



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 : 19/11/2021

The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 023
Scrip Code: 500282

The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai-400 051
Scrip Code: MODTHREAD

Dear Sir/Madam,

Sub.: Submission of Unaudited Financial Results for the quarter and half year ended 30th September, 2021

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 of the Company for the quarter and half year ended 30th September, 2021, 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 19th November, 2021, commenced at 3.00 P.M. and concluded at 4.50 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, Bhilwara-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, 2021 and the year to date Results for the period 1st April, 2021 to 30th September, 2021 ("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 ("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 express a conclusion 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 specified under section 143(10) of the Companies Act, 2013 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 conclusion:**
 - i. The company has not provided for interest (Dividend) on cumulative redeemable preference shares for the quarter ended 30.09.2021 Rs.13.07 Lakhs and Half year ended Rs.26.13 Lakhs (cumulative Rs. 1332.52 Lakhs up to 30.09.2021). 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. 5)
5. **Qualified Conclusion**

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 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 thereon has been settled and only balance Rs.75 Lakhs is payable till 31.03.2022. 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 conclusion is not modified in respect of this matter.

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



A handwritten signature in blue ink, appearing to read "D. Goyal".

D.K. Goyal
Proprietor

Membership No. 076713

UDIN - 21076713 AAAA IJ 7019

Place: Bhilwara
Date: 19/11/2021



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Statement of Standalone unaudited Financial Results for the Quarter and Half year ended 30/09/2021

(Rs in Lakhs)

| Particulars | Quarter Ended | | | Half Year Ended | | Year ended |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | 30-09-2021 | 30-06-2021 | 30-09-2020 | 30-09-2021 | 30-09-2020 | 31-03-2021 |
| | Un-audited | Un-audited | Un-audited | Un-audited | Un-audited | Audited |
| 1. Income | | | | | | |
| (a) Revenue from Operations | 5,267.60 | 4,060.13 | 4,209.42 | 9,327.73 | 5,909.65 | 14,713.09 |
| (b) Other Income | 28.12 | 42.80 | 28.07 | 70.92 | 54.07 | 253.93 |
| Total income | 5,295.72 | 4,102.93 | 4,237.49 | 9,398.65 | 5,963.72 | 14,967.02 |
| 2. Expenses | | | | | | |
| (a) Cost of Materials consumed | 3,205.26 | 2,964.33 | 2,220.62 | 6,169.59 | 3,485.38 | 8,748.51 |
| (b) Purchases of stock-in-trade | - | - | - | - | - | - |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (187.15) | (595.47) | 567.41 | (782.62) | 314.25 | 302.95 |
| (d) Employee benefits expense | 638.44 | 501.90 | 444.15 | 1,140.34 | 772.85 | 1,879.04 |
| (e) Finance costs | 58.42 | 39.79 | 4.47 | 98.21 | 7.90 | 148.82 |
| (f) Depreciation and amortisation expense | 72.09 | 69.99 | 71.79 | 142.08 | 143.96 | 276.74 |
| (g) Other expenses | | | | | | |
| Manufacturing Expenses | 942.67 | 757.37 | 682.62 | 1,700.04 | 1,046.72 | 2,599.53 |
| Administrative and Selling Expenses | 322.73 | 215.99 | 284.34 | 538.72 | 367.52 | 909.40 |
| Total Expenses | 5,052.46 | 3,953.90 | 4,275.40 | 9,006.36 | 6,138.58 | 14,864.99 |
| 3. Profit/(Loss) before exceptional items and Tax (1-2) | 243.26 | 149.03 | (37.91) | 392.29 | (174.86) | 102.03 |
| 4. Exceptional Items | - | - | - | - | - | 70.00 |
| 5. Profit/(loss) before tax (3-4) | 243.26 | 149.03 | (37.91) | 392.29 | (174.86) | 172.03 |
| 6. Tax expense | - | - | - | - | - | - |
| 7. Net Profit / (Loss) after tax (5-6) | 243.26 | 149.03 | (37.91) | 392.29 | (174.86) | 172.03 |
| 8. Other Comprehensive Income | | | | | | |
| (a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 7) | 8.31 | 8.32 | (0.73) | 16.63 | (1.46) | 33.27 |
| (b) Items that will be reclassified to profit or loss (net of Tax) | - | - | - | - | - | - |
| Other Comprehensive Income for the period (8a+8b) | 8.31 | 8.32 | (0.73) | 16.63 | (1.46) | 33.27 |
| 9. Total Comprehensive Income (7 + 8) | 251.57 | 157.35 | (38.64) | 408.92 | (176.32) | 205.30 |
| 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 | | | | | | (15,391.49) |
| 12. Earnings Per Share (Basic/Diluted) in Rs. | | | | | | |
| (a) Basic | 0.70 | 0.43 | (0.11) | 1.13 | (0.50) | 0.49 |
| (b) Diluted | 0.70 | 0.43 | (0.11) | 1.13 | (0.50) | 0.49 |



