



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004

Phone : 0141-4113645, Fax : 0141-2621382

E-mail : cs@modernwoollens.com
modernjaipuroffice@gmail.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

To,

Date : 12/11/2020

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

Dear Sir/Madam,

Sub.: Re-submission of Audited Financial Results for the quarter and year ended 31st March, 2020

Ref : Your email dated 12/11/2020

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 Audited Financial Results (Standalone) alongwith cash flow statement for the quarter and year ended 31st March, 2020, and the Auditors report thereon given by the statutory auditor of the Company, which were approved by the Board of Directors at their meeting held on 28th October, 2020.

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

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030

Tel.:022-24973269, Fax : 022-24950962

Plants- [Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)

Tel.:01482-241801, Fax : 01482-297924

[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

Auditors Report on Quarterly Financial Results and Year to date Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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, 2020 and for the year ended March 31, 2020 (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, these standalone Ind As Financial Results:

- 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 accounting standards and other accounting principles generally accepted in India, of the **net Profit** and other comprehensive income and other financial information of the company for the quarter and the year ended 31st March, 2020.

Basis for Qualified Opinion

- i. The company has not provided for Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31.03.2020 Rs. 16.92 Lakhs and for the year ended 31.03.2020 Rs. 68.25 Lakhs (cumulative Rs. 1638.18 Lakhs up to 31.03.2020).
- ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any.

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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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.



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

Material Uncertainty related to going Concern

We draw attention to Note 3 in the financial statements, where 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 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 this matter.

Emphasis of Matters

We draw attention to: Note 10 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 balance sheet date, the extent of which is significantly dependent on future developments.

Our opinion is not modified in this matter.

Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of annual financial statements. The Board of Directors of the company are responsible for preparation and presentation of the statement that gives a true and fair view of the net profit and other comprehensive income of the company, and financial information in accordance with the applicable Indian accounting standards prescribed 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



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

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 result for the quarter ended 31st March, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 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



D.K. Goyal

D.K. Goyal
Proprietor

Membership No. 076713

UDIN - 20070713 AAAA IH8715

Place: Bhilwara
Date: 28/10/2020



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
 Phone : 0141-4113645, Fax : 0141-2621382
 E-mail : cs@modernwoollens.com
 modernjaipuroffice@gmail.com
 Website : www.modernwoollens.com
 CIN : L17115RJ1980PLC002075

Statement of Standalone audited Financial Results for the Quarter and Year ended 31/03/2020

(Rs in Lakhs)

Particulars	Quarter Ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Audited	Un-audited	Audited	Audited	Audited
1. Income					
(a) Revenue from Operations	5,356.97	4,871.37	6,043.47	20,058.98	22,821.78
(b) Other Income	928.57	655.51	184.88	2,406.97	438.99
Total income	6,285.54	5,526.88	6,228.35	22,465.95	23,260.77
2. Expenses					
(a) Cost of Materials consumed	3,151.33	3,192.86	4,120.42	12,680.28	15,963.40
(b) Purchase of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	247.48	(138.66)	74.12	551.94	(715.57)
(d) Employee benefits expense	558.23	607.73	600.53	2,242.70	2,155.85
(e) Finance costs	(23.41)	6.88	129.96	12.14	221.72
(f) Depreciation and amortisation expense	105.28	66.19	72.76	301.50	260.16
(g) Other expenses					
Manufacturing Expenses	740.40	906.65	839.98	3,339.83	3,293.62
Administrative and Selling Expenses	227.03	244.18	303.10	1,011.56	1,109.89
Total Expenses	5,006.34	4,885.83	6,140.87	20,139.95	22,289.07
3. Profit/(Loss) before exceptional items and Tax (1-2)	1,279.20	641.05	87.48	2,326.00	971.70
4. Exceptional Items (Refer Note 5)	-	-	105.00	210.00	105.00
5. Profit/(loss) before tax (3-4)	1,279.20	641.05	192.48	2,536.00	1,076.70
6. Tax expense	0.12	-	-	0.12	-
7. Net Profit / (Loss) after tax (5 -6)	1,279.08	641.05	192.48	2,535.88	1,076.70
8. Other Comprehensive Income					
(a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 9)	(6.07)	3.01	4.83	2.96	12.03
(b) Items that will be reclassified to profit or loss (net of Tax)	-	-	-	-	-
Other Comprehensive Income for the period (8a+8b)	(6.07)	3.01	4.83	2.96	12.03
9. Total Comprehensive Income (7 + 8)	1,273.01	644.06	197.31	2,538.84	1,088.73
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				(15,596.79)	(18,135.63)
12. Earnings Per Share (Basic/Diluted) in Rs.					
(a) Basic	3.68	1.84	0.55	7.29	3.10
(b) Diluted	3.68	1.84	0.55	7.29	3.10



