SWAMY & CHHABRA
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of
Modella Textiles Industries Ltd

Report on the Audit Standalone financial statements

We have audited the accompanying standalone Ind AS financial statements of **Modella Textiles Industries Ltd** ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the period then ended, Statement of Changes in Equity, Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 its loss for the period ended on that date.

Emphasis of matter

Emphasis of matter is a paragraph which is included in auditor's report to draw users' attention to important matter(s) which are already disclosed in financial statements and are fundamental to the users' for understanding of Financial Statements.

Attention is invited to:

1. Note B23 of the standalone financial statement, regarding balances that are subject to confirmation, reconciliation and adjustments if any.
2. Note B14 regarding the company's default in the repayment of dues to the lenders the subsequent classification of Loans as NPA.

Our opinion is not qualified in the respect of above matters.

SWAMY & CHHABRA
Navi Mumbai
Chartered Accountants

122, Satra Plaza, Plot No. 19, Sector- 19D, Palm Beach Road, Vashi, Navi Mumbai - 400 705. • E-mail : admin@swamychhabra.com
Tel. : 022-2789 4341 / 022-2783 3740 / 022-20874045

Other Matters

All the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial results have been considered. However, the impact of assessment of COVID-19 is a continuous

process given the uncertainties associated with its nature and duration. The Board will continue to monitor any material changes to future economic conditions.It is very difficult to assess the future outlook at this stage as we are not yet past the COVID-19 crisis. However, given the trend of our operations, the Board is confident that it will tide this situation in the ensuing months and the going concern status will not be affected

Management's Responsibility 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules 2015.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

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perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

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

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The Balance Sheet and the Statement of Profit and dealt with by this Report are in agreement with the books of account

    d. 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

SWAMY & CHHABRA
Navi Mumbai
Chartered Accountants

e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. 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**".

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 pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. The Company is not obliged to transfer any amount, required to be transferred, to the Investor Education and Protection Fund by the Company

For Swamy & Chhabra
Chartered Accountants
FRN: 113036W

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

Pavan Chhabra
Partner
Membership No.085553

Place: Mumbai
Date: 03/12/2020
UDIN: 21085553AAAAAJ1957

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2020:

I) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) The Fixed Asset have been physically verified by the management according to a phased programme designed to cover all the items every year; there were no material discrepancies noticed on such verification;

II) In respect of its inventories:

a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper records of inventories & no material discrepancies were noticed on physical verification.

III)

a) The company has granted unsecured loans to companies, firms, or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.

b) We confirm that the rate of interest and other terms and condition of loans given by the company are not prima facie prejudicial to the interest of the company.

c) We confirm that loans given /taken are receivable /payables on demand and therefore the question of overdue amount does not arise.

IV) The company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

V) The company has not accepted any deposits from public.

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VI) The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

VII) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and Other statutory dues have been generally regularly deposited with the appropriate authorities except TDS Payment and ESIC were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable

Nature of Liability	Period to which related	Amount	Remarks
TDS Payable	30.09.2019	14,81,88,879.00	Not paid as on 31/03/2020
ESIC payable	30.09.2019	2,60,132	Not paid as on 31/03/2020

There are no dues of Income Tax, sales tax, wealth-tax, service tax, custom duty, excise duty, cess which have not been deposited on account of disputes.

VIII) The Company has not defaulted in the repayment of dues to banks/financial institutions except as given below:

Sr no	Nature of Borrowing	Name of Lender	Amount not paid on due date	Whether Principal or Interest	No of days delay/unpaid
1	Term Loan	ECL Finance Limited(NCD)	2,15,36,96,713	Principal & Interest	Current Year Unpaid
2	Term Loan	ECL Finance Ltd (Term Loan)	61,35,68,697	Principal & Interest	Current Year Unpaid
3	Term Loan	Edelweiss Finvest Pvt Ltd	1,02,55,69,863	Principal & Interest	Current Year Unpaid

The above loans due to breach of covenants has been classified as Non-Performing Asset (NPA) by the lenders.

IX) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

X) There are no material fraud on or by the Company.

