



Modern Threads (India) Limited

Registered Office :

Modern Woollens, Pragati Path,
Bhilwara-311001 (Rajasthan), India
Phone : 91-1482-241801
E-mail : cs@modernwoollens.com
Website : www.modernwoollens.com
CIN : L17115RJ1980PLC002075'

Dated : 05/09/2024

To,
BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 023
Scrip Code : 500282

To,
National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, C/1, Block-G,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Code : MODTHREAD

Dear Sir/Madam,

Sub: - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Annual Report for the financial year ended 31st March 2024 including Notice of the 43rd Annual General Meeting.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the financial year ended 31st March 2024, including Notice of the 43rd Annual General Meeting (AGM) of the Company to be held on Monday, 30th September, 2024 at 11.00 A.M. at the Registered Office of the Company at Modern Woollens, Pragati Path, Bhilwara-311 001 (Rajasthan).

The Annual Report for the financial year ended 31st March, 2024 and the notice of 43rd AGM are being dispatched electronically to the members of the Company whose email IDs are registered with the Company/Depositories/registrar & Share Transfer Agent.

The notice of 43rd Annual General Meeting and Annual Report for the financial year ended 31st March 2024, already uploaded on the Company's website at www.modernwoollens.com and can be accessed at <https://modernwoollens.com/admin/public/uploads/1/2024-09/annualreport-2023-24.pdf>

This is for your information and record please.

Thanking You,

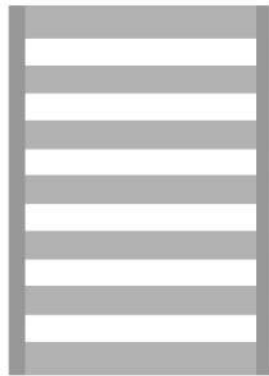
Yours faithfully,
FOR Modern Threads (India) Limited



(BANWARI LAL SAINI)
Company Secretary and Compliance Officer

Corporate Head Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai-400 030
Plants : **Woollens Division** : Pragati Path, Bhilwara-311001 (Rajasthan)
Yarn Division : NH-79, Ajmer-Bhilwara High Way, Village Raila, District - Shahpura-311024 (Rajasthan)

**ANNUAL REPORT
2023-2024**



Modern
THREADS (INDIA) LIMITED

BOARD OF DIRECTORS

- Shri Rajesh Ranka – Chairman & Managing Director
- Shri Ram Awatar Kabra – Executive Director
- Smt. Veena Jain – Non-Executive
Non-Independent Director
- Shri J.N. Sharma – Non-Executive
Independent Director
- Smt. Ankita Jain – Non-Executive
Independent Director
- Shri C.M. Jain – Non-Executive
Independent Director

CHIEF FINANCIAL OFFICER

Shri Prabodh Kumar Nahar

COMPANY SECRETARY

Shri Banwari Lal Saini

AUDITORS

S.S. Surana & Co.
Chartered Accountants
Jaipur-302015 (Raj.)

SECRETARIAL AUDITOR

R.K. Jain & Associates
Company Secretaries
Bhilwara-311 001

COST AUDITORS

M. Goyal & Co.
Cost Accountants
Jaipur-302 015

REGISTERED OFFICE

Modern Threads (India) Limited
Modern Woollens, Pragati Path,
Bhilwara-311001 (Rajasthan)
Phone : 91-1482-241801, Fax : 297924
Email : cs@modernwoollens.com
Website : www.modernwoollens.com
CIN : L17115RJ1980PLC002075

MARKETING OFFICE :

5, Bhima Building,
Sir, Pochkhanwala Road,
Worli, Mumbai-400 030

PLANTS

Woollen Division

Pragati Path,
Bhilwara-311 001 (Rajasthan)

Yarn Division

Village Raila-311 024
Distt. Shahpura (Rajasthan)



NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of Modern Threads (India) Limited will be held on Monday, 30th September, 2024 at 11:00 A.M. (IST) at Registered Office of the Company at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Reports of the Board and Auditors thereon.

2. Appointment of Mrs. Veena Jain (DIN: 07148606) as a Director, liable to retire by rotation

To appoint a Director in place of Mrs. Veena Jain (DIN: 07148606), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To Alter of Object Clause of the Memorandum of Association of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under and subject to the approval of the concerned Registrar of Companies Ministry of Corporate Affairs, consent of the shareholders by way of Special Resolution and is hereby accorded to append the following sub clause (5) after sub clause (4) of clause III (A) of the Memorandum of Association of Company:

"To buy, sell, trade and deal and speculate in shares and securities, mutual fund, foreign exchange, units, stocks, debentures, debenture-stock, bonds, commodities, currencies, derivatives, gold, silver, cotton, jute,

hessian, oil, seeds and commodities of all kinds, agricultural or otherwise finished or unfinished and take delivery and hold them as permitted under the law from time to time in force."

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally/jointly authorized to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution."

4. To ratify the Remuneration of the Cost Auditors for the Financial Year 2024-25

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable GST and reimbursement of actual out of pocket expenses to M/s S. Goyal & Co., Cost Accountants (Firm Registration No. 005883), who were appointed by the Board of Directors of the Company as "Cost Auditors" to conduct the audit of the cost records of the Company for the financial year 2024-25, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally/jointly authorized to settle any question, difficult or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors

Place : Bhilwara
 Date : 30th May, 2024

(**Banwari Lal Saini**)
 Company Secretary
 M. No. : A12576

Notes:

- The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the business under Item No. 3 and 4 set out above and details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment at this Annual General Meeting are annexed hereto.
- In pursuant to General Circular numbers 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 02/2022 and 10/2022 dated 08.04.2020, 13.04.2020, 15.06.2020, 29.09.2020, 31.12.2020, 23.06.2021, 08.12.2021, 05.05.2022 and 28.12.2022 respectively, issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular dated 12.05.2020, 15.01.2021, 13.05.2022, 03.06.2022 and 05.01.2023 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), the Notice of 43rd AGM along with the Annual Report for the financial year 2023-24 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories / RTA as on Friday, 30th August, 2024. The AGM notice and Annual Report of the Company are made available on the Company's website at www.modernwoollens.com and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com.
- Members may also note that the notice of the 43rd AGM, Attendance Slip, Proxy Form, Ballot Paper and the Annual Report for FY 2023-24 will also be available on the Company website at

www.modernwoollens.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (10:00 am to 5:00 pm) on working days, upto and including the date of AGM of the Company.

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
- The proxy form duly completed and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
- Institutional/Corporate Members intending to send their authorized representatives to the attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures to those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting. The said certified true copy of the Board Resolution should be sent to the scrutinizer by email through its registered email address to rkjainbhilwara@gmail.com with a copy marked to cs@modernwoollens.com.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote during the meeting.
 8. Only bonafide members of the Company whose name appear on the Register of Members /Proxy holders, in possession of valid attendance slips duly filed and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
 9. Details of Directors retiring by rotation/seeking re-appointment at the ensuing meeting are provided in the "Annexure" to the notice.
 10. The Company's Register of members and share transfer books shall remain closed from Wednesday, the 25th September, 2024 to Monday, the 30th September, 2024 (both days inclusive) in connection with the Annual General Meeting.
 11. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
 12. As per Regulation 40 of SEBI (LODR) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice.
 13. As a part of the green initiatives the Members, who have not yet registered their E-mail addresses, are requested to register their E-mail addresses with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/RTA will be sent to the registered E-mail address.
 14. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form.
 15. Updation of Members' details: The format of the Register of Members prescribed by the MCA under the Act requires the Company/RTA to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or RTA. Members holding shares in electronic form are requested to furnish the details to their respective DP.
 16. Non-resident Indian Shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE account with a Bank in India, if no furnished earlier.
 17. Members are requested to send all communications relating to shares and change of address etc. to the Registrar and Share Transfer Agent to the following address:
 Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062.
 18. A member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the meeting. So that the required information can be made available at the Meeting.
 19. Members holding shares in physical form who have not registered their email address with the Company / RTA can obtain Annual Report by providing a duly signed request letter with folio no, name of the shareholders, scanned copy of the share certificate (front and back). Self-attested scanned copy of PAN and Aadhar by email to cs@modernwoollens.com.
 20. Pursuant to SEBI circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, as amended, it shall be mandatory for all holders of physical securities to furnish PAN, Nomination, Address, Mobile Number, Bank Account Details and Specimen Signature. The members are requested to update their above KYC details (if not yet done) with the Company /RTA. The relevant forms for updation of KYC details can be downloaded from the website of the Company at www.modernwoollens.com or RTA website: www.beetalfinancial.com.
 21. A route map showing directions to reach the venue of the Annual General Meeting is given with the Notice/Annual Report.
 22. The Register of Directors and KMP and their shareholding and Register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available at registered office of the company for inspection by the members at the AGM.
 23. CS Rajendra Kumar Jain, Practicing Company Secretary (Membership No. FCS 4584) has been appointed as the Scrutinizer for the conduct of remote e-voting and e-voting process to be carried out at the AGM of the Company in a fair and transparent manner.
- 24. Voting Options**
- E-Voting System - For e-voting and attending the 43rd AGM
1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by Listed Entities, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 43rd AGM, through the remote e-voting services provided by National Securities Depository Limited ("NSDL").
 2. The facility for voting through Polling Paper shall also be made available at the AGM and the members attending the meeting who have not already cast their vote through remote e-voting shall be able to exercise their right at the AGM.
 3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 4. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the company's website www.modernwoollens.com and on the website of NSDL www.evotingnsdl.com and the same shall also be communicated to BSE & NSE.
 5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Monday, 23rd September, 2024, may obtain the login ID and password by sending a request to Company at cs@modernwoollens.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
 6. In line with the Ministry of Corporate Affairs (MCA) Circulars the Notice calling the AGM has been uploaded on the website of the Company at www.modernwoollens.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com

and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) www.evoting.nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Thursday, 26th September, 2024 at 9:00 A.M. and ends on Sunday, 29th September, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 23rd September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of

Login method for Individual shareholders holding securities in demat mode is given below:

the Company as on the cut-off date, being Monday, 23rd September 2024.




How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:

 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
 - If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
- How to cast your vote electronically on NSDL e-Voting system?**
- After successful login at Step 1, you will be able to see all the companies "EVENT" in which you are holding shares and whose voting cycle is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to Shri Manish Sharma at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rkjainbhilwara@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@modernwoollens.com.
 2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to tocs@modernwoollens.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
 3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
 4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The company is desirous to enter into trading business in shares and securities, mutual fund, foreign exchange, units, stocks, debentures, debenture-stock, bonds, commodities, currencies, derivatives, gold, silver, cotton, jute, hessian, oil, seeds and commodities of all kinds, agricultural or otherwise etc.

The Board of Directors in its meeting held on 30th May, 2024 decided to alteration of Object Clause by way of addition of new sub-clause i.e. sub-clause 5 to clause III (A) of the Memorandum of Association, subject to the approval of shareholders of the company in the ensuing General Meeting.

In terms of Section 13 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for alteration of Memorandum of Association of the Company. The proposed memorandum of association is available for inspection of the members at website of the Company and at the Registered Office of the Company during the business hours on any working day.

The Board recommends the said resolution to the shareholders for their approval as Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any ways interested or concerned, financially or otherwise, in the said resolution.

Item No. 4

On the recommendation of the Audit Committee, the Board has approved the re-appointment and remuneration of M/s S. Goyal & Co, Cost Accountants, Jaipur (Firm Registration No. 005883) to conduct the audit of cost records of the Company's respectively for the financial year 2024-25 at a fee of Rs.50,000/-, subject to TDS, GST etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the financial year 2024-25.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors have to be ratified by the shareholders of the Company. Hence, the Members approval is being sought by way of Ordinary Resolution.

The Board recommends the resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution.

By Order of the Board of Directors
For Modern Threads (India) Limited

Place : Bhilwara
Date : 30th May, 2024

Banwari Lal Saini
Company Secretary
M. No.: A12576

Annexure

PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:

Name of Directors	Smt. Veena Jain
Designation	Non-Executive Director
Director Identification Number (DIN)	07148606
Date of Birth	06/09/1978
Qualifications	M.A.
Brief Resume	Smt. Veena Jain is M.A. She has vast experience in field of business etc.
Nature of expertise inspecific functional areas	Business
Date of first Appointment on the Board of the Company	18/06/2015
Shareholding of non-executive directors (in the listed entity, including shareholding as a beneficial owner)	Nil
Number of share held in the company	Nil
Name of listed entities in which the person holds directorship and the membership of Committees of the Board	Modern Threads (India) Limited
Listed entities from which the person has resigned in the past three years	Nil
Shareholding of non-executive directors (in the listed entity, including shareholding as a beneficial owner)	Nil
Remuneration proposed to be paid	Smt. Veena Jain is paid remuneration by way of sitting fees for attending meetings of the Board and Committees thereof. For the Financial Year2023-24 She has been paid sitting fee of Rs. 6000/-
Terms and conditions of appointment/ reappointment	Retire by Rotation
Relationship between directors inter-se and Key Managerial Personnel	Not related to any other Directors/ Key Managerial Personnel of the Company
Membership /Chairmanships of Audit and Stakeholders relationship committees	Nil
In case of Independent Directors, the skills and capabilities required for the role and the mannerin which the proposedpers on meets such requirements	Not Applicable

DIRECTORS' REPORT

To the members of Modern Threads (India) Limited,

Your Directors are pleased to present the 43rd Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended 31st March, 2024.

FINANCIAL SUMMERY

The summary of financial performance of the Company for the year ended 31 March, 2024 is furnished hereunder:

Particulars	(Rs. in Crores)	
	Year ended 31/03/2024	Year ended 31/03/2023
Revenue from operations & other Income	304.08	305.31
Profit before exceptional items & tax	25.93	25.37
Exceptional items	-	188.75
Profit before tax	25.93	214.12
Less-Tax expenses	0.50	-
Profit for the year	25.43	214.12
Other Comprehensive Income	0.35	0.16
Total Comprehensive Income	25.78	214.28

STATE OF COMPANY'S AFFAIRS

The performance of the Woollen Division of the Company has been satisfactory over past few years. During the year under review the turnover of the Woollen Division of the Company is Rs. 213.88 Crores as against Rs 202.92 Crores in the previous year. During the year under review the turnover of the Yarn Division of the Company is Rs. 87.26 Crores as against Rs 99.04 Crores in the previous year. Your company has been able to generate the profit of Rs. 25.93 Crores during the year under review as against Rs. 25.37 Crores in previous year before exceptional items and tax.

EXPORTS

In spite of the fact that the Geopolitical situation around the world has been badly affected the export market, the performance of Woollen Division is satisfactory. Woollen division products are principally sold in export markets but due to various wars around the world, cost of Energy, lower standard of living, increased inflation, elections in major markets have impacted the demand of wool & blends severely. It was expected that the downtrend of Chinese economy would help India's textile growth, but all textile Industries in India suffered. The effort of Indian Govt on Production linked Incentive scheme, FTA agreement yet show the fruits of its impact.

In this adverse market condition, Company changed strategy from export market orientation to Domestic high-end products & immediately adopted the product & market. In export market, traceability & sustainability were given importance to be present in the market with better value realization.

FUTURE PROSPECTS

Situation in Europe & Asia is not promising due to complex & different political decisions & unfortunately these two area used to contribute major consumption of Woollen products. In coming year, Bulk qty business is going to be further tough & competitive. Cost of production is expected to impact negatively. Domestic demand needs to be fulfilled with high efficiency & accuracy in order to fill the current gap of Export market till the major economies gets stable. Some infrastructural expansion might be needed to fulfil the customize demand.

SHARE CAPITAL

The authorized Share Capital of the Company stood at Rs. 185,00,00,000. During the year under review, there was no change in paid up share capital of the Company. The paid-up Equity Share Capital as at March 31, 2024 stood at Rs. 34,77,51,600 (Rupees Thirty Four Crore Seventy Seven Lakh Fifty One Thousand Six Hundred) divided into 3,47,75,160 equity shares of Rs. 10 each.

TRANSFER TO RESERVE

The Company has not transferred any amount to reserves during the year under review.

DIVIDEND

The Company is continuously searching new or used machines to update the old machines for better quality of supplied yarn and wool tops. In addition to replacement of old technology machines our aim is to increase the production through balancing of preparatory section and increase the profitability. Looking long term sustainability in market we conserve the resources of the company for expansion and modernization of old plant and machinery. The Board of Directors of your company have decided not to recommend any dividend on the Equity Shares of the company for the year under review.

FIXED DEPOSITS

The Company has neither accepted nor renewed any fixed deposits during the year under review within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2024 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2024. The Notes to the Financial Statements form an integral part of this Report.

Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses financial results on a quarterly basis which are subjected to limited review.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

COMPANIES

The Company does not have Subsidiary, Associate and Joint Venture Company as on 31st March, 2024.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of 6 (Six) members, of which 3 (Three) are Independent Directors and 1 (one) is Non-Executive Director. The Board also has one woman Independent Director.

Director Retirement by rotation

Smt Veena Jain (DIN: 07148606), Director of the Company, is liable to retire by rotation at the ensuing

AGM pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and, being eligible, offers himself for reappointment. The Nomination and Remuneration Committee and the Board recommend her reappointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Key Managerial Personnel

In terms of the provisions of section 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Rajesh Ranka, Charman & Managing Director, Shri Ram Awatar Kabra, Executive Director, Shri Prabodh Kumar Nahar, Chief Financial Officer and Shri Banwari Lal Saini, Company Secretary are the Key Managerial Personnel (KMP) of the Company. The appointment and remuneration of Directors and KMPs are as per policy of the Company.

Declaration of Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and confirmation that they have complied

with the Code of Independent Directors prescribed in the Schedule IV of the Companies Act, 2013. The terms and conditions for the appointment of the Independent Directors are disclosed on the website of the Company.

The Board of Directors is of the opinion that all the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors and that all the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are Independent of the management.

Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed the Nomination and Remuneration Policy for appointment of Directors, Key Managerial personnel & Senior Management Personnel and also their remuneration and performance evaluations. The Nomination and Remuneration Policy is available at website of the company at <https://www.modernwoollens.com>.

Annual Evaluation of the Performance of the Board, Its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Standard parameters were prepared after taking into consideration various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Company, who were evaluated on parameters such as level of engagement and contribution, independence of Judgment, safeguarding the interest of the Company and its minority share holders etc. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Non-Independent Directors of the Company was carried out by the Independent Directors in a separate meeting who have expressed their satisfaction with the evaluation process.

NUMBER OF BOARD MEETINGS

The Board meets regular intervals to discuss and decide on business strategies and policies and review the financial performance of the Company.

The notice and detailed agenda along with other material information are sent in advance separately to each Directors.

