



# 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,

25<sup>th</sup> April, 2019

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001

**Sub: Submission of Audited Financial Results for the quarter & year ended 31<sup>st</sup> March, 2018**  
**Scrip code:500282**

Dear Sir/Madam,

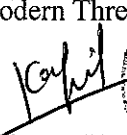
This is to inform you that in terms of Regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby enclose a copy of the Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2018, which were approved by the Board of Directors at their meeting held on 30<sup>th</sup> May, 2018 commenced at 3:30 P.M. and ends at 4:00 P.M. along with the auditors' report given by the statutory auditor of the Company.

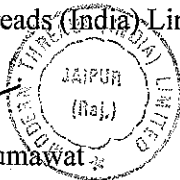
Please acknowledge the receipt

Thanking you,

Yours Faithfully

For Modern Threads (India) Limited

  
Kapil Kumar Kumawat  
Company Secretary



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](mailto:dkg.bhl@gmail.com)

## Auditor's Report on Quarterly and Year to date Standalone 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) Ltd**

1. We have audited the accompanying statement of Standalone Financial Results of **Modern Threads (India) Ltd ('the Company')** for the Quarter and Year ended **31<sup>st</sup> March, 2018 ("the statement")**, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI ( Listing Obligations and Disclosures Requirements) Regulations 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
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 there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Standalone Financial Results based on our audit of standalone Financial statements for the year ended 31<sup>st</sup> March 2018.
3. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial Results are free of material misstatement. An Audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit conducted as stated above, nothing has come to our attention, except:
  - (i) *The company has not provided for Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31<sup>st</sup> March, 2018 Rs. 35.09 Lakhs and for the year ended 31<sup>st</sup> March, 2018 Rs. 140.38 Lakhs (Rs. 3,088.25 Lakhs up to 31.03.2018).*
  - (ii) *Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any.*



The total impact of above para (i) without considering para (ii) for which impact could not be determined, the profit for the year would have been Rs. 604.22 lakhs (as against reported profit of Rs. 744.60 lakhs) and other equity would have been (Rs. 22312.61) Lakhs (as against the reported figure of (Rs. 19224.36) Lakhs) and Other Current financial liabilities would have been Rs. 8631.09 lakhs ( as against reported figure of Rs. 5542.84 lakhs. )

**Emphasis of Matters**

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, 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 ₹75 Lakhs is payable in FY 2018-19. The waiver amount will be written back on discharge of full payment.

*Our opinion is not qualified in respect of this matter.*

**5. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of our matters reported in Para 4 above the Statement-

- a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing obligations and Disclosure requirements ) Regulation, 2015, as modified by Circular no. CIR/CFD/FAC/62/2016 dated 5 July, 2016 in this regard and
  - b) give true & fair view of the net profit and other financial information of the company for the quarter ended 31<sup>st</sup> March, 2018 and for the year ended 31 March, 2018
6. The Statement includes the results for the quarter ended March 31, 2018 being the balancing figure between the audited figures in respect of the financial year ended 31<sup>st</sup> March, 2018 and the published year to date figures up to December 31,2017, being the date of the end of the third quarter of the current financial year, which were subjected to limited review.

Place: Bhilwara

Date: 30/05/18



**For Goyal D. Kumar & Co.**

Chartered Accountants

(FRN. 007817C)

(D.K. Goyal)

Proprietor

Membership No. 076713



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## Statement of Audited Standalone Financial Results for the Quarter and Year ended 31/03/2018

