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# modella woollens limited

CIN No.: L17120MH1961PLC012080

REGISTERED OFFICE : 4-C, VULCAN INSURANCE BUILDING, VEER NARIMAN ROAD, MUMBAI - 400 020. INDIA  
E-Mail: modellawoollens@gmail.com Website : www.modellawoollens.com

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Date:- 27-11-2020

To, The Manager,  
Dept. of Corporate Services  
Bombay Stock Exchange Limited  
Rotunda Building,  
1st Floor, Mumbai- 400 001.

**Sub :- 58th Annual Report of Modella Woollens Limited 2019-20**

Dear Sir/ Madam,

Please find enclosed herewith 58th Annual Report of Modella Woollens Limited 2019-20

Thanking You,

Yours faithfully,

For Modella Woollens Limited

**SANDEEP** Digitally signed  
by SANDEEP  
PRAMOD SHAH  
**PRAMOD** Date:  
**SHAH** 2020.11.27  
16:28:19 +05'30'

Sandeep Shah  
Director  
DIN 00368350



**58<sup>th</sup> ANNUAL REPORT 2019-20**

**MODELLA WOOLLENS LIMITED**

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**ANNUAL REPORT****2019-2020**

Directors	:	Mr. Sandeep P. Shah Chairman Mrs. Kalpana P Shah Mr. Jenish Patel Mr. Nirav Shah
		BSE Ltd. Code No. 503772 Demat ISIN in CDSL/NSDL INE380D01012 CINL17120MH1961PLC012080
Bankers	:	Union Bank of India
Auditors	:	Kochar & Associates
Registered Office	:	4C Vulcan Insurance Building, Veer Nariman Road, Mumbai-400 020. PhoneNo.022-22047424 Website : <a href="http://www.modellawoollens.com">www.modellawoollens.com</a> Email : <a href="mailto:modellawoollens@gmail.com">modellawoollens@gmail.com</a> CIN : L17120MH1961PLC012080
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: 022-23016761/8261 Email : <a href="mailto:busicomp@vsnl.com">busicomp@vsnl.com</a> Website : <a href="http://www.busi-comp.com">www.busi-comp.com</a>

**[NOTICE]**

NOTICE is hereby given that the 58<sup>th</sup> Annual General Meeting of the Members of Modella Woollens Limited will be held at 4.00 p.m. on Monday, the 21<sup>st</sup> December, 2020 at Bhangwadi Shopping Complex, 2<sup>nd</sup> floor, Bhangwaaadi, Kalbadevi Road, Mumbai 400 002, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2020 and Statement of Profit & Loss for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Kalpana P. Shah (DIN 00368392), who retires by rotation and being eligible offers himself for re-appointment.

**On behalf of the Board of Directors  
FOR MODEL LA WOOLLENS LTD**

**SANDEEP P. SHAH**  
(CHAIRMAN)  
(DIN: 00368350)

**Registered Office:**

4-C, Vulcan Insurance Building,  
Veer Nariman Road, Churchgate,  
Mumbai 400 020  
Date: 09/11/2020

**NOTES:**

1. **A Member entitled to attend and vote is entitled to appoint one or more proxy (ies) to attend and vote instead of himself and the proxy (ies) need not be a member.**
2. The proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books will remain closed from 15/12/2020 to 21/12/2020 (both days inclusive).
4. As required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, profile of Directors seeking appointment/ re-appointment at the Annual General Meeting is provided separately in this report.
5. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
6. In accordance with, the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by SEBI,

owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members, whose e-mail address is registered with the Company or the Depository Participant(s).

7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Share Transfer Agent on [busicomp@vsnl.com](mailto:busicomp@vsnl.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [busicomp@vsnl.com](mailto:busicomp@vsnl.com).
8. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.modellawoollens.com](http://www.modellawoollens.com) and on the website of BSE Limited and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com)
9. The members, who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.
10. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
11. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the members are informed that the Company is pleased to offer e-voting facilities as an alternative mode to voting at the meeting. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting. The instructions for e-voting are as under:
  - (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr. no affixed on Annual Report, in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details  OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The voting period begins on 18.12.2020 (9.00 a.m.) and end on 20.12.2020 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in



dematerialized form, as on the cut-off date of 15.12.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

**Other Instructions:**

- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 15.12.2020.
- b) Mr. Upendra Shukla, Practicing Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.
- c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two 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.
- a) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.
- d) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.modellawoollens.com](http://www.modellawoollens.com) and on the website of the CDSL within two days of the passing of the resolutions at the 58<sup>th</sup> AGM and communicated to BSE Ltd., where the shares of the Company are listed.

Details of Directors seeking appointment/ re-appointment at the 57<sup>th</sup> Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given hereunder:

Name of the Director	Mrs. Kalpana P. Shah
Date of Birth	12/10/1946
Date of Appointment	07/02/2018
Qualification	SSC
Brief Profile	Mrs. Kalpana P. Shah is a partner in Sunder Suvidha LLP, the promoter of Modella Woollens Ltd. She has over 25 Years of experience in Capital Market.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	Nil
Memberships / Chairmanship of Audit & Stakeholders' Relationship Committee)	Nil
Shareholding in the Company (Equity)	NIL

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors hereby present their 58th Annual Report on the business and operations of the Company together with the audited Statements of the accounts for the year ended on March 31st, 2020.

**SUMMARY OF FINANCIAL PERFORMANCE:**

	Year Ended 31-03-2020	Year Ended 31-03-2019
Total Revenue	50,46,808	56,89,099
Less: Expenses	29,09,747	21,95,969
Profit /(Loss) before Depreciation, Amortisation and Tax	21,37,061	34,93,130
Less : Depreciation, Amortisation	1082	1082
Profit Before tax	21,35,979	34,92,048
Less : Current Tax	5,28,540	6,71,870
Less : Short/ Excess Provision of Tax in previous years	74,230	--
Profit/(Loss) After Tax	15,33,209	28,20,178

**DIVIDEND:**

Your Directors have not recommended any dividend.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to be best of their knowledge, confirms that –

- a) in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure;
- b) appropriate accounting policies have been selected and applied consistently and have 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 of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MANAGEMENT DISCUSSION AND ANALYSIS**

To avoid duplication of certain information in Directors' Report and Management Discussion & Analysis, the Board of Directors of your Company has presented the composite summary of performance and functions of the Company.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

Your Directors are actively considering various avenues of business. Economic activity in the financial year 2020-21 is expected to gather pace benefiting from a conducive domestic and global environment.

**REGULATIONS**

Your Company is complying with various laws and regulations applicable.

**PERFORMANCE**

Your Company has not earned any business income from its operations during the financial ended 31<sup>st</sup> March,2020 except other income of Rs.50,46,808/-After adjusting the expenses of Rs.29,10,829/- there is a pre-tax profit of Rs.21,35,979/- as against Rs.34,92,048/- in the previous year.

Your Directors have not transferred any amount to general reserves.

