



Modern Threads (India) Limited

Registered Office :

Unit : Modern Woollens

Hamirgarh Road, Pragati Path, Near Transport Nagar,

Bhilwara-311001 (Rajasthan) India

Tel : 91-1482-241801, Fax : 297924, Email : cs@modernwoollens.com

Website : www.modernwoollens.com CIN : L17115RJ1980PLC002075

To,

Date : May 30, 2022

The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400023
Scrip Code: 500282

The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai-400051
Scrip Code: MODTHREAD

Dear Sir/Madam,

Sub.: Submission of outcome of Board Meeting held on 30/05/2022

This has reference to our earlier letter dated May 21, 2022.

Pursuant to Regulation 30 & 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the meeting of Board of Directors of the Company commenced at 2.30 P.M. and concluded at 4.20 P.M. today on May 30, 2022 and Board has inter-alia approved the following :-

1. Audited Standalone Financial Results of the Company for the quarter and year ended 31st March, 2022, Auditor's Report on Quarterly and year to date financial results of the Company, Statement on Impact of Audit Qualifications, Statement of Assets and Liabilities and Cash Flow for the year ended 31st March, 2022, copy of which are enclosed herewith.
2. Re-appointment and remuneration of Shri Rajesh Ranka (DIN : 03438721) as Chairman and Managing Director of the Company for a further period of 3 years w.e.f. 01/07/2022, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.
3. Appointment of Shri Chhitar Mal Jain (DIN : 09566506) as an Additional Director (Non-Executive-Independent Director) of the Company w.e.f. 01/07/2022 subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.
4. Appointment of Smt. Ankita Jain (DIN : 0009598249) as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 01/07/2022 subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.
- 5) Resignation of Shri Kamlesh Kumar Somani from the Internal Auditor of the Company w.e.f. 30/05/2022.
- 6) The appointment of Shri Rahul Kumar Jain as the Internal Auditor of the Company w.e.f. 30/05/2022 for the financial year 2022-23.
- 7) Re-appointment of M. Goyal & Co., Cost Accountants, Jaipur as Cost Auditor of the Company for the financial year 2022-23.

Contd.....2/-



Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai-400030

Plants : **Woollens Division** : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara-311001 (Rajasthan)
Yarn Division : Village Raila, District - Bhilwara-311024 (Rajasthan)



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: 2 :

In this connection, we are pleased to enclose the brief profile of Directors/Auditors seeking appointment/re-appointment. Further, we affirm that the director seeking appointment/re-appointment are not debarred from holding the office of Director by virtue of any SEBI order or any other authority

This is for your information and record.

Thanking You,

Yours faithfully,

FOR Modern Threads (India) Limited



B.L. Saini
(BANWARI LAL SAINI)

Company Secretary & Compliance Officer

Membership No. : A 12576

Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai-400030

Plants :

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Yarn Division	: Village Raila, District - Bhilwara-311024 (Rajasthan)

Goyal D. Kumar & Co.

CHARTERED ACCOUNTANTS

207-208, Om Textile Tower, Pur Road, Bhilwara-311001(Raj.)

Phone No 01482-241554 Mail: - dkg.bhl@gmail.com

**Independent Auditor's Report on the Quarterly and Year to date Financial
Results of the Company Pursuant to the Regulation 33 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To

The Board of Directors of

Modern Threads (India) Limited

Report on Audit of Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date Standalone financial results of **Modern Threads (India) Limited** (the "company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 (the "statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the basis for qualified opinion section of our report, the Statement:

- is presented in accordance with the requirements of Listing Regulations in this regard; and
- give a true and fair view in conformity with the applicable Indian accounting standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the company for the quarter and the year ended 31st March, 2022.