Six meetings of the Board were held during the year. The detail of meetings of the Board held during the year forms part of the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee was constituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Listing Regulations. The composition, quorum, terms of reference, functions, powers, roles and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations, 2015. All the members of the committee are financially literate and Smt. Ankita Jain, Chairman of the Committee is an Independent Director and possesses financial expertise.

The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and constituted Internal Complaints Committee as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has also adopted a policy on Sexual Harassment of Women at Workplace and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information.

Details of complaints received/disposed during the financial year 2023-24 is provided in Corporate Governance Report which forms part of the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, your directors would like to state and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They had prepared the annual accounts of the Company for the year ended on 31st March, 2024 on a going concern basis;
- They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

S.S. Surana & Co. Chartered Accountants, Jaipur (Firm Registration No. 001079C) were appointed as Statutory Auditors of the Company in the 41st Annual General Meeting of the Company held on 30th September, 2022 for a period of five years from the conclusion of 41st Annual General Meeting up to the conclusion of 46th Annual General Meeting of the Company.

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

The Statutory Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013 in the year under review.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. RK. Jain & Associates, Company Secretaries, Bhilwara to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2024. The Secretarial Audit Report for the 2023-24 is attached as Annexure "A". The observations in the report are self-explanatory and therefore, do not call for any further comments.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read

with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of Cost Records every year. The Board after considering the recommendations of its Audit Committee has appointed M/s S. Goyal & Company, Cost Accountants, Jaipur (Firm Registration No. 005883) as cost auditors for the financial year 2024-25, subject to the approval of the members at the ensuing Annual General Meeting.

Cost Records

The Cost accounts and records, as required to be maintained under Section 148 (1) of the Companies Act, 2013, are duly made and maintained by the Company.

Internal Auditor

Shri Nishant Surana was re-appointed as the Internal Auditor of the Company for the financial year 2024-25, on the recommendation of Audit Committee. Internal Audit Report, their significant findings and follow up actions taken by the management is reviewed by the audit committee on a quarterly basis.

Tax Auditor

As per the requirement of Section 44AB of the Income Tax Act, 1961 M/S. S.S. Surana & Co., Chartered Accountants (Firm Registration No. 001079C), Jaipur have been appointed as Tax Auditor for the financial year 2024-25.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities covered under section 186 of the Companies Act, 2013 form part of the notes to the Standalone Financial Statements of the Company.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strength with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

The Company is also initiating action for strengthening the systems and procedures to ensure effective Internal Financial Controls in accordance with Section 134(5) (e) of the Companies Act, 2013. An Internal Audit process is in place under the overall supervision of the Audit Committee of the Board, Qualified and experienced professionals are engaged to ensure effective and independent evaluation of the Internal Financial Controls.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions are being taken.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption, Foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as Annexure-B to the Board's Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provision of Section 177(9) and (10) of the Companies Act, 2013, read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Company has formulated and implemented the Whistle Blower Policy/Vigil Mechanism. This has provided a mechanism for Directors and employees of the Company and other persons dealing with the Company to report genuine concerns about unethical behavior, actual or suspected fraud and violation of the Company's code of conduct and ethics. The Company has also provided adequate safeguards against victimization of employees and

Directors who express their concerns. This policy is available on the website of the company at <https://www.modernwoollens.com>.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to make a positive contribution to communities where it operates. Pursuant to Section 135 of the Companies Act, 2013, the Company constituted CSR committee and formulated CSR Policy as guiding principle for undertaking CSR activities. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for improvement in quality of life and betterment of society through its CSR related initiatives. The CSR policy of the Company is available on the website of the company at <https://www.modernwoollens.com>.

During the current year, the Company has spent Rs. 43.00 Lakhs on CSR activities. The disclosures of CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed as Annexure-C hereto and form part of this report.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, read with the Companies (Management & Administration) Rules, 2014, the annual return in the prescribed form is available on the website of the Company at <https://www.modernwoollens.com>.

CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. A policy on related party transactions has been placed on the Company's website <https://www.modernwoollens.com>.

In accordance with the provisions of section 188 of the Companies Act, 2013 and rules made there under, all related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materiality significant related party transactions which may have a potential conflict with the interests of the Company at large. All related party transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature.

The details of contracts and arrangement with related parties for the financial year ended 31st March, 2024, are given in Note No. 35 to the Financial Statements forming part of this Annual Report.

Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, information in form AOC-2 is provided as Annexure-D to the Board's Report.

CODE OF CONDUCT

A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board Members and Senior Management personnel, also forms part of the Annual Report.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Your Company has formulated familiarization program for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such familiarization program is available on the website of the Company at the website <https://www.modernwoollens.com>.

RISK MANAGEMENT POLICY

The Risk Management policy is formulated and implemented by the Company in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. The risk management policy defines the risk management approach across the enterprise at various levels, including documentation and reporting.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is provided as Annexure - E to the Board's Report.

SECRETARIAL STANDARDS

The Board of Directors has devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems were adequate and operating effectively and the Company has complied with all applicable Secretarial Standards during the year under review.

CORPORATE GOVERNANCE REPORT

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations set out in the Listing Regulation and have implemented all the prescribed requirements. The Corporate Governance Report and Certificate from practicing company secretaries confirming compliance of conditions as required by Regulation 34(3) read with Part E of Schedule V of the Listing Regulations form part of this Board's Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out as Annexure-F to the Board's Report and forms an integral part of the Report.

LISTING OF SHARES

The shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited (NSE) and trading of the shares are resumed on dated 23/01/2024.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

There are no material changes or commitments affecting the financial position or business activities of the Company between the end of the Financial Year and the date of this Board's Report.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE
VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, the Company has not entered into any one-time settlement.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year under review.

INSURANCE

Your Company has taken appropriate insurance for all assets against foreseeable perils.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- No issue of equity shares with differential rights as to dividend, voting or otherwise;
- No Significant and material orders were passed by the any Regulators or Courts or Tribunals impacts the going concern status and Company's operations in future;
- No fraud was reported by the Auditors to the Audit Committee or Board under section 143(12) of the Companies Act, 2013;
- No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, share holders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent Support and encouragement to the Company. Your Directors also wish to place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Rajesh Ranka
Chairman & Managing Director
DIN: 03438721

Place: Bhilwara
Dated: 30.05.2024

Annexure -A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Modern Threads (India) Limited
Modern Woollens, Pragati Path,
Bhilwara-311001, Rajasthan

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MODERN THREADS (INDIA) LIMITED (hereinafter called the Company) (CIN: L17115RJ1980PLC002075) during the financial year from 1st April, 2023 to 31 March, 2024 (the year/ audit period/ period under review).

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us by the Management. We hereby

report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MODERN THREADS (INDIA) LIMITED for the financial year ended on 31st March, 2024 according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules and the Regulations made thereunder;
- Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investments and Overseas Direct Investment. There was no transaction relating FDI and ODI during the year under review. (Not applicable to the Company during the Audit Period)
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST");
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (Not applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (Not applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Issue and Listing of debt Securities) Regulations, 2008, (Not applicable to the Company during the Audit Period)
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) Other applicable Laws like, The Factories Act, 1948; The Payment of Gratuity Act, 1972; Industrial Disputes Act, 1947; The Payment of wages Act, 1936; Employees State Insurance Act, 1948; The Employees' Provident Fund and Misc. Provisions Act, 1952; The Payment of Bonus Act, 1985; The Contract Labour (Regulation & Abolition) Act, 1970; Environment Protection Act, 1986
- (viii) As informed and certified by the management, there are no other laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable clauses of the following:

- The Listing Agreements entered into by the Company with BSE Limited, The Calcutta Stock Exchange Ltd. and National Stock Exchange of India Ltd. During the period under review, the Trading in Securities of the Company has been revoked with effect from 23rd January, 2024 by BSE Limited and National Stock Exchange of India Limited (NSE).

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- The preference shares were redeemable in four equal installments commencing from the year 2003-04. As informed by the management, the same was not paid due to paucity of funds. Thereafter, the preference shares were expected to be redeemed as per Rehabilitation Scheme to

be approved by BIFR. The Dividend on Cumulative redeemable Preference Shares has not been provided for earlier years due to cumulative losses and negative net worth. The company was expected waiver/ relief under Draft Rehabilitation Scheme pending for approval with BIFR. But pursuant to Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) the proceedings pending before BIFR stands abated with effect from 1/12/2016 and the company has not initiated any reference to National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code 2016. The company has not complied with the provisions of Section 55(3) of the Companies Act, 2013.

- As per Regulation 33(3) of SEBI (LODR) Regulations, 2015, Company has been delayed in submission of Quarterly Financial Results for the Quarter ended on 30th June, 2023 approved in Board Meeting held on 14.08.2023 and submitted on both stock exchanges on 15.08.2023 in PDF and XBRL Mode.
- As per Regulation 47(3) of SEBI (LODR) Regulations, 2015, Company has been delayed in Publication of Financials Results in English Newspaper for the Quarter ended on 30.06.2023 in PDF Format submitted on both stock exchanges on 18.08.2023
- As per Regulation 44(3) of SEBI (LODR) Regulations, 2015, Company has been delayed in submission of Voting results for the Annual General Meeting held on 30.09.2023 in PDF Formation NSE.
- As per Regulation 30 of SEBI (LODR) Regulations, 2015, Company has been delayed in submission of Letter sent to Physical Shareholders for mandatory Furnishing of PAN, KYC details and Nomination by holders of Physical Securities pursuant SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated 16th March, 2023.
- As per Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has initiated the process for maintaining the Structured Digital database (SSD)

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members view, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except the observations made in the Report.

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms as an integral part of this Report.

R K Jain & Associates
Company Secretaries

CS R K Jain
Proprietor

COP No. 5866

FCS No. 4584

UDIN:F004584F000497307

Place : Bhilwara

Date : 30.05.2024

Annexure A

To,
The Members,
Modern Threads (India) Limited
Modern Woollens, Pragati Path,
Bhilwara-311001 (Rajasthan)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have also issued an Annual Secretarial Compliance Report under Regulation 24A of SEBI (LODR) which will be available on the website of the Stock Exchanges in which the company is listed.

R K Jain & Associates
Company Secretaries

R K Jain
Proprietor
COP No. 5866
FCS No. 4584

Place: Bhilwara
Date: 30.05.2024

Annexure 'B'

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo required under the Companies (Accounts) Rules, 2014

(A) Conservation of energy-

Particulars	Compliance /Action
(i) Steps taken or impact on conservation of energy	We are planning for energy audit so that areas where we can concentrate be identified and planned for implementation to save energy.
(ii) Steps taken by the company for utilising alternate sources of energy	The Company has installed total 1.5 MW roof top solar power at Threads Division, Raila, of the Company.
(iii) The capital investment on energy conservation equipments	The Company has replaced old machines with new efficient machines/ equipments.

(B) Technology absorption-

Particulars	Compliance /Action
(i) The efforts made towards technology absorption	In process.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	Technological up gradation of various machineries has improved the product quality, reduction in customer complaints, cost reduction, manpower engagement and energy savings.
(iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year)	N.A.
(a) The details of technology imported	N.A.
(b) Technology import from	N.A.
(c) The year of import	N.A.
(d) Whether the technology been fully absorbed	N.A.
(e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	N.A.
(iv) The expenditure incurred on Research and Development	N.A.

(C) Foreign exchange earnings and Outgo-

Particulars	Details
1. Activities relating to exports, initiatives to increase exports, Developments of New export markets for products and services and export plan	We are sending our marketing team to various part of the world for development of yarn market and attending exhibitions on regular basis.
2. Total Foreign Exchange Earned and Used	
i) The Foreign Exchange earned in terms of actual inflows during the year	Rs. 12082.71 Lakh
ii) Foreign Exchange outgo during the year in terms of actual outflows	Rs. 9225.89 Lakh

ANNEXURE “C” TO THE BARD’S REPORT
ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES
[Pursuant to Section 135 of the Companies Act, 2013 read with Companies
(Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company.

The CSR Policy of the company can include the below mentioned activities which are within the purview of the Schedule VII of the Companies Act, 2013 to attain its CSR objectives in a professional and integrated manner, a brief outline is as below:

- Enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; preserving and promoting sports;
- Promoting education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Contributions to technology incubators located with academic institutions which are approved by the Central Government;
- Rural development projects.

The company is desirous of conducting its CSR activities through one or more of its Trusts.

To ensure effective implementation of the CSR programs proposed to be undertaken by the Company, a monitoring mechanism has been in place by the Company as and when required.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Rajesh Ranka	Chairman & Managing Director, Chairman of CSR Committee	2	2
2	Smt. Ankita Jain	Independent Director, Member of CSR Committee	2	2
3	Shri Chhitar Mal Jain	Independent Director, Member of CSR Committee	2	2

During the year under review two meetings of the CSR Committee were held on 29th May, 2023 and 12th February, 2024 with all three directors as mentioned above were present.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The detailed policy is available on the weblink <http://www.modernwoollens.com/modern-woollens-policies.asp>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not Applicable

6. Average net profit of the company as per section 135(5) : Rs. 11.24 Crores

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 22.50 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil

(c) Amount required to be set off for the financial year, if any. : 16.43 Lacs

(d) Total CSR obligation for the financial year (7a+7b- 7c) : Rs. 6.07 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lacs)	Amount Unspent (₹ in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
43.00	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District					Name	CSR Registration number
-	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Care Taking Cow in Cowshed and Animal Welfare Fund	Animal Welfare Activity	Yes	Rajasthan	Bhilwara	20,00,000	No	H.M. Ranka Foundation	CSR 00015953
2.	Taking care of kidney diseases patients and for dialysis centre	Promoting Health Care Activity	No	Maharashtra	Mumbai	5,00,000	No	S.L. Ranka Foundation	AACTS 4153 JE 20021
3.	Provide Education to the meritorious and poor students	Promoting Education Activity	No	Rajasthan	Chittorgarh	18,00,000	No	Acharya Shri Nanesch Samta Vikas trust	CSR000 41213
					Total	43,00,000			

(d) Amount spent in Administrative Overheads : Nil**(e)** Amount spent on Impact Assessment, if applicable : Nil**(f)** Total amount spent for the Financial Year (8b+8c+8d+8e) : **Rs. 43.00 Lacs****(g)** Excess amount for setoff, if any

Sl. No.	Particular	Amount (₹ in Lacs)
(i)	Two per cent of average net profit of the company as per Section 135(5)	22.50
(ii)	Total amount spent for the Financial Year*	59.43
(iii)	Excess amount spent for the financial year [(ii)-(i)]	36.93
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	36.93

*This includes Rs. 16.43 Lacs excess CSR amount spent during FY 2022-23 and adjusted against the required CSR spent for FY 2023-24.

9. (a) Details of Unspent CSR amount for the preceding three financial years : Nil

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
-	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project- Completed / Ongoing
-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the assets of created or acquired through CSR spent in the financial year (asset-wise details).**(a)** Date of creation or acquisition of the capital asset (s). **N.A.****(b)** Amount of CSR spent for creation or acquisition of capital asset. **N.A.****(c)** Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **N.A.****(d)** Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **N.A.****11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Nil****(Rajesh Ranka)**Chairman & Managing Director
and Chairman CSR Committee
DIN:03438721Place : Bhilwara
Date : 30th May, 2024

ANNEXURE “D” TO THE BOARD’S REPORT

FORM NO. AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm’s length basis

- (a) Name(s) of the related party and nature of relationship
 (b) Nature of contracts/arrangements/transactions
 (c) Duration of the contracts/arrangements/transactions
 (d) Salient terms of the contracts or arrangements or Transactions including the value, if any

NIL

All contracts or arrangements or Transactions with related parties are at arm’s length basis

- (e) Justification for entering into such contracts or arrangements or transactions
 (f) date(s) of approval by the Board
 (g) Amount paid as advances, if any:
 (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm’s length basis

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any Company paid (in Rs.)	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
Nil	Nil	Nil	Nil	Nil	Nil

FOR Modern Threads (India) Limited

Place : Bhilwara
Date : 30th May, 2024

Rajesh Ranka
Chairman & Managing Director
DIN:03438721

ANNEXURE “E” TO THE BOARD’S REPORT

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial Year 2023-24	5417
Percentage increase in the median remuneration of employees in the Financial Year 2023-24	-4.56%
Number of permanent employees on the rolls of the Company as on 31st March, 2024	2184

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2023-24
Shri Rajesh Ranka (CMD)	73.84	0.00%
Shri Ram Awatar Kabra (ED)	36.00	0.00%
Shri P.K. Nahar (CFO)	34.71	6.82%
Shri B. L. Saini (CS)	11.91	5.74%

(2) Top ten employee remuneration of the company

Name	Designation	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment	Equity Shares held	Whether relative of Director or Manager
Rajesh Ranka	Chairman & Managing Director	MBA	22/09/2011	57 Years	NA	Nil	NA
Ramawatar Kabra	Executive Director	B.Com. FCA.FCS.	11/06/2017	67 Year	Suzuki Textiles Ltd. Gudda (Mandal), BHL	Nil	NA
Prabodh Kumar Nahar	Chief Financial Officer	M.Com. FCA	16/04/1992	58 Years	Bhilwara Textile (P) Ltd.	1900 shares	NA
Sujeet Kumar	Vice-President (Export – Marketing)	MMS (Mkt)	07/04/2012	54 Years	R.S.W.M.	Nil	NA
Dharmendra Kumar Shukla	Dy. G.M. (Mkt)	MBA	09/07/2013	47 Years	Vikram Woollens	Nil	NA
Phool Singh Jat	G.M. (Fine Chemicals)	BSC, MSC, PGDOM	14/09/2022	58 Years	Kumar Organics Limited	Nil	NA
Devesh Kumar Dixit	Sr. G.M. Technical	Joint V.P.	06/05/2023	62 Years	Kanchan India Ltd.	Nil	NA
Vivek Pandey	G.M. (Combing)	B. Tech.	2/09/1975	50 Years	Grentex Pvt. Ltd.	Nil	NA
Mahendra Chopra	Vice President (IR)	M.Com. DLL	27/11/1989	59 Years	Hindustan Motors	Nil	NA
Anil Kumar Yadav	Dy. G.M. (Dyeing)	B.Tech. (Textile Chemistry)	21/04/1970	54 Years	Uniworth	Nil	NA

- 3) Name of the employee who was in receipt of remuneration not less than 1.02 Crore in the financial year ending 31st March 2024 - **Nil**
- 4) Name of the employee who was in receipt of remuneration not less than 8.5 Lacs per month for any part of the financial year ending 31st March, 2024- **Nil**
- 5) Name of the employee if employed throughout the financial year or part thereof, was in receipt of remuneration in the financial year ending 31st March, 2024 which is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company-**Nil**
- 6) The remuneration is as per the remuneration policy of the company.