**MATERIAL CHANGES AND COMMITMENT**

There have been no material change and commitment affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

**OPPORTUNITY AND THREATS**

Your Directors are actively considering various options and avenues to commence the business. Your Directors do not foresee any threat.

**FUTURE OUTLOOK**

Though COVID-19 has remarkably dented the economic growth, Indian economy is on a strong growth trajectory. Considering various measures taken by the governments, your Directors feel all these will augur well for the economy in general and your Company in particular.

**SUBSIDIARY**

The Company does not have any subsidiary company.

**CONSOLIDATED FINANCIAL STATEMENT**

Since the Company does not have any subsidiary company or associate or joint venture, consolidated financial statements are not prepared.

**CORPORATE GOVERNANCE**

Provisions of para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to your Company. Hence, report on Corporate Governance is not annexed.

**LOANS, GUARANTEE AND INVESTMENT**

The Company has not given any loan or guarantee during the year under review. The Company has made investments in shares, securities and mutual funds as detailed in the financial statement.

**PUBLIC DEPOSIT**

Your Company has not accepted any deposits from the public, its shareholders or employees during the year under review.

**TRANSACTION WITH RELATED PARTIES**

In absence of any business activity, the Company did not enter into any material contract/arrangements with related parties, except acceptance/repayment of loans raised from the Directors. Since all such transactions with the related parties entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable.

**CONSERVATION OF ENERGY, ETC.**

Since your Company was not engaged in any manufacturing activity, information as required under the provisions of Section 143(3)(m) of the Act is not furnished. During the year, the Company neither earned nor spent any foreign exchange.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

To comply with the Articles of Association of the Company and the Companies Act, 2013, Mrs. Kalpana P. Shah (DIN: 00368392) shall retire by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

At present, Board of Directors comprises of four Directors Viz. Mr. Sandeep P Shah, Mrs. Kalpana P Shah, Mr. Jenish Patel (Independent) and Mr. Nirav V. Shah (Independent).

Mr. Ganesh Bhoir resigned as Chief Finance Officer with effect from 31st December, 2019. In his place, Ms. Chaitali Viral Shah was appointed as Chief Finance Officer on 10th August, 2020. The Company had the following personnel as the Key Managerial Personnel (KMP) under Section 203 of the Companies Act, 2013 as on 31st March, 2020:

1. Mr. Dhirajprasad G. Vaishnav, Chief Executive Officer
2. Ms. Neelam Chourasia, Company Secretary.

During the year under review, none of the non-executive directors had any pecuniary relationship or transactions with the Company.

**DISCLOSURE BY INDEPENDENT DIRECTORS**

All the Independent Directors have furnished declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

**AUDIT COMMITTEE**

The Committee presently comprises of Mr. Jenish A. Patel, Mr. Nirav V. Shah both Independent Directors, and Mr. Sandeep P. Shah, Director. All the members of the Committee are having financial and accounting knowledge. The Committee met 4 times during the financial year 2019-20.

**NOMINATION & REMUNERATION COMMITTEE/POLICY**

The Nomination and Remuneration Committee presently comprises of Mr. Jenish A. Patel, Mr. Nirav V. Shah and Mr. Sandeep P. Shah, all non-Executive Directors. The Committee met once during the financial year under review.

The Nomination and Remuneration Policy recommended by the Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors. The said policy is annexed to the report as Annexure 1.

**STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee consists of three members viz. Mr. Sandeep Shah, Mr. Jenish A. Patel and Mr. Nirav V. Shah as its members. The Committee mainly looks into redressal of shareholders and investors grievances with respect to transfer of shares, dematerialization of shares, non-receipt of annual report or declared dividend, etc. The shareholders' grievances committee met once during the year. During the year ended 31<sup>st</sup> March, 2020, the Company did not receive any complaint from any of its members.

**BOARD MEETINGS**

Five meetings of the Board were held during the year under review. One meeting of the Independent Directors was also held during the year.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

**CSR COMMITTEE**

The Company does not fulfill any of the three criteria specified in Section 135(1) of the Companies Act, 2013 and as such is not required to comply with the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

**INTERNAL CONTROL SYSTEM**

Adequate internal control systems are in place to maintain quality of product, proper accounting as per norms and standards prescribed, asset maintenance and its proper use. The Company has an

independent internal auditor, who periodically reviews the accounts and reports to the Audit Committee.

## **RISK MANAGEMENT**

The management continuously access the risk involved in the business and all out efforts are made to mitigate the risk with appropriate action. All the assets of the Company are adequately covered by comprehensive insurance.

## **EMPLOYEE**

Relations between the management and employees were cordial through-out the year.

Information on Particulars of Employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this Report as an Annexure 2.

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rule, 2014, and forming part of Directors' Report for the year ended 31st March, 2020 is given in a separate annexure to this report. None of the employee of the Company was in receipt of a remuneration exceeding Rs.8,50,00/- per month or Rs.1,02,00,000/- per annum. The said annexure is not being sent alongwith this report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members, who are interested in obtaining these particulars, may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the members at the registered office of the Company, 21 days before the 58th annual general meeting and upto the date of the said annual general meeting during normal business hours on working days

## **AUDITORS**

According to Directors, there are no adverse remarks made by Statutory Auditors in their report. Notes to the accounts are self explanatory to comments/observation made by the auditors in their report. Hence, no separate explanation is given.

M/s. Kochar & Associates, Chartered Accountants, Statutory Auditors of your Company, were appointed as Statutory Auditors by the members of the Company in their 56<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2018 for consecutive five years.

## **INTERNAL AUDITORS**

M/s. H.N. Bafna & Co., Chartered Accountants, are the internal auditors of the Company, who plays an important role in strengthening the internal control. The Internal Auditors reports to the Audit Committee.

## **SECRETARIAL AUDIT**

During the year, Secretarial Audit was carried out by Mr. Dhruvalkumar Baladha, proprietor of DDB & Co., Company Secretaries, Practicing Company Secretary for the financial year 2019-20. The

report on the Secretarial Audit is appended as Annexure 2 to this report. According to the Board of Directors the report does not have any adverse remark.

### **COST AUDIT**

Provisions relating to cost audit is not applicable to your Company.

### **DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

No such order was passed by any of the authorities, which impacts the going concern status and company's operations in future.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) and Section 134 (3)(a) of the Companies Act, 2013 a copy of the Annual Return of the Company for the year ended 31<sup>st</sup> March, 2020 is placed on the website of the Company at [www.modellawoolens.com](http://www.modellawoolens.com)

### **VIGIL MECHANASIM**

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement. The whistle blower policy is adopted by the Board of Directors and is hosted on the website of the Company.

### **FRAUD REPORTING**

During the year, no fraud whether actual, suspected or alleged was reported to the Board of Directors.

### **PREVENTION OF SEXUAL HARRASSMENT AT WORKPLACE**

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act,2013 your Company has duly constituted an internal complaint committee. The Committee has formulated a policy to ensure protection to its female employees.

### **CAUTIONARY STATEMENT**

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on the reasonable assumption, the actual results might differ.