Basis for Qualified Opinion

- i. The company has not provided for Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31.03.2022 Rs. (-)3.07 Lakhs and for the year ended 31.03.2022 Rs. 36.13 Lakhs (cumulative Rs. 939.35 Lakhs up to 31.03.2022). (Refer No. 5)
- ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Refer No. 6)

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty related to Going Concern

We draw attention that the company had made a reference to The Board of Industrial and Financial Reconstruction (BIFR) based on audited accounts for the financial ended 31st March, 2004 and BIFR in the hearing held on 12th December, 2005 had declared the company as sick industrial company u/s 3(1)(o) of the SICA Act. Consequent to abatement of Sick Industrial Companies (Special Provision) Act, 1985, w.e.f. 01.12.2016 the company has not filed rehabilitation/ revival scheme to NCLT under Insolvency and Bankruptcy Code. The company has accumulated losses with its net worth continuing to stand fully eroded and the financial statements of the company have been prepared on going concern as the Debentures, term loan and accrued interest thereon has been settled and only balance Rs.75 Lakhs is payable till 31.03.2023. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment. (Refer Note No.3)

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of annual financial statements and has been approved by the company's Board of Directors. The company's Board of Directors are responsible for preparation and presentation of the statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the company in accordance with the applicable Indian accounting standards (Ind As) specified under Section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the statement 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 the statement.

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 statement, 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 Act, we are also responsible for expressing our opinion on whether the company has adequate Internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 statement, including the disclosures, and whether the statement represents 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.

Other Matter

The statement includes the financial result for the quarter ended 31st March, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For Goyal D. Kumar & Co.
Chartered Accountants
Firm Registration No. 007817C



[Handwritten Signature]

D.K. Goyal
Proprietor

Membership No. 076713

Place: Bhilwara
Date: 30/05/2022

UDIN - 22076713AJWTIM7102



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Statement of Standalone audited Financial Results for the Quarter and Year ended 31/03/2022

(Rs in Lakhs)

Particulars	Quarter Ended			Year ended	
	31-03-2022	31-12-2021	31-03-2021	31-03-2022	31-03-2021
	Audited	Un-audited	Audited	Audited	Audited
1. Income					
(a) Revenue from Operations	6,971.00	5,964.36	4,245.46	22,263.09	14,713.09
(b) Other Income	103.12	32.42	186.56	206.46	253.93
Total income	7,074.12	5,996.78	4,432.02	22,469.55	14,967.02
2. Expenses					
(a) Cost of Materials consumed	4,223.81	4,185.42	2,864.88	14,578.82	8,748.51
(b) Purchase of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	268.66	(585.24)	(291.91)	(1,099.20)	302.95
(d) Employee benefits expense	706.11	658.79	567.99	2,505.24	1,879.04
(e) Finance costs	81.96	39.75	140.54	219.92	148.82
(f) Depreciation and amortisation expense	76.81	80.94	59.56	299.83	276.74
(g) Other expenses					
Manufacturing Expenses	1,149.54	1,000.76	822.68	3,850.34	2,599.53
Administrative and Selling Expenses	491.75	359.46	303.30	1,389.93	909.40
Total Expenses	6,998.64	5,739.88	4,467.04	21,744.88	14,864.99
3. Profit/(Loss) before exceptional items and Tax (1-2)	75.48	256.90	(35.02)	724.67	102.03
4. Exceptional Items (Refer Note 5)	70.00	-	70.00	70.00	70.00
5. Profit/(loss) before tax (3-4)	145.48	256.90	34.98	794.67	172.03
6. Tax expense	0.76	-	-	0.76	-
7. Net Profit / (Loss) after tax (5 -6)	144.72	256.90	34.98	793.91	172.03
8. Other Comprehensive Income					
(a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 9)	2.16	8.32	35.46	27.11	33.27
(b) Items that will be reclassified to profit or loss (net of Tax)	-	-	-	-	-
Other Comprehensive Income for the period (8a+8b)	2.16	8.32	35.46	27.11	33.27
9. Total Comprehensive Income (7 + 8)	146.88	265.22	70.44	821.02	205.30
10. Paid-up equity share capital (Face Value of the Share Rs.10 /-)	3,477.52	3,477.52	3,477.52	3,477.52	3,477.52
11. Other Equity excluding revaluation reserve				(14,570.47)	(15,391.49)
12. Earnings Per Share (Basic/Diluted) in Rs.					
(a) Basic	0.42	0.74	0.10	2.28	0.49
(b) Diluted	0.42	0.74	0.10	2.28	0.49