ANNEXURE “F” TO THE BOARD’S REPORT

Management Discussion and Analysis Report

GLOBAL ECONOMY

The baseline forecast is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000-19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

Source : [imf.org](https://www.imf.org)

INDIAN ECONOMY

India has emerged as a significant player in the global economy. It has made impressive progress over the past decade, upgrading from the tenth to the fifth-largest economy in the world. The country's economic success can be attributed to crucial reforms, such as liberalization, streamlining bureaucracy, reducing corruption, investing in infrastructure, and improving access to financing for small and medium-sized enterprises. However, the country has been facing the challenge of dealing with inflation. The combined efforts of the Government and the Reserve Bank of India, coupled with a decline in global commodity prices, helped retail inflation to fall below the RBI's upper tolerance target. Despite these daunting challenges, Indian economy achieved a growth rate of 7.3% in 2023-24.

The anticipated growth of the Indian economy is a testament to its resilience, with private consumption driving growth instead of relying on export incentives. This increase in private consumption has also stimulated production activity, resulting in higher capacity utilisation across several sectors. Additionally, the Indian Government's focus on infrastructure has been noteworthy.

GLOBAL TEXTILE INDUSTRY

The textile market size has grown strongly in recent years. It will grow from \$638.03 billion in 2023 to \$689.54 billion in 2024 at a compound annual growth rate (CAGR) of 8.1%. The growth witnessed in the historical period can be ascribed to factors such as the expansion of the global population, heightened demand for man-made fibers, government initiatives supporting the textile industry, robust economic growth in emerging markets, and the implementation of restrictions on plastic usage.

The textile market size is expected to see strong growth in the next few years. It will grow to \$903.45 billion in 2028 at a compound annual growth rate (CAGR) of 7.0%. The anticipated growth in the upcoming period can be attributed to factors such as the continued increase in global population and urbanization, the rapid expansion of e-commerce, heightened expenditure on leisure activities, the growing retail penetration, increased internet accessibility and smart phone usage, and a rising preference for contactless delivery solutions. Notable trends expected in the forecast period include a shift towards adopting digital textile printing inks, a focus on utilizing non-woven fabrics, an emphasis on the use of organic fibers, a spotlight on sustainable fibers, integration of block chain technology into manufacturing processes, adoption of digital platforms for textile supply chain management, collaboration with technology companies to design and develop smart fabrics, investment in robotics and automation, incorporation of artificial intelligence, and emphasis on partnerships and collaborations to foster innovation in product development.

Source : [researchandmarkets.com](https://www.researchandmarkets.com)

INDIAN TEXTILE INDUSTRY

The Indian Textile industry witnessed major challenges in 2023 due to fluctuating cotton prices, diminishing demand, capacity under-utilization and dumping of imported fabrics and garments from China and Bangladesh. The buying by the US and EU has remained quite low and that too for an unusually longer period, which has affected the exports badly.

Despite gradual destocking by the buying houses, the exporters could not get sufficient orders in 2023 due to policy of keeping very low inventories by the retailers as a result of lack of demand in the two most important consumer markets, namely the US and EU. In October 2023, the US apparel imports were USD 6.5 bn., which was 21% lower than October 2022. On YTD basis, the imports were 22% lower than in 2022. The EU apparel imports in October 2023 were USD 7.2 bn., which was 20% lower than October 2022. On YTD basis, the imports were 14% lower than in 2022. In November 2023, India's apparel exports are estimated to be USD 1.0 bn., which was 17% lower than in November 2022. On YTD basis, the exports were 13% lower than in 2022.

A paradigm shift is happening globally. The global garment industry is shrinking both on consumer, retailer as well as supplier side. Experts expect the US garment imports to continue declining 25% to 30%. This means the market will not recover in the foreseeable future for the exporters. The US retail sector is undergoing a big transformation.

Source : [textileinsights.in](https://www.textileinsights.in)

GOVERNMENT INITIATIVES

The Indian Government has been actively promoting the growth of the textile industry through various initiatives and schemes. These initiatives and schemes include PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme, Production Linked Incentive (PLI) Scheme for Textiles, Kasturi Cotton Bharat programme, National Technical Textiles Mission (NTTM), Samarth Scheme, National Institute of Fashion Technology etc.

The objective of these schemes is to encourage technology upgrades, infrastructure creation, skill development, and overall sectoral development in the textile industry.

COMPANY OVERVIEW

Modern Threads (India) Limited (referred to as 'MTIL' or the Company) is in business of textile. The Company has a diversified product portfolio of Worsted Yarn, Wool Tops, Wool Grease, P/V Yarn, 100 Polyester, 100% Viscose and Lanolin. Modern Woollens was started in 1973 as a unit for

spinning carpet yarns. Very soon, it occupied the slot of the largest manufacturer of carpet yarns in the organized sector. In 1987, Modern Woollens diversified into manufacturing of all wool and wool-blended worsted yarn in India. In 1989, the Company further diversified into manufacturing of wool tops and doubled the production capacity of all wool and wool blended worsted yarn in the year 2006.

Further, in 2014, about 1000 spindles were added with balanced preparatory machines to enhance yearly production capacity of worsted yarn from 1700 tons to 2100 tons. Keeping pace with overall industrial development in India, the Company now is one of the biggest manufacturers and exporters of wool and blended worsted yarn from India. Modern Woollens, having its plant at Bhilwara, Rajasthan, is a highly acclaimed name, as manufacturers and exporters of wool and blended worsted yarn from India. Modern has achieved an international pre-eminence in the field of processing wool during the course of time. Enforcing strict quality control in a well-equipped laboratory with 'Inter-Wool Lab' accredited measuring instruments.

The company is bagging awards year after year for its excellence as Exporters of wool and blended worsted yarn. Our products reach more than 25 countries across the globe including Europe, Latin American, Far eastern, Middle East and African countries.

Company Foundation

Particulars	As of 31st March, 2023	As of 31st March, 2024
PV Spindles (nos.)	27,648	27,648
Woollen Spindles (nos.)	15,096	15,096

Industrial Structure and Development

The worsted yarn segment of Textile Industry is moving ahead and likely to grow fast in coming years. The turn of woollens as a fashion fabric in global as well as domestic markets, coupled with renewed attention on specialty and high value-added yarn will be growth drivers for woollen division of the Company. The Company is proposed to capture the growth potential through its wide range of products of worsted yarn by entering in foreign markets.

Outlook

Consistent efforts are being made by the Woollens Division of the Company to ensure sustainable leadership for its products in global market. Woollen Division has also initiated efforts to retain existing customers base and contracting newer customers in overseas market with different product range in worsted yarn so as to achieve improved performance and profitability in the ensuing period.

Opportunities and Threats

In the current age of liberation and globalization, your Board considers it appropriate to explore new business areas/opportunities to broad base investment and industry presence to attain its main purpose of delivering long term value to the shareholders of new improved means as etc.

Growth prospects of the Woollen & Yarn divisions of the Company are bright due to ongoing efforts of management for improving operational efficiency, cost reduction and better management of available financial resources. Your company is expecting improved performance of woollen division as well as yarn division in the coming years.

Significant presence of small suppliers which has reduced the bargaining power, threat from unorganized sector & low cost substitute products from other countries are also factors of concern for management.

Riska and Concerns

The Management of the Company processes for risk identification, assessment, mitigation, and reporting are supported by an effective framework for risk management. The Management of the Company identifies a range of risks that may affect its operations, including business dynamics risks, market risks, political risks, environmental risks and liquidity risks. Thereafter, Management assesses those risks and develops a plan for reducing them.

Operational Performance

The Product wise performance during the year as under:

Particulars	31.03.2023		31.03.2024	
	Qty. (K.g.)	Value	Qty. (K.g.)	Value
Poly & PV Yarn	58,30,834	97,45,00,688	64,03,511	86,61,18,863
Wool Yarn	5,03,848	24,70,07,577	4,85,230	25,70,09,307
Wool	4,40,849	20,71,86,006	3,91,106	17,90,37,703
Lanolin	57,288	1,35,91,749	37,071	1,04,08,259

Financial Performance

Details of significant changes i.e change of 25% or more as compared to the immediately previous financial year:

Particulars	2023-24	2022-23	% Change
Current Ratio	2.11	1.81	16.75%
Debt-Equity Ratio	NA	NA	-
Debtors Turnover Ratio	6.96	9.56	-27.19%
Interest Coverage Ratio	NA	NA	-
Inventory Turnover Ratio	3.59	3.87	-7.30%
Operating Profit Margin Ratio	37.03	33.11	11.82%
Net ProfitMargin Ratio	8.46	71.11	-88.10%
Return on Net Worth	21.88	28	-21.87%

Human Resource

The success of an organization is closely linked to the level of satisfaction among its employees. MTIL places great emphasis on the importance of hiring a diverse workforce and values the unique contributions that each employee brings to the table. The Company acknowledges that its intellectual capital is its most valuable asset, and any loss of it would have a significant negative impact on its performance. Its primary objective is to attract and retain competent employees, while fostering a workplace environment that is fulfilling, safe, welcoming, and supportive of career growth. During the year under review, the Company employed around 2000+ people across various locations and departments.

By emphasizing the importance of a varied and engaged workforce, the Company is taking important steps towards ensuring its success and growth in the long-term.

Internal Control System and their Adequacy

The Company maintains appropriate and effective internal control systems, which are aligned with the size and complexity of its business. According to the Company's perspective, among other considerations, these systems offer a fair guarantee that transactions are carried out with management authorization. These systems have been implemented at every level. They are meant to ensure compliance with statutory and regulatory requirements for internal controls, as well as the accurate recording of financial and operational data. The permissible compilation of financial accounts is ensured by generally accepted accounting standards. Moreover, the sufficient protection of the Company's assets from major misappropriation or loss is also assured. A crucial component of company internal control system is an independent internal audit function.

Cautionary Statements

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations, or predictions, may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The Company has complied with the requirements of Corporate Governance as stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

The "Corporate Governance" refers to the way a Corporation is governed. It is the technique by which companies are directed and managed. The Corporate Governance structure specifies the distribution of the role and responsibilities of different participants, such as, the Board, Committees, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs), Shareholders and other stakeholders in the organization. It also spells out the rules and procedures for decision making pertaining to corporate affairs. The Company has a strong legacy of fair, transparent and ethical governing practices for achieving long term goals and to enhance stakeholders' value.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Modern Threads (India) Limited (hereinafter referred as "the Company") is committed to achieve strengthen and sustain high standards of Corporate Governance practices and adherence thereto, in letter and spirit, at all times, which go beyond mere regulatory compliances. The Company is also committed to maintain the highest level of transparency, accountability and equity in all facets of its operations. It firmly believes that Corporate Governance is about the management of an organization based on ethical business principles and commitment to values and that the same are in force at all levels within the Company. The Corporate Governance model adopted by the Company consists of a set of rules, procedures and standards with the aim of establishing efficient and transparent operations, within the organization, to protect the rights and interests of the Company's shareholders and to enhance stakeholders' value while complying with the provisions of law in all dealings with Government, customers, suppliers, employees and other stakeholders. It is also intended to ensure attractive returns to all stakeholders of the business based on the premise that sound Corporate Governance is the pre-requisite to success, sustainable growth and long-term value creation. Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March 2024.

Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes good Corporate Governance goes beyond working results and financial priority and is a pre-requisite for the attainment of excellent performance.

BOARD OF DIRECTORS

The Board of Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management.

COMPOSITION

The Company has a balanced mix of executive and non-executive Directors. As at the end of financial year, the Board of Directors comprises of 6 Directors and out of which 2 directors are executive directors and 4 are non-executive directors including one Woman director and 3 independent directors. The Chairman is executive and Promoter of the Company and the number of Independent Directors is 3 which is in compliance with the stipulated one half of the total number of Directors as per the requirement of Listing Regulations. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are completely independent of the management Composition of the Board of Directors of the Company as on 31st March 2024 was as under with details of other directorships and committee chairmanship and memberships : -

Name	Category of Director	No. of other Directorship and Committee Chairmanship and Memberships in other Public Company			List of Directorship held in Other Listed Companies and Category of Directorship
		Other Directorships	Chairman of the Committee	Member of the Committee	
Shri Rajesh Ranka (DIN: 03438721)	Promoter Executive	One	One	Nil	Nil
Shri Ram Awatar Kabra (DIN: 00945603)	Promoter Executive	Nil	Nil	Nil	Nil
Smt. Veena Jain (DIN:07148606)	Non-Executive	Nil	Nil	Nil	Nil
Shri Jagdish Narayan Sharma (DIN:07552825)	Independent Non -executive	Nil	Nil	Nil	Nil
Smt. Ankita Jain (DIN:09598249)	Independent Non - executive	Nil	Nil	Nil	Nil
Shri Chhitar Mal Jain (DIN:09566506)	Independent Non - executive	Nil	Nil	Nil	Nil

Notes:

- Other Company directorship excluding foreign companies and companies under Section 8 of the Act, alternate directorship and trust.
- Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the ("The Listing Regulations").
- None of the Directors hold the office of director in more than the permissible under the Act, or Regulation 25 and 26 of the Listing Regulations.
- Shri Ram Awatar Kabra and Smt. Veena Jain, Directors are liable to retire by rotation.
- During the year, there has been no any change in the constitution of the Board of Directors of the Company, no Independent Director has resigned before expiry of his/her tenure.
- None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a director.

BOARD MEETING

The Board meets at regular intervals to discuss and decide on various business decisions, strategies, policies and review the performance of the Company and its subsidiary and the maximum interval between any two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee Meetings.

The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/ Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions.

MEETING

Six meetings of the Board were held during the financial year 2023-2024. The details of meetings and the attendance thereat are as follows:

Sr. No.	Quarter	Date of Meeting
1	1st Quarter	24.04.2023 & 29.05.2023
2	2nd Quarter	14.08.2023
3	3rd Quarter	10.11.2023
4	4th Quarter	12.02.2024 & 29.03.2024

The last Annual General Meeting was held on 30th September, 2023.

ATTENDANCE

Attendance at Board meetings during the year and last Annual General Meeting: -

Sr. No.	Name of Director	No. of Board Meetings attended	Whether attended Last AGM
1	Shri Rajesh Ranka	6	Yes
2	Shri Ram Awatar Kabra	6	Yes
3	Smt. Veena Jain	4	No
4	Shri Jagdish Narayan Sharma	6	No
5	Smt. Ankita Jain	6	Yes
6	Shri Chhitar Mal Jain	6	Yes

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Shareholding of Non-Executive directors as on 31st March, 2024 are as follows:

Sr. No.	Name of Directors	No. of shares held	% of Paid-up Capital
1	Smt. Veena Jain	Nil	Nil
2	Shri Jagdish Narayan Sharma	Nil	Nil
3	Smt. Ankita Jain	Nil	Nil
4	Shri Chhitar Mal Jain	Nil	Nil

APPOINTMENT AND MEETING OF INDEPENDENT DIRECTORS

During the financial year 2023-2024, the Independent Directors met on 12/02/2024. The meeting was held without the presence of Executive Directors or management personnel of the Company. Such meeting was conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman.

Terms and Conditions of Independent Director's appointment are available on the website of the Company's at the weblink:

https://modernwoollens.com/admin/public/uploads/1/2023-12/terms_and_condition_of_appointment_of_independent_directors.pdf

AREAS OF SKILL/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

Name of Director	Expertise/Skill					
	Management	Administration	Financial	Taxation	Law	Governance
Shri Rajesh Ranka	✓	✓	✓	✓	✓	✓
Shri Ram Awatar Kabra	✓	✓	✓	✓	✓	✓
Smt. Veena Jain	✓	✓	-	-	✓	-
Shri Jagdish Narayan Sharma	✓	✓	-	-	-	-
Smt. Ankita Jain	✓	✓	✓	✓	✓	✓
Shri Chhitar Mal Jain	✓	✓	✓	✓	✓	✓

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Chairman & Managing Director providing information relating to the Company, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of familiarization programmes imparted to Independent Directors are available on the Company's website at the weblink:

https://modernwoollens.com/admin/public/uploads/1/2023-12/familiarisation_programme_for_independent_directors_2022_23.pdf

CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has laid down a code of conduct for the members of the Board and senior management personnel of the Company. The said code of conduct has been posted on the Company's website, i.e. https://modernwoollens.com/admin/public/uploads/1/2022-02/code_of_conduct.pdf. The code of conduct has been circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2024. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance with the laid down ethical standards.

INSIDER TRADING CODE

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons and code of practices and procedures for fair disclosures of unpublished price sensitive information ("Code") in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and any statutory amendment(s)/modification(s) thereof.

In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, ("Amendment Regulations"), Company has amended the Code.

The Code is applicable to Directors, Employees, Designated Persons and other Connected Persons of the Company. This Code is available on the website of the Company's at the weblink: https://modernwoollens.com/admin/public/uploads/1/2021-06/policy_insider_trading_mtil.pdf

COMMITTEES OF THE BOARD

The Board Committees are set up to carry out certain clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function within their terms of reference. The Board Committees play a pivotal role in the overall Management of day-to-day affairs and governance of the Company. The composition, terms of reference, attendance and other details of these Committees are mentioned in this Report.

The Minutes of proceedings of Committee meetings are circulated to the members and placed before Board meetings for noting. The Board has set up the following Committees:

(A) AUDIT COMMITTEE

The composition, role, terms of reference as well as powers of the Audit Committee of the Company are in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the Members of the Audit Committee are financially literate. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, besides the appointment, independence and performance of the auditors.

Meeting and Attendance

Five meetings of the Audit Committee were held during the financial year 2023-2024 on 29th May, 2023, 14th August, 2023, 10th November, 2023, 12th February, 2024 and 29th March, 2024.

The Composition and Attendance of the Audit Committee as on 31st March, 2024 was as follows:

Name of Director	Position	Category	No. of Meeting Held	No. of Meeting Attended
Smt. Ankita Jain	Chairman	Non-Executive Independent Director	5	5
Shri Ram Awatar Kabra	Member	Executive Director	5	5
Shri Chhitar Mal Jain	Member	Non-Executive Independent Director	5	5

Terms of Reference

The terms of reference of this Committee includes those specified under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations in consonance with the provisions of Section 177 of the Act. A brief descriptions of terms of reference of the Committee inter-alia is as follows:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (i) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions;
 - (vii) Modified opinion(s) in the draft audit report;
- (5) Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a (public issue or rights issue or preferential issue or qualified institutions placement), and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing with the management, performance of statutory and internal auditor's adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee
5. Statement of deviations
 - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

(B) NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted the Nomination and Remuneration Committee as per provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Meeting and Attendance

Four meetings of the Nomination and Remuneration Committee were held during the financial year 2023-2024 on 24th April, 2023, 29th May, 2023, 10th November, 2023 and 12th February, 2024.

