



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 : 26/02/2021

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 Unaudited Financial Results for the quarter and half year ended 30th September, 2020

This is to inform you that in terms of Regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby enclose a copy of the Unaudited Financial Results for the quarter and half year ended 30th September, 2020, along with the limited review report given by the statutory auditors of the Company, which were approved by the Board of Directors at their meeting held on 26th February, 2021, commenced at 3.00 P.M. and concluded at 4.30 P.M.

This is for your information and records.

Thanking You,

Yours faithfully,
FOR Modern Threads (India) Limited

B. L. Saini

(BANWARI LAL SAINI)
Company Secretary & Compliance Officer
Membership No. : A 12576



Encl : as above

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)

Goyal D. Kumar & Co.

CHARTERED ACCOUNTANTS

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

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

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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) Ltd

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of **Modern Threads (India) Ltd ('the Company')** for the quarter ended **30th September, 2020** and the year to date results for the period **1st April 2020 to 30th September 2020 ("the Statement")**, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations").
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis for Qualified Opinion:**
 - i. The company has not provided for interest (Dividend) on cumulative redeemable preference shares for the quarter ended 30.09.2020 Rs. 17.07 Lakhs and cumulative Rs. 1672.31 Lakhs up to 30.09.2020. The company has not provided interest (dividend) in view of accumulated losses and also in process of settlement of remaining redeemable preference share capital. (Refer Note No. 4)
 - ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Refer Note No. 6)
5. **Qualified Opinion**

Based on our review conducted as above, except for the effects/possible effects of the matters stated in Para 4 (including non quantification for the reasons stated therein), nothing has come to our attention that causes us to believe that the accompanying statement prepared in all material respects in accordance with the applicable Indian Accounting Standards u/s 133 of the Companies Act, 2013 read with relevant rules issued there under



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

and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to the following:

Note No. 5 to the accompanying statement, which describes the effects of uncertainties relating to Covid-19 Pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying statement as at the reporting date, the extent of which is significantly dependent on future developments

Our opinion is not modified in respect of this matter.

7. 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 has been settled and only balance Rs.75 Lakhs is payable till 31.03.2021. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment.

Our opinion is not modified in respect of this matter.

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



D.K. Goyal
D.K. Goyal
Proprietor
Membership No. 076713

UDIN - 21076713AAAAB22849

Place: Bhilwara
Date: 26.02.2021



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

Statement of Standalone Unaudited Financial Results for the Quarter and Half year ended 30/09/2020

Particulars	(Rs in Lakhs)					
	Quarter Ended			Half Year ended		Year Ended
	30-09-2020 Un-audited	30-06-2020 Un-audited	30-09-2019 Un-audited	30-09-2020 Un-audited	30-09-2019 Un-audited	31-03-2020 Audited
1. Income						
(a) Revenue from Operations	4,209.42	1,700.23	5,050.80	5,909.65	9,930.64	20,058.98
(b) Other Income	28.07	26.00	665.50	54.07	822.89	2,406.97
Total income	4,237.49	1,726.23	5,716.30	5,963.72	10,653.53	22,465.95
2. Expenses						
(a) Cost of Materials consumed	2,220.62	1,264.76	2,865.72	3,485.38	6,336.09	12,680.28
(b) Purchase of stock-in-trade	-	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	567.41	(253.16)	697.11	314.25	443.12	551.94
(d) Employee benefits expense	444.15	328.70	566.30	772.85	1,076.74	2,242.70
(e) Finance cost	4.47	3.43	6.96	7.90	28.67	12.14
(f) Depreciation and amortisation expense	71.79	72.17	65.18	143.96	130.03	301.50
(g) Other expenses						
Manufacturing Expenses	682.62	364.10	907.05	1,046.72	1,692.78	3,339.83
Administrative and Selling Expenses	284.34	83.18	303.82	367.52	540.35	1,011.56
Total Expenses	4,275.40	1,863.18	5,412.14	6,138.58	10,247.78	20,139.95
3. Profit/(Loss) before exceptional items and Tax (1-2)	(37.91)	(136.95)	304.16	(174.86)	405.75	2,326.00
4. Exceptional items	-	-	-	-	210.00	210.00
5. Profit/(loss) before tax (3-4)	(37.91)	(136.95)	304.16	(174.86)	615.75	2,536.00
6. Tax expense	-	-	-	-	-	0.12
7. Net Profit / (Loss) after tax (5-6)	(37.91)	(136.95)	304.16	(174.86)	615.75	2,535.88
8. Other Comprehensive Income						
(a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 9)	(0.73)	(0.73)	3.01	(1.46)	6.02	2.96
(b) Items that will be reclassified to profit or loss (net of Tax)	-	-	-	-	-	-
Other Comprehensive Income for the period (8a+8b)	(0.73)	(0.73)	3.01	(1.46)	6.02	2.96
9. Total Comprehensive Income (7 + 8)	(38.64)	(137.68)	307.17	(176.32)	621.77	2,538.84
10. Paid-up equity share capital (Face Value of the Share Rs.10 /-)	3,477.62	3,477.62	3,477.62	3,477.62	3,477.62	3,477.62
11. Other Equity excluding revaluation reserve						(15,596.79)
12. Earnings Per Share (Basic/Diluted) in Rs.						
(a) Basic	(0.11)	(0.39)	0.87	(0.50)	1.77	7.29
(b) Diluted	(0.11)	(0.39)	0.87	(0.50)	1.77	7.29