**ACKNOWLEDGEMENT**

The Directors wish to place on record their deep sense of appreciation to the Company's Bankers, all the staff members for their unstinted support. Your directors also wish to thank the shareholders for confidence reposed in the management of the Company.

For and on behalf of the Board

Mumbai,  
Date: 09.11.2020

Sandeep Shah  
Chairman  
DIN : 00368350



## Annexure 1

**COMPANY'S POLICY ON APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PERSONNEL AT SENIOR MANAGEMENT**

The Nomination and Remuneration Committee identifies persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management.

The Committee ascertains the qualifications, expertise and experience of the persons to be appointed as Directors, Key Managerial Personnel and Senior Management and recommends their appointment to the Board of Directors.

The Board then takes the final decision based on the said recommendation.

The Committee evaluates the performance of Directors, Key Managerial Personnel and Senior Management on a yearly basis and recommends their removal, if required.

**REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES**

The remuneration payable to the Managing Director shall be as per the provisions of the Companies Act, 2013 and other relevant provision.

The remuneration payable to Key Managerial Personnel and Senior Management shall be approved by the Committee on case to case basis.

**The Increments to the existing remuneration structure:**

- A. In relation to Board of Directors shall be based on the evaluation of performance.
- B. In relation to Key Managerial Personnel and Senior Management the same shall be approved by the Committee based on the recommendation of the Managing Director.
- C. In relation to others the same shall be approved by the Managing Director based on the market conditions, performance of the company and other relevant from time to time.

**REMUNERATION TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS.**

The Non-Executive and Independent Directors of the Company shall only be paid sitting fees ( as determined by the Board from time to time) for attending Board/ Committee meetings apart from reimbursement of expenses incurred for attending the meetings.

By Order of the Board of Directors

Sandeep Shah  
Chairman  
DIN: 00368350

## Annexure 2

**Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

<b>Rule</b>	<b>Particulars</b>			
(1)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a		<b>Nil</b>
			None of the other Directors were in receipt of any remuneration.	<b>Nil</b>
				<b>Nil</b>
(2)	The percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive Officer, Company Secretary in the financial year	a	Mr. Dhirajprasad G. Vaishnav, Chief Executive Officer	<b>Nil</b>
		b	Mr. Ganesh Bhoir, Chief Finance Officer	<b>Nil</b>
		d	Ms. Neelam Chourasia, Company Secretary	<b>Nil</b>
(3)	The percentage increase in the median remuneration of employees on the rolls of the Company			
(4)	The number of permanent employees on the rolls of the Company			<b>3</b>
(5)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There is no increase in the remuneration of managerial personnel as also for others. This is based on other factors relevant for the purpose.		
(6)	It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company			

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st March, 2020  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Modella Woollens Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modella Woollens Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing (**Not applicable since there was no FDI, ODI and/or ECB**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) As Confirmed by the management , There is no Acts/Guidelines specifically applicable to the Company:

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standard with regard to meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines as applicable, mentioned above.

I report that during the year under review there was no action/event in pursuance of –

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.
- (e) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
- (f) The Securities and Exchange board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above subject to the following observations:

*i) The Company did not have Chief Finance Officer (CFO) since 31st December, 2019 as required under Section 203 of the Act.*

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board and its Committees were unanimous and no dissenting views have been recorded.

I further report that during the audit period there was no other specific event/action in pursuance to the above referred laws, rules, regulations, guidelines, etc. having major bearing on the Company's affairs.

(DHURVALKUMAR BALADHA)  
COMPANY SECRETARY  
ACS: 38103/CP: 14265  
UDIN: F010562B000615023

Place: Mumbai  
Date: 25/08/2020

**Note: This report is to be read with my letter of even date, which is annexed as 'ANNEXURE' and forms an integral part of this report.**

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**ANNEXURE**

To,  
The Members,  
Modella Woollens Limited,

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 25/08/2020

(DHURVALKUMAR BALADHA)  
COMPANY SECRETARY  
ACS: 38103/CP: 14265  
UDIN: F010562B000615023

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31/03/2019  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Sr. No.	Particular	Information
i.	CIN	L17120MH1961PLC012080
ii.	Registration Date	28 <sup>th</sup> July, 1961
iii.	Name of the Company	MODELLA WOOLLENS LIMITED
iv.	Category / Sub-Category of the Company	Public Company – Limited by Shares
v.	Address of the registered office and contact details	4-C, Vulcan Insurance Building, Veer Nariman Road, Churchgate, Mumbai 400 020
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	PURVA SHAREGISTRY (INDIA) PVT. LTD 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai-400 011 Contact: 022 23016761/2518 Fax: 022-23012517

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1	Nil		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category - wise Share Holding**

Category code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00

(c)	State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	419410	0	419410	46.09	417097	0	417097	45.83	-0.25
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others(Specify)									
	Sub Total(A)(1)	419410	0	419410	46.09	417097	0	417097	45.83	-0.25
2	Foreign									
A	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
B	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
C	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
D	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
E	Any Others(Specify)									
	Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	419410	0	419410	46.09	417097	0	417097	45.83	-0.25
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Banks / FI	0	679	679	0.07	0	679	679	0.07	0.00
(c)	Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	177205	0	177205	19.47	162329	0	162329	17.84	-1.63
(g)	FIIIs	0	0	0	0.00	0.00	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
	Sub-Total (B)(1)	177205	679	177884	19.55	162329	679	163008	17.91	-1.63
B 2	Non-institutions									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Indian	11545	2861	14406	1.58	12513	2581	15094	1.66	0.08
(ii)	Overseas	0	0	0	0.00			0	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	65959	229531	295490	32.47	74752	227599	302351	33.23	0.75
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0	0	0	0	0	0
(c)	Others (specify)	0	0	0						
(i)	Clearing Members	258	0	258	0.03	0	0	0	0	-0.03
(ii)	Market maker	0	0	0	0	0	0	0	0	0
(iii)	NRI / OCBs	314	480	794	0.09	9215	480	9695	1.07	0.98

(iv)	Foreign Nationals	0	0	0	0.00			0	0.00	0.00
(v)	Foreign Corporate Body	0	0	0	0.00			0	0.00	0.00
(vi)	LLP/Partnership Firm	0	0	0	0	0	0	0	0	0
(vii)	Hindu Undivided	1758	0	1758	0.19	2755	0	2755	0.30	0.11
	Sub-Total (B)(2)	79834	232872	312706	34.36	99235	230660	329895	36.25	1.89
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	257039	233551	490590	53.91	261564	231339	492903	54.17	0.25
(C)	Shares held by Custodians for GDRs & ADRs									
	GRAND TOTAL (A)+(B)+(C)	676449	233551	910000	100.00	678661	231339	910000	100.00	0.00

## ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/4/2019			Share holding at the end of the year 31/3/2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SUNDER SUVIDHA LLP	419410	46.09	0.00	417097	45.83	0.00	-0.25
	<b>Total</b>	419410	46.09	0.00	417097	45.83	0.00	-0.25