The Composition and Attendance of the Nomination and Remuneration Committee as on 31st March, 2024 was as follows:

Name of Director	Position	Category	No. of Meeting Held	No. of Meeting Attended
Smt. Ankita Jain	Chairman	Non-Executive Independent Director	4	4
Shri Jagdish Narayan Sharma	Member	Non-Executive Independent Director	4	4
Shri Chhitar Mal Jain	Member	Non-Executive Independent Director	4	4

Terms of reference

The Nomination and Remuneration Committee is responsible for:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (iii) Devising a policy on diversity of Board of Directors;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal;
- (v) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.

Remuneration Paid to Directors

The Executive Directors are paid remuneration in accordance with the limits prescribed under the Act and special resolution passed by the shareholders. Such remuneration is considered and approved by the Nomination and Remuneration Committee, the Board of Directors and the Shareholders of the Company. The Nomination and Remuneration Committee recommended the 'Nomination, Remuneration & Evaluation Policy' of the Company which was duly approved by the Board. Nomination, Remuneration & Evaluation Policy is available on the website of the Company's at the weblink https://modernwoollens.com/admin/public/uploads/1/2022-02/remuneration_policy.pdf

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them.

The details of remuneration paid to the Executive Directors and Non-Executive Director during the financial year 2023-24 are as follows:

₹ in Lakhs

Name of Director	Sitting fees	Gross Salary
Shri Rajesh Ranka	-	52.64
Shri Ram Awatar Kabra	-	23.92
Smt. Veena Jain	0.06	-
Shri Jagdish Narayan Sharma	0.13	-
Smt. Ankita Jain	0.24	-
Shri Chhitar Mal Jain	0.24	-

Notes:

- (a) There are no stock option plans of the Company and none of the Directors have been issued any stock options during year 2023-24.
- (b) Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side.
- (c) No severance fees are payable on termination of appointment.

PERFORMANCE EVALUATION

The Committee reviews the performance of the individual Directors. In the Board meeting that follows the meeting of the Independent Directors and the meeting of the Committee, the performance of the Board, its Committees, and individual directors are discussed. A report on performance evaluation of the Board, its Committees and individual Directors is furnished in the Board's report.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholder's Relationship Committee as per provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations. The Committee consists of three directors and Smt. Ankita Jain, Independent Director is the Chairman of the Committee. Shri B.L. Saini, Company Secretary, is the Secretary of the Committee. He also acts as the Compliance Officer and Nodal Officer of the Company for the purpose of investors' complaints/grievances.

Meeting and Attendance

Four meetings of the Stakeholder's Relationship Committee were held during the financial year 2023-2024 on 29th May, 2023, 14th August, 2023, 10th November, 2023 and 12th February, 2024.

The Composition and Attendance of the Stakeholder's Relationship Committee as on 31st March, 2024 was as follows:

Name of Director	Position	Category	No. of Meeting Held	No. of Meeting Attended
Smt. Ankita Jain	Chairman	Non-Executive Independent Director	4	4
Shri Ram Awatar Kabra	Member	Executive Director	4	4
Shri Chhitar Mal Jain	Member	Non-Executive Independent Director	4	4

The Committee look into the redressal of investors complaints like share transfers, non-receipt of annual reports, issue of duplicate share certificate, transfer and transmission of shares and other allied transactions. The terms of reference of the Stakeholders' Relationship Committee of the Company include the following:

- To Resolve the grievances of the security holders of the Company, including complaints related to the transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends; issue of new/duplicate certificates, general meetings etc.
- To review the measures taken for effective exercise of voting rights by shareholders.
- To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Beetal Financial Computer Services Pvt. Ltd. attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

Status of Investor Complaints

Number of complaints received and resolved to the satisfaction of Shareholders/Investors during the FY 2022-23 and their break-up is as under:

Particular	Number
No. of complaints pending at the beginning of the year	0
No. of complaints received during the year	3
No. of complaints resolved during the year	3
No. of complaints pending at the end of the year	0

Policy for Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace

Our Company has a policy and framework for employees to report sexual harassment cases at work place and our process ensures complete anonymity and confidentiality of information. The below table provides details of complaints received/disposed during the financial year 2023-24:

Particular	Number
No. of complaints pending at the beginning of the year	Nil
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints pending at the end of the year	Nil

SCORES (SEBI Complaints Redressal System):

SEBI processes investor complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system a shareholders can lodge complaint against a Company/RTA for his grievance. The Company/RTA uploads the action taken on the complaint which can be viewed by the shareholder. The Company and Shareholder can seek and provide clarifications online through SEBI.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility ("CSR") Committee as required under Section 135 of the Act. The role of the Committee is to formulate and recommend to the Board, a CSR policy, recommend the amount of expenditure to be incurred on activities and monitor CSR Policy.

Meeting and Attendance

Two meetings of the CSR Committee were held during the financial year 2023-2024 on 29th May, 2023 and 12th February, 2024.

The Composition and Attendance of the CSR Committee as on 31st March, 2024 was as follows:

Name of Director	Position	Category	No. of Meeting Held	No. of Meeting Attended
Shri Rajesh Ranka	Chairman	Non-Executive Independent Director	2	2
Smt. Ankita Jain	Member	Non-Executive Independent Director	2	2
Shri Chhitar Mal Jain	Member	Non-Executive Independent Director	2	2

The Company formulated CSR Policy, which is uploaded on the website of the Company at the weblink: https://modernwoollens.com/admin/public/uploads/1/2022-02/corporate_social_responsibility_policy.pdf

GENERAL BODY MEETINGS

General Meeting

(a) Details of location and time of holding the last three Annual General Meeting:

General Body Meeting	Day, Date	Time	Venue	Detail of Special Resolution passed
40th AGM-2021	Thursday, 30th September, 2021	02.00 P.M	Modern Woollens, Pragati Path, Near Transport Nagar, Bhilwara-311001 (Raj.)	Re-appointment of Shri Ram Rai Kabra as Independent Director of the Company pursuant to the provisions of section 149 & 152 and other applicable provisions, if any, of the Act.
41st AGM-2022	Friday, 30th September, 2022	02.00 P.M	Modern Woollens, Pragati Path, Near Transport Nagar, Bhilwara-311001 (Raj.)	1. Re-appointment and payment of Remuneration to Shri Rajesh Ranka as a Chairman & Managing Director of the Company. 2. Appointment and payment of Remuneration to Shri Ram Awatar Kabra as Whole-time Director of the Company 3. Appointment of Shri C.M. Jain as an Independent Director of the Company 4. Appointment of Smt. Ankita Jain as an Independent Director of the Company
42nd AGM-2023	Saturday, 30th September, 2023	01.00 P.M	Modern Woollens, Pragati Path, Bhilwara-311001 (Raj.)	To approve increase in remuneration of Shri Rajesh Ranka (DIN : 03438721), Chairman and Managing Director of the Company.

- (b) Whether any special resolution passed last year through postal ballot - details of voting pattern - No special resolutions were passed during the Financial Year 2023-24 through postal ballot.
- (c) Person who conducted the postal ballot exercise: NA
- (d) No Extra-Ordinary General Meeting was conducted during the financial year 2023-24.
- (e) Whether any special resolution is proposed to be conducted through postal ballot - At present there is no proposal to pass any special resolution through postal ballot.

MEANS OF COMMUNICATION

- I. Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier. However, this year as per the directions given in the circulars issued by Ministry Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") the companies are allowed to send Annual Report by e-mail to all the Members of the company. Therefore, the Annual Report for FY 2023-24 and Notice of 43rd AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.
- II. The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter.
- III. The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local newspaper, within forty-eight hours of approval thereof.
- IV. The Company's financial result is displayed on the Company's website- www.modernwoollens.com.
- V. Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- VI. A separate dedicated section under "Investors Relation", on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

BSE LISTING CENTRE

BSE Limited has launched an Online Portal - BSE Corporate Compliance & Listing Centre (the "Listing Centre") for submission of various filings by listed companies. All disclosures and periodic filings submitted to the BSE are also uploaded on the Listing Centre.

NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS-a web based application and NSE-frontend navigation provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated 7th June, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

Annual Report

The Annual Report containing inter alia the Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis is forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

The Annual Reports is also available in the Investor Relations section on the Company's website www.modernwoollens.com.

GENERAL SHAREHOLDER INFORMATION

A 43rd Annual General Meeting	
- Date and Time	30th September, 2024 at 11.00 A.M.
- Venue	Modern Woollens, Pragati Path, Bhihware-311001 (Raj.)
- Last date for receipt of Proxy Forms	28th September, 2024 before 1:00 p.m.
B Financial Calendar	2023-24
C Book closure date	Wednesday, 25th September, 2024 to Monday, 30th September, 2024 (both days inclusive)
D The listing fee has been paid up to date, to all the Stock Exchanges	Yes
Bombay Stock Exchange Ltd. (BSE)	BSE Limited, Phiroze Jeejeebhoy, Towers, Dalal Street, Mumbai- 400001
i. Scrip code	500282
ii. Trading symbol	MODTHREAD
National Stock Exchange of India Ltd. (NSE)	National Stock Exchange of India, Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Trading symbol	MODTHREAD
E Demat ISIN Numbers in NSDL & CDSL	INE794W01014
F Dividend Payment Date	The final dividend, if declared, shall be paid/credited on October 05, 2024

Dividend

No dividend being recommended by the Board during the year under review.

Stock Market Data

The Company share are resumed for trade at the Stock exchanges on dated 23.01.2024. So market price data is available for month of February 2024 and March 2024.

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
February, 2024	35.81	19.99	34.00	21.00
March, 2024	62.54	37.60	58.45	35.70

Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. The Board of Directors of the Company has delegated the power of share transfer to Share Transfer Committee. As on date all the work related to the shares both held in physical and electronic form is handled by RTA. All correspondences are to be directed to the RTA address. The correspondences may also be sent at the Company's address which will be sent by the Company to RTA. In compliance with the listing guidelines, every six months the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

(i) Distribution of Shareholding as on 31st March, 2024

Category Range - Shares	Shareholders		Shareholding	
	Number	Percentage	Number of Shares	Percentage
Up to 5000	134054	99.523	5438228	15.6383
5001-10000	413	0.307	312125	0.8976
10001-20000	138	0.102	202606	0.5826
20001-30000	19	0.014	47403	0.1363
30001-40000	14	0.010	51262	0.1474
40001-50000	11	0.008	50987	0.1466
50001-1,00,000	17	0.013	114670	0.3297
1,00,001 and above	30	0.022	28557879	82.1215
TOTAL	134696	100.000	34775160	100.0000

Shareholding Pattern as on 31st March, 2024

S. No	Category	No. of Shares held	Shareholding (%)
1	Promoter & Promoter Group	22636901	65.10
2	Foreign Institution Investors	436900	1.26
3	Mutual Funds	16068	0.05
4	Financial Institutions/Banks	3553247	10.21
5	Central Govt. /State Govt.	0	0
6	Insurance Companies	351282	1.01
7	NRIs	134845	0.39
8	Individuals including HUF	6185341	17.78
9	Bodies Corporates	1460576	4.20
	Total	34775160	10.00

Dematerialization of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder. Shares of the Company are traded in electronic form. About 76.53% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and have reasonably good liquidity.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

During the year under review, the Company has not issued any GDRs/ADRs/Warrants or any other instrument which is convertible into Equity Shares of the Company.

Commodity Risk or Foreign Exchange Risk and Hedging activities

Disclosures on risks are forming part of this Annual Report during the period under review.

Office and Works
Registered Office

Modern Woollens, Pragati Path, Bhilwara - 311 001 (Raj.) Ph.: +91 1482 241801

E-mail: cs@modernwoollens.com, website: www.modernwoollens.com

Plant Location

- (i) Woollen Division, Pragati Path, Bhilwara-311001 (Rajasthan)
- (ii) Yarn Division, Village -Raila, Shahpura-311024 (Rajasthan)

Address for Correspondence of RTA

M/S Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd floor, 99, Madangir Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062 Tele- 011-2996 1281/82, Fax: 011-29961284

Shareholders may also contact to:

The Company Secretary & Compliance officer

Modern Threads (India) Limited

Unit : Modern Woollens,

Pragati Path, Bhilwara - 311 001 (Rajasthan)

Phone :01482-241801 Fax : 01482-297924

Email :cs@modernwoollens.com

OTHER DISCLOSURE
Related Party Transaction:

There were no materially significant transactions with related parties during the year under review, which were in conflict with the interest of the Company. All the transactions entered into by the Company with Related Parties during the year under review were at arms-length basis and in ordinary course of business. Suitable disclosure required under the Accounting Standard (Ind AS 24) have been made in the notes to the Financial Statement.

As required under Regulation 23 of SEBI (LODR) Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is available on the website of the Company at the weblink: https://modernwoollens.com/admin/public/uploads/1/2022-02/policy_on_related_party_transactions.pdf

Policy for Determining Material Subsidiaries:

The Company has adopted policy for determining material subsidiaries in compliance of the provisions of Regulation 16(1)(c) of the Listing Regulations and is available on the web link https://modernwoollens.com/admin/public/uploads/1/2022-02/policy_for_determining_material_subsidary.pdf.

Statutory Compliance, Penalties and Strictures:

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years.

Vigil Policy (Whistle Blower Policy):

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. A copy of policy is also uploaded on the website of the Company at the weblink: https://modernwoollens.com/admin/public/uploads/1/2022-02/vigil_mechanism_policy.pdf.

Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Details of Compliance with Mandatory Requirements:

The Company has complied with all mandatory requirements laid down under the Listing Regulation.

A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Notes to the Financial Statements.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2024 is given in this Report.

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:

The Board has accepted all the recommendations of the Audit Committee.

Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount: Not Applicable

DECLARATION BY THE CEO UNDER REGULATION 26(3) READ WITH PARA D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to sub-regulation (3) of Regulation 26 read with Para D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 31st March, 2024.

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

(Rajesh Ranka)
Chairman & Managing Director
DIN: 03438721
Place: Bhilwara
Date: 30th May, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Modern Threads (India) Limited
Modern Woollens, Pragati Path,
Bhilwara-311001, Rajasthan

We have examined the relevant records, forms, returns and disclosures received from the Directors of MODERN THREADS (INDIA) LIMITED (CIN:L17115RJ1980PLC002075) having registered office at Modern Woollens Pragati Path, Bhilwara-311001 Rajasthan, India (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed

or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No	Name of the Director	DIN	Status of DIN
1	Shri Rajesh Ranka	03438721	Active
2	Shri Ram Awatar Kabra	00945603	Active
3	Smt. Veena Jain	07148606	Active
4	Shri Jagdishnarayan Sharma	07552825	Active
5	Smt. Ankita Jain	09598249	Active
6	Shri Chhitar Mal Jain	09566506	Active

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.K. Jain & Associates
Company Secretaries

CS R.K.Jain
Proprietor
FCS : 4584
COP : 5866

Place: Bhilwara
Date : 30.05.2024

UDIN:F004584F000497076

CERTIFICATE ON CORPORATE GOVERNANCE

(Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of
Modern Threads (India) Limited
Modern Woollens, Pragati Path,
Bhilwara-311001 (Rajasthan)

We have examined the compliance of conditions of Corporate Governance by Modern Threads (India) Limited ("the Company") for the year ended on 31st March, 2024 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) & other applicable regulations and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the SEBI Listing Regulations').

Management Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance and Guidance Manual on Quality of Audit and Attestation Services issued by the Institute of Company Secretaries of India. It was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in the Corporate Governance Report forming part of the Annual Report for the Financial Year 2023-24.

Other matters and Restriction on use

This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is addressed to and provide to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For R.K. Jain & Associates
Company Secretaries

Sd/-

CS R K Jain
Proprietor
FCS:4584
COP:5866

Place: Bhilwara
Date: 30.05.2024

UDIN : F004584F000496955

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO)

The Board of Directors
Modern Threads (India) Limited
Modern Woollens, Pragati Path,
Bhilwara -311 001 (Rajasthan)

- A. We have reviewed financial statements and the cash flow statement for the financial year ending 31st March, 2024 and that to the best of our knowledge and belief :
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee :
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Modern Threads (India) Limited

Place : Bhilwara
Date : 30/05/2024

Prabodh Kumar Nahar
Chief Financial Officer

Rajesh Ranka
Chairman & Managing Director
DIN: 03438721

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MODERN THREADS INDIA LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **MODERN THREADS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- (i) The company has not provided for Interest (Dividend) on cumulative redeemable preference shares amounting to Rs. 36.13 Lakhs for the year (Rs. 1011.61 Lakhs upto 31.03.2024) as the company is in process of settlement of remaining redeemable preference share capital. (Note No.17.2b)
- (ii) Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Note No. 16.1 and 9.1)

Our audit opinion for the year ended 31st March, 2023 was also modified in respect of the above matters.

Had the impact of above qualification in Para (i), without considering Para (ii) for which impact could not be determined, been considered, the total comprehensive income for the year would have been Rs. 2542.76 Lakhs as against reported total comprehensive income of Rs. 2578.89 Lakhs and other equity would have been Rs. 8425.01 Lakhs as against the reported figure of Rs. 9436.62 Lakhs and Other Current financial liabilities would have been Rs. 3478.70 lakhs as against reported figure of Rs. 2467.09 Lakhs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements

of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the *Basis for Qualified Opinion* section, we have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance, and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and except for the possible effects of the matters described in the basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. Except for the possible effects of the matters described in the basis for qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. Except for the effects of the matters described in the basis for qualified opinion paragraph above, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The qualification relating to the maintenance of account and other matters connected there with are as stated in the 'Basis for Qualified Opinion' paragraph.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:
 In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March 2024 on its financial position in its financial statements - Refer Note 30 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative, contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended on 31st March, 2024. (Refer Note 17.1)
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded

in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the FY 2023-24. Hence, the provisions of section 123 of Companies Act, 2013 does not apply.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at database level of accounting software to log any direct changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of Accounting Software.