R. K. Sharma

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030

Tel.:022-24973269, Fax : 022-24950962

Plants - Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)

Tel.:01482-241801, Fax : 01482-297924

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



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
 Phone : 0141-4113645, Fax : 0141-2621382
 E-mail : cs@modernwoollens.com
 modernjaipuroffice@gmail.com
 Website : www.modernwoollens.com
 CIN : L17115RJ1980PLC002075

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH,2020

(Rs in Lakhs)

Particulars	Quarter Ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Audited	Un-audited	Audited	Audited	Audited
1. Segment Revenue					
(a) Woollen	4087.08	3270.07	4595.66	14347.02	17173.79
(b) Synthetic Yarn	1269.89	1,601.30	1447.81	5,711.96	5647.99
(c) Others	-	-	-	-	-
Total	5356.97	4871.37	6043.47	20058.98	22821.78
Less: Inter Segment Sales	-	-	-	-	-
Net sales/Revenue from Operations	5356.97	4871.37	6043.47	20058.98	22821.78
2. Segment Results					
Profit / (Loss) before tax and interest					
(a) Woollen	1044.42	724.41	512.87	2403.93	1649.32
(b) Synthetic Yarn	211.37	(76.48)	(295.43)	(65.79)	(455.90)
(c) Others	-	-	-	-	-
Total	1255.79	647.93	217.44	2338.14	1193.42
Less: i) Interest	(23.41)	6.88	129.96	12.14	221.72
Less: ii) other Unallocable exp net off unallocable income	-	-	-	-	-
Add: iii) Exceptional items	-	-	105.00	210.00	105.00
Total Profit/(Loss) Before Tax	1,279.20	641.05	192.48	2,536.00	1,076.70
3. Segment Assets					
(a) Woollen	8937.94	8837.17	9067.23	8937.94	9067.23
(b) Synthetic Yarn	2564.92	2616.02	2625.63	2564.92	2625.63
(c) Others	1141.50	1140.12	1129.64	1141.50	1129.64
Total	12644.36	12593.31	12822.50	12644.36	12822.50
4. Segment Liabilities					
(a) Woollen	3091.99	4059.92	5327.32	3091.99	5327.32
(b) Synthetic Yarn	12821.41	13075.44	13303.06	12821.41	13303.06
(c) Others	8850.23	8850.23	8850.23	8850.23	8850.23
Total	24763.63	25985.59	27480.61	24763.63	27480.61

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



R. Kabra
 Ram Rai Kabra
 Director
 DIN:07985411

Place : Bhilwara (Rajasthan)

Date : 28/10/2020

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030
 Tel.:022-24973269, Fax : 022-24950962
Plants - Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)
 Tel.:01482-241801, Fax : 01482-297924
 Yarn Division : Village Raila, District - Bhilwara-311024 (Rajasthan)



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004

Phone : 0141-4113645, Fax : 0141-2621382

E-mail : cs@modernwoollens.com
modernjaipuroffice@gmail.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 28th October 2020.
- 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 amounting to Rs. 16.92 Lakhs and Year ended Rs. 68.25 (cumulative Rs. 1638.18 Lakhs up to 31-03-2020) in view of accumulated losses .
- 5 The company has settled redeemable Preference Share Capital of Rs. 300 Lakhs at Rs. 90 Lakhs and balance Rs. 210 Lakhs has been recognised as exceptional items(Income). The company is in process of settlement of remaining redeemable Preference Share Capital of Rs. 425 Lakhs.
- 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.



