



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,

05th June, 2019

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Scrip Code: 500282	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/ 1, G-Block, Bandra Kurla Complex, Bandra (East), MUMBAI — 400 051 Scrip Code: MODTHREAD
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Sub: Submission of Audited Financial Results for the quarter and year ended 31st March, 2019

Dear Sir/Madam,


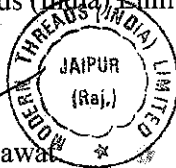
This is to inform you that in terms of Regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby enclose a copy of the Audited Financial Results for the quarter and year ended 31st March, 2019 along with the Auditors' Report thereon given by the statutory auditor of the Company, which were approved by the Board of Directors at their meeting held on 30th May, 2019 commenced at 4.00 P.M. and concluded at 6.00 P.M.

Please acknowledge the receipt

Thanking you,

Yours Faithfully

For Modern Threads (India) Limited

Kapil Kumar Kumawat
Company Secretary & Compliance Officer

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

1. We have audited the accompanying statement of Financial Results of **Modern Threads (India) Ltd ('the Company')** for the quarter and the Year ended 31st March, 2019 ("**the statement**"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 read with SEBI circular no., CIR/CFO/FAC/62/2016 dated July, 5 2016. The financial results for the quarter and year ended 31st March, 2019 have been prepared on the basis of the financial results for the nine- month period ended December 31, 2018, the audited annual financial statements as at and for the year ended March 31, 2019, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 , which are the responsibility of the Company's management and have been approved by the Board of Directors of the company.

Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31st March 2019 and our review of the financial results for the nine-month period ended 31st December 2018 which have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard - "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.

2. We conducted our audit in accordance with the Auditing Standards 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(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. 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 qualified opinion.
3. **Basis for qualified opinion**
 - i. The company has not provided for Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31.03.2019 Rs. 29.06 Lakhs and for the year ended 31.03.2019 Rs. 116.25 Lakhs (cumulative Rs. 2673.75 Lakhs up to 31.03.2019).
 - ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any.



4. **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, 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.

Our opinion is not qualified in respect of this matter.

5. **Opinion**

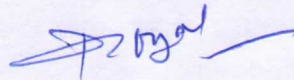
In our opinion and to the best of our information and according to the explanations given to us, except for the effect of our matters reported in Para 3 above, these quarterly and year to date financial results:

- are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular in this regard; and
- give a true and fair view of the net profit, other comprehensive income and other financial information for the quarter and year ended March 31, 2019.

6. Further, read with paragraph 1 above, We report that the figures for the Quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of financial year ended 31st March, 2019 and the published year to date figures up to 31st December, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review by us.

For Goyal D. Kumar & Co.
Chartered Accountants
Firm Registration No. 001079C




D.K. Goyal
Proprietor
Membership No. 076713

Place: Bhilwara
Date: 30/05/19



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CIN No. : L17115RJ1980PLC002075

Statement of Audited Financial Results for the Quarter and Year ended 31/03/2019

(Rs in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31-03-2019	31-12-2018	31-03-2018	31-03-2019	31-03-2018
	Audited	Un-audited	Audited	Audited	Audited
1. Income					
(a) Revenue from Operations	6043.47	5921.64	5052.66	22821.78	16467.15
(b) Other Income	184.88	88.38	217.47	438.99	410.42
Total income (net)	6228.35	6010.02	5270.13	23260.77	16877.57
2. Expenses					
(a) Cost of Materials consumed	4120.42	4265.90	3131.80	15963.40	11553.14
(b) Purchase of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	74.12	(270.76)	(39.38)	(715.57)	(1075.16)
(d) Employee benefits expense	600.53	536.89	536.68	2155.85	1650.13
(e) Finance costs	129.96	24.34	57.93	221.72	98.06
(f) Depreciation and amortisation expense	72.76	61.75	80.90	260.16	213.30
(g) Other expenses					
Manufacturing Expenses	839.98	816.18	788.92	3293.62	2834.46
Administrative and Selling Expenses	303.10	269.73	302.00	1109.89	857.22
(h) Excise duty	-	-	-	-	1.82
Total Expenses	6140.87	5704.03	4858.85	22289.07	16132.97
3. Profit / (Loss) before exceptional items and Tax (1-2)	87.48	305.99	411.28	971.70	744.60
4. Exceptional Items (Refer Note 6)	105.00	-	-	105.00	-
5. Profit / (Loss) before Tax (3+4)	192.48	305.99	411.28	1076.70	744.60
6. Tax expense	-	-	-	-	-
7. Net Profit / (Loss) after tax (5.-6)	192.48	305.99	411.28	1076.70	744.60
8. Other Comprehensive Income					
(a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 8)	4.83	2.40	30.23	12.03	9.59
(b) Items that will be reclassified to profit or loss (net of Tax)	-	-	-	-	-
Other Comprehensive Income for the period	4.83	2.40	30.23	12.03	9.59
9. Total Comprehensive Income (7 + 8)	197.31	308.39	441.51	1088.73	754.19
10. Paid-up equity share capital					
(Face Value of the Share Rs.10 /-)	3477.52	3477.52	3477.52	3477.52	3477.52
11. Other Equity excluding revaluation reserve				(18135.63)	(19224.36)
12. Earnings Per Share (Basic/Diluted) in Rs.					
(a) Basic	0.55	0.88	1.18	3.10	2.14
(b) Diluted	0.55	0.88	1.18	3.10	2.14