For S.S. Surana & Co.
 Chartered Accountants
 Firm Registration No. 001079C

Prahalad Gupta
 (Partner)
 Membership No. 074458

UDIN : 24074458BKHIFW1027

Place: Bhilwara
 Date: 30/05/2024

**ANNEXURE - A FORMING PART OF THE INDEPENDENT AUDITOR'S REPORT OF
MODERN THREADS (INDIA) LIMITED**

Referred to in paragraph under the heading of "Report on other Legal & Regulatory Requirements" of our report of even date to the Members of Modern Threads (India) Limited on the Ind AS financial statement for the year ended March 31st, 2024;

(i)	(a)	(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. (B) The company has maintained proper records showing full particulars of intangible assets.																																				
	(b)	As explained to us, the company has a phased program for physical verification of Property, Plant and Equipment and right-of-use assets. In our opinion, the frequency of verification is reasonable, considering the size of the company and nature of its Property, Plant and Equipment and right-of-use assets. Pursuant to the program, physical verification has been carried out during the year and no material discrepancies have been noticed on such verification except for furniture & fixtures for which detailed records are not maintained.																																				
	(c)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except for the following:																																				
		<table border="1"> <thead> <tr> <th>Description of Property</th> <th>Gross Carrying Value</th> <th>Held in name of</th> <th>Whether promoter, director or their relative or employee</th> <th>Period Held Since</th> <th>Reasons for not being in the name of the company</th> </tr> </thead> <tbody> <tr> <td>Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara</td> <td>92.25</td> <td>Sunil Textiles Mills Pvt. Ltd.</td> <td>No</td> <td>21.10.1994</td> <td>Sunil Textile Mill Pvt Ltd. has been amalgamated with Modern Threads India Ltd. Vide order of high court dated 21.10.1994</td> </tr> <tr> <td>Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara</td> <td>125.00</td> <td>Modern Woollens Pvt. Ltd.</td> <td>No</td> <td>21.10.1994</td> <td>Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td> </tr> <tr> <td>Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara</td> <td>7.50</td> <td>Modern Woollen Mill (Firm)</td> <td>No</td> <td>21.10.1994</td> <td>Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td> </tr> <tr> <td>Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara</td> <td>43.77</td> <td>Modern Woollens Ltd.</td> <td>No</td> <td>21.10.1994</td> <td>Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td> </tr> <tr> <td>Freehold land at Ahemdabad</td> <td>12.66</td> <td>Modern Woollens Ltd.</td> <td>No</td> <td>21.10.1994</td> <td>Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td> </tr> </tbody> </table>	Description of Property	Gross Carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period Held Since	Reasons for not being in the name of the company	Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara	92.25	Sunil Textiles Mills Pvt. Ltd.	No	21.10.1994	Sunil Textile Mill Pvt Ltd. has been amalgamated with Modern Threads India Ltd. Vide order of high court dated 21.10.1994	Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara	125.00	Modern Woollens Pvt. Ltd.	No	21.10.1994	Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994	Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara	7.50	Modern Woollen Mill (Firm)	No	21.10.1994	Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994	Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara	43.77	Modern Woollens Ltd.	No	21.10.1994	Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994	Freehold land at Ahemdabad	12.66	Modern Woollens Ltd.	No	21.10.1994	Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994
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	(d)	The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.																																				
	(e)	No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.																																				

(ii)	(a)	The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Management has not found discrepancies of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.			
	(b)	According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.			
(iii)	In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:				
	(a)	According to the information and explanations given to us and on the basis of our examination of the records, the Company has not provided any loans or advances in the nature of loans or guarantee or provided security to any other entity and hence reporting under clause 3(iii)(a) is not applicable to the Company.			
	(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, investment made are in the ordinary course of business and accordingly in our opinion, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantees, given any security and the terms and granted any loans and advances in the nature of loans and guarantee.			
	(c)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.			
iv)	In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans, investments and guarantees made, as applicable.				
(v)	As per information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder. Accordingly, clause 3(v) of the Order is not applicable.				
(vi)	We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.				
(vii)	(a)	According to the records of the company produced for our verification, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and any other statutory dues with appropriate authorities except arrear of outstanding statutory dues as at last day of financial year for more than 6 months from the date of becoming payable is as under:			
	(b)	According to the information and explanation given to us, the dues in respect of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value added Tax, Goods and Service Tax or other statutory dues that have not been deposited on account of dispute and amount involved and forum where dispute is pending are as under:			
(viii)	As per information and explanations given to us and based on the records of the company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).				
(ix)	(a)	According to the records of the Company and information given to us, the company does not have any loans or other borrowings, hence, reporting on clause (ix)(a) of the Order is not applicable.			
	(b)	According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has been declared willful defaulter by banks and Financial Institutions upto 31/03/2010. However, there are no dues of those banks/ FIs as on balance sheet date.			
	(c)	The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year.			
	(d)	On an overall examination of the financial statements of the Company, in our opinion, the company has not raised any short-term fund during the year and hence reporting under clause ix(d) of the Order is not applicable to the company.			
	(e)	On an overall examination of the financial statements of the Company and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. However, the company does not have any subsidiary, joint ventures or associates.			
	(f)	The Company has not raised loans during the year on pledge of securities held in its subsidiaries or joint ventures or associates. However, the company does not have any subsidiary, joint ventures or associates, hence, reporting on clause (ix)(f) of the Order is not applicable.			

(x)	(a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
	(b)	During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
(xi)	(a)	According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit. Hence clause (xi)(a) of the order is not applicable.
	(b)	No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
	(c)	According to the information and explanations given to us and based on our examination of records, No whistle-blower complaints were received by the company during the year.
(xii)	In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence reporting under clause (xii) of the Order is not applicable.	
(xiii)	According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.	
(xiv)	(a)	In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
	(b)	We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining, nature, timing and extent of our audit procedure.
(xv)	According to the information and explanations given to us and based on our examination of records of the company, the company has not entered into any non cash transaction prescribed under section 192 of the Companies Act, 2013 with the directors or person connected with them during the year.	
(xvi)	(a)	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a) and (b) of the Order is not applicable.
	(b)	In our opinion and according to the information and explanations given to us and based on our examination of records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
	(c)	According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
(xvii)	The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.	
(xviii)	There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under this clause is not applicable.	
(xix)	On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.	
(xx)	According to the information and explanation provided to us, there are no unspent amount towards Corporate Social Responsibility (CSR) in respect of any ongoing or other than ongoing project as at expiry of the Financial Year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance of second proviso to subsection 5 of section 135 of the said Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx)(a) and (xx) (b) of the Order is not applicable to the company.	
(xxi)	The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of financial statements and hence no comment in respect of said clause has been included in this report.	

For S.S. Surana & Co.
Chartered Accountants
Firm Registration No. 001079C

Prahalad Gupta
(Partner)
Membership No. 074458
UDIN: 240747588KHIFW1027

Place: Bhilwara
Date: 30/05/2024

Annexure –B to the Independent Auditor’s Report on Financial Statements of Modern Threads (India) Limited

Referred to in paragraph under the heading of “Report on other Legal & Regulatory Requirements” of our report of even date to the Members of Modern Threads (India) Limited on the financial statement as at and for the year ended March 31st 2024;

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Modern Threads (India) Limited (“the Company”) as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at March 31, 2024:

1. The company’s internal financial controls were not operating effectively in respect of balance confirmation of trade payables and trade receivables.

Material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the possible effects of the material weakness described above and on the achievement of the objectives of control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2024 and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For S.S. Surana & Co.
 Chartered Accountants
 Firm Registration No. 001079C

Pralhad Gupta
 (Partner)

Place: Bhillwara
 Date: 30/05/2024

Membership No. 074458
 UDN:240747588KHIFW1027

BALANCE SHEET AS AT 31ST MARCH, 2024

CIN NO. L17115RJ1980PLC002075

[₹ in Lakhs]

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
ASSETS			
1 Non-Current Assets			
a Property, Plant and Equipment	3A	4,475.65	4,008.94
b Capital Work-in-progress	3B	219.78	54.21
c Right Of Use Asset	3C	392.79	399.94
d Other Intangible assets	3D	-	6.68
e Financial Assets			
i Investments	4	0.82	0.79
ii Other Financial assets	5	396.12	394.10
f Income Tax Assets	6	-	13.07
g Other non-current assets	7	181.57	166.04
Total Non-current Assets (A)		5,666.73	5,043.77
2 Current Assets			
a Inventories	8	6,943.88	7,174.80
b Financial Assets			
i Investments	4	1,497.30	197.27
ii Trade Receivables	9	4,667.98	3,963.37
iii Cash and Cash Equivalents	10	690.32	747.24
iv Bank Balances other than iii above	11	241.00	57.01
v Other Financial Assets	5	40.52	24.75
c Other Current Assets	7	426.75	497.47
Total Current Assets (B)		14,507.75	12,661.91
Total Assets (A+B)		20,174.48	17,705.68
EQUITY AND LIABILITIES			
Equity			
a Equity Share Capital	12	3,477.52	3,477.52
b Other Equity	13	9,436.62	6,857.73
Total Equity (A)		12,914.14	10,335.25
Liabilities			
1 Non Current Liabilities			
a Financial Liabilities			
i Borrowings		-	-
ii Lease Liabilities	32	0.51	0.50
b Provisions	14	378.19	357.70
Total Non Current Liabilities (B)		378.70	358.20
2 Current Liabilities			
a Financial Liabilities			
i Borrowings		-	-
ii Lease Liabilities	32	0.05	0.05
iii Trade Payables	16		
(a) total outstanding dues of micro enterprises and small enterprises		298.69	187.85
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,430.58	3,667.00
iv Other Financial Liabilities	17	2,467.09	2,416.49
b Other Current Liabilities	18	586.16	686.27
c Provisions	14	62.95	54.57
d Current Tax Liabilities (Net)	15	36.12	
Total Current Liabilities (C)		6,881.64	7,012.23
Total Equity and Liabilities (A+B+C)		20,174.48	17,705.68
Material Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board

For S.S. Surana & Co.

Chartered Accountants
FRN 001079C

(Pralhad Gupta)

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2024

UDIN : 24074458BKHIFW1027

Rajesh Ranka

Ram Awatar Kabra

Ankita Jain

P.K. Nahar

B.L.Saini

Place : Bhilwara

Date : 30.05.2024

- Chairman & Managing Director

- Executive Director

- Non-Executive - Independent Director

- Chief Financial Officer

- Company Secretary

(DIN : 03438721)

(DIN : 00945603)

(DIN : 09598249)

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STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2024
CIN NO. L17115RJ1980PLC002075

Particulars	Note No.	[₹ in Lakhs]	
		Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
I Revenue from Operations	19	30,049.04	30,111.22
II Other Income	20	358.59	419.82
III Total Income (I+II)		30,407.63	30,531.04
IV EXPENSES			
Cost of Materials Consumed	21	17,158.99	18,370.57
Purchases of Stock in Trade		6.24	2.91
Changes in Inventories of Finished Goods and Work-in-progress	22	(108.03)	(732.19)
Employee Benefits Expense	23	3,415.24	3,131.00
Finance Costs	24	305.59	328.67
Depreciation and Amortisation Expense	25	413.88	349.15
Other Expenses	26	6,622.35	6,544.14
Total Expenses		27,814.26	27,994.25
V Profit before tax and exceptional items (III-IV)		2,593.37	2,536.79
VI Exceptional Items	27	-	18,874.85
VII Profit before tax (V+VI)		2,593.37	21,411.64
VIII Tax Expense	28		
a Current Tax		50.05	-
b Deferred Tax		-	-
IX Profit for the year (VII-VIII)		2,543.32	21,411.64
X Other Comprehensive Income			
A (i) Items that will not be reclassified subsequently to profit or loss			
Re-measurements of defined benefit plans		35.57	16.56
(ii) Income Tax relating to above		-	-
B (i) Items that will be reclassified subsequently to profit or loss		-	-
Total Other Comprehensive Income		35.57	16.56
Total Comprehensive Income (IX+X)		2,578.89	21,428.20
Earnings per equity share of Face Value of Rs. 10/- each	29		
Basic (in Rs.)		7.31	61.57
Diluted (in Rs.)		7.31	61.57
Material Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For S.S. Surana & Co.

Chartered Accountants
FRN 001079C

(Pralhad Gupta)

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2024

UDIN : 24074458BKHIFW1027

For and on behalf of the Board

Rajesh Ranka

- Chairman & Managing Director

(DIN : 03438721)

Ram Awatar Kabra

- Executive Director

(DIN : 00945603)

Ankita Jain

- Non-Executive - Independent Director

(DIN : 09598249)

P.K. Nahar

- Chief Financial Officer

-

B.L.Saini

- Company Secretary

-

Place : Bhilwara

Date : 30.05.2024

CIN NO. L17115RJ1980PLC002075

Statement of Cash Flow for the year ended 31st March, 2024

[₹ in Lakhs]

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax and after exceptional items	2,593.37	21,411.64
<i>Adjustments for :</i>		
Depreciation and amortisation	413.88	349.15
Finance costs	305.59	328.67
Interest Income	(35.84)	(21.14)
Loss/(Profit) on sale of Property, Plant and Equipment (net)	(54.66)	2.59
Gain on Sale/ Fair value Gain on Investments	(50.04)	(2.27)
Remeasurement of employee benefits (Net)	35.57	16.56
Exceptional Items– written back of Loans/ debentures	–	(18,874.85)
Reversal of Provision for Doubtful Debts	–	(27.07)
Operating profit before working capital changes	<u>3,207.87</u>	<u>3,183.28</u>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	230.92	(1148.08)
Trade receivables	(704.61)	(1601.95)
Other non-current financial assets	(2.02)	(133.19)
Other current financial assets	(15.77)	(2.12)
Other current assets	70.72	(191.44)
Other non-current assets	(15.53)	67.32
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(125.58)	1175.93
Other Financial Liabilities	50.60	148.50
Other current liabilities	(100.11)	54.39
Provisions	28.87	17.58
Bank balance other than cash & cash equivalents	(183.99)	(11.45)
Cash generated from operations	<u>2,441.37</u>	<u>1,558.77</u>
Net income tax (paid) / refunds	(0.86)	1.25
Net cash flow from / (used in) operating activities (A)	<u>2,440.51</u>	<u>1,560.02</u>
B. Cash flow from investing activities		
Purchase of Property, plant and equipment (including capital work in progress)	(1,042.36)	(804.15)
Proceeds from sale of Property, plant and equipment	64.70	50.94
Purchase of Mutual funds	(1,250.00)	(195.00)
Interest Income	35.81	21.14
Net cash flow from / (used in) investing activities (B)	<u>(2,191.85)</u>	<u>(927.07)</u>
C. Cash flow from financing activities		
Proceeds/ (Repayment) of Borrowings	–	(75.00)
Payment of Lease Liabilities	(0.04)	(0.03)
Finance costs	(305.54)	(328.62)
Net cash flow from / (used in) financing activities (C)	<u>(305.58)</u>	<u>(403.65)</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(56.92)	229.30
Cash and cash equivalents at the beginning of the year	747.24	517.94
Cash and cash equivalents at the end of the year (Refer Note No. 10)	<u>690.32</u>	<u>747.24</u>

The Statement of cash flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board

For S.S. Surana & Co.
Chartered Accountants
FRN 001079C

(Pralhad Gupta)

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2024

UDIN : 24074458BK.HIFW1027

Rajesh Ranka

– Chairman & Managing Director

(DIN : 03438721)

Ram Awatar Kabra

– Executive Director

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Ankita Jain

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(DIN : 09598249)

P.K. Nahar

– Chief Financial Officer

–

B.L.Saini

– Company Secretary

–

Place : Bhilwara

Date : 30.05.2024

Notes on Financial statements for the year ended 31st March, 2024

CIN NO. L17115RJ1980PLC002075

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2024

A. Equity Share Capital

(1) Current reporting period

₹ in Lakhs

Particulars	No of Shares	Equity Shares Capital
Balance at the beginning of the current reporting period	34775160	3,477.52
Change in equity share capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	34775160	3477.52
Change in equity share capital during the current year	–	–
Balance at the end of the current reporting period	34775160	3477.52

(2) Previous reporting period

₹ in lakhs

Particulars	No of Shares	Equity Shares Capital
Balance at the beginning of the previous reporting period	34775160	3,477.52
Change in equity share capital due to prior period errors	–	–
Restated balance at the beginning of the previous reporting period	34775160	3477.52
Change in equity share capital during the previous year	–	–
Balance at the end of the previous reporting period	34775160	3477.52

B. Other Equity

(1) Current reporting period

₹ in Lakhs

Particulars	Capital Reserve	Capital Redemption Reserve	Security Premium	Debenture Redemption Reserve	Retained Earnings	Total Other Equity
Opening balance as at April 01, 2023	35.90	875.00	7,985.77	970.00	(3,008.94)	6,857.73
Changes in accounting policy or prior period errors	–	–	–	–	–	–
Restated Balance as at April 01, 2023	35.90	875.00	7,985.77	970.00	(3,008.94)	6,857.73
Profit for the year	–	–	–	–	2,543.32	2,543.32
Other Comprehensive Income	–	–	–	–	35.57	35.57
Total Comprehensive Income for the year	–	–	–	–	2,578.89	2,578.89
Closing balance as at March 31, 2024	35.90	875.00	7,985.77	970.00	(430.05)	9,436.62

(2) Previous reporting period

₹ in Lakhs

Particulars	Capital Reserve	Capital Redemption Reserve	Security Premium	Debenture Redemption Reserve	Retained Earnings	Total Other Equity
Opening balance as at April 01, 2022	35.90	875.00	7,985.77	970.00	(24,437.14)	(14,570.47)
Changes in accounting policy or prior period errors	–	–	–	–	–	–
Restated Balance as at April 01, 2022	35.90	875.00	7,985.77	970.00	(24,437.14)	(14,570.47)
Profit for the year	–	–	–	–	21,411.64	21,411.64
Other Comprehensive Income	–	–	–	–	16.56	16.56
Total Comprehensive Income for the year	–	–	–	–	21,428.20	21,428.20
Transfer to retained earnings	–	–	–	–	–	–
Closing balance as at March 31, 2023	35.90	875.00	7,985.77	970.00	(3,008.94)	6,857.73

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For S.S. Surana & Co.
Chartered Accountants
FRN 001079C

(Prahald Gupta)

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2024

UDIN : 24074458BK.HIFW1027

For and on behalf of the Board

Rajesh Ranka

– Chairman & Managing Director

(DIN : 03438721)

Ram Awatar Kabra

– Executive Director

(DIN : 00945603)

Ankita Jain

– Non-Executive – Independent Director

(DIN : 09598249)

P.K. Nahar

– Chief Financial Officer

–

B.L.Saini

– Company Secretary

–

Place : Bhilwara

Date : 30.05.2024

Notes on Financial statements for the year ended 31st March, 2024
CIN NO. L17115RJ1980PLC002075
MATERIAL ACCOUNTING POLICIES
NOTE-1 COMPANY OVERVIEW

Modern Threads (India) Limited is a Public limited company incorporated on 28th August, 1980 having its registered office at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) India. The Company corporate identification No. is L17115RJ1980PLC002075. The company manufactures and sells mainly Worsted Yam, Wool Tops and Synthetic Yam.

NOTE-2 MATERIAL ACCOUNTING POLICIES
A) Basis of Preparation of Accounts

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the companies Act, 2013 (the act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Financial instruments measured at fair value through Profit and Loss.
- (ii) Financial instruments measured at fair value through other comprehensive income.
- (iii) Defined benefit plans measured at fair value through other comprehensive income.

B) Recent Accounting Development

The following Indian Accounting Standards have been modified on miscellaneous issues with effect from April 1, 2023. Such changes include clarification/ guidance on :

- a. Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- b. Ind AS 1 – Presentation of Financial Statements – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- c. Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.
- d. Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of the above amendments had any material effect on the company's financial statements, except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

C) Functional and Presentation Currency

The financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for all its operations. All financial information presented in INR has been rounded to the nearest lakhs with two decimal

places unless stated otherwise.