[Handwritten Signature]



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SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH,2022

(Rs in Lakhs)

Particulars	Quarter Ended			Year ended	
	31-03-2022	31-12-2021	31-03-2021	31-03-2022	31-03-2021
	Audited	Un-audited	Audited	Audited	Audited
1. Segment Revenue					
(a) Woollen	4352.56	3406.19	2502.25	13418.78	9386.21
(b) Synthetic Yarn	2618.44	2558.17	1743.21	8844.31	5326.88
(c) Others *	-	-	-	-	-
Total	6971.00	5964.36	4245.46	22263.09	14713.09
Less: Inter Segment Sales	-	-	-	-	-
Net sales/Revenue from Operations	6971.00	5964.36	4245.46	22263.09	14713.09
2. Segment Results					
Profit / (Loss) before tax, Finance Costs & Exceptional item					
(a) Woollen	177.60	211.67	202.88	927.85	398.46
(b) Synthetic Yarn	(10.88)	84.98	(97.36)	26.02	(147.61)
(c) Others *	(9.28)	-	-	(9.28)	-
Total	157.44	296.65	105.52	944.59	250.85
Less: i) Finance Costs	81.96	39.75	140.54	219.92	148.82
Less: ii) other Unallocable exp net off unallocable income	-	-	-	-	-
Profit/(Loss) before tax and exceptional item	75.48	256.90	(35.02)	724.67	102.03
Add: iii) Exceptional items	70.00	-	70.00	70.00	70.00
Total Profit/(Loss) Before Tax	145.48	256.90	34.98	794.67	172.03
3. Segment Assets					
(a) Woollen	9597.37	10180.35	8267.04	9597.37	8267.04
(b) Synthetic Yarn	3082.68	3106.96	2829.49	3082.68	2829.49
(c) Others *	1150.86	1150.86	1150.86	1150.86	1150.86
Total	13830.91	14438.17	12247.39	13830.91	12247.39
4. Segment Liabilities					
(a) Woollen	3651.02	4276.62	2598.06	3651.02	2598.06
(b) Synthetic Yarn	12413.33	12551.15	12713.07	12413.33	12713.07
(c) Others *	8859.51	8850.23	8850.23	8859.51	8850.23
Total	24923.86	25678.00	24161.36	24923.86	24161.36