Particulars	(Rs in Lakhs)				
	Quarter Ended			Year Ended	
	31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017
	Audited (Refer Note 9)	Un-audited	Audited (Refer Note 9)	Audited	Audited
<b>1. Income</b>					
(a) Revenue from Operations	5052.66	4255.60	3616.87	16467.15	14869.37
(b) Other Income	217.47	66.37	99.78	410.42	159.16
<b>Total income (net)</b>	<b>5270.13</b>	<b>4321.97</b>	<b>3716.65</b>	<b>16877.57</b>	<b>15028.53</b>
<b>2. Expenses</b>					
(a) Cost of Materials consumed	3131.80	3175.63	1923.06	11553.14	9767.72
(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(39.38)	(540.23)	666.18	(1,075.16)	209.89
(d) Employee benefits expense	536.68	377.06	290.32	1650.13	1129.41
(e) Finance cost	57.93	12.78	32.29	98.06	96.85
(f) Depreciation and amortisation expense	80.90	50.78	39.12	213.30	154.44
(g) Other expenses					
Manufacturing Expences	788.92	809.34	516.38	2834.46	1808.61
Administrative and Selling Expences	302.00	214.86	45.40	857.22	896.40
(h) Excise duty	-	-	1.51	1.82	7.42
<b>Total Expenses</b>	<b>4858.85</b>	<b>4100.22</b>	<b>3514.26</b>	<b>16132.97</b>	<b>14070.74</b>
<b>3. Profit / (Loss) before exceptional items and Tax (1-2)</b>	<b>411.28</b>	<b>221.75</b>	<b>202.39</b>	<b>744.60</b>	<b>957.79</b>
<b>4. Exceptional Items</b>	-	-	37.08	-	52.52
<b>5. Profit/(loss) before tax (3-4)</b>	<b>411.28</b>	<b>221.75</b>	<b>239.47</b>	<b>744.60</b>	<b>905.27</b>
<b>6. Tax expense</b>	-	-	-	-	-
<b>7. Net Profit / (Loss) after tax (5 -6)</b>	<b>411.28</b>	<b>221.75</b>	<b>239.47</b>	<b>744.60</b>	<b>905.27</b>
<b>8. Other Comprehensive Income</b>					
(a) Items that will not be reclassified to profit or loss (net of Tax)	30.23	(6.88)	7.85	9.59	(9.37)
(b) Items that will be reclassified to profit or loss (net of Tax)	-	-	-	-	-
<b>Other Comprehensive Income for the period</b>	<b>30.23</b>	<b>(6.88)</b>	<b>7.85</b>	<b>9.59</b>	<b>(9.37)</b>
<b>9. Total Comprehensive Income (7 + 8)</b>	<b>441.51</b>	<b>214.87</b>	<b>247.32</b>	<b>754.19</b>	<b>895.90</b>
<b>10. Paid-up equity share capital (Face Value of the Share Rs.10 /-)</b>	<b>3477.52</b>	<b>3477.52</b>	<b>3477.52</b>	<b>3477.52</b>	<b>3477.52</b>
<b>11. Other Equity excluding revaluation reserve</b>				<b>(19,224.36)</b>	<b>(19,978.55)</b>
<b>12. Earnings Per Share (Basic/Diluted) in Rs.</b>					
(a) Basic	1.18	0.64	0.69	2.14	2.60
(b) Diluted	1.18	0.64	0.69	2.14	2.60

*B. H.*



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## SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH,2018

(Amount in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31-03-2018	31-12-2017	31-03-2017	31-03-2018	31-03-2017
	Audited	Un-audited	audited	Audited	Audited
<b>1. Segment Revenue</b>					
(a) Woollen	4115.85	3366.12	3616.87	14506.05	14869.37
(b) Synthetic Yarn	936.81	889.48	-	1961.10	-
(c) Others	-	-	-	-	-
<b>Total</b>	<b>5052.66</b>	<b>4255.60</b>	<b>3616.87</b>	<b>16467.15</b>	<b>14869.37</b>
Less: Inter Segment Sales	-	-	-	-	-
<b>Net sales/Revenue from Operations</b>	<b>5052.66</b>	<b>4255.60</b>	<b>3616.87</b>	<b>16467.15</b>	<b>14869.37</b>
<b>2. Segment Results</b>					
<b>Profit / ( Loss ) before tax and interest</b>					
(a) Woollen	677.72	378.71	273.97	1587.49	1111.25
(b) Synthetic Yarn	(208.51)	(144.18)	(39.29)	(744.83)	(56.61)
(c) Others	-	-	-	-	-
<b>Total</b>	<b>469.21</b>	<b>234.53</b>	<b>234.68</b>	<b>842.66</b>	<b>1054.64</b>
Less: i) Interest	57.93	12.78	32.29	98.06	96.85
Less: ii) other Unallocable exp. net off unallocable income	-	-	-	-	-
Less: iii) Exceptional Items	-	-	37.08	-	52.52
<b>Total Profit/(Loss) Before Tax</b>	<b>411.28</b>	<b>221.75</b>	<b>239.47</b>	<b>744.60</b>	<b>905.27</b>
<b>3. Segment Assets</b>					
(a) Woollen	8084.52	7624.83	7647.46	8084.52	7647.46
(b) Synthetic Yarn	2541.79	2284.72	1094.73	2541.79	1094.73
(c) Others	1079.76	1070.34	1070.34	1079.76	1070.34
<b>Total</b>	<b>11706.07</b>	<b>10979.89</b>	<b>9812.53</b>	<b>11706.07</b>	<b>9812.53</b>
<b>4. Segment Liabilities</b>					
(a) Woollen	(7222.65)	(7894.82)	(6160.68)	(7222.65)	(6160.68)
(b) Synthetic Yarn	20836.93	20365.62	18645.03	20836.93	18645.03
(c) Others	13838.63	13829.21	13829.21	13838.63	13829.21
<b>Total</b>	<b>27452.91</b>	<b>26300.01</b>	<b>26313.56</b>	<b>27452.91</b>	<b>26313.56</b>