D) Classification of Assets and Liabilities as Current and Non Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

E) Use of estimates and critical accounting judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Critical estimates and judgements

- i. Property, plant and equipment and intangible assets
Useful lives of Property, Plant and equipment and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.
- ii. Recognition and measurement of defined benefit obligations
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy.
- iii. Provisions and contingent liabilities
In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on financial position or profitability.

F) (i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are initially recognized at cost including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Notes on Financial statements for the year ended 31st March, 2024
CIN NO. L17115RJ1980PLC002075

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The Company has opted for an exemption provided by the Indian Accounting Standard (Ind As)-101. Accordingly the carrying value for all Property, plant and Equipment recognized in the financial statements, as at the date of transition to Ind AS i.e 01.04.2016 measured as per previous GAAP and use that carrying value as deemed cost of Property, plant and Equipment.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and allocated to respective property, plant and equipment on completion of construction/ erection.

(ii) Depreciation on property, plant and equipment

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives of assets in accordance with Schedule II to the Companies Act, 2013 using the straight-line method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The carrying amount is eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

G) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Costs comprises purchase price after deducting trade discounts/ rebates, including import duties and non-refundable purchase taxes, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Cost of items of intangible assets not ready for intended use as on the balance sheet date are disclosed as intangible assets under development.

Amortisation is charged on a straight-line basis over a period of 5 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

H) Leases

The Company has adopted Ind AS 116 effective from 1 April

2019 using modified retrospective approach. For the purpose of preparation of Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The Lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. In addition, the carrying amount of lease liabilities and right-of-use assets are re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Depreciation on Right-of-use Asset has been provided using Straight line method over their useful lives or lease period, whichever is lower. Interest Expense on Lease Liabilities are provided using discount rate used to determine Lease Liabilities. Depreciation and Interest expenses are recognised in the Statement of Profit and Loss.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature. However, there are no assets which are given on lease as a lessor.

Impairment of Non-Financial Assets

The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, the assets are grouped

Notes on Financial statements for the year ended 31st March, 2024
CIN NO. L17115RJ1980PLC002075

at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

J) Employee benefits
(i) Defined contribution plans

Defined contribution plans Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

(ii) Defined benefit plans

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The company does not have any plan assets or made any contributions for defined benefits plan. The defined benefit obligation is determined at the year end by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity. Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

(iii) Other employee benefits:

(a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

K) Inventories

Raw materials, packing materials, stores & spares, work in

progress, traded and finished goods are stated at the lower of cost and net realisable value, cost is calculated on moving weighted average basis.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

L) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are neither recognized nor disclosed in financial statements. However, when the realization of income is virtually certain, then the related asset is not a contingent assets and its recognition is appropriate.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability.

M) Taxes on Income Current Tax is recognised in the statement of profit and loss account but deferred tax asset is not recognised in the statement of profit and loss as the company is not confident of earning sufficient profits to utilise unabsorbed depreciation in future.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised

Notes on Financial statements for the year ended 31st March, 2024

CIN NO. L17115RJ1980PLC002075

- or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and when the deferred tax balances relate to the same taxation authority.
- N) **Revenue Recognition**
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.
- Revenue from Sale of goods and services**
Revenue from the sale of goods is recognised, when control of goods being sold is transferred to customer and where there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales as disclosed, are exclusive of Goods and Services Tax.
The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods to a customer, excluding amount collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. The transaction price is allocated by the company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer.
Revenue from job work charges is recognised at a point of time when the control is transferred usually when the material is fully processed and dispatched to customers.
- R) **Export Incentives**
Income from export incentives and duty drawbacks is recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.
- Interest income**
For all interest bearing financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR).
- O) **Foreign currency transactions and translations**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.
Non-monetary items that are measured at fair value in a foreign
- currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.
- P) **Borrowing costs**
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
Other borrowing costs are expensed in the period in which they are incurred.
- Q) **Segment Reporting**
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').
The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company is engaged into major operating activity of the textile products. The Company has no activity outside India except export of textile products manufactured in India. Thereby, no geographical segment and no segment wise information is reported.
- Financial Instruments**
A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- Financial assets**
Initial recognition and measurement
Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.
Subsequent measurement:
The financial assets, other than equity instruments, are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.
- (i) **Measured at amortised cost:**

Notes on Financial statements for the year ended 31st March, 2024
CIN NO. L17115RJ1980PLC002075

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

(ii) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which is recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments measured at FVTOCI or FVTPL:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss.

Equity instruments measured at Cost:

Equity investments in subsidiaries / joint ventures / associates are accounted at cost.

Derecognition:

A financial asset is derecognised only when:-

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- ii) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial Liabilities

Financial liabilities include long-term and short term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes on Financial statements for the year ended 31st March, 2024
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<p>Derecognition:</p> <p>A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.</p> <p>Offsetting financial instruments</p> <p>Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.</p>	<p>U)</p> <p>V)</p>	<p>Cash and Cash Equivalents</p> <p>For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheque on hand, balance with bank on current account and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.</p> <p>Government Grants</p> <p>Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.</p> <p>Government grants relating to income/expense are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.</p> <p>Government grants relating to the property, plant and equipment are credited to deferred revenue income on account of capital subsidy and recognised in profit and loss on a systematic basis over the period in which entity recognises as expenses the related costs for which the grants are intended to compensate.</p>
<p>S) Earnings Per Share Basic earnings per Share</p> <p>Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year.</p> <p>Diluted earnings per share</p> <p>Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p>	<p>W)</p>	<p>Fair Value Measurement</p> <p>The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.</p> <p>All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <p>Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities</p> <p>Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.</p> <p>Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.</p>
<p>T) Cash Flow Statement</p> <p>Cash flows are reported using the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit/(loss) before tax for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.</p>		

Notes on Financial statements for the year ended 31st March, 2024

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3 (A) PROPERTY, PLANT AND EQUIPMENT

[₹ in Lakhs]

Particulars	Free Hold Land	Building	Plant and Equipment	Office Equipment	Furniture & Fixtures	Computer	Vehicles	Total
GROSS BLOCK								
As at 01.04.2022	1,191.47	1,663.15	16,674.25	4711	133.90	63.14	100.76	19,873.78
Additions	–	47.97	672.29	3.16	5.84	2.23	18.45	749.94
Deductions	–	–	316.85	–	1.71	–	0.56	319.12
As at 31.03.2023	1,191.47	1,711.12	17,029.69	50.27	138.03	65.37	118.65	20,304.60
Additions	–	121.84	726.44	7.20	10.80	4.31	6.20	876.79
Deductions	2.63	–	31.29	0.09	1.93	–	11.53	47.47
As at 31.03.2024	1,188.84	1,832.96	17,724.84	57.38	146.90	69.68	113.32	21,133.92
DEPRECIATION								
As at 01.04.2022	–	1,458.33	14,517.47	39.60	87.63	55.05	67.84	16,225.92
Charge for the year	–	23.02	292.39	1.66	7.46	2.65	8.15	335.33
Deductions	–	–	264.44	–	0.97	–	0.18	265.59
As at 31.03.2023	–	1,481.35	14,545.42	41.26	94.12	57.70	75.81	16,295.66
Charge for the year	–	21.73	356.65	2.32	7.76	3.13	8.46	400.05
Deductions	–	–	29.39	0.08	0.92	–	7.05	37.44
As at 31.03.2024	–	1,503.08	14,872.68	43.50	100.96	60.83	77.22	16,658.27
NET BLOCK								
As at 31.03.2023	1,191.47	229.77	2,484.27	9.01	43.91	7.67	42.84	4,008.94
As at 31.03.2024	1,188.84	329.88	2,852.16	13.88	45.94	8.85	36.10	4,475.65

3.1 Property, Plant and Equipment existing as on 01.04.2016 i.e. date of transition to IND AS, the company has elected to use previous GAAP carrying value as deemed cost under IND AS.

3.2 In accordance with the Indian accounting standard (IND AS 36) Impairment of assets, the management has carried out exercise of identifying assets that may have been impaired. On the basis of review carried out by management there was no impairment loss on PPE during the year.

3.3 Title deeds of Immovable Properties not held in name of the Company (Refer Note No. 37)

3.4 The company has not revalued any Property, Plant and Equipment during the year.

3 (B) : CAPITAL WORK IN PROGRESS
CURRENT REPORTING PERIOD

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2023	Addition	Deduction	As at 31.03.2024	As at 01.04.2023	For the Year	Deductions	As at 31.03.2024	As at 31.03.2024
Plant and Equipment	54.21	219.78	54.21	219.78	–	–	–	–	219.78
Total :	54.21	219.78	54.21	219.78	–	–	–	–	219.78

PREVIOUS REPORTING PERIOD

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2022	Addition	Deduction	As at 31.03.2023	As at 01.04.2022	For the Year	Deductions	As at 31.03.2023	As at 31.03.2023
Plant and Equipment	–	54.21	–	54.21	–	–	–	–	54.21
Total :	–	54.21	–	54.21	–	–	–	–	54.21

CWIP ageing schedule

As at 31.03.2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	219.78	–	–	–	219.78
Projects temporarily suspended	–	–	–	–	–
TOTAL	219.78	–	–	–	219.78

CWIP ageing schedule

As at 31.03.2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	54.21	–	–	–	54.21
Projects temporarily suspended	–	–	–	–	–
TOTAL	54.21	–	–	–	54.21

Notes on Financial statements for the year ended 31st March, 2024
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Note No. 3 (C) : RIGHT OF USE ASSETS
₹ in Lakhs

Gross Carrying Amount	Lease Hold Land
Balance as at April 1, 2022	458.25
Additions	–
Disposals/Adjustments	–
Balance as at March 31, 2023	458.25
Additions	–
Disposals/Adjustments	–
Balance as at March 31, 2024	458.25
Amortisation	Lease Hold Land
Balance as at April 1, 2022	51.16
Amortisation for the year	7.15
Disposals/Adjustments	–
Balance as at March 31, 2023	58.31
Amortisation for the year	7.15
Disposals/Adjustments	–
Balance as at March 31, 2024	65.46
Net Carrying Amounts	Lease Hold Land
Balance as at March 31, 2023	399.94
Balance as at March 31, 2024	392.79

3 (D) : OTHER INTANGIBLE ASSETS
CURRENT REPORTING PERIOD

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 01.04.2023	Addition	Deduction	As at 31.03.2024	As at 01.04.2023	For the Year	Deductions	As at 31.03.2024	As at 31.03.2024
Software	33.34	–	–	33.34	26.66	6.68	–	33.34	–
Total :	33.34	–	–	33.34	26.66	6.68	–	33.34	–

PREVIOUS REPORTING PERIOD

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 01.04.2022	Addition	Deduction	As at 31.03.2023	As at 01.04.2022	For the Year	Deductions	As at 31.03.2023	As at 31.03.2023
Software	33.34	–	–	33.34	19.99	6.67	–	26.66	6.68
Total :	33.34	–	–	33.34	19.99	6.67	–	26.66	6.68

Notes on Financial statements for the year ended 31st March, 2024
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₹ in Lakhs

PARTICULARS	As at 31.03.2024	As at 31.03.2023
4 INVESTMENTS		
Non-current		
At Amortised Cost (Unquoted)		
Investment in Govt. Securities*	0.51	0.51
Interest Accrued on Govt. Securities*	0.31	0.28
	0.82	0.79
*Pledged with Government Departments		
Current		
Quoted- Measured at Fair Value through P&L (FVTPL)		
-Investment in mutual funds		
HDFC Floating Rate Debt Fund (472469.47 Units (Previous year 472469.47 units))]	213.01	197.27
HDFC Arbitrage Fund (1452571.306 Units (Previous year Nil units))]	407.99	-
ABSL Floating Rate Fund (3595962.815 Units (Previous year Nil units))]	876.30	-
	1,497.30	197.27
Aggregate value of Quoted investments-At Cost	1,445.00	195.00
Aggregate value of Quoted investments-At Market Value	1,497.30	197.27
5 OTHER FINANCIAL ASSETS		
Non Current		
Deposit with Government Departments / Others	329.64	293.57
Fixed Deposits with Banks under lien held as security against Guarantee	65.16	11.59
Fixed Deposits With Banks	-	87.83
Interest accrued but not due	1.32	1.11
	396.12	394.10
All FDRs having maturity more than 12 months		
Current		
Interest Receivable	19.91	9.95
Employees advances	20.61	14.80
	40.52	24.75
6 INCOME TAX ASSETS		
Non Current		
TDS/TCS receivable (Refer Note No. 15)	-	13.07
	-	13.07
7 OTHER ASSETS		
Non-Current		
Deposits under Protest	20.88	19.37
Capital Advance	1.00	-
Export Benefits	140.36	136.17
Prepaid expenses	8.90	0.55
Other Receivables	10.43	9.95
	181.57	166.04
Current		
Prepaid expenses	17.33	21.12
Advances to Suppliers	244.67	176.03
Balance with Revenue Authorities	156.60	253.24
Other Receivables	8.15	47.08
	426.75	497.47

Notes on Financial statements for the year ended 31st March, 2024
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₹ in Lakhs

PARTICULARS	As at	As at
	31.03.2024	31.03.2023
8 INVENTORIES		
(At lower of cost and Net Realisable value)		
Raw Material	2,266.69	2,570.00
Stores & Spares (including Capital Stores)	154.91	190.55
Work in Process	854.06	820.84
Finished Goods	3,668.22	3,593.41
	6,943.88	7,174.80
9 TRADE RECEIVABLES		
Current		
Receivables considered good – Secured	–	–
Receivables considered good – Unsecured	4,663.32	3,963.37
Receivables which have significant increase in Credit Risk	5.17	–
Receivables – credit impaired	21.90	22.00
	4,690.39	3,985.37
Less: Allowance for doubtful debts	22.41	22.00
	4,667.98	3,963.37

9.1 Balance of trade receivables are subject to reconciliations, confirmation and consequential adjustment, if any

9.2 Trade Receivables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

As at 31.03.2024

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables –considered good	3447.34	1,042.40	92.36	81.22	–	–	4,663.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	5.17	–	5.17
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	1.25	1.25
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables –credit impaired	–	–	–	–	–	20.65	20.65
TOTAL	3,447.34	1,042.40	92.36	81.22	5.17	21.90	4,690.39

As at 31.03.2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables –considered good	3211.14	609.44	132.60	10.16	0.03	–	3,963.37
(ii) Undisputed Trade Receivables– which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	0.81	0.81
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables –which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables –credit impaired	–	–	–	–	–	21.19	21.19
TOTAL		609.44	132.60	10.16	0.03	22.00	3,985.37

₹ in Lakhs

PARTICULARS	As at	As at
	31.03.2024	31.03.2023
9.3 Movement for allowance in Doubtful Debts		
Opening Balance	22.00	49.07
Allowances made	1.13	4.96
Less : Reversal of Provision for Bad Debts	0.72	32.03
Closing Balance	22.41	22.00

Notes on Financial statements for the year ended 31st March, 2024
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₹ in Lakhs

PARTICULARS	As at	
	31.03.2024	31.03.2023
10 CASH AND CASH EQUIVALENTS		
Cash on hand	7.19	11.26
Balances with Banks		
In Current Accounts	683.13	735.98
	690.32	747.24
11 OTHER BALANCES WITH BANK		
Fixed Deposits with Banks	234.68	50.99
Fixed Deposits with Banks under lien held as security against Guarantee (All deposits are having maturity between 3 to 12 months)	6.32	6.02
	241.00	57.01
12 EQUITY SHARE CAPITAL		
Authorised :		
Equity Share Capital		
18,50,00,000 (18,50,00,000 as at 31.03.2023)	18,500.00	18,500.00
Equity Shares of Rs. 10/- each		
	18,500.00	18,500.00
Preference Share Capital		
20,00,000 (20,00,000 as at 31.03.2023)	2,000.00	2,000.00
Preference Shares of Rs. 100/- each (Refer Note No. 17)	2,000.00	2,000.00
Issued, subscribed and fully paid-up Equity		
3,47,75,160 Equity Shares (3,47,75,160 as at 31.03.2023) of Rs.10/- each	3,477.52	3,477.52
	3,477.52	3,477.52

12.1 The Reconciliation of number of equity share outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2024 Equity Shares		As at 31.03.2023 Equity Shares	
	Nos	Rs. in Lakhs	Nos	Rs. in Lakhs
Outstanding at the beginning of the year	3,47,75,160	3,477.52	3,47,75,160	3,477.52
Add: Shares issued during the year	-	-		
Outstanding at the end of the year	3,47,75,160	3,477.52	3,47,75,160	3,477.52

12.2 The details of shareholders holding more than 5% of the shares in the company

Name of the Share holders	As at 31.03.2024		As at 31.03.2023	
	No. of shares	% Held	No. of shares	% Held
1) Generotrade Exim LLP	15636901	44.97	15636901	44.97
2) Arihant Beneficiary Trust through Smt Lalitha Ranka	7000000	20.13	7000000	20.13
3) Administrator of the specified undertaking of Unit Trust of India unit scheme 1964	2013777	5.79	2171376	6.24
4) Unit Trust of India	906356	2.61	906356	2.61

12.3 Terms/rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.4 Shareholdings of Promoters**Shares held by promoters at the end of year**

Promoter Name	As at 31.03.2024		As at 31.03.2023		% change during the year
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1) Generotrade Exim LLP	15636901	44.97	1,56,36,901.00	44.97	-
2) Arihant Beneficiary Trust through Smt Lalitha Ranka	7000000	20.13	70,00,000.00	20.13	-

Notes on Financial statements for the year ended 31st March, 2024
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PARTICULARS	₹ in Lakhs	
	As at 31.03.2024	As at 31.03.2023
13 OTHER EQUITY		
a Capital Reserve		
Balance at the beginning of the year	35.90	35.90
Balance at the end of the year	<u>35.90</u>	<u>35.90</u>
b Capital Redemption Reserve		
Balance at the beginning of the year	875.00	875.00
Balance at the end of the year	<u>875.00</u>	<u>875.00</u>
c Securities Premium		
Balance at the beginning of the year	7,985.77	7,985.77
Balance at the end of the year	<u>7,985.77</u>	<u>7,985.77</u>
d Debenture Redemption Reserve		
Balance at the beginning of the year	970.00	970.00
Balance at the end of the year	<u>970.00</u>	<u>970.00</u>
e Retained Earnings		
Balance at the beginning of the year	(3,008.94)	(24,437.14)
Add: Profit for the year	2,543.32	21,411.64
Add: Other comprehensive income		
Arising from re-measurement of defined benefit plans (net of tax)	35.57	16.56
Balance at the end of the year	<u>(430.05)</u>	<u>(3,008.94)</u>
Total Other Equity	<u>9,436.62</u>	<u>6,857.73</u>

13.1 Nature and purpose of each reserve within equity is as follows:
A) Capital Reserve

Capital Reserve is mainly the reserve created by transferring the capital Subsidy received from Government in earlier years in accordance with applicable accounting standards on that date.

