	31st March, 2014 Rs.	31st March, 2013 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	9,100,000	9,100,000
(b) Reserves and Surplus	2	(16,710,248)	(13,628,972)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	1,500,000	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	3	197	197
(d) Long term provisions	3	3,608,915	3,388,834
(4) Current Liabilities			
(a) Short-term borrowings	4	2,650,000	1,500,000
(b) Trade payables		-	-
(c) Other current liabilities	4	35,826	47,044
(d) Short-term provisions	4	352,020	374,939
Total		536,710	782,042
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	5	39,806	46,974
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	6	30,090	347,680
(e) Other non-current assets	6	1,014	1,014
(2) Current assets			
(a) Current investments	7	66,586	62,687
(b) Inventories		-	-
(c) Trade receivables(unsecured,considered good)		-	-
(d) Cash and cash equivalents	8	162,946	88,772
(e) Short-term loans and advances	8	236,268	234,915
(f) Other current assets		-	-
Total		536,710	782,042

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 Accountant

Shailesh S. Desai
Partner M. No. 036935

Place: Mumbai
Dated:28/4/2014

V. K. Grover
Chairman & Managing Director

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

Place: Mumbai
Dated:28/4/2014

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE No.	31st March, 2014 Rs.	31st March, 2013 Rs.
I. Revenue from operations-sale of: fabrics		-	2,546,803
II. Other Income	9	235,410	55,780
III. Total Revenue (I +II)		235,410	2,602,583
IV. Expenses:			
Cost of materials consumed			
Purchase of:fabrics		-	2,279,841
Employee benefits expense	10	1,769,748	2,754,561
Depreciation and amortization expense		7,168	8,629
Other expenses	11	1,235,501	1,167,828
Total Expenses		3,012,417	6,210,859
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(2,777,007)	(3,608,276)
VI. Exceptional Items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(2,777,007)	(3,608,276)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII - VIII)		(2,777,007)	(3,608,276)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Earlier Year Taxes Adjusted		304,269	-
XI. Profit/(Loss) from the period from continuing operations(VII-VIII)		(3,081,276)	(3,608,276)
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)		(3,081,276)	(3,608,276)
XVI. Earning per equity share:			
(1) Basic		(3.39)	(3.97)
(2) Diluted		(3.39)	(3.97)

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 Accountant

Shailesh S. Desai

Partner M. No. 036935

Place: Mumbai

Dated:28/4/2014

V. K. Grover

Chairman & Managing Director

B.K. Khemka

R.K. Chaudhary

G. Grover

Directors

Place: Mumbai

Dated:28/4/2014

MODELLA WOOLLENS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 1

SHARE CAPITAL

PARTICULARS	31st March 2014 Rs.	31st March 2013 Rs.
--------------------	------------------------------------	------------------------------------

(A) AUTHORISED :

20,00,000(20,00,000) Equity Shares of Rs. 10/- each	20,00,000	20,00,000
TOTAL	20,00,000	20,00,000

ISSUED SUBSCRIBED AND FULLY PAID UP :

9,10,000(9,10,000) Equity Shares of Rs. 10/- each	9,10,000	9,10,000
TOTAL	9,10,000	9,10,000

(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:

	2013-14	2012-13
Outstanding as at beginning of the year	9,10,000	9,10,000
Change during the year	Nil	Nil
Outstanding at the end of the year	9,10,000	9,10,000

(D) The rights, preferences and restrictions attaching to each class of share including restrictionson 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, 2014	% of holding	No. of Shares as at 31st March, 2013	% 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, 2014 **NOTE 2 (RESERVE AND SURPLUS)**

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
Capital Reserve	9,647	9,647
Loss the beginning of the year	(13,638,619)	10,030,343
Add: Loss for the year	(3,081,276)	(3,608,276)
	(16,719,895)	(13,638,619)
Loss at the end of the year	(16,710,248)	(13,628,972)

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014 **NOTE 3 (NON CURRENT LIABILITIES)**

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
LONG-TERM BORROWINGS		
-Inter Corporate Deposits	1,050,000	-
Novamod Trading Co. Pvt. Ltd.	450,000	-
Pali Grover Woollen Pvt. Ltd. (interest @ 8% p.a.)		
	1,500,000	-
OTHER LONG TERM LIABILITIES		
-Others	197	197
	197	197
LONG-TERM PROVISIONS		
(a) Provision for employee benefits	360,636	337,559
(b) Others		
Rent Payable	3,248,279	3,051,275
TOTAL	3,608,915	3,388,834