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



( Rajesh Ranka )  
(Chairman & Managing Director)  
DIN:03438721

Place : Mumbai  
Date : 30/05/18

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

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## STANDALONE STATEMENT OF ASSETS AND LIABILITIES (Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
a Property, Plant and Equipment	4,189.41	3,531.82
b Capital Work-in-progress	24.50	24.50
c Financial Assets		
i Investments	1.03	1.01
ii Other Financial assets	100.30	79.52
d Non-Current Tax Assets	7.78	8.75
e Other non-current assets	346.94	132.53
<b>Total Non-current Assets (A)</b>	<b>4,669.96</b>	<b>3,778.13</b>
<b>Current Assets</b>		
a Inventories	3,715.55	2,459.68
b Financial Assets		
i Investments	296.99	-
ii Trade Receivables	2,224.15	1,901.17
iii Cash and Cash Equivalents	225.40	1,391.54
iv Bank Balances other than iii above	10.43	87.73
v Other Financial Assets	23.53	17.42
c Current Tax Assets	10.44	6.88
d Other Current Assets	529.62	169.98
<b>Total Current Assets (B)</b>	<b>7,036.11</b>	<b>6,034.40</b>
<b>Total Assets (A+B)</b>	<b>11,706.07</b>	<b>9,812.53</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a Equity Share Capital	3,477.52	3,477.52
b Other Equity	(19,224.36)	(19,978.55)
<b>Total Equity (A)</b>	<b>(15,746.84)</b>	<b>(16,501.03)</b>
<b>Non Current Liabilities</b>		
a Financial Liabilities		
i Borrowings	18,924.85	18,949.85
b Provisions	246.89	224.10
<b>Total Non Current Liabilities (B)</b>	<b>19,171.74</b>	<b>19,173.95</b>
<b>Current Liabilities</b>		
a Financial Liabilities		
i Borrowings	-	-
ii Trade Payables	2,041.40	999.87
iii Other Financial Liabilities	5,542.84	5,433.60
b Other Current Liabilities	669.06	677.34
c Provisions	27.87	28.80
<b>Total Current Liabilities (C)</b>	<b>8,281.17</b>	<b>7,139.61</b>
<b>Total Equity and Liabilities (A+B+C)</b>	<b>11,706.07</b>	<b>9,812.53</b>



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### Notes:-

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th May 2018
- The Company adopted Ind As from 1st April, 2017 with the transition date as 1st April 2016 and accordingly, financial results for the quarter and Year ended March 31, 2017 have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 " Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The comparative figures for the quarter and Year ended 31st March, 2017 have been restated by the management as per Ind AS. The management has exercised due diligence to ensure that the financial results give a true and fair view of the company's affairs.
- Reconciliation of Net Profit as reported previously on account of transition from the previous Generally Accepted Accounting Principles (GAAP) to Ind AS for the quarter and Year ended 31 march 2017 is given below:

(Rs in Lakhs)

Description	For the Quarter ended 31.03.2017	For the Year ended 31.03.2017
Net Profit as per Previous GAAP (Indian GAAP)	317.74	966.32
Actuarial Gain/(Loss) on employee defined benefit plans recognised in Other comprehensive Income	(7.85)	9.37
Interest ( earlier not provided for)	(86.92)	(86.92)
Amortisation of lease hold land	(7.07)	(7.07)
Liabilities Written Back	23.57	23.57
<b>Net Profit as per IND AS</b>	<b>239.47</b>	<b>905.27</b>
<b>Other Comprehensive Income</b>		
Actuarial Gain/(Loss) on employee defined benefit plans	7.85	(9.37)
<b>Total Other Comprehensive Income</b>	<b>7.85</b>	<b>(9.37)</b>
<b>Total Comprehensive Income as reported under IND AS</b>	<b>247.32</b>	<b>895.90</b>

### Reconciliation of total equity as at 31st March, 2017

(Rs in Lakhs)

Particulars	As at 31.03.17
Equity as reported under previous Indian GAAP	(14,736.25)
<b>Adjustment Consequent to Ind AS adoption :-</b>	
Interest ( earlier not provided for)	(899.21)
Amortisation of lease hold land	(14.14)
Re-classification of Redeemable Preference Shares	(875.00)
Liabilities Written Back	23.57
<b>Equity as reported under Ind AS</b>	<b>(16,501.03)</b>
<b>Equity Attributable to :-</b>	
Paid Up Equity Share Capital	3,477.52
Other Equity	(19,978.55)
<b>Total</b>	<b>(16,501.03)</b>



*Handwritten signature*

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\* Tax effect on OCI has not been taken into consideration as there is no taxable income and Deferred Tax Assets is not recognised in the financial statement.