*PTA project Shelved



Place : Bhilwara
Date : 30.05.2022

For and on behalf of the Board of Directors
Modern Threads (India) Limited

Ram Awatar Kabra
Executive Director
DIN:00945603

Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai - 400030 (Maharashtra)
Plant [Woollens Division : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara - 311001 (Rajasthan)
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STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
ASSETS		
Non-Current Assets		
a Property, Plant and Equipment	3,647.86	3,495.96
b Capital Work-in-progress	-	-
c Right Of Use Asset	407.09	414.24
d Intangible assets	13.35	20.02
e Intangible assets under development	-	-
f Financial Assets		
i Investments	0.79	1.13
ii Other Financial assets	260.91	246.80
e Income Tax Assets	14.32	24.05
f Other non-current assets	233.36	259.63
Total Non-current Assets (A)	4,577.68	4,461.83
Current Assets		
a Inventories	6,026.72	3,927.14
b Financial Assets		
i Investments	-	-
ii Trade Receivables	2,334.35	1,596.50
iii Cash and Cash Equivalents	517.94	1,734.33
iv Bank Balances other than iii above	45.56	45.51
v Other Financial Assets	22.63	19.32
c Other Current Assets	306.03	462.76
Total Current Assets (B)	9,253.23	7,785.56
Total Assets (A+B)	13,830.91	12,247.39
EQUITY AND LIABILITIES		
Equity		
a Equity Share Capital	3,477.52	3,477.52
b Other Equity	(14,570.47)	(15,391.49)
Total Equity (A)	(11,092.95)	(11,913.97)
Non Current Liabilities		
a Financial Liabilities		
i Borrowings	18,874.85	18,874.85
i Lease liabilities	0.52	0.49
b Provisions	369.40	329.19
Total Non Current Liabilities (B)	19,244.77	19,204.53
Current Liabilities		
a Financial Liabilities		
i Borrowings	75.00	29.03
ii Lease liabilities	0.01	0.02
iii Trade Payables		
(a) total outstanding dues of micro enterprises and small enterprises	57.08	95.38
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,621.84	1,717.15
iii Other Financial Liabilities	2,267.99	2,307.16
b Other Current Liabilities	631.88	778.32
c Provisions	25.29	29.77
Total Current Liabilities (C)	5,679.09	4,956.83
Total Equity and Liabilities (A+B+C)	13,830.91	12,247.39



[Signature]

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Statement of Cash Flows for the year ended 31st March, 2022

Rupees in Lakhs

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
A. Cash flow from operating activities				
Profit before exceptional items and tax	724.67		102.03	
<i>Adjustments for:</i>				
Depreciation and amortisation	299.83		276.74	
Finance costs	219.92		148.82	
Loss/(Profit) on sale of Property, Plant and Equipment	0.70		7.47	
Gain on Sale of Investments	(17.55)		(16.56)	
Remeasurement of employee benefits (Net)	27.11		33.27	
		1,254.68		551.77
Operating profit / (loss) before working capital changes		1,254.68		551.77
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(2099.58)		314.58	
Trade receivables	(737.85)		685.21	
Other non-current financial assets	(14.11)		29.03	
Other current financial assets	(3.31)		11.99	
Other current assets	156.73		(181.70)	
Other non-current assets	26.27		7.53	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	866.39		(387.43)	
Other Financial Liabilities	135.83		(152.41)	
Other current liabilities	(146.44)		43.44	
Provisions	35.73		(8.77)	
Bank balance other than cash & cash equivalents	(0.05)	(1780.39)	5.57	367.04
Cash generated from operations		(525.71)		918.81
Net income tax (paid) / refunds		8.97		10.52
Net cash flow from / (used in) operating activities (A)		(516.74)		929.33
B. Cash flow from investing activities				
Purchase of Property, plant and equipment (including capital work in progress)	(462.28)		(226.07)	
Proceeds from sale of Property, plant and equipment	23.67		51.51	
Purchase of Mutual funds	(1,200.00)		(1,315.00)	
Proceeds from sale of mutual funds	1,217.55		1,331.56	
Investment	0.34		(0.04)	
		(420.72)		(158.04)
Net cash flow from / (used in) investing activities (B)		(420.72)		(158.04)



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C. Cash flow from financing activities				
Borrowing	-29.03		2.87	
Lease Liabilities	0.02		0.03	
Finance costs	(219.92)		(148.82)	
Redemption of preference share	(30.00)	(278.93)	(30.00)	(175.92)
Net cash flow from / (used in) financing activities (C)		(278.93)		(175.92)
Net increase / (decrease) in Cash and cash equivalents	(A+B+C)	(1,216.39)		595.37
Cash and cash equivalents at the beginning of the year		1,734.33		1,138.96
Cash and cash equivalents at the end of the year		517.94		1,734.33