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 – 311 024 (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 :297924,Email: cs@modernwoollens.com

Website : www.modernwoollens.com / CIN:L17115RJ1980PLC002075

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER,2020

(Rs in Lakhs)

Particulars	Quarter Ended			Half Year ended		Year Ended
	30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1. Segment Revenue						
(a) Woollen	2792.59	1196.75	3597.43	3989.34	6989.87	14347.02
(b) Synthetic Yarn	1416.83	503.48	1453.37	1920.31	2,840.77	5711.96
(c) Others	-	-	-	-	-	-
Total	4209.42	1700.23	5050.80	5909.65	9830.64	20058.98
Less: Inter Segment Sales	-	-	-	-	-	-
Net sales/Revenue from Operations	4209.42	1700.23	5050.80	5909.65	9830.64	20058.98
2. Segment Results						
Profit / (Loss) before interest, tax and exceptional item						
(a) Woollen	46.04	(43.50)	387.91	2.54	635.10	2403.93
(b) Synthetic Yarn	(79.48)	(90.02)	(76.79)	(169.50)	(200.68)	(65.79)
(c) Others	-	-	-	-	-	-
Total	(33.44)	(133.52)	311.12	(166.96)	434.42	2338.14
Less: i) Interest	4.47	3.43	6.96	7.90	28.67	12.14
Less: ii) other Unallocable exp net off unallocable income	-	-	-	-	-	-
Profit / (Loss) before tax and exceptional item	(37.91)	(136.95)	304.16	(174.86)	405.75	2,326.00
Add: iii) Exceptional items	-	-	-	-	210.00	210.00
Total Profit/(Loss) Before Tax	(37.91)	(136.95)	304.16	(174.86)	615.75	2,536.00
3. Segment Assets						
(a) Woollen	8520.90	8594.2	8658.09	8520.90	8658.09	8937.94
(b) Synthetic Yarn	2403.03	2467.3	2659.15	2403.03	2659.15	2564.92
(c) Others	1141.50	1141.50	1139.54	1141.50	1139.54	1141.50
Total	12065.43	12203.00	12456.78	12065.43	12456.78	12644.36
4. Segment Liabilities						
(a) Woollen	2812.05	2898.13	4527.63	2812.05	4527.63	3091.99
(b) Synthetic Yarn	12698.74	12711.59	13115.26	12698.74	13115.26	12821.41
(c) Others	8850.23	8850.23	8850.23	8850.23	8850.23	8850.23
Total	24361.02	24459.95	26493.12	24361.02	26493.12	24763.63

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

Rajesh Ranka
Chairman & Managing Director
DIN:03438721



Place : Bhilwara
Date : 26-Feb-2021

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 – 311 024 (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 :297924,Email: cs@modernwoollens.com

Website : www.modernwoollens.com / CIN:L17115RJ1980PLC002075

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 26/Feb/2021
- 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 31.03.2021. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment
- 4 The company has not provided for interest (Dividend) on cumulative redeemable preference shares for the Quarter ended 30-09-2020 Rs. 17.07 Lakhs (cumulative Rs. 1672.31 Lakhs up to 30-09-2020). The company has not provided Interest (Dividend) in view of accumulated losses and also in process of settlement of remaining redeemable preference share capital.
- 5 Impact of COVID-19 pandemic: The outbreak of COVID-19 pandemic in the entire country resulted in Lockdown, announced by the Central and State Government, due to which the production activities of the Company situated at Bhilwara was halted from 22nd March, 2020 till 28th May, 2020. The Company has since resumed its manufacturing and operational activities. The Company has also adopted measures to curb the spread of the infection in order to protect the health of its employees and ensure business continuity with minimal disruption. Accordingly, the results for the quarter are not comparable with those for the previous quarters. The management has taken into account the possible impacts of known events, upto the date of the approval of these financial results, arising from Covid-19 pandemic on the carrying value of the assets and liabilities as at 30th September, 2020. However, there exists significant estimation uncertainty in relation to the future impact of Covid-19 pandemic on the company and, accordingly, the actual impact in the future may be different from those presently estimated, the company will continue to monitor any material change to the future economic conditions and consequential impact on the financial result.
- 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 Tax effect has not taken into consideration as there is no taxable income and deferred tax asset has not recognised in the financial statement as a matter of prudence.
- 9 Figures for the previous periods, wherever necessary have been regrouped/ reclassified to conform to the current periods presentation.