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	SUNDER SUVIDHA LLP	419410	46.09			
	02-08-2019	-1000	-0.11	418410	45.98	Sell
	09-08-2019	-213	-0.02	418197	45.96	Sell
	16-08-2019	-1100	-0.12	417097	45.83	Sell
	31-03-2019			417097	45.83	

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Shareholder's Name	Shareholding at the beginning of the year 01/4/2019			Share holding at the end of the year 31/3/2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Life Insurance Corporation of India	177205	19.47		177205	19.47		-



	31-05-2019	-2000	-0.22		175205	19.25		Sell
	07-06-2019	-1000	-0.11		174205	19.14		Sell
	28-06-2019	-5000	-0.55		169205	18.59		Sell
	19-07-2019	-1000	-0.11		168205	18.48		Sell
	09-08-2019	-5865	-0.64		162340	17.84		Sell
	16-08-2019	-11	-0.00		162329	17.84		Sell
	31-03-2020				162329	17.84		
2.	Ventura Securities Ltd	8250	0.91		8250	0.91		-
3.	Mr. Sunil S. Magnani	6000	0.66		6000	0.66		-
4.	Ms. Disha Sunil Magnani	4480	0.49		4480	0.49		-
5.	Mr. Hitesh Ramji Javeri	3000	0.33		3000	0.33		-
6.	Mr. Indra Kumar Bagri	2873	0.32		2873	0.32		-
	27-03-2020	70	0.01		2943	0.32		Buy
	31-03-2020				2943	0.32		
7.	Veer Enterprises Limited	2500	0.27		2500	0.27		-
8.	Ms. Vandana Jain	2070	0.23		2070	0.23		-
9.	Mr. Ajay Kumar	2065	0.23		2065	0.23		-
10.	Leharchand S Lakhani	1700	0.19		1700	0.19		
	30-08-2019	-51	-0.01		1649	0.18		Sell
	13-09-2019	475	0.05		2124	0.23		Buy
	18-10-2019	-1624	-0.18		500	0.05		Sell
	08-11-2019	-500	0.05		0	0		Sell
	31-03-2020				0	0		
11.	Mr.Rahul Anantrai Mehata	439	0.05		439	0.05		
	31-05-2019	999	0.11		1438	0.16		Buy
	19-07-2019	500	0.05		1938	0.21		Buy
	25-10-2019	1490	0.16		3428	0.38		Buy
	06-12-2019	105	0.01		3533	0.39		Buy
	13-12-2019	185	0.02		3718	0.41		Buy
	28-02-2020	245	0.03		3963	0.44		Buy
	27-03-2020	740	0.08		4703	0.52		Buy
	31-03-2020				4703	0.52		
12	Mr. Srihas Vasudeo Pandharkar	300	0.03		300	0.03		
	19-08-2019	5000	0.55		5300	0.58		Buy
	13-03-2020	3686	0.41		8986	0.99		Buy
	31-03-2020				8986	0.99		

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sandeep P Shah	Director	-	-	-	-
2	Mrs. Kalpana Shah	Director	-	-	-	-

3	Jenish Arvind Patel	Director	-	-	-	-
4	Nirav Vilas Shah	Director	-	-	-	-
5	Neelam I Chourasia	Company Secretary	-	-	-	-
6	Ganesh N Bhoir	CF O	-	-	-	-
7	Dhirajprasad Vaishvav	CEO	-	-	-	-

## VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	17300000	-	17300000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-		-	
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition	-	500000	-	500000
<input type="checkbox"/> Reduction	-	-	-	-
<b>Net Change</b>	-		-	
Indebtedness at the end of the financial year				
i) Principal Amount	-	17800000	-	17800000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Sandeep Shah	Mrs. Kalpana Shah	Mr. Jenish A. Patel	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL

4	Commission as % of profit	NIL	NIL	NIL	NIL
5	Others, please specify Variable Incentives	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL
	Ceiling as per the Act <i>*5% of the net profit calculated as per Section 198</i>	NIL	NIL	NIL	NIL

## B. Remuneration to other directors: (Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors			
	<input type="checkbox"/> Fee for attending board / committee meetings			
	<input type="checkbox"/> Commission	--	--	--
	<input type="checkbox"/> Others, please specify	--	--	--
	<b>Total (1)</b>			
	2. Other Non-Executive Directors			
	<input type="checkbox"/> Fee for attending board / committee			

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	TOTAL
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	238000	173100	88000	499100
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	-	-	-
2	Stock Option	--	-	-	-
3	Sweat Equity	--	-	-	-
4	Commission as % of profit	--	-	-	-
5	Others, please specify Variable Incentives	--	-	-	-
	Total (A)	238000	173100	88000	499100
	Ceiling as per the Act <i>*5% of the net profit calculated as per Section 198</i>	--	-	-	-

**.VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):  
NIL**

**By Order of the Board of Directors**

**(Sandeep P. Shah)  
Chairman & Director  
(DIN: 00368350)**

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of,  
Modella Woollens Limited

## REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

## OPINION

We have audited the accompanying Standalone financial statements of MODELLEA WOOLLENS LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2020, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Company has accumulated losses and its net worth has been fully eroded and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, based on the representation received from the management regarding continuing support and assurance of raising requisite finance / generate cash flow in future to meet its obligations and to earn profits in future, the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

## OTHER INFORMATION

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standard financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the companies Act 2013 , we are also responsible for expressing our opinion on whether the company has adequate internal financial control in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “ Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- b. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income ), the standalone statement of changes in equity the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- f. With respect to the matters to be included in the Auditors Report u/s 197 (16) , no managerial remuneration is paid/provided.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position as on 31<sup>st</sup> March 2020.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Mumbai.  
Date : 29th June 2020  
UDIN: 20106049AAAABL1937

For Kochar & Associates  
Chartered Accountants  
CA Piyush Kochar  
Partner  
Membership No. 106049  
Firm No. 105256W



**The Annexure A** referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) We are informed that fixed assets have been physically verified by the management at reasonable interval and no discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.  
  
(c) According to the information and explanations given to us, the company does not hold immoveable properties.
- (ii) According to the information and explanations given to us the Company has no stock during the year or at the end of the year. Hence, no question of conducting physical verification of inventory arises.
- (iii) (a) The Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph (iii)(b) and 3 (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or has made any investments or has given any guarantee or security within the meaning of section 185 and 186 of the Companies Act 2013, and hence the provision of this clause is not applicable for the year under audit.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) We have been informed that the cost records have not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, income tax, service tax, GST cess and other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, value added tax, employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of duty of customs and Service tax have not been deposited by the Company on account of disputes:

- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the record of the Company, the managerial remuneration has not been paid or provided.
- (xii) In our opinion and according to the information and explanations given to us, the company is not nidhi company. Accordingly, paragraph 3(xii) of Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the record of the Company, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Mumbai.  
Date : 29th June 2020.

For Kochar & Associates  
Chartered Accountants

CA Piyush Kochar  
Partner  
Membership No. 106049  
Firm No. 105256W

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**ANNEXURE B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Modella Woollens Limited** ('the Company') as of 31-Mar-2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2020, based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

Place : Mumbai.  
Date : 29th June 2020.