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XI) The company has not paid any managerial remuneration & accordingly this clause is not applicable.

XII) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

XIII) All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 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. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

XV) The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

XVI) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Swamy & Chhabra
Chartered Accountants
FRN: 113036W

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

Pavan Chhabra
Partner
Membership No.085553

Place: Mumbai
Date: 03/12/2020
UDIN: 21085553AAAAAJ1957

"Annexure B" to the Independent Auditor's Report of even date on the Standalone financial statements of Modella Textiles Industries Ltd

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 Textiles Industries Ltd** ("the Company") as of March 31, 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 based on [for example, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".] 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

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

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 standalone 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 standalone 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 standalone 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 standalone 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.

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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 March 31, 2020, based on [for example, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"].

For Swamy & Chhabra
Chartered Accountants
FRN: 113036W

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

Pavan Chhabra
Partner
Membership No.085553

Place: Mumbai
Date: 03/12/2020
UDIN: 21085553AAAAAJ1957

MODELLA TEXTILE INDUSTRIES LIMITED
CIN: U45201MH1971PLC015082
BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Notes	Balances as at 31 March 2020	Balances as at 31 March 2019
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	B1	1,09,18,267	1,20,59,285
(b) Capital work-in-progress		-	-
(c) Investment property		-	-
(d) Goodwill		-	-
(e) Other Intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological Assets other than bearer plants		-	-
(h) Financial Assets			
i) Investments		-	-
ii) Trade receivables		-	-
iii) Loans		-	-
iv) Others (to be specified)		-	-
(i) Deferred tax assets(net)		61,671	1,50,829
(j) Other non-current assets	B2	3,25,16,386	6,01,65,091
		4,34,96,324	**7,23,75,205**
2 Current Assets			
(a) Inventories	B3	10,04,30,95,053	9,87,51,41,504
(b) Financial Assets			
i) Investments		-	-
ii) Trade receivables		-	-
iii) Cash and cash equivalents	B4	2,85,50,844	2,87,59,910
iv) Bank balances other than (iii) above		-	-
v) Loans	B5	92,22,12,201	93,79,24,823
vi) Others	B6	30,54,10,679	56,77,00,669
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	B7	2,26,80,827	2,26,80,827
		11,32,19,49,605	**11,43,22,07,734**
Total Assets		**11,36,54,45,929**	**11,50,45,82,939**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Share capital	B8 (a)	4,81,06,000	4,81,06,000
(b) Other equity	B8 (b)	6,28,59,22,857	6,30,51,14,828
		6,33,40,28,857	**6,35,32,20,828**
LIABILITIES			
2 Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	B9	-	3,64,37,10,702
ii) Trade payables		-	-
iii) Other financial liabilities	B10	2,00,00,000	2,00,00,000
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	B11		-
(d) Other non-current liabilities		-	-
		2,00,00,000	**3,66,37,10,702**
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	B12	27,80,92,444	30,90,77,444
ii) Trade payables	B13	31,70,65,008	49,60,13,985
iii) Other financial liabilities	B14	3,81,44,38,381	7,84,23,897
(b) Other current liabilities	B15	60,18,21,238	59,43,98,338
(c) Provisions	B16	-	97,37,744
(d) Current tax liabilities(Net)		-	-
		5,01,14,17,071	**1,48,76,51,408**
Total Equity and Liabilities		**11,36,54,45,929**	**11,50,45,82,939**

As per our report of even date annexed
For M/s Swamy & Chhabra
Chartered Accountants
FRN - 113036W

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

(Pavan Chhabra)
Partner
Membership No.: 085553
Place : Mumbai
Date :12-03-2020
UDIN:21085553AAAAAJ1957