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014 **NOTE 4 (CURRENT LIABILITIES)**

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
SHORT TERM BORROWINGS:		
Inter Corporate Deposits		
Unsecured Loan		
Novamod Trading Co. Pvt. Ltd.	1,855,000	1,050,000
Pali Grover Woollen Pvt. Ltd. (interest @ 8% p.a.)	795,000	450,000
	2,650,000	1,500,000
OTHER CURRENT LIABILITIES		
Other Payables	35,826	47,044
TOTAL	35,826	47,044
SHORT TERM PROVISIONS		
Provision for Employee Benefits	330,053	344,111
Others-		
For Electricity	20,000	30,000
For Telephone Expenses	1,967	828
TOTAL	352,020	374,939

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 5

TANGIBLE ASSETS

[At Cost Less Depreciation]

Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost from last balance sheet	Additions during the year	Disposals	Balance at the end of the year	Written off upto last year	Written off this year	Deduction on a/c. of disposals	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fixtures	164,164	-	-	164,164	155,552	1,558	-	157,110
Office Equipments	330,458	-	-	330,458	315,593	2,066	-	317,659
Computers	340,238	-	-	340,238	339,184	422	-	339,606
Others: Electrical Fittings and equipments	323,572	-	-	323,572	301,129	3,122	-	304,251
TOTAL	1,158,432	-	-	1,158,432	1,111,458	7,168	-	1,118,626
Previous period	1,158,432	-	-	1,158,432	1,102,829	8,629	-	1,111,458

MODELLA WOOLLENS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 6

NON CURRENT ASSETS

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
LONG TERM LOANS AND ADVANCES:		
Unsecured, considered good		
1) Security Deposits	30,090	33,090
2) Other Loans & Advances	-	314,590
-Advance Income Tax		
	<u>30,090</u>	<u>347,680</u>
OTHER NON-CURRENT ASSETS:		
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, 2014

NOTE 7

INVESTMENTS

Particulars	31st March, 2014 Rs.	31st March, 2013 Rs.
(A) Current Investments:		
Investments in Mutual Funds		
1. HDFC Cash Management Fund-Daily Div. 6637.695 (6249.044) units face value Rs.10/- each [market value Rs. 66,586/- (Rs. 62,687/-)]	66,586	62,687
	<u>66,586</u>	<u>62,687</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. 66,586/- (Rs.62,687/-) and market value of quoted invt. Rs.66,586/- (Rs.62,687/-)		
(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- Nil		

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 8
CURRENT ASSETS

Particulars	31st March 2014	31st March 2013
	Rs.	Rs.
CASH AND CASH EQUIVALENTS:		
Balance with Bank:		
in Current Account	159,854	85,990
Cash on hand	3,092	2,782
	<u>162,946</u>	<u>88,772</u>
SHORT TERM LOANS AND ADVANCES:		
Unsecured, considered good		
Prepaid Expenses	50,643	49,290
Others Secured, considered good		
Advance Profession Tax	625	625
Advance and loans to staff	185,000	185,000
	<u>236,268</u>	<u>234,915</u>

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 9
OTHER INCOME

Particulars	31st March 2014	31st March 2013
	Rs.	Rs.
Interest Income:		
:From loans to staff	16,511	20,789
Dividend Income	3,899	34,014
Net Profit on Sale of investments	-	977
Miscellaneous Receipts-Gross	215,000	-
TOTAL	<u>235,410</u>	<u>55,780</u>

MODELLA WOOLLENS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 10

EMPLOYEE BENEFITS EXPENSES

Particulars	31st March, 2014 Rs.	31st March, 2013 Rs.
Salaries, wages, bonus and allowances	1,729,963	2,245,108
Company's contribution to :		
Employees' State Insurance	11,937	18,251
Employees' Provident Fund	149,357	143,214
Employees' Pension Fund	21,640	33,460
Employees' Labour Welfare Fund	144	180
Employees' Deposit Linked Insurance Scheme	2,308	2,600
Employees' Group Gratuity Scheme	(260,560)	175,071
Staff welfare	91,883	112,929
Managerial remuneration: paid/payable to Managing Director	23,076	23,748
(Refer Item #2.2 of Note #12B)		
TOTAL	1,769,748	2,754,561