R. K. Sharma

Corporate Head Office : 68/69, Godavari, Poshkhanwala, Worli, Mumbai-400030

Tel.:022-24973269, Fax : 022-24950962

Plants- Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)

Tel.:01482-241801, Fax : 01482-297924

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



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
Phone : 0141-4113645, Fax : 0141-2621382
E-mail : cs@modernwoollens.com
modernjaipuroffice@gmail.com
Website : www.modernwoollens.com
CIN : L17115RJ1980PLC002075

- 8 Public fixed deposits of Rs. 549.59 Lakhs has been settled at principal amount and repaid during the year. Interest has been Waived off by respective deposit holders and Interest accrued upto 31.03.2019 Rs. 1660.45 lakhs has been recognised under Income and interest accrued for the period 01.04.2019 to 31.12.2019 amounting to Rs. 25.81 lakhs has been credited back to interest expenses.
- 9 Tax effect on other comprehensive income has been taken in deferred tax and deferred tax asset has not been recognised in the financial statement as a matter of prudence.
- 10 The outbreak of COVID-19 pandemic had disrupted regular business operations of the Company due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The business operations have recommenced on a limited scale post relaxation of lockdowns. 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 31st March 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 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 Statements.
- 11 Figures for the previous periods, wherever necessary have been regrouped/ reclassified to conform to the current periods presentation.

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

Place : Bhilwara (Rajasthan)

Date : 28/10/2020



R. Kabra

Ram Rai Kabra

Director

DIN:07985411

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030
Tel.:022-24973269, Fax : 022-24950962
Plants- { **Woollens Division** : Hamirgarh Road, Bhilwara-311001 (Rajasthan)
Tel.:01482-241801, Fax : 01482-297924
Yarn Division : Village Raila, District - Bhilwara-311024 (Rajasthan)



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004

Phone : 0141-4113645, Fax : 0141-2621382

E-mail : cs@modernwoollens.com
modernjaipuroffice@gmail.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
ASSETS		
Non-Current Assets		
a Property, Plant and Equipment	3591.8	4070.27
b Capital Work-in-progress	-	22.59
c Right Of Use Asset	421.38	-
d Intangible assets	26.69	-
e Intangible assets under development	-	33.34
f Financial Assets		
i Investments	1.09	1.06
ii Other Financial assets	275.83	203.58
e Income Tax Assets	34.57	25.89
f Other non-current assets	267.16	349.64
Total Non-current Assets (A)	4,618.52	4,706.37
Current Assets		
a Inventories	4241.72	4853.62
b Financial Assets		
i Investments	-	-
ii Trade Receivables	2281.71	1837.98
iii Cash and Cash Equivalents	1138.96	1099.56
iv Bank Balances other than iii above	51.08	36.05
v Other Financial Assets	31.31	15.78
c Other Current Assets	281.06	273.14
Total Current Assets (B)	8,025.84	8,116.13
Total Assets (A+B)	12,644.36	12,822.50
EQUITY AND LIABILITIES		
Equity		
a Equity Share Capital	3,477.52	3,477.52
b Other Equity	(15,596.79)	(18,135.63)
Total Equity (A)	(12,119.27)	(14,658.11)
Non Current Liabilities		
a Financial Liabilities		
i Borrowings	18874.85	18874.85
ii Lease liabilities	0.48	-
b Provisions	333.53	279.92
Total Non Current Liabilities (B)	19,208.86	19,154.77
Current Liabilities		
a Financial Liabilities		
i Borrowings	26.16	-
ii Lease liabilities	-	-
iii Trade Payables		
(a) total outstanding dues of micro enterprises and small enterprises	119.46	3.14
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2080.5	2365.56
iii Other Financial Liabilities	2559.57	5198.89
b Other Current Liabilities	734.88	731.76
c Provisions	34.20	26.49
Total Current Liabilities (C)	5,554.77	8,325.84
Total Equity and Liabilities (A+B+C)	12,644.36	12,822.50



R. K. Kaur

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030

Tel.:022-24973269, Fax : 022-24950962

Plants- Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)

Tel.:01482-241801, Fax : 01482-297924

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



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
 Phone : 0141-4113645, Fax : 0141-2621382
 E-mail : cs@modernwoollens.com
 modernjaipuroffice@gmail.com
 Website : www.modernwoollens.com
 CIN : L17115RJ1980PLC002075

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2020

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

(₹ in Lakhs)

