



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 : 06/07/2020

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 ended 31st December, 2019

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 ended 31st December, 2019, along with the limited review report given by the statutory auditor of the Company, which were approved by the Board of Directors at their meeting held on 6th July, 2020 commenced at 4.20 P.M. and concluded at 4.35 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

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 quarter ended 31st December, 2019 and year to date results for the period April 1, 2019 to December 31, 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. (the "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 there under 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 31.12.2019 Rs. 17.20 Lakhs and nine month ended Rs.51.33 Lakhs (cumulative Rs. 1621.17 Lakhs up to 31.12.2019). As stated in note no. 4, the company has not provided interest (dividend) in view of accumulated losses and also in process of settlement of remaining redeemable preference share capital.



- ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Refer Note No. 5)
- 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 9, the company is in process of ascertaining the impact of long term leases.

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 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) 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 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. (Refer Note No. 3)

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- 20076713AAAADI9986

Place: Bhilwara

Date: 06/07/2020



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Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31/12/2019

Particulars	(Rs in Lakhs)					
	Quarter Ended			Nine Months ended		Year Ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1. Income						
(a) Revenue from Operations	4,871.37	5,050.80	5,921.64	14,702.01	16,778.31	22,821.78
(b) Other Income	655.51	665.50	88.38	1,478.40	254.11	438.99
Total income	5,526.88	5,716.30	6,010.02	16,180.41	17,032.42	23,260.77
2. Expenses						
(a) Cost of Materials consumed	3,192.86	2,865.72	4,265.90	9,528.95	11,842.98	15,963.40
(b) Purchase of stock-in-trade	-	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(138.66)	697.11	(270.76)	304.46	(789.69)	(715.57)
(d) Employee benefits expense	607.73	566.30	536.89	1,684.47	1,555.32	2,155.85
(e) Finance costs	6.88	6.96	24.34	35.55	91.76	221.72
(f) Depreciation and amortisation expense	66.19	65.18	61.75	196.22	187.40	260.16
(g) Other expenses						
Manufacturing Expenses	906.65	907.05	816.18	2,599.43	2,453.64	3,293.62
Administrative and Selling Expenses	244.18	303.82	269.73	784.53	806.79	1,109.89
Total Expenses	4,885.83	5,412.14	5,704.03	15,133.61	16,148.20	22,289.07
3. Profit/(Loss) before exceptional items and Tax (1-2)	641.05	304.16	305.99	1,046.80	884.22	971.70
4. Exceptional Items (Refer Note 8)	-	-	-	210.00	-	105.00
5. Profit/(loss) before tax (3-4)	641.05	304.16	305.99	1,256.80	884.22	1,076.70
6. Tax expense	-	-	-	-	-	-
7. Net Profit / (Loss) after tax (5 -6)	641.05	304.16	305.99	1,256.80	884.22	1,076.70
8. Other Comprehensive Income						
(a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 10)	3.01	3.01	2.40	9.03	7.20	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	3.01	2.40	9.03	7.20	12.03
9. Total Comprehensive Income (7 + 8)	644.06	307.17	308.39	1,265.83	891.42	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	3,477.52
11. Other Equity excluding revaluation reserve						(18,135.63)
12. Earnings Per Share (Basic/Diluted) in Rs.						
(a) Basic	1.84	0.87	0.88	3.61	2.54	3.10
(b) Diluted	1.84	0.87	0.88	3.61	2.54	3.10



R. K. Sharma

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SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(Rs in Lakhs)

Particulars	Quarter Ended			Nine Months ended		Year Ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1. Segment Revenue						
(a) Woollen	3270.07	3597.43	4426.88	10259.94	12578.13	17173.79
(b) Synthetic Yarn	1601.30	1,453.37	1494.76	4,442.07	4,200.18	5647.99
(c) Others	-	-	-	-	-	-
Total	4871.37	5050.80	5921.64	14702.01	16778.31	22821.78
Less: Inter Segment Sales	-	-	-	-	-	-
Net sales/Revenue from Operations	4871.37	5050.80	5921.64	14702.01	16778.31	22821.78
2. Segment Results						
Profit / (Loss) before tax and interest						
(a) Woollen	724.41	387.91	385.21	1359.51	1136.45	1649.32
(b) Synthetic Yarn	(76.48)	(76.79)	(54.88)	(277.16)	(160.47)	(455.90)
(c) Others	-	-	-	-	-	-
Total	647.93	311.12	330.33	1082.35	975.98	1193.42
Less: i) Interest	6.88	6.96	24.34	35.55	91.76	221.72
Less: ii) other Unallocable exp net off unallocable income	-	-	-	-	-	-
Add: iii) Exceptional items	-	-	-	210.00	-	105.00
Total Profit/(Loss) Before Tax	641.05	304.16	305.99	1,256.80	884.22	1,076.70
3. Segment Assets						
(a) Woollen	8837.17	8658.09	9110.66	8837.17	9110.66	9067.23
(b) Synthetic Yarn	2616.02	2659.15	2751.29	2616.02	2751.29	2625.63
(c) Others	1140.12	1139.54	1079.76	1140.12	1079.76	1129.64
Total	12593.31	12456.78	12941.71	12593.31	12941.71	12822.50
4. Segment Liabilities						
(a) Woollen	4059.92	4527.63	5615.33	4059.92	5615.33	5327.32
(b) Synthetic Yarn	13075.44	13115.26	13331.57	13075.44	13331.57	13303.06
(c) Others	8850.23	8850.23	8850.23	8850.23	8850.23	8850.23
Total	25985.59	26493.12	27797.13	25985.59	27797.13	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
 Date : 06/07/2020

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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 06th July 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 company is expecting compliance of term of settlement and liability will be written back on discharge of full payment
- 4 The company has provided for interest (Dividend) on cumulative redeemable preference shares for the Quarter ended amounting to Rs. 17.20 Lakhs and Nine Months ended Rs.51.33 (cumulative Rs. 1621.17 Lakhs up to 31-12-2019) has not been provided in view of accumulated losses and also in process of settlement of remaining redeemable preference share capital.
- 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 Company Law Board has passed an order on 30.04.2002 that The Repayment of Fixed Deposits of Modern Threads (India) Limited shall be made by the Company in accordance with the revival scheme as and when approved by BIFR under the provisions of "SICA".
Consequent to enactment of Sick Industrial Companies (Special Provision) Repeal Act, 2003(SICA Repeal Act) the proceedings pending before BIFR stands abated with effect from 1/12/2016. As per legal opinion, the due date of deposits along with accrued interest within the meaning to proviso to section 125(2) of the companies Act , 2013 will be 01.12.2016 when the order of Company Law Board becomes non operational by divine of repeal of SICA Act.
- 8 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.
- 9 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.
- 10 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.
- 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
Date : 06/07/2020


(Ram Rai Kabra)
Director
DIN: 07985411



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