B) Capital Redemption Reserve

Capital Redemption Reserve has been created for redemption of Preference Share Capital.

C) Securities Premium

Securities premium is credited when shares are issued at premium. The securities premium is utilised in accordance with the provisions of the Companies Act, 2013.

D) Debenture Redemption Reserve

Debenture Redemption Reserve has been created for redemption of Debentures.

E) Retained Earnings

Retained earnings represents company's cumulative earnings and losses respectively.

PARTICULARS	₹ in Lakhs	
	As at 31.03.2024	As at 31.03.2023
14 PROVISIONS		
Non-current		
For Employees benefit		
Gratuity	294.58	288.80
Un-availed leave	83.61	68.90
	<u>378.19</u>	<u>357.70</u>
Current		
For Employees benefit		
Gratuity	45.64	26.60
Un-availed leave	17.31	27.97
	<u>62.95</u>	<u>54.57</u>
15 CURRENT TAX LIABILITIES (Net)		
Current Tax	50.05	-
Less- TDS/TCS	(13.93)	-
	<u>36.12</u>	<u>-</u>

Notes on Financial statements for the year ended 31st March, 2024
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₹ in Lakhs

PARTICULARS	As at	As at
	31.03.2024	31.03.2023
16 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	298.69	187.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,430.58	3,667.00
	3,729.27	3,854.85

16.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.

16.2 The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company.

The disclosures relating to Micro and Small Enterprises are as below:

a	The principal amount remaining unpaid to supplier as at the end of the year	298.69	187.85
b	Interest due thereon remaining unpaid to supplier as at the end of the year	–	–
c	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	–	–
d	The amount of Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	–	–
e	The amount of Interest accrued & remaining unpaid at the end of the year	–	–
f	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under section 23 of this Act.	–	–

16.3 Trade Payables ageing Schedule

As at 31.03.2024

Particulars	Not Due	Outstanding for periods from due date of payment				Total
		Less than 1 Year	1 –2 years	2–3 years	More than 3 Year	
(i) MSME	285.43	13.26	–	–	–	298.69
(ii) Others	207.84	328.08	967.77	895.82	920.27	3,319.78
(iii) Disputed dues– MSME	–	–	–	–	–	–
(iv) Disputed dues– Others	–	–	–	–	110.80	110.80
TOTAL	493.27	341.34	967.77	895.82	1,031.07	3,729.27

As at 31.03.2023

Particulars	Not Due	Outstanding for periods from due date of payment				Total
		Less than 1 Year	1 –2 years	2–3 years	More than 3 Year	
(i) MSME	173.93	13.92	–	–	–	187.85
(ii) Others	422.07	1,295.12	894.11	119.55	814.48	3,545.33
(iii) Disputed dues– MSME	–	–	–	–	–	–
(iv) Disputed dues– Others	–	–	–	–	121.67	121.67
TOTAL	596.00	1,309.04	894.11	119.55	936.15	3,854.85

Notes on Financial statements for the year ended 31st March, 2024
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₹ in Lakhs

PARTICULARS	As at	As at
	31.03.2024	31.03.2023
17 OTHER FINANCIAL LIABILITY		
Current		
Share Application Money refundable (Refer note 17.1)	1,450.00	1,450.00
Sundry deposits	52.48	52.51
Other payable	692.79	678.95
Excess Cheques issued in Current Accounts	46.82	10.03
Preference Share Capital		
– 16.50% Cumulative Redeemable Preference Share of Rs. 100/- each fully paid up.	25.00	25.00
–16% Cumulative Redeemable Preference Share of Rs. 100/- each fully paid up.	200.00	200.00
	2,467.09	2,416.49

17.1 Share Application Money Rs. 1450 Lakhs has been raised pursuant to restructuring / settlement scheme submitted to BIFR. Consequent to enactment of Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) with effect from 1/12/2016, it became refundable.

17.2 Preference Share Capital

- Preference Shares Rs. 225 Lakhs were redeemable in F.Y. 2001–02 Rs. 6.25 Lakhs, F.Y. 2002–03 Rs. 72.92 Lakhs F.Y. 2003–04 Rs. 72.92 Lakhs and F.Y. 2004–05 Rs. 72.91 Lakhs. Consequent to enactment of Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) with effect from 1/12/2016, the company is in process of settlement with respective Preference Shareholders.
- Interest on cumulative redeemable preference shares amounting to Rs. 36.13 Lakhs for the year and Rs. 1011.61 Lakhs cumulative up to 31–03–2024 (Previous year Rs. 36.13 Lakhs & cumulative up to 31–03–2023 Rs. 975.48 Lakhs) has not been provided as the company is in process of settlement of remaining redeemable preference share capital.
- The Cumulative Redeemable Preference Shareholders are entitled to cumulative interest at the rate specified. Each share holder of Cumulative Redeemable Preference Shares is entitled to one vote per share only on resolution placed before the company, which directly affects the right attached to cumulative redeemable preference share. Since the interest in respect of cumulative preference share holders has not been paid for more than two years, cumulative redeemable preference share holder have right to 10 votes per share on every resolution placed before the company in a meeting.
- In the event of liquidation of the company, the holder of cumulative redeemable preference share will have priority over equity share holders in the payment of interest and re-payment of capital.

e. Details of preference shareholders holding more than 5% shares

₹ in Lakhs

Name of Shareholders	As at 31.03.2024		As at 31.03.2023	
	No. of preference shares	% held	No. of preference shares	% held
16.50% Preference share holders				
1) The New India Assurance Company Limited	25,000	100.00	25,000	100.00
	25,000	100.00	25,000	100.00
16% Preference share holders				
1) The New India Assurance Company Limited	1,25,000	62.50	1,25,000	62.50
2) National Insurance Company Limited	75,000	37.50	75,000	37.50
	2,00,000	100.00	2,00,000	100.00

f. The Reconciliation of number of Preference share outstanding at the beginning and at the end of the reporting period

Name of Shareholders	As at 31.03.2024		As at 31.03.2023	
	Preference Shares Nos	Amount ₹ in Lakhs	Preference Shares Nos	Amount ₹ in Lakhs
Outstanding at the beginning of the year	2,25,000	225.00	2,25,000	225.00
Add: Shares issued	–	–	–	–
Less: Redeemed/settled during the year	–	–	–	–
Outstanding at the end of the year	2,25,000	225.00	2,25,000	225.00

Notes on Financial statements for the year ended 31st March, 2024
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PARTICULARS	₹ in Lakhs	
	As at 31.03.2024	As at 31.03.2023
18 OTHER CURRENT LIABILITIES		
Advance from customers	38.52	138.82
Other Payable	6.80	–
Statutory Dues	540.84	547.45
	586.16	686.27
19 REVENUE FROM OPERATIONS		
Sale of Products	29,395.95	29,322.42
Sale of services	106.77	194.22
Other operating revenue		
Export Incentives	428.21	467.30
Sale of Raw Material	90.81	85.05
Scrap Sales	27.30	42.23
	30,049.04	30,111.22
20 OTHER INCOME		
Interest received on financial assets carried at amortised cost	32.59	19.55
Interest on I.Tax Refund	3.25	1.59
Rent Income	0.78	0.78
Profit on Sale of Fixed assets	54.66	–
Fair value gain on investment in Mutual Funds	50.04	2.27
Sundry Balances written back	39.26	9.89
Foreign currency transaction and translation gain	177.84	358.54
Miscellaneous Income	0.17	0.13
Provision for Doubtful debtors written Back (Net)	–	27.07
	358.59	419.82
21 COST OF MATERIALS CONSUMED		
Raw materials at the beginning of the year	2,570.00	2,164.81
Add: Purchases	16,855.68	18,775.76
Less: Stock at close	2,266.69	2,570.00
COST OF MATERIALS CONSUMED	17,158.99	18,370.57
22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Inventories at the beginning of the year		
Finished Goods	3,593.41	2,935.87
Work in Process	820.84	746.19
	4,414.25	3,682.06
Inventories at the end of the year		
Finished Goods	3,668.22	3,593.41
Work in Process	854.06	820.84
	4,522.28	4,414.25
Changes In Inventories	(108.03)	(732.19)
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	3,171.20	2,909.01
Contribution to Provident Fund & Other Funds	187.27	170.60
Employees Welfare Expenses	56.77	51.39
	3,415.24	3,131.00

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₹ in Lakhs

PARTICULARS	As at 31.03.2024	As at 31.03.2023
24 FINANCE COSTS		
Interest on borrowings	–	15.96
Interest to others	285.79	279.58
Other borrowing cost	19.75	33.08
Interest Expenses on lease liability	0.05	0.05
	305.59	328.67
25 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment (Note 3A)	400.05	335.33
Amortisation of Right of use Assets (Note 3C)	7.15	7.15
Amortisation of Intangible Assets (Note 3D)	6.68	6.67
	413.88	349.15
26 OTHER EXPENSES		
Manufacturing Expenses		
Packing Material	377.31	422.67
Stores & Spares	1,164.06	1,210.26
Power and fuel	2,856.49	2,765.30
Job charges	219.75	172.88
Repairs & Maintenance :		
Plant and Equipment	112.18	117.89
Building	108.57	72.93
Others	20.34	12.25
	4,858.70	4,774.18
Administrative and Selling Expenses		
Rent	34.87	19.90
Insurance	24.71	26.50
Rates and Taxes	14.79	25.59
Travelling and Conveyance	130.03	125.93
Legal and Professional expenses	75.30	70.60
Bank Charges	35.31	67.89
Directors Fees	0.67	0.60
Share listing fees & Demat Charges	42.78	7.21
Payment to Auditors		
For Audit Fee	2.50	2.00
For Tax Audit Fee	0.75	0.50
For Expenses	1.03	0.81
For Certification	1.20	1.20
Corporate social responsibility Expenses	43.00	39.50
Miscellaneous expenses	118.04	99.09
Commission and Brokerage	350.26	280.59
Carriage outward (net)	807.76	941.46
Rebate, Claims and Discounts	21.07	10.74
Others Selling expenses	59.17	47.26
Provision for Doubtful Receivables	0.41	–
Loss on Disposal of Property, plant and equipment (net)	–	2.59
	1,763.65	1,769.96
	6,622.35	6,544.14
27 EXCEPTIONAL ITEMS		
Income		
Amount written back on account of:		
– settlement of Non Current Borrowings*	–	18,874.85
	–	18,874.85

Notes on Financial statements for the year ended 31st March, 2024
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₹ in Lakhs

PARTICULARS	As at	As at
	31.03.2024	31.03.2023
*Debtures , term loans and accrued interest thereon were settled at Rs 1855.00 lakhs and the same has been paid upto 31.03.2023. On discharge of settled liabilities, the balance non current borrowings of Rs 18874.85 lakhs has been written back and credited to statement of profit and loss as an exceptional item in the FY 2022-23.		
28 INCOME TAXES		
a) Tax Expenses		
Current tax	50.05	—
Deferred Tax*	—	—
	50.05	—

Provisions for income tax for the current year has been made as per provisions of Income Tax Act ,1961

*Deferred Tax expenses has not been recognised in Statement of Profit & Loss as there is reversal of deferred tax assets which has not been recognised as a matter of prudence.

b) Deferred tax movement

31st March, 2024

Particulars	Net Balance as at 1st April 2023	Not Recognised in Statement of profit and loss	Not Recognised in OCI	Net Deferred tax assets/(liabilities)
Deferred tax assets				
Unabsorbed depreciation/ business loss	608.85	608.85	—	
Other expenses allowable on payment basis	194.68	22.01	—	172.67
Provision for gratuity	79.38	(15.20)	8.95	85.63
Deferred tax liabilities				
Temporary difference of depreciable assets	(81.08)	18.97	—	(100.05)
Net Deferred tax assets/(liabilities)	801.83	634.63	8.95	158.25

The Net Deferred Tax Assets has not been recognized in accounts as a matter of prudence.

31st March, 2024

Particulars	Net Balance as at 1st April 2022	Not Recognised in Statement of profit and loss	Not Recognised in OCI	Net Deferred tax assets/(liabilities)
Deferred tax assets				
Unabsorbed depreciation/ business loss	1,383.26	774.41	—	608.85
Other expenses allowable on payment basis	2,377.17	2,182.49	—	194.68
Provision for gratuity	85.16	1.61	4.17	79.38
Deferred tax liabilities				
Temporary difference of depreciable assets	(81.26)	(0.18)	—	(81.08)
Net Deferred tax assets/(liabilities)	3,764.33	2,958.33	4.17	801.83

The Net Deferred Tax Assets has not been recognized in accounts as a matter of prudence.

c) A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate for the year indicated are as follows :

₹ in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes	2,593.37	21,411.64
Enacted tax rate in India	25.17%	25.17%
Income tax at statutory tax rate	652.70	5,388.88
Income tax effect of:		
Effect of non deductible expenses	(14.51)	(2,781.99)
Expenses allowable on payment basis	—	6.50
Others	38.91	(13.90)
Effect of change in Tax rate	—	358.84
Effect of Income which is taxed at special rates	7.58	—
Total tax*	684.68	2,958.33

*Deferred Tax expenses Rs. 634.63 Lakhs has not been recognised in Statement of Profit & Loss as there is reversal of deferred tax assets which has not been recognised as a matter of prudence.

Notes on Financial statements for the year ended 31st March, 2024
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₹ in Lakhs

PARTICULARS	As at 31.03.2024	As at 31.03.2023
29 EARNINGS PER SHARE		
Profit after exceptional items and tax	2,543.32	21,411.64
Weighted Avg. No. of Equity Shares outstanding during the year	34775160	34775160
for Basic Earning Per Shares		
Weighted Avg. No. of Equity Shares outstanding during the year	34775160	34775160
for Diluted Earning Per Shares:		
Nominal Value of Shares (in Rs.)	10.00	10.00
Basic Earning per Share (in Rs.)	7.31	61.57
Diluted earning per share (in Rs.)	7.31	61.57
30 CONTINGENT LIABILITIES AND COMMITMENTS		
(A) CONTINGENT LIABILITIES		
i. Bank Guarantees (amount paid their against by way of FDR Rs. 70.13 lakhs, Previous year Rs. 17.61 lakhs)	54.64	16.58
ii. Disputed demands of GST /Sales Tax/Entry Tax Cases (amount paid Rs. 0.77 Lakhs, Previous year Rs. NIL)	0.77	4.50
iii. Disputed Income Tax Demand (amount paid Rs. 11.71 lakhs, Previous year Rs. Nil)	11.71	-
iv. Disputed demands of Excise cases under appeal (amount paid Rs. 0.63, Previous year Rs. 0.63)	0.63	0.63
v. Other disputed demands by Government departments (amount paid Rs. 7.77, Previous year Rs. 18.74)	159.45	133.94
vi. Disputed liabilities and claim not acknowledged as debts	104.95	104.95
(B) COMMITMENT		
(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for.	42.87	-
(b) Advance paid their against	1.00	-
31 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES		
a) Gross amount required to be spent as per section 135 of the act	22.50	23.41
b) Amount spent during the year		
i) Construction/acquisition of any assets	-	-
ii) On projects other than (i) above	43.00	39.50
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall amounts	-	-
e) Reason for shortfalls	-	-
f) Nature Of CSR Activity	Animal welfare, health care and education	Animal welfare and health care.
g) Details of Related party transactions :		
H.M. Ranka Foundation (CMD is trustee)	20.00	10.00
S.L. Ranka Foundation (CMD is trustee)	5.00	29.50
Acharya Shri Nanesh Samta Vikas Trust (CMD is trustee)	18.00	-
h) Where provision is made with respect to a liability incurred by entering into contractual obligations		
The movement in Provision during the year	NIL	NIL

Notes on Financial statements for the year ended 31st March, 2024

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₹ in Lakhs

32 LEASES

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability recognized. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Changes in the carrying value of right to use assets are stated in Note No. 3C

The weighted average incremental borrowing rate applied to lease liabilities is 9.50 %p.a.

Movement in lease liabilities:

Particulars	₹ in Lakhs	
	As at 31.03.2024	As at 31.03.2023
Opening Balance	0.55	0.53
Additions	–	–
Interest accrued during the year	0.05	0.05
Payment of lease liabilities	0.04	0.03
Closing Balance	0.56	0.55
– Current lease liabilities	0.05	0.05
– Non- Current lease liabilities	0.51	0.50

33 EMPLOYEE BENEFITS**i) Defined benefits plan****a) Gratuity**

In accordance with the provisions of payment of Gratuity Act, 1972 the company has a defined benefits plan which provides for gratuity payments. Every employee who has completed continuous service of 5 years or more gets a gratuity on retirement/termination at 15 days salary (last drawn) for each completed year of service. Liabilities in respect of gratuity plan are determined by an actuarial valuation. Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employees benefits obligation as at balance sheet date.

Change in present value of the defined benefit obligation :

Particulars	₹ in Lakhs	
	2023-24	2022-23
Present Value of obligation as at the beginning of the year	315.40	306.12
Earlier Year additional provision	–	–
Current service cost	63.38	32.44
Interest cost	23.24	20.09
Past Service Cost	–	–
Actuarial (gain)/loss	(35.57)	(16.56)
Benefit paid	(26.23)	(26.69)
Present value of obligation as at the end of the year	340.22	315.40

Amount recognized in the balance sheet:

Particulars	₹ in Lakhs	
	2023-24	2022-23
Present value of defined benefit obligation	340.22	315.40
Fair value of plan assets	–	–
Net liability	340.22	315.40
Amounts shown in the balance sheet		
Current Provisions	45.64	26.60
Non-current Provisions	294.58	288.80
Net liability	340.22	315.40

Amount recognized in Profit and Loss:

Particulars	₹ in Lakhs	
	2023-24	2022-23
Current service cost	63.38	32.44
Past service cost	–	–
Interest cost	23.24	20.09
Total amount recognized in Profit and Loss:	86.62	52.53

Amount recognized in other comprehensive income:

Particulars	₹ in Lakhs	
	2023-24	2022-23
Actuarial (Gain)/Loss on Obligation	–	–
Actuarial (Gain)/Loss arising from change in demographic assumptions	–	–
Actuarial (Gain)/Loss arising from change in financing assumptions	4.47	(4.73)
Actuarial (Gain)/Loss arising from change in experience adjustment on plan liabilities	(40.04)	(11.83)
Return on plan assets less interest on plan assets	–	–
Total Actuarial (Gain)/Loss recognised in other comprehensive income	(35.57)	(16.56)

Notes on Financial statements for the year ended 31st March, 2024
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Change in the present value of defined benefit obligation and the fair value of the plan assets:

₹ in Lakhs

Particulars	2023-24	2022-23
Present value of obligation at year end	340.22	315.40
Fair value of plan assets at year end	–	–
Assets/(Liabilities) recognized in the Balance Sheet	(340.22)	(315.40)

Actuarial assumption

Particulars	2023-24	2022-23
Discount rate*	7.22%	7.39% & 7.36%
Expected return on plan assets	–	–
Employee turnover ratio	6.00%	6.00%
Salary escalation rate**	7.50%	7.50%
Mortality rate inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)

* The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds.