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	22465.95	22465.95
	2.	Exceptional Items*	210.00	210.00
	3.	Total Expenditure	20139.95	20208.20
	4.	Net Profit/(Loss) (1+2-3)	2536.00	2467.75
	5.	Earnings Per Share	7.29	7.10
	6.	Total Assets	12644.36	12644.36
	7.	Total Liabilities	24763.63	26401.81
	8.	Net Worth**	(12119.27)	(13757.45)
	9.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<p>* The company has settled redeemable Preference Share Capital of ₹ 300 Lakhs at ₹ 90 Lakhs and balance ₹ 210 Lakhs has been shown as exceptional items. ** Tax effect on OCI has been taken in deferred tax and Deferred Tax Assets has not been recognised in the financial statement as a matter of prudence.</p>				
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification :			
	(i) Interest (Dividend) on cumulative redeemable preference shares amounting to ₹ 68.25 lakhs for the year (Cumulative ₹ 1638.18 lakhs up to 31.03.2020) 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 ₹ 75 Lakhs is payable till 31 st March 2021. 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.			



Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030
 Tel.:022-24973269, Fax : 022-24950962

Plants - Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)
 Tel.:01482-241801, Fax : 01482-297924

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



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004

Phone : 0141-4113645, Fax : 0141-2621382

E-mail : cs@modernwoollens.com

modernjaipuroffice@gmail.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

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.	
III.	Signatories:
	For Modern Threads (India) Limited
	
	Rajesh Ranka Chairman & Managing Director
	For Modern Threads (India) Limited
	
	R.R. Kabra Chairman of Audit Committee
	For Modern Threads (India) Limited
	
	P.K. Nahar Chief Financial Officer Place: Bhilwara Date: 28/10/2020
Refer Our Audit Report dated October 28, 2020 on Financial results of the Company	
	For Goyal D. Kumar & Co. Chartered Accountants (FRN. 007817C)
	
	(D.K. Goyal) Proprietor Membership No. 076713
	Place: Bhilwara Date: 28/10/2020
	
	UDIN - 20076713 AAAA I H 8715

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030

Tel.:022-24973269, Fax : 022-24950962

Plants - Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)

Tel.:01482-241801, Fax : 01482-297924

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



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004

Phone : 0141-4113645, Fax : 0141-2621382

E-mail : cs@modernwoollens.com

modernjaipuroffice@gmail.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

Cash Flow Statement for the Year ended 31st March, 2020

Rs. in Lakhs

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
A. Cash flow from operating activities				
Profit before exceptional items and tax	2,326.00		971.70	
<i>Adjustments for:</i>				
Depreciation and amortisation	301.50		260.16	
Finance costs	12.14		221.72	
Loss/(Profit) on sale of Property, Plant and Equipment	1.35		54.58	
Gain on Sale of Investments	(43.45)		(44.48)	
Income Tax	(0.12)			
Remeasurement of employee benefits (Net)	2.96		12.03	
		2,600.38		1,475.71
Operating profit / (loss) before working capital changes		2,600.38		1,475.71
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	611.90		(1138.07)	
Trade receivables	(443.73)		386.17	
Other non-current financial assets	(72.25)		(103.28)	
Other current financial assets	(15.53)		7.75	
Other current assets	(7.92)		256.48	
Other non-current assets	82.48		(2.71)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(168.74)		327.30	
Borrowings	26.16			
Other Financial Liabilities	(2339.32)		(193.95)	
Other non-current Financial Liabilities	0.48			
Other current liabilities	3.12		62.70	
Other current Financial Liabilities	-			
Other long-term liabilities	53.61		33.03	
Provisions	7.71		(1.38)	
Bank balance other then cash & cash equivalents	(15.03)	(2277.06)	(25.62)	(391.58)
Cash generated from operations		323.32		1,084.13
Net income tax (paid) / refunds		(8.68)		(7.67)
Net cash flow from / (used in) operating activities (A)		314.64		1,076.46
B. Cash flow from investing activities				
Purchase of Property, plant and equipment (including capital work in progress)	(231.87)		(332.90)	
Additions on account of adoption of Ind AS 116	(0.48)			
Proceeds from sale of Property, plant and equipment	15.83		105.88	
		(216.52)		(227.02)
Net cash flow from / (used in) investing activities (B)		(216.52)		(227.02)



Handwritten signature

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030

Tel.:022-24973269, Fax : 022-24950962

Plants - Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)

Tel.:01482-241801, Fax : 01482-297924

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