For and on Behalf of the Board of Directors

Chandrakant Shah
(Director)
DIN: 01793951

Surendra Yadav
(Director)
DIN: 08226517

MODELLA TEXTILE INDUSTRIES LIMITED
CIN: U45201MH1971PLC015082
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Particulars	Notes	Balances as at 31 March 2020	Balances as at 31 March 2019
I.	**Revenue from operations (Gross)**		-	-
	Less: Excise Duty		-	-
	Revenue from operations (Net)		-	-
II.	**Other income**	B16	1,18,037	10,51,483
III.	**Total Revenue (I + II)**		**1,18,037**	**10,51,483**
IV.	**Expenses:**			
	Cost of materials consumed	B17	33,720	85,98,766
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	B18	(16,79,53,549)	(80,21,12,373)
	Employee benefits expense	B19	95,868	7,36,727
	Other Expenses	B20	5,21,95,942	20,00,58,828
	Finance costs	B21	11,89,63,595	59,40,88,903
	Depreciation and amortization expense	B22	11,41,018	12,64,431
	Total expenses		**44,76,593**	**26,35,283**
V.	**Profit/(loss) before exceptional items and tax (I- IV) (III-IV)**		(43,58,556)	(15,83,800)
VI.	**Exceptional Items**		-	-
VII.	**Profit/(loss) before tax (V-VI)**		(43,58,556)	(15,83,800)
VII.	**Tax expense:**			
	Short Provision for earlier years		1,47,44,257	-
	Deferred tax		89,159	(3,28,752)
	Total		**1,48,33,415**	**(3,28,752)**
IX.	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**(1,91,91,971)**	**(12,55,048)**
X.	**Profit/(loss) from discontinued operations**		-	-
XI.	**Tax expense of discontinued operations**		-	-
XII.	**Profit/(loss) from Discontinued operations (after tax) (X-XI)**		-	-
XIII.	**Profit/(loss) for the period (IX+XII)**		**(1,91,91,971)**	**(12,55,048)**
XIV.	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(a) Remeasurement of Defined Benefit scheme		-	-
	(i) Income tax relating to items that will not be reclassified to profit or loss		-	-
	(b) gains and losses from investments in equity instruments designated at fair value through other comprehensive income		-	-
	(i) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total		-	-
XV.	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		(1,91,91,971)	(12,55,048)
XVI.	**Earnings per equity share (for continuing operation):**			
(i)	Basic		(39.90)	-2.61
(ii)	Diluted		(39.90)	(2.61)
XVII.	**Earnings per equity share (for discontinued operation):**			
(i)	Basic		-	-
(ii)	Diluted		-	-
XVIII.	**Earnings per equity share (for discontinued & continuing operation):**			
(i)	Basic		(39.90)	(2.61)
(ii)	Diluted		(39.90)	(2.61)

As per our report of even date annexed
For M/s Swamy & Chhabra
Chartered Accountants
FRN - 113036W

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

(Pavan Chhabra)
Partner
Membership No.: 085553
Place : Mumbai
Date :12-03-2020
UDIN:21085553AAAAAJ1957

For and on Behalf of the Board of Directors

Chandrakant Shah
(Director)
DIN: 01793951

Surendra Yadav
(Director)
DIN: 08226517

MODELLA TEXTILE INDUSTRIES LIMITED
CIN: U45201MH1971PLC015082
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before income tax	**(43,58,556)**	**(15,83,800)**
Adjustments for		
Non Operating Income	1,18,037	
Depreciation and amortisation expense	11,41,018	12,64,431
Interest Expenses	-	59,40,88,903
	(33,35,575)	**59,37,69,534**
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/Decrease in Trade Receivables	28,99,38,695	(23,87,43,339)
(Increase)/Decrease in Loans and Advances	1,57,12,622	6,45,86,016
(Increase)/Decrease in Inventories	(16,79,53,549)	(80,21,12,373)
Increase/(Decrease) in Trade Payables and Other Financial liabilities	3,55,70,65,508	48,85,71,291
Increase/(Decrease) in Short Term Borrowings	(3,09,85,000)	
Increase/(Decrease) in Other Current Liabilities & Provisions	(23,14,844)	
Cash generated from operations	**3,65,81,27,856**	**10,60,71,129**
Income taxes paid	(1,47,44,257)	-
Net cash inflow from operating activities	**3,64,33,83,599**	**10,60,71,129**
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Proceeds from sale of property, plant and equipment	-	-
Sale of investments	-	-
Loans and Advances Given to related parties(Net)	-	-
Balance Held as Margin Money	-	-
Dividends received		-
Rent Income Received	1,14,000	
Interest received	4,037	-
Net cash inflow from investing activities	**1,18,037**	-
Cash flows from financing activities		
Proceeds from borrowings	(3,64,37,10,702)	41,86,10,702
Repayment of borrowings	-	-
Forex difference adjusted in General reserve	-	-
Expenses for increase in authorise share capital	-	-
Interest paid	-	(52,09,28,637)
Dividends paid to company's shareholders	-	-
Net cash inflow (outflow) from financing activities	**(3,64,37,10,702)**	**(10,23,17,935)**
Net increase (decrease) in cash and cash equivalents	**(2,09,066)**	**37,53,194**
Cash and cash equivalents at the beginning of the financial year	2,87,59,910	2,50,06,716
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	**2,85,50,845**	**2,87,59,910**