Place : Bhilwara

Date : 30.05.2022



For and on behalf of the Board of Directors
Modern Threads (India) Limited

Ram Awatar Kabra
Executive Director

DIN: 00945603



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Notes:-

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30.05.2022.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") notified under the companies (Indian Accounting Standards) Rules, 2015, as ammended, as specified in section 133 of the Companies Act, 2013, except stated otherwise.
- 3 The company based on audited accounts for the financial year ended 31st March, 2004 had been declared as a sick industrial company u/s 3(1)(o) of the SICA Act by The Board of Industrial and Financial Reconstruction (BIFR) in the hearing held on 12th December, 2005. Consequent to abatement of Sick Industrial Companies (Special Provision) Act, 1985 w.e.f. 01/12/2016, the company has not filed rehabilitation/ revival scheme to NCLT under Insolvency and Bankruptcy Code. The company has accumulated losses with its net worth continuing to stand fully eroded and the financial statements of the company have been prepared on going concern, as the non current secured borrowings have been settled and only balance Rs.75 Lakhs is payable till 31.03.2023. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment.
- 4 The company has settled redeemable Preference Share Capital of Rs. 100 Lakhs at Rs. 30 Lakhs and balance RS. 70 Lakhs has been recognised as exceptional items(Income) in the quarter ended 31.03.2022. The company is in process of settlement of remaining redeemable Preference Share Capital of Rs. 225 Lakhs.
- 5 The company has not provided for interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31.03.2022 Rs. (3.07) lakhs and for the year ended 31-03-2022 Rs. 36.13 lakhs (cumulative Rs. 939.35 Lakhs up to 31-03-2022). The company has not provided Interest (Dividend) in view of accumulated losses and also in process of settlement of remaining redeemable preference share capital.
- 6 Balances of trade payables and trade receivable are subject to confirmation and consequential adjustments, if any.
- 7 Share Application Money Rs. 1450 Lakhs has been raised pursuant to restructuring / settlement scheme submitted to BIFR but consequent to abatement of Sick Industrial Companies (Special Provision) Act. 1985 w.e.f. 01/12/2016 , it become refundable.
- 8 Provision for Income Tax has not been made in view of accumulated losses and deferred tax asset has not recognised in the financial statement as a matter of prudence.
- 9 The figures of the quarter ended 31st March, 2022 and quarter ended 31st March, 2021 are the balancing figures between audited figures between audited figures in respect of the full financial year and published year to date figure upto the end of third quarter of respective financial year which were subjected to limited review.
- 10 Figures for the previous period have been regrouped/rearranged wherever necessary to conform to current period presentation.

Place : Bhilwara
Date : 30.05.2022



For and on behalf of the Board of Directors
Modern Threads (India) Limited

Ram Awatar Kabra
Executive Director
DIN:00945603

Marketing Office

Plant [Woollens Division
Yarn Division

: 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai - 400030 (Maharashtra)
: Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara - 311001 (Rajasthan)
: Village Raila, District - Bhilwara - 311024 (Rajasthan)



Modern Threads (India) Limited

Registered Office :

Unit : Modern Woollens

Hamirgarh Road, Pragati Path, Near Transport Nagar

BHILWARA-311001 (Rajasthan) INDIA

Tel : +91-1482-241801, Fax : 91-1482-297924

E-Mail : cs@modernwoollens.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2022

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in Lakhs
	1.	Turnover / Total income	22469.55	22469.55
	2.	Exceptional Items*	70.00	70.00
	3.	Total Expenditure	21744.88	21781.01
	4.	Net Profit/(Loss) (1+2-3)	794.67	758.54
	5.	Earnings Per Share	2.28	2.18
	6.	Total Assets	13830.91	13830.91
	7.	Total Liabilities	24923.86	25863.21
	8.	Net Worth**	(11092.95)	(12032.30)
	9.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

* The company has settled redeemable Preference Share Capital of Rs.100 Lakhs at Rs.30 Lakhs and balance Rs.70 Lakhs has been shown as exceptional items.
** Tax effect on OCI has been taken in deferred tax and Deferred Tax Assets has not been recognized in the financial statement as a matter of prudence.