For Kochar & Associates  
Chartered Accountants

CA Piyush Kochar  
Partner  
Membership No. 106049  
Firm No. 105256W

**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**  
**BALANCE SHEET AS AT 31ST MARCH, 2020**

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>A) Non-current assets</b>			
a) Property, Plant and Equipment	2	793	1,875
b) Financial Assets			
i) Investments	3	17,52,677	-
ii) Others Financial Assets		-	-
c) Deferred Tax Assets		-	-
d) Other Non - current Asset	4	26,366	26,366
<b>Total Non -current assets</b>		<b>17,79,836</b>	<b>28,241</b>
<b>B) Current assets</b>			
a) Inventories			
b) Financial Assets			
i) Trade receivables			
ii) Cash and cash equivalents	5	1,35,838	249,841
iii) Others Financial Assets			
c) Income Tax Assets (net)			
d) Other current assets	6	5,49,041	96,285
<b>Total Current assets</b>		<b>6,84,879</b>	<b>346,126</b>
		<b>24,64,715</b>	<b>374,367</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES EQUITY</b>			
a) Equity Share Capital	7	9,100,000	9,100,000
b) Other Equity	8	(2,95,49,965)	(3,10,83,174)
<b>Total Equity</b>		<b>(2,95,49,965)</b>	<b>(21,983,174)</b>
<b>LIABILITIES</b>			
<b>A) Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings			
ii) Other financial liabilities			
b) Provisions		-	-
<b>Total Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>B) Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	9	1,78,00,000	1,73,00,000
ii) Trade payables	10	99,423	91,833
iii) Other financial liabilities			
b) Provisions	11	5,35,704	683,158
c) Other Current Liabilities	12	44,79,554	4,282,550
<b>Total Current liabilities</b>		<b>2,29,14,681</b>	<b>22,357,541</b>
<b>Total Equity and Liabilities</b>		<b>24,64,715</b>	<b>374,367</b>

**Significant Accounting Policies and Notes to Accounts 1-26**

In term of our report of even date

For and behalf of Board of Directors

**For Kochar & Associates****MODELLA WOOLLENS LIMITED**

Chartered Accountants Firm Regn No. 105256W

Sd/-

sd/-

sd/-

**Piyush Kochar****Sandeep Shah****Kalpna Shah**

Partner M. No. F-106049

Director

Director

Place: Mumbai Dated : 29/6/2020

DIN 00368350

DIN 00368392

**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>Income</b>			
Revenue From Operations		-	-
Other Income	13	50,46,808	56,89,099
<b>Total Income</b>		<b>50,46,808</b>	<b>56,89,099</b>
<b>Expenditure</b>			
Employee benefits expenses	14	5,72,807	5,42,233
Finance costs	15	-	1,52,686
Depreciation and amortization expenses	2	1,082	1,082
Other expenses	16	23,36,940	15,01,050
<b>Total expenses</b>		<b>29,10,829</b>	<b>21,97,051</b>
<b>Profit before tax</b>		<b>21,35,979</b>	<b>34,92,048</b>
Tax expense:	17		
1) Current tax MAT		5,28,540	6,71,870
(2) Short/Excess Provision of Tax in previous year		74,230	-
(3) Deferred tax		-	-
<b>Total tax expenses</b>		<b>6,02,770</b>	<b>671,870</b>
<b>Profit/(loss) for the year</b>		<b>15,33,209</b>	<b>2,820,178</b>
<b>Other Comprehensive Income</b>		-	-
<b>Items that will not be reclassified to profit or loss</b>		-	-
<b>Items that will be reclassified to profit or loss</b>		-	-
<b>Other Comprehensive Income for the Year</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>15,33,209</b>	<b>2,820,178</b>
<b>Earnings per equity share: (in Rs)</b>			
<b>Equity shares of Par value of Rs. 10 /-each</b>			
Basic		1.68	3.10
Diluted		1.68	3.10

**Significant Accounting Policies and Notes to Accounts 1-26**

In term of our report of even date

For and behalf of Board of Directors

**MODELLA WOOLLENS LIMITED**

**For Kochar & Associates**

Chartered Accountants

Firm Regn No. 105256W

Sd/-

**Piyush Kochar**

Partner

M. No. F-106049

Place: Mumbai

Dated:29/6/2020

sd/-

**Sandeep Shah**

Director

DIN No.- 00368350

sd/-

**Kalpana Shah**

Director

DIN No.- 00368392

**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**  
**CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2020**

Particulars	2019-2020	2018-2019
Operating activities		
Profit Before Tax	21,35,979	34,92,048
<b>Adjustments to reconcile profit before tax to net cash inflow</b>		
Depreciation and amortization	1,082	1,082
Profit on Sale of MF	(46,808)	-
Interest	-	1,52,686
Sundry Balance written Back	-	(56,89,099)
<b>Working capital adjustments :-</b>	<b>20,90,253</b>	<b>(20,43,283)</b>
(Increase) / Decrease in Trade and Other Receivables		
(Increase) / Decrease in Provisions	(4,124)	7,680
(Increase) / Decrease in Other Current Financial Assets	-	-
(Increase) / Decrease in Income Tax (Assets)	-	-
(Increase) / Decrease in Other Current Assets	(4,52,756)	(28,904)
Increase / (Decrease) in Trade and Other Payables	7,590	(3,60,887)
Increase / (Decrease) in Other Financial Liabilities	-	-
Increase / (Decrease) in Other Current Liabilities	1,97,004	2,46,255
<b>Cash generated from operations</b>	<b>18,37,967</b>	<b>(21,79,140)</b>
Direct taxes paid (Net of Refunds)	(7,46,100)	
<b>Net cash flow from operating activities</b>	<b>10,91,867</b>	<b>(21,79,140)</b>
<b>Investing activities</b>		
Income/Loss on investment	(17,52,677)	-
Profit on Sale of MF	46,808	-
<b>Net cash flow used in investing activities</b>	<b>(17,05,869)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds form Borrowings (Net)	5,00,000	22,00,000
Interest paid	-	(1,52,686)
<b>Net cash flow from financing activities</b>	<b>5,00,000</b>	<b>20,47,314</b>
<b>Increase in cash and cash equivalents</b>	<b>(1,14,002)</b>	<b>(1,31,825)</b>
Cash and cash equivalents at the beginning of the year	2,49,841	3,81,666
Cash and cash equivalents at the end of the year	1,35,838	2,49,841
Particulars	As at 31-03-2020	As at 31-03-2019
Cash in Hand	1,385	4,527
Bank Balances		
- In Current Accounts	1,34,453	2,45,314
	<b>1,35,838</b>	<b>2,49,841</b>

In term of our report of even date

For and behalf of Board of Directors  
**MODELLA WOOLLENS LIMITED**

**For Kochar & Associates**

Chartered Accountants  
Firm Regn No. 105256W

Sd/-

**Piyush Kochar**

Partner  
M. No. F-106049  
Place: Mumbai  
Dated:29/6/2020

sd/-

**Sandeep Shah**

Director  
DIN No.- 00368350

sd/-

**Kalpana Shah**

Director  
DIN No.- 00368392

**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**  
**Statement Of Changes in Equity for the year ended March 31,2020**