GDK

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Plants:
 Woollens Division : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara-311001 (Rajasthan)
 Yarn Division : Village Raila, District – Bhilwara – 311 024 (Rajasthan)



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STANDLONE SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER,2021

(Rs in Lakhs)

| Particulars | Quarter Ended | | | Half Year ended | | Year ended |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 30-09-2021 | 30-06-2021 | 30-09-2020 | 30.09.2021 | 30.09.2020 | 31-03-2021 |
| | Un-audited | Un-audited | Un-audited | Un-audited | Un-audited | Audited |
| 1. Segment Revenue | | | | | | |
| (a) Woollen | 3,045.96 | 2,614.07 | 2,792.59 | 5,660.03 | 3,989.34 | 9,386.21 |
| (b) Synthetic Yarn | 2,221.64 | 1,446.06 | 1,416.83 | 3,667.70 | 1,920.31 | 5,326.88 |
| (c) Others | - | - | - | - | - | - |
| Total | 5,267.60 | 4,060.13 | 4,209.42 | 9,327.73 | 5,909.65 | 14,713.09 |
| Less: Inter Segment Sales | - | - | - | - | - | - |
| Net sales/Revenue from Operations | 5,267.60 | 4,060.13 | 4,209.42 | 9,327.73 | 5,909.65 | 14,713.09 |
| 2. Segment Results | | | | | | |
| Profit / (Loss) before tax, Finance Costs & Exceptional item | | | | | | |
| (a) Woollen | 318.28 | 220.30 | 46.04 | 538.58 | 2.54 | 398.46 |
| (b) Synthetic Yarn | (16.60) | (31.48) | (79.48) | (48.08) | (169.50) | (147.61) |
| (c) Others | - | - | - | - | - | - |
| Total | 301.68 | 188.82 | (33.44) | 490.50 | (166.96) | 250.85 |
| Less: i) Finance Costs | 58.42 | 39.79 | 4.47 | 98.21 | 7.90 | 148.82 |
| Less: ii) other Unallocable exp net off unallocable income | - | - | - | - | - | - |
| Profit/(Loss) before tax and exceptional item | 243.26 | 149.03 | (37.91) | 392.29 | (174.86) | 102.03 |
| Add: iii) Exceptional items | - | - | - | - | - | 70.00 |
| Total Profit/(Loss) Before Tax | 243.26 | 149.03 | (37.91) | 392.29 | (174.86) | 172.03 |
| 3. Segment Assets | | | | | | |
| (a) Woollen | 8,948.14 | 8,456.77 | 8,520.90 | 8,948.14 | 8,520.90 | 8,267.04 |
| (b) Synthetic Yarn | 2,957.85 | 2,819.68 | 2,403.03 | 2,957.85 | 2,403.03 | 2,829.49 |
| (c) Others | 1,150.86 | 1,150.86 | 1,141.50 | 1,150.86 | 1,141.50 | 1,150.86 |
| Total | 13,056.85 | 12,427.31 | 12,065.43 | 13,056.85 | 12,065.43 | 12,247.39 |
| 4. Segment Liabilities | | | | | | |
| (a) Woollen | 3,104.42 | 2,718.96 | 2,812.05 | 3,104.42 | 2,812.05 | 2,598.06 |
| (b) Synthetic Yarn | 12,607.25 | 12,614.74 | 12,698.74 | 12,607.25 | 12,698.74 | 12,713.07 |
| (c) Others | 8,850.23 | 8,850.23 | 8,850.23 | 8,850.23 | 8,850.23 | 8,850.23 |
| Total | 24,561.90 | 24,183.93 | 24,361.02 | 24,561.90 | 24,361.02 | 24,161.36 |