(Signature)



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SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31-03-2019	31-12-2018	31-03-2018	31-03-2019	31-03-2018
	Audited	Un-audited	audited	Audited	Audited
1. Segment Revenue					
(a) Woollen	4595.66	4426.88	4115.85	17173.79	14506.05
(b) Synthetic Yarn	1447.81	1494.76	936.81	5647.99	1961.10
(c) Others	-	-	-	-	-
Total	6043.47	5921.64	5052.66	22821.78	16467.15
Less: Inter Segment Sales	-	-	-	-	-
Net sales/Revenue from Operations	6043.47	5921.64	5052.66	22821.78	16467.15
2. Segment Results					
Profit/(Loss) before Interest, Exceptional Items and Tax					
(a) Woollen	512.87	385.21	677.72	1649.32	1587.49
(b) Synthetic Yarn	(295.43)	(54.88)	(208.51)	(455.90)	(744.83)
(c) Others	-	-	-	-	-
Total	217.44	330.33	469.21	1193.42	842.66
Less: i) Finance Cost	129.96	24.34	57.93	221.72	98.06
Less: ii) other Unallocable exp. net off unallocable income	-	-	-	-	-
Add: iii) Exceptional Items (Refer Note 6)	105.00	-	-	105.00	-
Total Profit/(Loss) Before Tax	192.48	305.99	411.28	1076.70	744.60
3. Segment Assets					
(a) Woollen	9067.23	9110.66	8084.52	9067.23	8084.52
(b) Synthetic Yarn	2625.63	2751.29	2541.79	2625.63	2541.79
(c) Others	1129.64	1079.76	1079.76	1129.64	1079.76
Total	12822.50	12941.71	11706.07	12822.50	11706.07
4. Segment Liabilities					
(a) Woollen	5327.32	5615.33	5332.18	5327.32	5332.18
(b) Synthetic Yarn	13303.06	13331.57	13270.50	13303.06	13270.50
(c) Others	8850.23	8850.23	8850.23	8850.23	8850.23
Total	27480.61	27797.13	27452.91	27480.61	27452.91

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



(Signature)

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

Place : Bhilwara
Date : 30/05/2019

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STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
ASSETS		
Non-Current Assets		
a Property, Plant and Equipment	4070.27	4,189.41
b Capital Work-in-progress	22.59	-
c Intangible assets under development	33.34	24.50
d Financial Assets		
i Investments	0.76	0.76
ii Other Financial assets	203.88	100.57
e Income Tax Assets	25.89	18.22
f Other non-current assets	349.64	346.94
Total Non-current Assets (A)	4,706.37	4,680.40
Current Assets		
a Inventories	4853.62	3,715.55
b Financial Assets		
i Investments	-	296.99
ii Trade Receivables	1837.98	2,224.15
iii Cash and Cash Equivalents	1099.56	225.40
iv Bank Balances other than iii above	36.05	10.43
v Other Financial Assets	15.78	23.53
c Other Current Assets	273.14	529.62
Total Current Assets (B)	8,116.13	7,025.67
Total Assets (A+B)	12,822.50	11,706.07
EQUITY AND LIABILITIES		
Equity		
a Equity Share Capital	3,477.52	3,477.52
b Other Equity	(18,135.63)	(19,224.36)
Total Equity (A)	(14,658.11)	(15,746.84)
Non Current Liabilities		
a Financial Liabilities		
i Borrowings	18874.85	18,924.85
b Provisions	279.92	246.89
Total Non Current Liabilities (B)	19,154.77	19,171.74
Current Liabilities		
a Financial Liabilities		
i Borrowings	-	-
ii Trade Payables		
(a) total outstanding dues of micro enterprises and small enterprises	3.14	4.92
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2365.56	2,036.48
iii Other Financial Liabilities	5198.89	5,542.84
b Other Current Liabilities	731.76	669.06
c Provisions	26.49	27.87
Total Current Liabilities (C)	8,325.84	8,281.17
Total Equity and Liabilities (A+B+C)	12,822.50	11,706.07