As per our report of even date annexed
For M/s Swamy & Chhabra
Chartered Accountants
FRN - 113036W

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

(Pavan Chhabra)
Partner
Membership No.: 085553
Place : Mumbai
Date :12-03-2020
UDIN:21085553AAAAAJ1957

FOR AND ON BEHALF OF THE BOARD

Chandrakant Shah
(Director)
DIN: 01793951

Surendra Yadav
(Director)
DIN: 08226517

MODELLA TEXTILE INDUSTRIES LIMITED
CIN: U45201MH1971PLC015082
SCHEDULES

A Significant Accounting Policies & Notes to the Accounts

1- ACCOUNTING CONVENTIONS

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost conventionon the accrual basis except for certain financial instruments which are measured at fairvalues,the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The IndAS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2 REVENUE RECOGNITION

Effective 1 April 2018, the Company has adopted Ind As 115 'Revenue from Contract with Customer' (replaced Ind AS 18 - Revenue and Ind AS 11 Construction Contracts and Guidance Notes) using the modified retrospective method, with the effect of initially applying this standard recognized in opening retained earnings on the date of initial application i.e., 1 April 2018. Accordingly, the information presented for the year ended 31 March 2018 is not restated, i.e., it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

Revenue is recognized upon transfer of control of residential/commercial units to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those residential/commercial units. The Company shall determine the performance obligations associated with the contract with customers at contract inception and also determine whether they satisfy the performance obligation over time or at a point in time. In case of residential units, the Company satisfies the performance obligation and recognises revenue at a point in time i.e., upon handover of the residential/commercial units.

To estimate the transaction price in a contract, the Company adjusts the promised amount of consideration for the time value of money if that contract contains a significant financing component. The Company when adjusting the promised amount of consideration for a significant financing component is to recognise revenue at an amount that reflects the cash selling price of the transferred residential/commercial unit.

3 RETIREMENT BENEFITS

GRATUITY AND LEAVE ENCASHMENT : As there are no employees on the roll of record during the year, no provisions for gratuity is required to be made.

4 FIXED ASSET AND DEPRECIATION

Fixed asset are stated at cost less accumulated depreciation. Cost includes purchase cost and all significant expenses incidental to the acquisition of fixed asset.

Depreciation has been provided on written down value method as per the rate prescribed in Schedule II of the Companies Act, 2013.

B1 Property, Plant and Equipment

Description	LAND	BUILDING	FURNITURE	PLANT & MACHINERY	Total
GROSS BLOCK					
As on 01-04-2019	32,000	1,78,43,583	2,29,375	2,00,000	1,83,04,958
Additions / (Deletions)	-	-	-	-	-
As on 31-03-2020	**32,000**	**1,78,43,583**	**2,29,375**	**2,00,000**	**1,83,04,958**
ACCUMULATED DEPRECIATION					
As on 01-04-2019	-	58,84,668	1,95,677	1,65,328	62,45,673
Additions / (Deletions)	-	11,22,549	9,028	9,441	11,41,018
As on 31-03-2020	-	**70,07,217**	**2,04,705**	**1,74,769**	**73,86,691**
NET BLOCK					
As on 01-04-2019	**32,000**	**1,19,58,915**	**33,698**	**34,672**	**1,20,59,285**
As on 31-03-2020	**32,000**	**1,08,36,366**	**24,670**	**25,231**	**1,09,18,267**