[Handwritten Signature]

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II	Audit Qualification (each audit qualification separately):
a.	Details of Audit Qualification : (i) Interest (Dividend) on cumulative redeemable preference shares amounting to Rs 36.13 lakhs for the year (Cumulative Rs. 939.35 lakhs up to 31.03.2022) has not been provided in view of accumulated losses. (ii) Balances of trade payables and trade receivables are subject to confirmation and consequential Adjustments, if any. Material Uncertainty related to going Concern The company had made a reference to The Board of Industrial and Financial Reconstruction (BIFR) based on audited accounts for the financial ended 31st March, 2004 and BIFR in the hearing held on 12th December, 2005 had declared the company as sick industrial company u/s 3(1)(o) of the SICA Act. Consequent to abatement of Sick Industrial Companies (Special Provision) Act, 1985, the company has not filed rehabilitation/ revival scheme to NCLT under Insolvency and Bankruptcy Code. The company has accumulated losses with its net worth continuing to stand fully eroded and the financial statements of the company have been prepared on going concern as the Debentures, term loan and accrued interest has been settled and only balance Rs. 75 Lakhs is payable till 31st March 2023. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment. Emphasis of Matters The effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the financial Statement as at the balance sheet date, the extent of which is significantly dependent on future developments.
b.	Type of Audit Qualification : Qualified Opinion
c.	Frequency of qualification : Repetitive
d.	For Audit Qualification(i) where the impact is quantified by the auditor, Management's Views: For the Audit Qualifications Company is in process of settlement with respective preference shareholders.
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Unable to Estimate (ii) If management is unable to estimate the impact, reasons for the same: For qualification (ii) the company is in process of identifying liability of trade Payables and trade receivables. (iii) Auditors' Comments on (i) or (ii) above:- Managements Comments are self explanatory so no separate comments are required.



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iii. Signatories:

For Modern Threads (India) Limited

Ram Awatar Kabra
Executive Director
DIN :00945603

For Modern Threads (India) Limited

Rohit Singh
Chairman of Audit Committee
DIN: 08469801

For Modern Threads (India) Limited

P.K. Nahar
Chief Financial Officer

Place: Bhilwara

Date: 30.05.2022

Refer Our Audit Report dated May 30, 2022 on Financial results of the Company

For Goyal D. Kumar & Co.

Chartered Accountants

(FRN. 007817C)

(D.K. Goyal)

Proprietor

Membership No. 076713

UDIN - 22076713 AJWTIM7109



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BRIEF PROFILE OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT

Sl No.	Particulars	Brief Detail
1	Name	Shri Rajesh Ranka
2	Reason for Change i.e. Appointment	Shri Rajesh Ranka was re-appointed as Chairman & Managing Director of the Company with remuneration for a period of 3 years w.e.f. 01/07/2019. As such his term of appointment and remuneration will expire on 30/06/2022. However, looking his involvement and initiatives to strengthen the business activities of the Company, it is proposed to re-appoint Shri Rajesh Ranka as Chairman & Managing Director of the Company with remuneration for a further period of 3 years with effect from 1st July, 2022. The Nomination and Remuneration Committee has also considered and recommended the re-appointment and payment of remuneration to Shri Rajesh Ranka as Chairman & Managing Director of the Company for a period of 3 years with effect from 1st July, 2022. The re-appointment and remuneration is subject to approval of shareholders in the ensuing Annual General Meeting of the Company.
3	Date of appointment & term of appointment	Re-appointment and payment of remuneration for a period of three years w.e.f. 01/07/2022.
4	Director Identification Number (DIN)	03438721
5	Date of Birth	07/10/1966
6	PAN Number	AARPR8426Q
7	Number of Shares Held in the Company	Nil
8	Address	7th Floor, Siddharth Bldg. Dr. R.G. Thadani Marg. Worli, Mumbai - 400 018 (Maharashtra)
9	Brief Profile	Shri Rajesh Ranka is an MBA from Rajasthan University. He is Chairman & Managing Director of the Company and having vast experience of more than 28 years in the field of Textile management and Business administration.
10	Disclosure of relationship between directors	Not related to any Director of the Company