For and on behalf of the Board of Directors

Modern Threads (India) Limited



Rajesh Ranka
Chairman & Managing Director
DIN:03438721

Place : Bhilwara
Date : 19/11/2021

Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai-400030
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STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

| Particulars | As at | As at |
|--|--------------------|--------------------|
| | 30.09.2021 | 31.03.2021 |
| | (Unaudited) | (audited) |
| ASSETS | | |
| Non-Current Assets | | |
| a Property, Plant and Equipment | 3516.02 | 3495.96 |
| b Capital Work-in-progress | 0.00 | 0.00 |
| c Right Of Use Asset | 410.66 | 414.24 |
| d Intangible assets | 16.69 | 20.02 |
| e Intangible assets under development | 0.00 | 0.00 |
| f Financial Assets | | |
| i Investments | 1.14 | 1.13 |
| ii Other Financial assets | 240.80 | 246.80 |
| g Income Tax Assets | 26.26 | 24.05 |
| h Other non-current assets | 293.49 | 259.63 |
| Total Non-current Assets (A) | 4505.06 | 4461.83 |
| Current Assets | | |
| a Inventories | 5189.43 | 3927.14 |
| b Financial Assets | | |
| i Investments | 46.88 | 0.00 |
| ii Trade Receivables | 2417.10 | 1596.50 |
| iii Cash and Cash Equivalents | 243.20 | 1734.33 |
| iv Bank Balances other than iii above | 17.56 | 45.51 |
| v Other Financial Assets | 9.61 | 19.32 |
| c Other Current Assets | 628.01 | 462.76 |
| Total Current Assets (B) | 8551.79 | 7785.56 |
| Total Assets (A+B) | 13056.85 | 12247.39 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| a Equity Share Capital | 3477.52 | 3477.52 |
| b Other Equity | (14,982.57) | (15,391.49) |
| Total Equity (A) | (11,505.05) | (11,913.97) |
| Non Current Liabilities | | |
| a Financial Liabilities | | |
| i Borrowings | 18874.85 | 18874.85 |
| ia Lease liabilities | 0.51 | 0.49 |
| b Provisions | 328.81 | 329.19 |
| Total Non Current Liabilities (B) | 19204.17 | 19204.53 |
| Current Liabilities | | |
| a Financial Liabilities | | |
| i Borrowings | 75.00 | 104.03 |
| ia Lease liabilities | 0.02 | 0.02 |
| ii Trade Payables | | |
| (a) total outstanding dues of micro enterprises and small enterprises | 71.02 | 95.38 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 1956.03 | 1717.15 |
| iii Other Financial Liabilities | 2418.32 | 2232.16 |
| b Other Current Liabilities | 787.51 | 778.32 |
| c Provisions | 49.83 | 29.77 |
| Total Current Liabilities (C) | 5357.73 | 4956.83 |
| Total Equity and Liabilities (A+B+C) | 13056.85 | 12247.39 |



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Cash Flow Statement for the Period ended 30th September, 2021

