

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

January 07, 2020

To,

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.: Outcome of Board Meeting

This has reference to our earlier letter dated December 31, 2019.

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 2.00 PM. and concluded at 4.00 P.M. today on January 07, 2020 and Board has inter-alia approved the following: -

Unaudited Financial Results for the quarter ended June 30, 2019

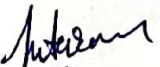
Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Unaudited Financial Results for the quarter ended June 30, 2019 of the Company along with copy of the certificate of Statutory Auditors in respect of the Limited Review of the said results

This is for your information and records.

Thanking You,

Yours faithfully,

For Modern Threads (India) Limited


Sitaram Sharma
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

Limited Review Report

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 quarterended **30thJune, 2019 ("the statement")**, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 30.06.2019Rs. 17.06 Lakhs and cumulative Rs. 1586.77 Lakhs up to 30.06.2019. As stated in note III, 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. III& VI)



- ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any.(Refer Note No. IV)
- iii. Indian Accounting Standard on Leases Ind AS 116 is applicable on the company w.e.f. 01.04.2019. The company has not ascertained impact on recognizing, measurement and presentations in respect of existing lease agreements on results. As stated in note VII, the company is in process of ascertaining the impact of long term leases. (Refer Note No. VII)

As stated in Para 4 (ii) &(iii), impact is not ascertained by the management.

5. Qualified Opinion

Based on our review conducted as above, except for the effects/possible effects of our observation 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 and other recognised 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) Regulation, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty related to Going Concern

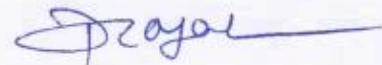
We draw attention that the company had made a reference to The Board of Industrial and Financial Reconstruction (BIFR) based on audited accounts for the financial ended 31st March, 2004 and BIFR in the hearing held on 12th December, 2005 had declared the company as sick industrial company u/s 3(1)(o) 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 ₹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 qualified in respect of this matter.

For Goyal D. Kumar & Co.

Chartered Accountants

Firm Registration No. 001079C



D.K. Goyal

Proprietor

Membership No. 076713

UDIN - 20 076713AAAAAI3794

Place: Bhilwara

Date: 07.01.2020





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Statement of Unaudited Financial Results for the Quarter ended 30/06/2019

(Rs in Lakhs)

Particulars	Quarter Ended			Year Ended
	30/06/2019	31/03/2019	30/06/2018	31/03/2019
	Un-audited	Audited	Un-audited	Audited
1. Income				
(a) Revenue from Operations	4779.84	6043.47	5033.43	22821.78
(b) Other Income	157.39	184.88	81.05	438.99
Total income	4937.23	6228.35	5114.48	23260.77
2. Expenses				
(a) Cost of Materials consumed	3470.37	4120.42	3743.03	15963.40
(b) Purchase of stock-in-trade	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(253.99)	74.12	(520.06)	(715.57)
(d) Employee benefits expense	510.44	600.53	479.15	2155.85
(e) Finance costs	21.71	129.96	35.74	221.72
(f) Depreciation and amortisation expense	64.85	72.76	62.07	260.16
(g) Other expenses				
Manufacturing Expenses	785.73	839.98	778.18	3293.62
Administrative and Selling Expenses	236.53	303.10	253.68	1109.89
Total Expenses	4835.64	6140.87	4831.79	22289.07
3. Profit / (Loss) before exceptional items and Tax (1-2)	101.59	87.48	282.69	971.70
4. Exceptional Items (Refer Note 7)	210.00	105.00	-	105.00
5. Profit/(loss) before tax (3+4)	311.59	192.48	282.69	1076.70
6. Tax expense	-	-	-	-
7. Net Profit / (Loss) after tax (5 -6)	311.59	192.48	282.69	1076.70
8. Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 9)	3.01	4.83	2.40	12.03
(b) items that will be reclassified to profit or loss (net of Tax)	-	-	-	-
Other Comprehensive Income for the period (8a+8b)	3.01	4.83	2.40	12.03
9. Total Comprehensive Income (7 + 8)	314.60	197.31	285.09	1088.73
10. Paid-up equity share capital (Face Value of the Share Rs.10 /-)	3477.52	3477.52	3477.52	3477.52
11. Other Equity excluding revaluation reserve				(18,135.63)
12. Earnings Per Share (Basic/Diluted) in Rs.				
(a) Basic	0.90	0.55	0.81	3.10
(b) Diluted	0.90	0.55	0.81	3.10

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 Tel.: 01482-241801, Fax : 01482-297924
 Yarn Division : Village Raila, District - Bhilwara-311024 (Rajasthan)



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SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER ENDED 30TH JUNE, 2019

(Rs in Lakhs)

Particulars	Quarter Ended			Year Ended
	30/06/2019	31/03/2019	30/06/2018	31/03/2019
	Un-audited	Audited	Un-audited	Audited
1: Segment Revenue				
(a) Woollen	3392.44	4595.66	3843.27	17173.79
(b) Synthetic Yarn	1,387.40	1447.81	1,190.16	5647.99
(c) Others	-	-	-	-
Total	4779.84	6043.47	5033.43	22821.78
Less: Inter Segment Sales	-	-	-	-
Net sales/Revenue from Operations	4779.84	6043.47	5033.43	22821.78
2. Segment Results				
Profit / (Loss) before Finance Costs, Exceptional Items and Tax				
(a) Woollen	247.19	512.87	363.72	1649.32
(b) Synthetic Yarn	(123.89)	(295.43)	(45.29)	(455.90)
(c) Others	-	-	-	-
Total	123.30	217.44	318.43	1193.42
Less: i) Finance Costs	21.71	129.96	35.74	221.72
Less: ii) other Unallocable exp. net off unallocable income	-	-	-	-
Add: iii) Exceptional Items	210.00	105.00	-	105.00
Total Profit/(Loss) Before Tax	311.59	192.48	282.69	1076.70
3. Segment Assets				
(a) Woollen	9329.57	9067.23	8912.86	9067.23
(b) Synthetic Yarn	2551.56	2625.63	2566.44	2625.63
(c) Others	1129.64	1129.64	1079.76	1129.64
Total	13010.77	12822.50	12559.06	12822.50
4. Segment Liabilities				
(a) Woollen	5,536.63	5,327.32	5,874.82	5,327.32
(b) Synthetic Yarn	12,967.42	13303.06	13,295.76	13303.06
(c) Others	8,850.23	8850.23	8,850.23	8850.23
Total	27354.28	27480.61	28020.81	27480.61



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

Place : Bhilwara
Date : 07/01/2020

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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 07th January 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 amended, 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 waiver amount will be written back on discharge of full payment.
- 4 Interest (Dividend) on cumulative redeemable preference shares amounting to Rs. 17.06 Lakhs for the Quarter ended 30-06-2019 (cumulative Rs. 1586.77 Lakhs upto 30-06-2019) has not been provided in view of accumulated losses.
- 5 Balances of trade payables and trade receivable are subject to confirmation and consequential adjustments, if any.
- 6 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.
- 7 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.
- 8 Indian Accounting Standard on Leases Ind AS 116 is applicable on the company w.e.f. 01.04.2019. The company is in process of ascertaining the impact on recognizing, measurement and presentations in respect of existing lease agreements on results.
- 9 Tax effect has not taken into consideration as there is no taxable income and deffered tax asset has not recognised in the financial statement as a matter of prudence.
- 10 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

(Rajesh Ranka)

Chairman & Managing Director

DIN:03438721

Place : Bhilwara

Date : 07/01/2020

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