B2 Financial Assets: Other Non Current Assets

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes (Net of Provision)	32,73,198	1,45,37,660
Ind AS Prepaid Transaction Cost		
a) Short Term	1,61,60,415	1,63,84,243
b) Long Term	1,30,82,773	2,92,43,188
Total	**3,25,16,386**	**6,01,65,091**

B3 Financial Assets: Inventories

Particulars	As at 31st March 2020	As at 31st March 2019
Work-in-progress	10,04,30,95,053	9,87,51,41,504
Total	**10,04,30,95,053**	**9,87,51,41,504**

B4 Financial Assets: Cash and cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019
Balance with Bank (Current Account)	2,85,27,974	2,86,23,354
Cash on hand	22,870	1,36,556
Total	**2,85,50,844**	**2,87,59,910**

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B5 Financial Assets:Loans

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposits	22,68,958	22,68,958
Loans and Advances to Related Parties	60,73,49,489	93,56,55,865
Others	31,25,93,754	
Total	**92,22,12,201**	**93,79,24,823**

B6 Financial Assets: Others

Particulars	As at 31st March 2020	As at 31st March 2019
Other loans and advances	30,63,13,814	33,95,66,736
Less:Provision for Bad debts	(9,03,135)	
Advances to Suppliers		22,81,33,933
Total	**30,54,10,679**	**56,77,00,669**

B7 Other current assets

Particulars	As at 31st March 2020	As at 31st March 2019
Balances with Statutory/Government authorities	2,26,80,827	2,26,80,827
Total	**2,26,80,827**	**2,26,80,827**

B9 Long Term Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
Non Convertible Debenture/Long Term Loan		3,64,37,10,702
Total	**-**	**3,64,37,10,702**

B10 Other Non current financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Other Payables	2,00,00,000	2,00,00,000
Total	**2,00,00,000**	**2,00,00,000**

B11 Deferred tax liabilities (Net)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred tax liabilities (Net)	-	-
Total	**-**	**-**

B12 Short term borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
From Related Parties	1,58,23,750	17,00,00,000
Other Loans	26,22,68,694	13,90,77,444
Total	**27,80,92,444**	**30,90,77,444**

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The above Loans are repayable on demand.

B13 Trade Payables

Particulars	As at 31st March 2020	As at 31st March 2019
Sundry Creditors	31,70,65,008	49,60,13,985
MSME	-	-
Others	31,70,65,008	49,60,13,985
Total	**31,70,65,008**	**49,60,13,985**

B14 Other financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Current maturities of Long term Debt*	3,79,28,35,273	
Provision for Expenses	2,16,03,108	2,16,03,108
Interest due but not paid		5,68,20,789
Total	**3,81,44,38,381**	**7,84,23,897**

***Due to Breach of Loan covenants,the long term borrowings has become payable on demand since the status has been restated to NPA**

B15 Other Current Liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Creditors for Statutory dues	7,82,85,487	7,12,68,078
Advance received from Customers	52,04,97,416	51,99,45,823
Other current liabilities	30,38,335	31,84,437
Total	**60,18,21,238**	**59,43,98,338**

B15 Provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Settlement Commision	-	97,37,744
Total	**-**	**97,37,744**

B16 Other Income

Particulars	As at 31st March 2020	As at 31st March 2019
Interest Income	4,037	10,03,483
Rent Received	1,14,000	48,000
Miscellaneous Income	-	-
Total	**1,18,037**	**10,51,483**

B17 Cost of materials consumed

Particulars	As at 31st March 2020	As at 31st March 2019
Consumption of Construction Material	-	5,78,160.00
Direct Expenses	33,720	80,20,606
Total	**33,720**	**85,98,766**

B18 Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	As at 31st March 2020	As at 31st March 2019
Work In Progress		
Closing Stock	10,04,30,95,053	9,87,51,41,504
Less:- Opening Stock	9,87,51,41,504	9,07,30,29,131
Total	**16,79,53,549**	**80,21,12,373**