Place : Bhilwara

Date : 26-Feb-2021



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

(Rajesh Ranka)

Chairman & Managing Director

DIN:03438721

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 – 311 024 (Rajasthan)



STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	As at	As at
	30.09.2020	31.03.2020
	Un-audited	Audited
ASSETS		
Non-Current Assets		
a Property, Plant and Equipment	3,474.96	3,591.80
b Capital Work-in-progress	10.68	-
c Right Of Use Asset	417.80	421.38
d Intangible assets	23.37	26.69
e Intangible assets under development	-	-
f Financial Assets		
i Investments	1.09	1.09
ii Other Financial assets	275.85	275.83
e Income Tax Assets	14.13	34.57
f Other non-current assets	267.71	267.16
Total Non-current Assets (A)	4,485.59	4,618.52
Current Assets		
a Inventories	4,087.27	4,241.72
b Financial Assets		
i Investments	744.73	-
ii Trade Receivables	1,971.98	2,281.71
iii Cash and Cash Equivalents	343.63	1,138.96
iv Bank Balances other than iii above	94.07	51.08
v Other Financial Assets	26.91	31.31
c Other Current Assets	311.25	281.06
Total Current Assets (B)	7,579.84	8,025.84
Total Assets (A+B)	12,065.43	12,644.36





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

<u>EQUITY AND LIABILITIES</u>			
Equity			
a	Equity Share Capital	3,477.52	3,477.52
b	Other Equity	(15,773.11)	(15,596.79)
	Total Equity (A)	(12,295.59)	(12,119.27)
Non Current Liabilities			
a	Financial Liabilities		
i	Borrowings	18,874.85	18,874.85
i	Lease liabilities	0.51	0.48
b	Provisions	346.68	333.53
	Total Non Current Liabilities (B)	19,222.04	19,208.86
Current Liabilities			
a	Financial Liabilities		
i	Borrowings	14.35	26.16
ii	Trade Payables		
	(a) total outstanding dues of micro enterprises and small enterprises	110.11	119.46
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,563.72	2,080.50
iii	Other Financial Liabilities	2,672.07	2,559.57
b	Other Current Liabilities	743.23	734.88
c	Provisions	35.50	34.20
	Total Current Liabilities (C)	5,138.98	5,554.77
	Total Equity and Liabilities (A+B+C)	12,065.43	12,644.36



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 – 311 024 (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 :297924, Email: cs@modernwoollens.com

Website : www.modernwoollens.com / CIN:L17115RJ1980PLC002075

Cash Flow Statement for the Half Year ended 30th September, 2020

Rs. in Lakhs

Particulars	Half year ended 30th September, 2020	Half year ended 30th September, 2019
	Unaudited	Unaudited
A. Cash flow from operating activities		
Profit before exceptional items and tax	(174.86)	405.75
<u>Adjustments for:</u>		
Depreciation and amortisation	143.96	130.03
Finance costs	7.90	28.67
Loss/(Profit) on sale of Property, Plant and Equipment	7.55	10.73
Gain on Sale of Investments	-	(8.80)
Fair Value Gain on investment through statement of profit & loss	(4.73)	(14.14)
Remeasurement of employee benefits (Net)	(1.46)	6.02
Operating profit / (loss) before working capital changes	(21.64)	558.26
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	154.45	576.89
Trade receivables	309.73	(262.30)
Other non-current financial assets	(0.02)	(69.96)
Other current financial assets	4.40	(2.54)
Other current assets	(30.19)	3.22
Other non-current assets	(0.55)	88.60
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(526.13)	(81.89)
Borrowings	(11.81)	
Other Financial Liabilities	112.50	(814.70)
Other non-current financial Liabilities	0.03	
Other current liabilities	8.35	189.88
Other long-term liabilities	13.15	
Non Current Liabilities	-	(0.17)
Provisions	1.30	19.39
Bank balance other then cash & cash equivalents	(42.99)	-
Cash (used in)/ generated from working capital Changes	(7.78)	(353.57)
Cash (used in)/ generated from operations	(29.42)	204.69
Net income tax (paid) / refunds	20.44	(6.23)
Net cash (used in)/ generated from operating activities	(8.98)	198.46



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 – 311 024 (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 :297924,Email: cs@modernwoollens.com

Website : www.modernwoollens.com / CIN:L17115RJ1980PLC002075

B. Cash flow from investing activities		
Purchase of Property, plant and equipment (including capital work in progress)	(79.35)	(76.36)
Proceeds from sale of Property, plant and equipment	40.90	11.01
Purchase of Mutual funds	(740.00)	(2,358.00)
Proceeds from sale of mutual funds		1,706.05
Net cash flow from / (used in) investing activities (B)	(778.45)	(717.30)
C. Cash flow from financing activities		
Finance costs	(7.90)	(28.67)
Redemption of preference share	-	(90.00)
Net cash flow from / (used in) financing activities (C)	(7.90)	(118.67)
Net increase / (decrease) in Cash and cash equivalents	(795.33)	(637.51)
Cash and cash equivalents at the beginning of the year	1,138.96	1,099.56
Cash and cash equivalents at the end of the year	343.63	462.05



BME