₹ in Lakhs

| Particulars | For the Period ended 30th September, 2021 (Unaudited) | | For the year ended 31st March, 2021 (Audited) | |
|---|---|-------------------|---|-----------------|
| | | | | |
| A. Cash flow from operating activities | | | | |
| Profit before exceptional items and tax | 392.29 | | 102.03 | |
| <u>Adjustments for:</u> | | | | |
| Depreciation and amortisation | 142.08 | | 276.74 | |
| Finance costs | 98.21 | | 148.82 | |
| Loss/(Profit) on sale of Property, Plant and Equipment | (0.10) | | 7.47 | |
| Gain on Sale of Investments | (15.76) | | (16.56) | |
| Fair Value Gain on investment through statement of profit & loss | (1.13) | | - | |
| Remeasurement of employee benefits (Net) | 16.63 | | 33.27 | |
| | | 632.22 | | 551.77 |
| Operating profit / (loss) before working capital changes | | 632.22 | | 551.77 |
| <u>Changes in working capital:</u> | | | | |
| <u>Adjustments for (increase) / decrease in operating assets:</u> | | | | |
| Inventories | (1,262.29) | | 314.58 | |
| Trade receivables | (820.60) | | 685.21 | |
| Other non-current financial assets | 6.00 | | 29.03 | |
| Other current financial assets | 9.71 | | 11.99 | |
| Other current assets | (165.25) | | (181.70) | |
| Other non-current assets | (33.86) | | 7.53 | |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u> | | | | |
| Trade payables | 214.52 | | (387.43) | |
| Other Financial Liabilities | 186.16 | | (152.41) | |
| Other current liabilities | 9.19 | | 43.44 | |
| Provisions | 19.68 | | (8.77) | |
| Bank balance other than cash & cash equivalents | 27.95 | (1,808.78) | 5.57 | 367.04 |
| Cash generated from operations | | (1,176.56) | | 918.81 |
| Net income tax (paid) / refunds | | (2.21) | | 10.52 |
| Net cash flow from / (used in) operating activities (A) | | (1,178.77) | | 929.33 |
| B. Cash flow from investing activities | | | | |
| Purchase of Property, plant and equipment (including capital work in progress) | (155.43) | | (226.07) | |
| Proceeds from sale of Property, plant and equipment | 0.30 | | 51.51 | |
| Purchase of Mutual funds | (1,200.00) | | (1,315.00) | |
| Proceeds from sale of mutual funds | 1,170.00 | | 1,331.56 | |
| Investment | (0.01) | | (0.04) | |
| | | (185.14) | | (158.04) |
| Net cash flow from / (used in) investing activities (B) | | (185.14) | | (158.04) |



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Cash Flow Statement for the Period ended 30th September, 2021

₹ in Lakhs

| Particulars | For the Period ended 30th September, 2021 (Unaudited) | | For the year ended 31st March, 2021 (Audited) | |
|--|---|-------------------|---|-----------------|
| | | | | |
| C. Cash flow from financing activities | | | | |
| Borrowings | (29.03) | | 2.87 | |
| Lease Liabilities | 0.02 | | 0.03 | |
| Finance costs | (98.21) | | (148.82) | |
| Redemption of preference share | - | (127.22) | (30.00) | (175.92) |
| Net cash flow from / (used in) financing activities (C) | | (127.22) | | (175.92) |
| Net increase / (decrease) in Cash and cash equivalents | (A+B+C) | (1,491.13) | | 595.37 |
| Cash and cash equivalents-Opening Balance | | 1,734.33 | | 1,138.96 |
| Cash and cash equivalents-Closing Balance | | 243.20 | | 1,734.33 |

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

(Rajesh Ranka)
Chairman & Managing Director
DIN:03438721



Place: Bhilwara
Date: 19/11/2021

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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 19/11/2021
- 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 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 31.03.2022. 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 30-09-2021 Rs. 13.07 Lakhs and half year ended Rs. 26.13 Lakhs (cumulative Rs. 1332.52 Lakhs up to 30-09-2021). 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 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 Provision for Income Tax has not been made in view of accumulated losses and deferred tax asset has not recognised in the financial statement as a matter of prudence.
- 8 The company has made an assessment of the impact of the continuing Covid-19 pandemic on the current and future operations, liquidity position and cash flow giving due consideration to the intenal and external factors. The Company is continuously monitoring the situation and does not foresee any significant impact on the operations and the financial position of the Company as on 30th September 2021.
- 9 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 : 19/11/2021



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)