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B19 Employee benefits expense

Particulars	As at 31st March 2020	As at 31st March 2019
Salary & Bonus	-	5,00,000
Conveyance Expenses	95,868	2,36,727
Total	**95,868**	**7,36,727**

B20 Other Expenses

Particulars	As at 31st March 2020	As at 31st March 2019
Rent, Rates & Taxes	-	4,32,482
Sales and Marketing Expenses	7,125	13,55,20,257
Legal and Professional Fees	4,59,63,208	3,67,36,361
Misc. Expenses	51,70,062	1,04,94,829
Auditors Remuneration	1,45,000	1,32,000
Travelling Expenses		95,737
Printing & Stationery	7,412	1,66,47,162
Bad Debts	9,03,135	
Total	**5,21,95,942**	**20,00,58,828**

B21 Finance costs

Particulars	As at 31st March 2020	As at 31st March 2019
Interest Expense	11,89,44,000	59,37,91,340
Bank Charges	19,595	2,97,563
Total	**11,89,63,595**	**59,40,88,903**

B22 Depreciation and amortization expense

Particulars	As at 31st March 2020	As at 31st March 2019
Depreciation on Fixed Assets	11,41,018	12,64,431
Total	**11,41,018**	**12,64,431**

B23 LOANS AND ADVANCES

Balances stated under the heads Unsecured loans, Loans & Advances, Sundry Debtors and Sundry Creditors are subject to confirmation from the respective parties.

The Company has obtained loan from Edelweiss Finance Ltd and Edelweiss Finvest Ltd for which adequate interest is also provided in the books for the current Financial Year at the rate of interest mentioned in the Sanction letter. However, the said loans are subject to third party confirmation, as the same is not received from the loan provider.

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B24 Contingent Liabilities (not provided for)

A) M/s. Khushi Alloys Private Ltd. had advanced to the Company Rs.2 Crore for dealing in scrap generated by Company. However the Party has filed civil suit to recover sum over Rs.7.50 Crore. Considering the facts of the case, the law firm contesting on behalf of the company is confident of winning the civil suit. Accordingly, the Company had provided a sum of Rs.2 Crore in its books in respect of the said civil suit.

B25 Previous year's figures have been regrouped/restated wherever necessary to confirm to this year's classification

B26 Certain line items which are specified in the prescribed format of the Schedule III , Wherever amount is nil for curre and previous year are not shown.

B27 Earnings per share

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	(39.90)	(2.61)
Total basic earnings per share attributable to the equity holders of the company	-	-
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	(39.90)	(2.61)
Total diluted earnings per share attributable to the equity holders of the company	-	-

B28 Details of payments to auditors

Particulars	As at 31st March 2020	As at 31st March 2019
As auditor:		
Audit fee	1,45,000	1,32,000
Total payments to auditors	**1,45,000**	**1,32,000**

B29 Related Party disclosures

Related party transactions for the preiod 01-04-2019 to 31-03-2020

Details of related parties:

Description of relationship	Name of the related party
Associate Company	Nirmal Lifestyle Ltd
Associate Company	Silverplatter Foods & Beverages Pvt. Ltd.
Common Control exists	Sadguru Multitrade Pvt Ltd
Common Control exists	Bali Properties & Investment Pvt. Ltd.

Details of related party transactions for the year ended on 31st March, 2020 and balances outstanding as at 31st March, 2020:

Loans and advance Given / (Repayment recieved)

	Associate Company	
Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Nirmal Lifestyle Limited	(1,55,81,222)	

Balances outstanding at the end of the year

Particulars	Key Management Personnel (KMP)	
	As at 31st March 2020	**As at 31st March 2019**
Dharmesh S. Jain	-	3,09,85,000
	Associate Company	
Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Nirmal Lifestyle Limited	60,73,49,489	62,29,30,711

Loans and advance Taken (Outstanding Balance at year end)

	Common Control exists	
	As at 31st March 2020	**As at 31st March 2019**
Sadguru Multitrade Pvt. Ltd.	1,58,23,750	1,58,23,750

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B30 Note on Impact of Covid-19

All the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial results have been considered. However, the impact of assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration. The Board will continue to monitor any material changes to future economic conditions.