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BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT

Sl No.	Particulars	Brief Detail	
1	Name	Shri Chhitar Mal Jain	Smt. Ankita Jain
2	Reason for Change i.e. Appointment	Appointed as an Additional Director (Non- Executive - Independent Director) of the Company w.e.f. 01/07/2022.	Appointed as an Additional Director (Non- Executive - Independent Director) of the Company w.e.f. 01/07/2022.
3	Date of appointment & term of appointment	1 st July, 2022, subject to approval of shareholders in the ensuing Annual General Meeting of the Company.	1 st July, 2022, subject to approval of shareholders in the ensuing Annual General Meeting of the Company.
4	Director Identification Number (DIN)	09566506	0009598249
5	Date of Birth	01/01/1959	23/12/1990
6	PAN Number	ABXPJ6317M	APOPJ5727N
7	Number of Shares Held in the Company	Nil	Nil
8	Address	31-C, Adarsh Nagar, University Road, Girwa, Udaipur -313 001 (Rajasthan)	C/143, Behind Jain Temple, Kashipuri, Bhilwara - 311 001 (Rajasthan)
9	Brief Profile	Shri Chhitar Mal Jain as a candidate for the post of Director of the Company. Shri Chhitar Mal Jain is B.Com, M.Com, Ph.d, and FCA. He is practicing chartered accountant since 1988 and also retired professor from Mohan Lal Sukhadiya University, Rajasthan.	Mrs. Ankita Jain is Chartered Accountant by profession and her membership number is ACA 159511. Mrs. Ankita Jain is having 9 years' experience in her Professional Practice in the field of audit, finance, accounts, taxation, corporate law etc.
10	Disclosure of relationship between directors	Not related to any Director of the Company	Not related to any Director of the Company

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Details as required under regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Appointment of Shri Rahul Kumar Jain, as the Internal Auditor of the Company for the financial year 2022-23

Sl. No.	Particulars	Brief detail
1	Name of the Internal Auditors	Rahul Kumar Jain
2.	Membership Number / Certificate of Practice Number	-
3	Reason for Change viz. appointment	Appointment of Shri Rahul Kumar Jain as the Internal Auditor of the Company with effect from 30/05/2022 for the financial year 2022-23.
4	Date of appointment / cessation (as applicable) & term of appointment	30 th May, 2022. (Board Meeting held on 30/05/2022)
5	Brief Profile (in case of appointment)	Shri Rahul Kumar Jain is pursuing C.A. (Final) and having experience in the field of Finance, Book Keeping, Accounting, Taxation, Internal Audit, Information technology, Corporate Laws and GST etc.
6	Disclosure of relationship between directors (in case of appointment of director)	Not applicable



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Details as required under regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re-appointment of M. Goyal & Co., Cost Accountants, Jaipur, as Cost Auditor of the Company for the financial year 2022-23.

Sl. No.	Particulars	Brief detail
1	Name of the Cost Auditors	M. Goyal & Co., Cost Accountants
2.	Firm registration Number	000051
3	Reason for Change viz. appointment	Re-appointment of M. Goyal & Co., Cost Accountants, Jaipur, as the Cost Auditor of the Company for the financial year 2022-23.
4	Date of appointment / cessation (as applicable) & term of appointment	For the financial year 2022-23. (Board Meeting held on 30/05/2022)
5	Brief Profile (in case of appointment)	M. Goyal & Co., Cost Accountants, Jaipur, is a firm of Practicing Cost accountants and having rich experience in the field of Costing, Accounting, Cost Audit, Internal Audit, Consultancy, Management, and GST etc.
6	Disclosure of relationship between directors (in case of appointment of director)	Not applicable



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