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 11

OTHER EXPENSES

Particulars	31st March, 2014 Rs.	31st March, 2013 Rs.
Electricity	167,546	281,920
Rent (Refer Item #4.1 of Note # 12B)	230,544	230,544
Rates and Taxes	3,328	5,303
Insurance	775	1,627
Interest on ICD	207,294	37,907
Repairs & Maintenance	30,303	31,013
Travelling and conveyance	6,234	760
Postage & telephone	58,234	52,266
Printing & stationery	52,243	48,622
Legal and Professional charges	118,914	148,849
Advertisement[statutory insertions]	114,296	119,630
Auditors' Remuneration:		
For audit	39,324	39,328
For other services	22,472	16,854
Directors' Sitting Fees	6,000	6,000
Bank charges	1,188	1,563
Hire charges	16,800	16,800
Service Tax	3,830	555
Miscellaneous expenses	156,176	128,287
TOTAL	1,235,501	1,167,828

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

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.1,45,341/-	Principal Amount Rs. 29,05,000/-

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	<p>Date of re-appointment: 01/10/2010. Period of reappointment: 5 years</p> <p>Significant Terms of reappointment:</p> <p>a. Salary : Rs.40,000/- p.m. However, the Managing Director had restricted his salary to Rs.100/- p.m. for the financial year.</p> <p>b. Commission : 1% of net profit</p> <p>c. Perquisites: Restricted to an amount equal to annual salary or Rs.4,50,000/- which is lower.</p> <p>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.</p>	Rs.23,076/-	Rs.197/-

31st March

2014

Rs.

31st March

2013

Rs.

2. Managerial Remuneration:

2.1 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.

2.2 Details of Managing Director's remuneration:

Salary	-	600
Company's contribution to P.F. & Pension Fund	-	72
Perquisites	-	-
Provision for Gratuity	23,076	23,076
	<u>23,076</u>	<u>23,748</u>

3. Disclosure of Earnings per Share:

1. Loss for the year	(30,81,276)	(36,08,276)
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	(3.39)	(3.97)

4. 1. Rent including society charges for office premises debited to the profit & loss account for the period is **Rs.2,30,544/-**(Rs.2,30,544/-).
2. Provision for rent payable upto 31st March, 2014 **Rs. 32,48,279/-**(Rs.30,51,275/-) includes cheques paid but not encashed by the landlord.
5. 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.
6. 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, 2014 which is on the basis of such party having been identified by the management & relied upon by the auditor.
7. 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.
8. 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 March 31st, 2014.
9. 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, 28th April 2014

SHAREHOLDING PATTERN AS AT 31ST MARCH, 2014

	No. of Shares	% of Shareholding
1. Promoter including Directors	3,79,441	41.69
2. Banks, Financial Insts. & Insurance Companies	1,77,884	19.55
3. Private Corporate Bodies	14,944	1.64
4. Indian Public	3,36,906	37.03
5. NRI/Foreign Holdings	825	0.09
	<u>9,10,000</u>	<u>100.00</u>

MODELLA WOOLLENS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2014

	31st March, 2014 Rs./Lakhs	31st March, 2013 Rs./Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and extra-ordinary items	(30.81)	(36.08)
Adjustments for:		
Depreciation	0.07	0.09
Net (Profit)/Loss on Sale of Units/Assets	0.00	(0.01)
Dividend from units	(0.04)	(0.34)
Operating profit before working capital changes	(30.78)	(36.35)
Adjustments for :		
Trade Receivables	-	-
Loans & Advances	3.16	0.50
Current Liabilities	26.39	15.00
Others-Provisions	1.97	2.07
Cash Flow before Tax & extra-ordinary items	0.74	(18.78)
Direct taxes paid	-	-
(Net cash flow from operating activities)	0.74	(29.30)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Net Cash flow from purchase/sale of assets	-	-
Dividend from units	0.04	0.34
Profit on Sale of units	-	0.01
Net Cash flow from purchase/sale of investments	(0.04)	17.84
	0.00	18.19
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Net Increase/(decrease) in cash & cash equivalents	0.74	(0.59)
Cash & Cash equivalents as at the beginning of year	0.89	1.48
Cash & Cash equivalents as at the close of year	1.63	0.89

We have verified the above cash flow statement of Modella Woollens Ltd. for the year ended March 31, 2014 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 Accountant

Shailesh S. Desai
Partner M. No. 36935

Dated:28/4/2014

V. K. Grover
Chairman & Managing Director

B.K. Khemka
R.K. Chaudhary
G. Grover
Directors
Mumbai : 28/4/2014

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 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's 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 given below and send it back to the register and transfer agent of the company Messrs Purva-Shareregistry (India) Pvt. Ltd. at 9, Shiv Shakti Indl. Estate, Ground Floor, Sitaram Mill Compound, J. R. Boricha Marg, Lower Parel, Mumbai - 400 001.