- 4 Post applicability of Goods & Service Tax (GST) w.e.f. 01/07/2017, Revenue from Operations are required to be disclosed net of GST. Accordingly, the Revenue from Operations for the quarter ended 31/03/2018 is not comparable with the figures upto 31/03/2017 wherever appearing in the statement.
- 5 Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31/03/2018 Rs.35.09 Lakhs and for the year ended 31/03/2018 Rs.140.38Lakhs ( Rs.3088.25 Lakhs cumulative upto 31-03-2018) has not been provided in view of accumulated losses. Pursuant to Sick Industrial Companies (Special Provision) Repeal Act, 2003 ( SICA Repeal Act) the proceedings pending before BIFR stands abated with effect from 01.12.2016 and the company is in process of taking consent of the Preference shareholders for waiver of unpaid interest.
- 6 Balances of trade payables and trade receivable are subject to confirmation and consequential adjustments, if any.
- 7 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 basis as the non current secured borrowings have been settled and only balance amount Rs. 75.00 Lakhs is payable in FY 2018-19. The waiver amount will be written back on discharge of full payment.
- 8 Share Application Money Rs 1450 Lacs has been raised pursuant to restructuring / settlement scheme submitted to BIFR but consequent to abatement of Sick Industrial Companies ( Special Provision) Act, 1985, it become refundable.
- 9 The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year for the respective years and unaudited published year to date figure upto the end of the third quarter of respective years which were subjected to limited review.
- 10 Figures for the previous periods, where ever necessary, have been regrouped/ reclassified to conform to the current periods presentation.



Place : Mumbai  
Date : 30/05/2018

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

( Rajesh Ranka )  
( Chairman & Managing Director )  
DIN:03438721

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## Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2018

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

(₹ in Lakhs)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	16877.57	16877.57
2.	Total Expenditure	16132.97	16273.35
3.	Net Profit/(Loss)	744.60	604.22
4.	Earnings Per Share	2.14	1.74
5.	Total Assets	11706.07	11706.07
6.	Total Liabilities*	27452.91	30541.16
7.	Net Worth*	(15746.84)	((18835.09))
8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

**I Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification :**

(i) Interest(Dividend) on cumulative redeemable preference shares amounting to ₹ 140.38 lakhs for the year (₹ 3088.25 lakhs up to 31.03.2018) 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.

**Emphasis of Matters**

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 in FY 2018-19. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment.

**b. Type of Audit Qualification:** Qualified Opinion

**c. Frequency of qualification:** Repetitive



*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)


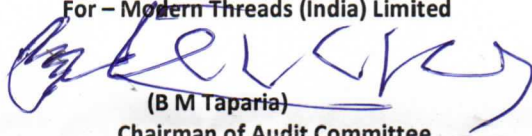
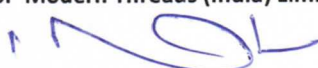
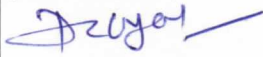

Yarn Division : Village Raila, District - Bhilwara-311024 (Rajasthan)



# 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

	<p><b>d. For Audit Qualification(i) where the impact is quantified by the auditor, Management's Views:</b> For the Audit Qualifications, The company had been declared sick industrial undertaking by the BIFR and expecting waiver/relief under draft rehabilitation scheme. Pursuant to Sick Industrial Companies (Special Provision) Repeal Act, 2003 the proceedings pending before BIFR stands abated with effect from 01.12.2016 and now, the company is in process of taking consent of the Preference Shareholder for waiver of unpaid (Dividend) Interest.</p>
	<p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>
	<p>(i) Management's estimation on the impact of audit qualification: Unable to Estimate</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: For qualification (ii) the company is in process of getting confirmations of trade Payables and trade receivables.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:- Managements Comments are self explanatory, therefore, no separate comments are required.</p>
III.	<p><b>Signatories:</b> For – Modern Threads (India) Limited  (Rajesh Ranka) Chairman &amp; Managing Director</p> <p>For – Modern Threads (India) Limited  (B M Taparia) Chairman of Audit Committee</p> <p>For Modern Threads (India) Limited  (P.K. Nahar) Chief Financial Officer Place: Mumbai Date: 30/05/2018</p> <p>Refer Our Audit Report dated May 30, 2018 on Financial results of the Company For Goyal D. Kumar &amp; Co. Chartered Accountants (FRN. 007817C)  (D.K. Goyal) Proprietor Membership No. 076713 Place: BHILWARA Date: 30/05/2018</p> 

**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)