**A. Equity Share Capital**

Equity Share Capital	Balance as at April 01, 2019	Changes in Equity Share Capital during the year	Balance as at March 31,2020
Paid Up Capital	9,100,000	-	9,100,000

**Other Equity**

Particulars	OTHER EQUITY				
	Retained Earnings	Securities premium account	General Reserve	Other Comprehensive Income	Total
Balance as on April 01, 2019	(3,10,92,821)	-	9,647	-	(3,10,83,174)
Profit for the year	15,33,209	-	-	-	15,33,209
Balance as at March 31,2020	(2,95,59,612)	-	9,647	-	(2,95,49,965)

In term of our report of even date

For and behalf of Board of Directors

**MODELLA WOOLLENS LIMITED****For Kochar & Associates**

Chartered Accountants

Firm Regn No. 105256W

Sd/-

**Piyush Kochar**

Partner

M. No. F-106049

Place: Mumbai

Dated:29/6/2020

sd/-

**Sandeep Shah**

Director

DIN No.- 00368350

sd/-

**Kalpana Shah**

Director

DIN No.- 00368392



**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**

Accompanying notes to the financial statements for the Year ended March 31, 2020

**Note 1****A. Corporate information**

MODELLA WOOLLENS LIMITED is a public limited company incorporated in India and has its registered office at Mumbai, Maharashtra, India. The Company has its primary listing in BSE Ltd.

**B. Significant Accounting Policies****1. Basis of preparation and presentation**

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements for all periods up to and including year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP").

The financial statements for the year ended 31 March 2018 are the first financial statements prepared by the Company in accordance with Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

**C. Use of Estimates:**

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

**a) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**ii) Deferred tax assets**

In view of uncertainty of income in future, deferred tax is not created.

**iii) Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash flow can be reliably estimated. The timing of recognition and quantification of the liability require application of judgement to the

existing facts and circumstances which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing the facts and circumstances

#### **D. Property, Plant and Equipment**

##### **Tangible Assets**

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost except for certain class of assets which are measured at fair value as deemed cost on the date of transition i.e. 1 April 2016.

#### **E. Depreciation and Amortisation:**

Depreciation on all fixed assets, Improvements and intangible assets, is provided on straight line method over the useful life of Asset and in the manner as prescribed by Schedule II of the Act.

#### **F. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **i) Financial Assets**

###### **Initial Recognition**

In the case of financial assets not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

###### **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

###### **Financial Assets at Amortised Cost ( AC)**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

###### **Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its equity investments in subsidiaries, Joint Ventures associates and investment in partnership firm, if any, and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2016.

#### **G. Impairment of Financial Assets:**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

#### **H. De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **b) Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

**I) Financial Liabilities****i) Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**ii) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below

**Financial liabilities at FVPL**

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

**Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**iii) De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**iv) Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

**J) Impairment of Non-Financial Assets**

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

**Recoverable amount is determined:**

' - In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and

' - In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset.

In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

#### **K) Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

#### **L) Trade payables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

#### **M) Earnings Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

#### **N) Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

#### **O) Borrowing Costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

**P) Revenue Recognition:**

Revenue is recognized when all significant risks and rewards of ownership of the goods are passed on to the buyer and no significant uncertainty exists as to its realization or collection.

**Q) Foreign Currency Transactions:****a) Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

**b) Conversion**

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**c) Treatment of Exchange Difference**

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

**R) Inventories**

Inventories are valued at cost or net realizable value whichever is lower. Cost of property under construction held as inventory includes cost of purchases, construction cost, and other cost incurred in bringing the properties to their present location and condition

**S) Provisions and Contingent Liabilities and Assets:**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent asset is not recognised unless it becomes virtually certain that an flow of economic benefits will arise.

**T) Employee Benefits****i) Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

**ii) Defined Benefit Plan**

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit

and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

**iii) Leave entitlement and compensated absences**

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

**iv) Short-term Benefits**

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

**v) Termination benefits**

Termination benefits are recognised as an expense as and when incurred.

**U) Accounting for Taxes of Income:-**

**i) Current Taxes**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**ii) Deferred Taxes**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In view of uncertainty of income in future, deferred tax is not created

**iii) Minimum Alternative Tax**

MAT is recognised as deferred Tax Assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised

**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**  
**Notes to financial statements for the year March 31, 2020**

**Note 2: Property, Plant & Equipment****(Amount in Rs.)**

<b>Particular</b>	<b>Furniture</b>	<b>Office Equipment</b>	<b>Computers</b>	<b>Other Electric Fittings</b>	<b>Total</b>
<b>Year Ended March 31, 2019</b>					
<b>Gross Carrying Amount</b>					
Opening Gross Carrying Amount	164,164	330,458	340,238	323,572	1,158,432
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>164,164</b>	<b>330,458</b>	<b>340,238</b>	<b>323,572</b>	<b>1,158,432</b>
<b>Accumulated Depreciation</b>					
Opening Accumulated Depreciation	160,210	330,457	340,237	323,571	1,155,475
Depreciation charge during the year	1,080	1	1	-	1,082
Disposals	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>162,290</b>	<b>330,458</b>	<b>340,238</b>	<b>323,571</b>	<b>1,156,557</b>
<b>Net Carrying Amount</b>	<b>1,874</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1,875</b>
<b>Year Ended March 31, 2020</b>					
<b>Gross Carrying Amount</b>					
Opening Gross Carrying Amount	164,164	330,458	340,238	323,572	1,158,432
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>164,164</b>	<b>330,458</b>	<b>340,238</b>	<b>323,572</b>	<b>1,158,432</b>
<b>Accumulated Depreciation and Impairment</b>					
Opening Accumulated Depreciation	162,290	330,458	340,238	323,571	1,156,557
Depreciation charge during the year	1,082	-	-	-	1,082
Disposals	-	-	-	-	-
<b>Closing Accumulated Depreciation and Impairment</b>	<b>163,372</b>	<b>330,458</b>	<b>340,238</b>	<b>323,571</b>	<b>1,157,639</b>
<b>Net Carrying Amount</b>	<b>792</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>793</b>



**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**

**Notes forming part to the to Financial statements for the year March 31, 2020**

Note 3: Investment

Particular	As at March 31, 2020	As at March 31, 2019
<b>Profit or Loss</b> ( Quoted and fully paid up )		
1300 equity shares of FORBES & COMPANY LTD.of Rs 10 each fullypaid (P.Y.Nil)	9,99,830	-
<b>Investments in Mutual Funds</b>		
169,247 units of SBI MAGNUM ULTRA SHORT DURATION FUND REGULAR GROWT (P.Y. Nil)	7,52,847	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>17,52,677</b>	<b>-</b>

Note 4: Other non Current Asset

Particular	As at March 31, 2020	As at March 31, 2019
Security Deposit	26,366	26,366
Total	26,366	26,366