It is very difficult to assess the future outlook at this stage as we are not yet past the COVID-19 crisis. However, given the trend of our operations, the Board is confident that it will tide this situation in the ensuing months and the going concern status will not be affected.

As per our report of even date annexed

For M/s Swamy & Chhabra
Chartered Accountants
FRN - 113036W

SWAMY & CHHABRA Navi Mumbai Chartered Accountants

(Pavan Chhabra)
Partner
Membership No.: 085553
Place : Mumbai
Date :12-03-2020
UDIN:21085553AAAAAJ1957

FOR AND ON BEHALF OF THE BOARD

Chandrakant Shah	**Surendra Yadav**
(Director)	**(Director)**
DIN: 01793951	**DIN: 08226517**

Note B8: Equity share capital and other equity
B8(a) Equity share capital

Authorised equity share capital

Particulars	Number of shares	Amount
As at 31 March 2019	5,00,000	5,00,00,000
Increase during the year	-	-
As at 31 March 2020	5,00,000	5,00,00,000

(i) Issued and subscribed share capital

Particulars	Number of shares	Face Value	Equity share capital (par value)
As at 31 March 2019	4,81,060	100	4,81,06,000
Increase during the year	-	-	-
As at 31 March 2020	4,81,060	100	4,81,06,000

Terms and rights attached to equity shares

The Company has only one class of Shares referred to as Equity Shares having a par value of Rs.100/-.The holders of equity shares are entitled to one vote per share. The Dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend.
In the event of liquidaion, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts inproportion to their shareholding

(ii) Details of shareholders holding more than 5% shares in the company

Particulars	**As at 31st March 2020**		**As at 31st March 2019**	
	Number of shares	% holding	**Number of shares**	**% holding**
Nirmal Lifestyle Limited	2,39,897	49.87%	2,39,897	49.87%
Videocon Realty & Infrastructure Ltd.			2,39,896	49.87%
Silverplatter Foods & Beverages Pvt. Ltd.	2,39,896	49.87%		

There were no instances of shares being issued/alloted by way of bonus shares for consideration other than cash and no shares have been bought back by the company during the period of five years immediately precceding the Balance Sheet date.

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B8(b) Other Equity

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Capital Reserve	6,29,36,58,716	6,29,36,58,716
(b) Surplus/(Deficit) in Statement of Profit and Loss	-77,35,859	1,14,56,112
(c) Other Comprehensive Income	-	-
Total reserves and surplus	**6,28,59,22,857**	**6,30,51,14,828**

Movement in Reserves

(i) Securities Premium

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	6,29,36,58,716	6,29,36,58,716
Add: During the year	-	-
Closing balance	**6,29,36,58,716**	**6,29,36,58,716**

(i) Retained earnings

Particulars	As at 31st March 2020	As at 31st March 2019
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	1,14,56,112	1,27,11,160
Add: Net profit for the year	-1,91,91,971	-12,55,048
Closing balance	**-77,35,859**	**1,14,56,112**

Retained earnings represents surplus/ accumulated earnings of the Corporation and are available for distribution to shareholders.

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MODELLA TEXTILE INDUSTRIES LIMITED
CIN: U45201MH1971PLC015082
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
481,060 Equity Shares of Rs.100/- each fully paid up	4,81,06,000	4,81,06,000
Total	**4,81,06,000**	**4,81,06,000**

Other Equity

Particulars	Capital Reserve	Retained Earnings	Total
Balance at the 1 April 2019	**6,29,36,58,716**	**1,27,11,160**	**6,30,63,69,876**
Profit for the year 2018-19	-	(1,91,91,971)	(1,91,91,971)
Total	-	**(1,91,91,971)**	**(1,91,91,971)**
Other Comprehensive Income	-	-	-
Total Comprehensive income for the year	**6,29,36,58,716**	**(64,80,811)**	**6,28,71,77,905**
Dividends	-	-	-
Balance at the 31 March 2020	**6,29,36,58,716**	**(64,80,811)**	**6,28,71,77,905**

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