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

(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 record 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 their 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

CIN: L17120MH1961PLC012080

Regd. Office: 4-C, Vulcan Insurance Bldg., Veer Nariman Road, Churchgate, Mumbai 400020.
Tel.: 022-22047424, Fax: 022-22872620 E-mail: modella@vsnl.com, Website: www.modellawoolleens.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the 52nd Annual General Meeting of Modella Woollens Limited held on Wednesday the 24th day of September, 2014 at 12.00 noon at Walchand Hirachand Hall, Indian Merchants' Chamber Building, # 76, Veer Nariman Road, Churchgate, Mumbai 400 020.

Name of the Shareholder :
Registered Address of the Shareholder :
Ledger Folio No./CL ID/DP ID No. :
No. of Shares Held :
Name of the Proxy/Representative, if any :
Signature of the Member (s) or Proxy :
Signature of the Representative :

NOTE: Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only member(s) or his/her/their proxy with this attendance slip will be allowed entry to the meeting.



MODELLA WOOLLENS LIMITED

CIN: L17120MH1961PLC012080

Regd. Office: 4-C, Vulcan Insurance Bldg., Veer Nariman Road, Churchgate, Mumbai 400020.
Tel.: 022-22047424, Fax: 022-22872620 E-mail: modella@vsnl.com, Website: www.modellawoolleens.com

PROXY FORM

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

Name of the Member (s): _____
Registered Address: _____
E-mail ID: _____
Folio No./ Client ID: _____ DP ID: _____

I/We, being the member (s) of shares of the above named Company, hereby appoint

1. Name: _____
Address: _____
E-mail ID: _____
Signature: _____ or failing him
2. Name: _____
Address: _____
E-mail ID: _____
Signature: _____ or failing him
3. Name: _____
Address: _____
E-mail ID: _____
Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company, to be held on the 24th day of September, 2014 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 in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business:				
1.	Adoption of Financial Statements for the year ended 31st March, 2014.			
2.	Re-appointment of Mrs. Gopee Grover as Director, who retires by rotation.			
3.	Appointment of M/s. Desai & Bhagtaney, Chartered Accountants (FRN:115646W) as Statutory Auditors.			
Special Business:				
4.	Appointment of Mr. Binod Kumar Shyamlal Khemka, as an Independent Director for a term of five consecutive years w.e.f.01.10.2014			
5.	Appointment of Mr. Rajendrakumar Ramcharan Chaudhary, as an Independent Director for a term of five consecutive years w.e.f. 01.10.2014			
6.	To authorize the Board to borrow money in excess of paid up share capital and free reserves of the Company not exceeding Rs.500 Lacs over and above the paid up share capital and free reserves of the Company.			

Signed this _____ day of _____ 2014
Signature of Proxy holders(s) : _____

Affix
Revenue
Stamp

Signature of Shareholder

Notes:

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

the company to attend and vote (on a poll) for or against the resolution proposed at the meeting of the company to be held on the 31st day of September, 2014 at 12.00 noon. The resolution proposed is as follows: "That the company be and it be authorised to do so, to appoint Mr. S. S. Kulkarni as a director of the company in place of Mr. S. S. Kulkarni who has retired by rotation."

Sl. No.	Description of the Resolution	Vote (To be filled by the shareholder)	
		For	Against
1.	Appointment of Mr. S. S. Kulkarni as a director of the company in place of Mr. S. S. Kulkarni who has retired by rotation.		
2.	Appointment of Mr. S. S. Kulkarni as a director of the company in place of Mr. S. S. Kulkarni who has retired by rotation.		
3.	Appointment of Mr. S. S. Kulkarni as a director of the company in place of Mr. S. S. Kulkarni who has retired by rotation.		
4.	Appointment of Mr. S. S. Kulkarni as a director of the company in place of Mr. S. S. Kulkarni who has retired by rotation.		
5.	Appointment of Mr. S. S. Kulkarni as a director of the company in place of Mr. S. S. Kulkarni who has retired by rotation.		
6.	Appointment of Mr. S. S. Kulkarni as a director of the company in place of Mr. S. S. Kulkarni who has retired by rotation.		

BOOK - POST

Signature of Shareholder: _____
 Date: _____
 Place: _____

Printed at: _____
 Supreme Prints
 Fort, Mumbai - 400 001.
 Tel. : 2287 4581, 6636 6337

any or all resolutions. Your proxy will be valid in respect of the resolutions as provided in the notice of the meeting.