Note 5: Cash & Cash Equivalentt

Particular	As at March 31, 2020	As at March 31, 2019
Balance with Banks- Current Accounts	1,34,453	2,45,314
Cash on Hand	1,385	4,527
Total	1,35,838	2,49,841

Note 6: Other Current Asset

Particular	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advances reoverable in cash or kind	-	-
SPS Share Brokers Pvt. Ltd	1,401	-
TDS for AY 2020-2021	5,00,000	-
Jio Fiber Reliance Retail Ltd	-	-
Prepaid Expenses	16,005	13,950
SGST	15,818	41,168
CGST	15,818	41,168
Total	5,49,041	96,285

Note 7: Equity Share Capital

Particular	As at March 31, 2020	As at March 31, 2019
Authorised		
20,00,000, Equity Shares of Rs 10 each	20000000	20000000
Total	20000000	20000000
Issued, Subscribed and Fully Paid Up		
910,000 Equity Shares of Rs 10 each fully paid up	91,00,000	91,00,000
Total	91,00,000	91,00,000

**a) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particular	Equity Shares		
	As at March 31, 2020		As at March 31, 2019
	Number	Rs.	Rs
Shares outstanding at the beginning of the year	9,10,000	91,00,000	91,00,000
Shares Issued during the year	-	-	-
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	9,10,000	91,00,000	91,00,000

c) Details of Shareholders holding more than 5% shares in the company:

Particular	Equity Shares		
	As at March 31, 2020		As at March 31, 2019
	N0 of Share Held	% of Holding.	% of Holding.
Sunder Suvidha LLP	4,17,097	45.83 %	46.09 %
LIC	1,62,329	17.84 %	19.47 %

#### Note 8 : Other Equity

Particular	As at March 31, 2020	As at March 31, 2019
Retained Earnings	(2,95,59,612)	(3,10,92,821)
General Reserve	9,647	9,647
Closing Balance	(2,95,49,965)	(3,10,83,174)

#### i) Retained Earnings

Balance as at the beginning of the year	(3,10,92,821)	(3,39,12,999)
Add- Profit for the current year	15,33,209	28,20,178
Net surplus in the statement of profit and loss account	(2,95,59,612)	(3,10,92,821)

#### ii) General Reserve

Balance as per last financial statements	9,647	9,647
Add-Addition during the year	-	-
Less-Utilized during the year	-	-
Closing Balance	9,647	9,647

Nature and Purpose of Reserves :

#### General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders

#### Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders

#### Note 9: Borrowing

Particular	As at March 31, 2020	As at March 31, 2019
Loan from Directors	1,78,00,000	1,73,00,000
Inter corporate Deposit	-	-
Total	1,78,00,000	1,73,00,000

#### Note 10: Trade Payables

Particular	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small & Medium enterprises	-	-
Others	99,423	91,833
Total	99,423	91,833

**Note 11: Provisions (Current)**

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Employees Benefits	7,164	11,288
Provision for tax	5,28,540	6,71,870
<b>Total</b>	<b>5,35,704</b>	<b>6,83,158</b>

**Note 12: Other Current Liabilities**

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Rent payable	44,79,554	42,82,550
<b>Total</b>	<b>44,79,554</b>	<b>42,82,550</b>

**Note 13: Other Income and Other Gains/(Losses)**

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Professional fees received	50,00,000	-
Profit on sale of Mutual funds	46,808	-
Liabilities no longer required written back	-	56,89,099
<b>Total</b>	<b>50,46,808</b>	<b>56,89,099</b>

**Note 14: Employee Benefit Expense**

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Salaries and Bonus Gratuity Provident Fund insurance	5,67,649	5,34,861
Staff Welfare	5,158	7,372
<b>Total</b>	<b>5,72,807</b>	<b>5,42,233</b>

**Note 15: Finance Cost**

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Interest	-	1,52,686
<b>Total</b>	<b>-</b>	<b>1,52,686</b>

**Note 16: Other Expenses**

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Advertisement	81,982	75,334
<b>Auditors Remuneration-</b>		
Statutory Audit Fees	88,000	82,220
Tax Audit Fees	-	-
Bank charges	548	594
Rates and Tax	2,500	2,500
Electricity Charges	4,800	24,319
Director Sitting fees	-	-
Legal and Professional fees	1,89,173	3,90,246
Postage & Telegram	59,451	1,95,904
Rent	247,316	2,47,316
Printing And Stationary	52,720	99,734
Repairs & Maintenance	340	500
Web Hosting & Maintenance charges	3,100	8,624
Fair Value Loss	12,36,954	-
Listing Fees	3,00,000	325,396
Travelling & Conveyance	1,588	2,867
Miscellaneous Expenses	68,466	45,496
<b>Total</b>	<b>23,36,940</b>	<b>15,01,050</b>

**Details of Payment to Auditors**

<b>Particular</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
For Audit Fees	88,000	82,220
For Tax Audit	-	-
<b>Total Payment to Auditors</b>	<b>88,000</b>	<b>82,220</b>

**Note 17: Tax Expense****(a) Amounts recognised in Statement of Profit and Loss**

<b>Particular</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>Current tax expense (A)</b>		
<b>Current year</b>	5,28,540	6,71,870
<b>Short/(Excess) provision of earlier years</b>	74,230	-
	6,02,770	6,71,870
<b>Deferred tax expense (B)</b>		
<b>Property, plant and equipment &amp; Intangible assets</b>	-	-
<b>Brought forward Loss</b>	-	-
<b>MAT</b>	-	-
<b>Tax expense recognised in the income statement (A+B)</b>	<b>6,02,770</b>	<b>6,71,870</b>

In view of uncertainty of income in future , deferred tax had not been created

**(b) Amounts recognised in other comprehensive income**

<b>Particular</b>	<b>2019-2020</b>			<b>2018-2019</b>		
	<b>Before tax</b>	<b>Tax (expense)/ benefit</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax (expense)/ benefit</b>	<b>Net of tax</b>
<b>Items that will not be reclassified to profit or loss</b>						
<b>Remeasurements of the defined benefit plans</b>	-	-	-	-	-	-
	-	-	-	-	-	-

**(c) Reconciliation of effective tax rate**

<b>Particular</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>Profit before tax</b>	21,35,979	34,92,048
<b>Company's domestic tax rate / MAT</b>	25.75%	26%
<b>Tax using the Company's domestic tax rate</b>	5,50,015	9,07,932
<b>Tax effect of :</b>		
<b>Tax effect on non-deductible expenses</b>		
<b>Others</b>		
<b>Tax On Carried forward losses adjusted</b>	(5,50,015)	(9,07,932)
<b>Tax on book profit</b>	5,28,540	6,71,870
<b>MAT of earlier years</b>		
<b>Tax expense as per Statement of Profit &amp; Loss</b>	5,28,540	6,71,870
<b>Effective tax rate</b>	24.74	19.24