BME

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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 30th May 2019.
- 2 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.
- 3 Interest (Dividend) on cumulative redeemable preference shares amounting to Rs. 29.06 Lakhs for the Quarter ended 31-03-2019 and Rs 116.25 Lakhs for the year ended 31-03-2019 (cumulative Rs. 2673.75 Lakhs upto 31-03-2019) has not been provided in view of accumulated losses.
- 4 Balances of trade payables and trade receivable are subject to confirmation and consequential adjustments, if any.
- 5 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.
- 6 The company has settled redeemable Preference Share Capital of Rs. 150 Lakhs at Rs. 45 Lakhs and balance Rs. 105 Lakhs has been shown as exceptional items. The company is in process of settlement of remaining redeemable Preference Share Capital of Rs. 725 Lakhs.
- 7 Post applicability of Goods & Service Tax (GST) w.e.f. 01/07/2017, Revenue from Operation are required to be disclosed net of GST. Accordingly, the Revenue from Operation for the quarter and year ended 31/03/2019 is not comparable with the previous periods.
- 8 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 as a matter of prudence.
- 9 Figures for the previous periods, wherever necessary have been regrouped/ reclassified to conform to the current periods presentation.

Place : Bhilwara
Date : 30/05/2019

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 31,2019

[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	23260.77	23260.77
	2.	Exceptional Items*	105.00	105.00
	3.	Total Expenditure	22289.07	22405.32
	4.	Net Profit/(Loss) (1+2-3)	1076.70	960.45
	5.	Earnings Per Share	3.10	2.76
	6.	Total Assets	12822.50	12822.50
	7.	Total Liabilities	27480.61	30154.36
	8.	Net Worth**	(14658.11)	(17331.86)
	9.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

* The company has settled redeemable Preference Share Capital of ₹ 150 Lakhs at ₹ 45 Lakhs and balance ₹ 105 Lakhs has been shown as exceptional items.
** 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 as a matter of prudence.

II Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification :

- Interest (Dividend) on cumulative redeemable preference shares amounting to ₹ 116.25 lakhs for the year (Cumulative ₹ 2673.75 lakhs up to 31.03.2019) has not been provided in view of accumulated losses.
- 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 w.e.f. 01/12/2016 and 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.



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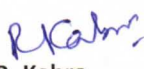
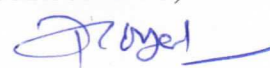

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b.	Type of Audit Qualification : Qualified Opinion
c.	Frequency of qualification : Repetitive
d.	For Audit Qualification(i) where the impact is quantified by the auditor, Management's Views: For the Audit Qualifications Company is in process of settlement with respective preference shareholders.
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.	<p>Signatories:</p> <p>For Modern Threads (India) Limited</p> <p> Rajesh Ranka Chairman & Managing Director</p> <p>For Modern Threads (India) Limited</p> <p> P.K. Nahar Chief Financial Officer Place: Bhilwara Date: 30/05/2019</p> <p>For Modern Threads (India) Limited</p> <p> R.R. Kabra Chairman of Audit Committee</p> <p>Refer Our Audit Report dated May 30, 2019 on Financial results of the Company</p> <p>For Goyal D. Kumar & Co. Chartered Accountants (FRN. 007817C)</p> <p> (D.K. Goyal) Proprietor Membership No. 076713 Place: Bhilwara Date: 30/05/2019</p> <p></p>

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