**(d) Movement in deferred tax balances**

Particulars	Net balance as at April 1, 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Balance as at March 31, 2020	Deferred tax liability	Deferred tax asset
Deferred tax (Asset)/Liabilities							
Property, plant and equipment & Intangible assets	-	-	-	-	-	-	-
Brought forward Loss MAT	-	-	-	-	-	-	-
Deferred tax (Asset)/Liabilities	-	-	-	-	-	-	-

In view of uncertainty of income in future , deferred tax had not been created

**Note 18: Earning Per Share**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Weighted average number of shares outstanding during the period	9,10,000	9,10,000
Weighted average number of Potential Equity shares outstanding during the year	9,10,000	9,10,000
Total number of Potential Equity Share for calculating Diluted Earning Per share	9,10,000	9,10,000
Net Profit \ (Loss) after tax available for equity shareholders	15,33,209	28,20,178
Basic Earning per share (in Rs.)	1.68	3.10
Diluted Earning per share (in Rs.)	1.68	3.10

**Note 19: Disclosure regarding Related Party****Disclosures on Related party transactions****i) Nature and Relationship of Related Parties****a) Associates / Enterprises over which directors and /Or their relatives has significant influence**

Nil

**b) Directors, Key Management Personnel & Relatives of KMP**

Director      Shri Sandeep Shah

Director      Smt Kalpana shah

**ii) Transactions with Related Parties during the year****Relationship**

Particulars	Name of Transaction	March 31, 2020	March 31, 2019
<b>a) Associates / Enterprises over which directors and / Or their relatives has significant influence</b>			
SPS Share Brokers P. Ltd.	Demat Charges	1,432	-
	Trans. Charges	322	-
<b>b) Directors and Key Management Personnel</b>		<b>o/s CR BAL</b>	<b>o/s CR BAL</b>
Shri Sandeep Shah	Unsecured loan	10,00,000	5,00,000
Smt Kalpana shah	Unsecured loan	1,68,00,000	1,68,00,000

Note 1: Related Parties as disclosed by Management and relied upon by auditors.

**Note 20 : Financial instruments – Fair values and risk management****A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 <sup>st</sup> March 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments in Partnership Firm	17,52,677	-	-	17,52,677	-	-	-	-
Other Financial Assets								
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	1,35,838	1,35,838	-	-	-	-
	17,52,677	-	1,35,838	18,88,515	-	-	-	-

<b>Financial liabilities</b>								
Borrowings	-	-	1,78,00,000	1,78,00,000				
Trade Payables	-	-	99,423	99,423				
Other Financial Liabilities	-	-	-	-				
	-	-	1,78,99,423	1,78,99,423	-	-	-	-

31 <sup>st</sup> March 2019	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments in Partnership Firm	-	-	-	-	-	-	-	-
Other Financial Assets								
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	2,49,841	2,49,841	-	-	-	-
	-	-	2,49,841	2,49,841	-	-	-	-

<b>Financial liabilities</b>								
Borrowings	-	-	1,73,00,000	1,73,00,000				
Trade Payables	-	-	91,833	91,833				
Other Financial Liabilities	-	-	-	-				
	-	-	1,73,91,833	1,73,91,833	-	-	-	-

**B. Measurement of fair values****Valuation techniques and significant unobservable inputs**

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Mutual Funds</b>	<b>The fair values of investments in Mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors</b>	Not applicable	<b>Not applicable</b>
<b>Non current financial assets and liabilities measured at amortised cost</b>	<b>Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.</b>	Not applicable	<b>Not applicable</b>

**MODELLA WOOLLENS LIMITED**  
**CIN: L17120MH1961PLC012080**

Notes forming part to the to Financial statements for the year March 31, 2020

**Note 20 : Financial instruments – Fair values and risk management (continued)**

**C. Financial Risk Management**

**C.i. Risk management framework**

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

**C.ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

**(a) Trade and other receivables from customers**

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Accounts receivables :**

Particulars	As at March 31, 2020	As at March 31, 2019
0 - 6 months	-	-
Beyond 6 months	-	-
<b>Total</b>	-	-

Financial Assets are considered to be of good quality and there is no significant increase in credit risk



**(b) Cash and cash equivalents and Other Bank Balances**

The Company held cash and cash equivalents and other bank balances of Rs. 1,35,838 at 31st March 2020 (31st March 2019: Rs. 2,49,841). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

**C.iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**C.iv. Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**C.iv.a Currency risk**

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

**C.iv.b Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

**Note 21 : Capital Management**

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Gearing Ratio- There is Debts in the company of Rs 1,78,00,000 as on 31.03.2020 of Rs 1,73,00,000 as on 31.03.2019 .The company is having negative shareholding fund as on 31.3.2020 and 31.3.2019

**Note 22 : Contingent Liability- NIL****Note 23 :**

There is no availability of information about the amount dues to small/micro undertaking, we are unable to comment that the interest if any is due to such undertaking or not

**Note 24 :**

Balances are relied upon as per books of accounts wherever the confirmations from debtors /creditors /Loans /Advances are not available

**Note 25 :**

As certified by the Management there is no obligation in respect of gratuity and leave encashment during the year

**Note 26 :**

Rent including society charges for office premises debited to the profit & loss account for the year isRs. 2,47,316/- (Rs. 2,47,316/-). Provision for rent payable upto 31st March 2020 Rs. 44,79,554/-(Rs.42,82,550) includes cheques paid but not encashed by the landlord.

**Note 27 :**

Previous year figures have been regrouped and rearranged wherever necessary to confirm with the current year presentation.

In term of our report of even date

For and behalf of Board of Directors  
**MODELLA WOOLLENS LIMITED**

**For Kochar & Associates**

Chartered Accountants  
Firm Regn No. 105256W

Sd/-

**Piyush Kochar**

Partner

M. No. F-106049

sd/-

**Sandeep Shah**

Director

DIN No.- 00368350

sd/-

**Kalpana Shah**

Director

DIN No.- 00368392

Place: Mumbai  
Dated:29/6/2020

## PROXY FORM

(Form No. MGT-11)

**MODELLA WOOLLENS LIMITED**

L17120MH1961PLC012080

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

Name of the Member(s) and Registered Address	Dp id/ Client id/ Folio no.
	Email ID:

I/We being the Member/Members of Modella Woollens Limited, holding \_\_\_\_\_ shares, hereby appoint:

\_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him  
 \_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him  
 \_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58<sup>th</sup> ANNUAL GENERAL MEETING of the Company, to be held on Monday, 21<sup>st</sup> December, 2020 at 04 :00 p.m. at Bhangwadi Shopping Complex, 2<sup>nd</sup> floor, Bhangwaaadi, Kalbadevi Road, Mumbai 400 002. and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

-----tear here-----

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2. Reappointment of Mrs. Kalpana P. Shah who retires by rotation		

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2020

\_\_\_\_\_  
Signature of first Proxy\_\_\_\_\_  
Signature of second Proxy\_\_\_\_\_  
Signature of third Proxy

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. A Proxy need not be a member of the Company.**

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.

4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

6. In the case of joint holders, the signature of anyone holder will be sufficient, but names of all the joint holders should be stated.

MODELLA WOOLLENS LIMITED

Route Map to the 58<sup>th</sup> AGM