** The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity analysis

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have effected the defined benefit obligation by the amount shown below.

Particulars	2023-24	2022-23
a) Impact of the change in discount rate		
Impact due to increase of 0.50%	(15.78)	(14.67)
Impact due to decrease of 0.50%	17.39	16.10
b) Impact of the change in salary increase		
Impact due to increase of 0.50%	16.96	15.56
Impact due to decrease of 0.50%	(15.50)	(14.27)
Discount rate (0.5% movement)		
Salary escalation rate (0.5% movement)		

Expected Maturity analysis of the defined benefits plan in future years

₹ in Lakhs

Particulars	2023-24	2022-23
Within 1 year	45.64	26.60
1-2 year	31.73	18.90
2-3 year	30.78	32.31
3-4 year	14.84	29.39
4-5 year	11.68	17.47
5-6 year	21.31	12.34
over 6 years	184.24	178.39

Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow

- Salary Increase– Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.
- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate– Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact liability.

b Compensated Absences:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

Notes on Financial statements for the year ended 31st March, 2024

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34 SEGMENT INFORMATION

- a) Based on the management approach as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided.
- b) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Particulars	₹ in Lakhs	
	2023-24	2022-23
Revenue from external customers	12184.29	13327.85
In India	17864.75	16783.37
	30049.04	30111.22

Detail of Country wise Revenue from Major Countries

Particulars	2023-24	2022-23
Italy	4408.33	4255.25
Portugal	1727.13	1915.09
Germany	1073.21	866.86
United Kingdom	965.44	1697.26
Turkey	891.44	874.95
Tunisia	719.81	313.47
Japan	685.30	815.94
Israel	309.30	313.12
South Korea	253.53	525.60
Spain	249.82	270.27
Others	900.98	1480.04
	12184.29	13327.85

35 RELATED PARTY DISCLOSURE**i) Names and Relationship of related parties****a) Directors and Key Managerial personnel**

- Shri Rajesh Ranka (Chairman and Managing Director)
 Shri Ram Awatar Kabra (Executive Director)
 Smt. Veena Jain (Non-executive Non-Independent Director)
 Shri Jagdish Narayan Sharma (Non-executive Independent Director)
 Smt. Ankita Jain (Non-executive Independent Additional Director) : Appointed w.e.f 01/07/2022
 Shri Chhitar Mal Jain (Non-executive Independent Additional Director) : Appointed w.e.f 01/07/2022
 Shri Rohit Singh (Non-executive Independent Director) : Resigned w.e.f 18/07/2022
 Shri Ram Rai Kabra (Non-executive Independent Director) : Resigned w.e.f 18/07/2022
 Shri Prabodh Kumar Nahar (Chief financial officer)
 Shri Banwari Lal Saini (Company Secretary)

b) Enterprises in which directors have significant influence:

- Modern Polytex Limited (Chairman & Managing Director)
 Acharya Shri Nanesh Samta Vikas Trust (Trustee)
 H.M. Ranka Foundation (Trustee)
 S.L. Ranka Foundation (Trustee)

ii) Transactions with related parties and outstanding at the end of the year:**Name of related parties and nature of the transactions**

₹ in Lakhs

A Key Managerial Personnel	2023-24		2022-23	
	Salaries and other employee benefits	Company's Contribution to PF	Salaries and other employee benefits	Company's Contribution to PF
Shri Rajesh Ranka (CMD)	47.00	5.64	34.50	4.14
Shri Prabodh kumar Nahar (CFO)	19.76	1.76	18.33	1.64
Shri Banwari Lal Saini (CS)	6.95	0.56	6.58	0.52
Shri Ram Awatar Kabra (ED)	22.05	1.87	22.05	1.87
Total	95.76	9.83	81.46	8.17

Liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly the amount for gratuity and compensated absences pertaining to key management personnel is not ascertainable and, therefore, not included above.

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₹ in Lakhs

Sitting fees paid to Independent Directors	2023-24	2022-23
Smt. Veena Jain	0.06	0.05
Shri J.N. Sharma	0.13	0.07
Shri Rohit Singh	–	0.06
Shri CM Jain	0.24	0.20
Smt. Ankita Jain	0.24	0.20

B Enterprises in which directors have significant influence:	2023-24	2022-23
Unsecured Loan Taken Modern Polytex Limited (CMD)	–	1000.00
Unsecured Loan Repaid Modern Polytex Limited (CMD)	–	1000.00
Purchase of goods & services Modern Polytex Limited (CMD)	–	925.38
Interest on Unsecured Loan Modern Polytex Limited (CMD)	–	15.97
Interest Exp. Modern Polytex Limited (CMD)	279.11	274.62
CSR Expenses S.L. Ranka Foundation (Trustee)	5.00	29.50
CSR Expenses Acharya Shri Nanesh Samta Vikas Trust	18.00	–
CSR Expenses H.M. Ranka Foundation (Trustee)	20.00	10.00

Balance of related parties at the year end

₹ in Lakhs

Modern Polytex Limited (Trade Payable)	2873.38	2722.20
Total	2873.38	2722.20

Terms and conditions:

All the transactions with related parties were made on normal commercial terms and conditions and at market rates. Gratuity and un-availed leave are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in remuneration.

36 Financial Instruments**i. Financial Instruments by Category**

₹ in Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	Amortised Cost	Total Carrying Value	FVTPL	Amortised Cost	Total Carrying Value
Financial assets	–	–	–	–	–	–
Investments	–	–	–	–	–	–
–Mutual Funds	1,497.30	–	1,497.30	197.27	–	197.27
–National Saving Certificate	–	0.82	0.82	–	0.79	0.79
Other financial assets	–	436.64	436.64	–	418.85	418.85
Trade receivables	–	4,667.98	4,667.98	–	3,963.37	3,963.37
Cash and cash equivalents	–	690.32	690.32	–	747.24	747.24
Other Bank Balances	–	241.00	241.00	–	57.01	57.01
Total	1,497.30	6,036.76	7,534.06	197.27	5,187.26	5,384.53
Financial liabilities	–	–	–	–	–	–
Lease Liabilities	–	0.56	0.56	–	0.55	0.55
Other financial liabilities	–	2,467.09	2,467.09	–	2,416.49	2,416.49
Trade payables	–	3,729.27	3,729.27	–	3,854.85	3,854.85
Total	–	6,196.92	6,196.92	–	6,271.89	6,271.89

Financial Instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

ii. Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are whether observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Inputs which are not based on observable market data.

The fair value of investments in equity/liquid funds is based on the price quotation at the reporting date derived from quoted market prices in active market.

Notes on Financial statements for the year ended 31st March, 2024
CIN NO. L17115RJ1980PLC002075

₹ in Lakhs

iii. Financial assets and liabilities measured at fair value

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial Assets :				
Investments at FVTPL				
Mutual Funds	1,497.30	–	–	1,497.30
Total financial assets	1,497.30	–	–	1,497.30
Financial Liabilities				
	–	–	–	–
As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets :				
Investments at FVTPL				
Mutual Funds	197.27	–	–	197.27
Total financial assets	197.27	–	–	197.27
Financial Liabilities				
	–	–	–	–

37 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

As on 31.03.2024

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value (Rs. In Lakhs)	Title Deeds held in name of	Whether title deed holder is a promotor, director or relative of promotor/director or employee of promotor/director	Property held since which date	Reason for not being held in the name of the company
Right to Use Assets	Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara	92.25	Sunil Textiles Mills Pvt. Ltd.	No	21.10.1994	Sunil Textile Mill Pvt Ltd. Has been amalgamated with Modern Threads India Ltd. Vide the order of High Court Dt. 21.10.1994
Right to Use Assets	Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara	125	Modern Woollens Pvt. Ltd.	No	21.10.1994	Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/arrangement vide order of High Court Dt. 21.10.1994
Right to Use Assets	Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara	7.5	Modern Woollen Mill (Firm)	No	21.10.1994	Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/arrangement vide order of High Court Dt. 21.10.1994
Right to Use Assets	Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara	43.77	Modern Woollens Ltd.	No	21.10.1994	Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/arrangement vide order of High Court Dt. 21.10.1994
Property, Plant and Equipment	Freehold land at Ahmedabad	12.66	Modern Woollens Ltd.	No	21.10.1994	Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/arrangement vide order of High Court Dt. 21.10.1994

Notes on Financial statements for the year ended 31st March, 2024

CIN NO. L17115RJ1980PLC002075

As on 31.03.2023

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value (Rs.)	Title Deeds held in name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Right to Use Assets	Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara	92.25	Sunil Textiles Mills Pvt. Ltd.	No	21.10.1994	Sunil Textile Mill Pvt Ltd. Has been amalgamated with Modern Threads India Ltd. Vide the order of High Court Dt. 21.10.1994
Right to Use Assets	Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara	125	Modern Woollens Pvt. Ltd.	No	21.10.1994	Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994
Right to Use Assets	Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara	7.5	Modern Woollen Mill (Firm)	No	21.10.1994	Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994
Right to Use Assets	Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara	43.77	Modern Woollens Ltd.	No	21.10.1994	Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994
Property, Plant and Equipment	Freehold land at Saha Mohalla, gosai tola, Mirzapur, Bhadohi	2.63	Modern Woollens Ltd.	No	21.10.1994	Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994
Property, Plant and Equipment	Freehold land at Ahemdabad	12.66	Modern Woollens Ltd.	No	21.10.1994	Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994

38 Wilful Defaulter

The company has been declared as wilful defaulter by banks and Financial Institutions from 31.03.2002 to 31.03.2010 but all the borrowings have settled and paid and default is not continuing, hence other details are not furnished.

39 Capital and Financial Risk Management
A Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The Company's adjusted net debt to equity ratio is as follows.

Particulars	₹ in Lakhs	
	2023-24	2022-23
Non – Current Borrowings	–	–
Current Borrowings	–	–
Gross Debt	–	–
Less : Cash and cash equivalent	690.32	747.24
Less : Other Bank Deposits	234.68	50.99
Adjusted net debt	(925.00)	(798.23)
Total Equity	12,914.14	10,335.25

Notes on Financial statements for the year ended 31st March, 2024
CIN NO. L17115RJ1980PLC002075

Adjusted Net debt to equity ratio is not calculated as and there is no debt as on 31.03.2024 and 31.03.2023.

B Financial Risk Management

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

i) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables).

Trade Receivables: Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Credit Risk Exposure: The allowance for expected credit loss on customer balances for the year ended 31st March, 2024 and 31st March, 2023:

Opening Balance	22.00	49.07
Allowances made	1.13	4.96
Less : Reversal of Provision for Bad Debts	0.72	32.03
Balance at year end	22.41	22.00

Deposits with Bank: The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

ii) Liquidity Risk

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table summarizes the maturity profile of Company's financial liabilities based on contractual payments .

₹ in Lakhs

Particulars	Within 1 year	More than 1 year	As at 31st March 2024
Financial Liabilities			
Lease Liabilities	0.05	0.51	0.56
Trade Payables	3,729.27	–	3,729.27
Other Financial Liabilities	2,467.09	–	2,467.09
Total	6,196.41	0.51	6,196.92

Particulars	Within 1 year	More than 1 year	As at 31st March 2023
Financial Liabilities			
Lease Liabilities	0.05	0.50	0.55
Trade Payables	3,854.85	–	3,854.85
Other Financial Liabilities	2,416.49	–	2,416.49
Total	6,271.39	0.50	6,271.89

iii) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

a. Foreign currency risk

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchase from overseas suppliers in various foreign currencies viz. Euro, GBP, USD, AUD, JPY etc.

The company exposure to foreign currency risk at the end of the reporting period expressed in Rs in lakhs are as follows:
₹ in Lakhs

Particulars	USD	EURO	GBP	AUD	JPY	Total
As at 31st March, 2024						
Trade Receivable	831.54	2,156.29	100.03	–	–	3,087.86
Advance to Suppliers	111.83	65.24	–	5.31	3.81	186.19
Trade Payable	–	–	–	–	–	–
Advance from Customers	12.32	–	–	–	–	12.32
Net exposure to foreign currency risk	931.05	2,221.53	100.03	5.31	3.81	3,261.73

₹ in Lakhs

Particulars	USD	EURO	GBP	AUD	JPY	Total
As at 31st March, 2023						
Trade Receivable	751.97	1,706.65	268.58	—	—	2,727.20
Advance to Suppliers	23.42	19.63	4.54	5.39	1.48	54.46
Trade Payable	—	—	—	—	—	—
Advance from Customers	42.73	—	0.78	—	~	43.51
Net exposure to foreign currency risk	732.66	1,726.28	272.34	5.39	1.48	2,738.15

Foreign currency sensitivity

1% increase or decrease in foreign exchange rate will have the following impact on profit before tax:

Particulars	2023–24		2022–23	
	1% increase	1% Decrease	1% increase	1% Decrease
USD	9.31	(9.31)	7.33	(7.33)
EURO	22.22	(22.22)	17.27	(17.27)
GBP	1.00	(1.00)	2.72	(2.72)
AUD	0.05	(0.05)	0.05	(0.05)
JPY	0.04	(0.04)	0.01	(0.01)
Net increase(decrease) in Profit or loss	32.62	(32.62)	27.38	(27.38)

b. Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to change in interest income and expense for the Company. In order to optimize the Company's position with regards to interest income & expense and to manage the interest risk, the Company performs comprehensive interest risk management by balancing the proportion of fix & variable rate financial instruments.

₹ in Lakhs

Particulars	March 31, 2024	March 31, 2023
Fixed rate instruments		
Fixed deposit with Banks	306.16	156.43
Net (Liabilities)/Assets	306.16	156.43

Sensitivity analysis:

A change in 50 basis point in interest rate of borrowings at the reporting date would have increase/(decrease) Profit or Loss by the amount shown below. This analysis assumes that all other variables, remain constant.

Particulars	2023–24		2022–23	
	0.5 % Increase	0.5 % Decrease	0.5 % Increase	0.5 % Decrease
Interest rate increase/ decrease	1.53	(1.53)	0.78	(0.78)
Net increase/(decrease) in Profit or loss	1.53	(1.53)	0.78	(0.78)

c. Commodity Risk

Commodity risk is defined as the possibility of financial loss as a result of fluctuation in price of Raw Material/Finished Goods and change in demand of the product and market in which the company operates. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company forecast annual business plan and execute on monthly business plan. Raw material procurement is aligned to its monthly/annual business plan and inventory position is monitored in accordance with future price trend.

40 Analytical ratios table

S. No.	Ratio Name	NUMERATOR	DENOMINATOR	CURRENT YEAR	PREVIOUS YEAR	% VARIANCE	REASON FOR VARIANCE
1.	CURRENT RATIO	Current assets	Current liabilities	2.11	1.81	16.75%	Not Applicable
2.	DEBT-EQUITY RATIO	Total Debt	Shareholder's Equity	NA	NA	NA	Not Applicable
3.	DEBT SERVICE COVERAGE RATIO	Earning available for debt service	Debt service	NA	NA	NA	Not Applicable
4.	RETURN ON EQUITY (ROE)	Net Profit after taxes-Preference Dividend (if any)	Average Equity Share Capital	21.88%	28.00%	-21.87%	Not Applicable
5.	INVENTORY TURNOVER RATIO	Cost of goods sold or sales	Average Inventory	3.59	3.87	-7.30%	Not Applicable
6.	TRADE RECEIVABLES TURNOVER RATIO	Net Credit Sales	Average accounts receivable	6.96	9.56	-27.19%	Due to increase in export receivables
7.	TRADE PAYABLES TURNOVER RATIO	Net Credit Purchases	Average Trade Payables	4.44	5.75	-22.66%	Not Applicable
8.	NET CAPITAL TURNOVER RATIO	Net Sales	Working Capital	3.94	5.33	-26.07%	Due to increase in current investments and export receivables
9.	NET PROFIT RATIO	Net Profit	Net sales	8.46%	71.11%	-88.10%	Due to exceptional income in the previous year
10.	RETURN ON CAPITAL EMPLOYED	Earning before interest and taxes	Capital Employed	24.18%	227.96%	-89.39%	Due to exceptional income in the previous year
11.	RETURN ON INVESTMENT	EBIT	Average Total Assets	15.31%	137.87%	-88.90%	Due to exceptional income in the previous year

41 Figures for previous year have been regrouped/rearranged/restated wherever considered necessary to make them comparable with the figures for the current year and for compliance of Ind AS.

As per our report of even date attached**For S.S. Surana & Co.**

Chartered Accountants
FRN 001079C

(Pralhad Gupta)

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2024

UDIN : 24074458BK.HIFW1027

For and on behalf of the Board

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

Ram Awatar Kabra – Executive Director (DIN : 00945603)

Ankita Jain – Non-Executive – Independent Director (DIN : 09598249)

P.K. Nahar – Chief Financial Officer –

B.L.Saini – Company Secretary –

Place : Bhilwara

Date : 30.05.2024

MODERN THREADS (INDIA) LIMITED

Registered Office : Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan)
 Phone : 91-1482-241801 Website : www.modernwoollens.com E-mail : cs@modernwoollens.com
 CIN : L17115RJ1980PLC002075

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
43rd Annual General Meeting - 30th September, 2024

I hereby record my presence at the FORTY THIRD ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at Unit : Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) on Monday the 30th September, 2024 at 11:00 A.M.

Full Name of Member (IN BLOCK LETTERS)

Reg. Folio No./CLIENT ID DP ID No. of Shares held

Full Name of Proxy (IN BLOCK LETTERS)

Member's/Proxy's Signature

NOTE : ADMISSION WILL BE STRICTLY PERMITTED FOR SHAREHOLDERS/VALID PROXY HOLDERS ONLY.

✂



MODERN THREADS (INDIA) LIMITED

Registered Office : Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan)
 Phone : 91-1482-241801 Website : www.modernwoollens.com E-mail : cs@modernwoollens.com
 CIN : L17115RJ1980PLC002075

PROXY FORM

Name of the member(s) :

Registered Address :

E-mail ID : Folio No./Client ID :

DP ID :

I/We, being the members(s) of Shares of the Modern Threads (India) Limited, hereby appoint

1. Name : Address :

E-mail ID : Signature :, or failing him

2. Name : Address :

E-mail ID : Signature :, or failing him

3. Name : Address :

E-mail ID : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Monday, the 30th September, 2024 at 11:00 A.M. at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) (India) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1 2 3 4

Signed this day of 2024.

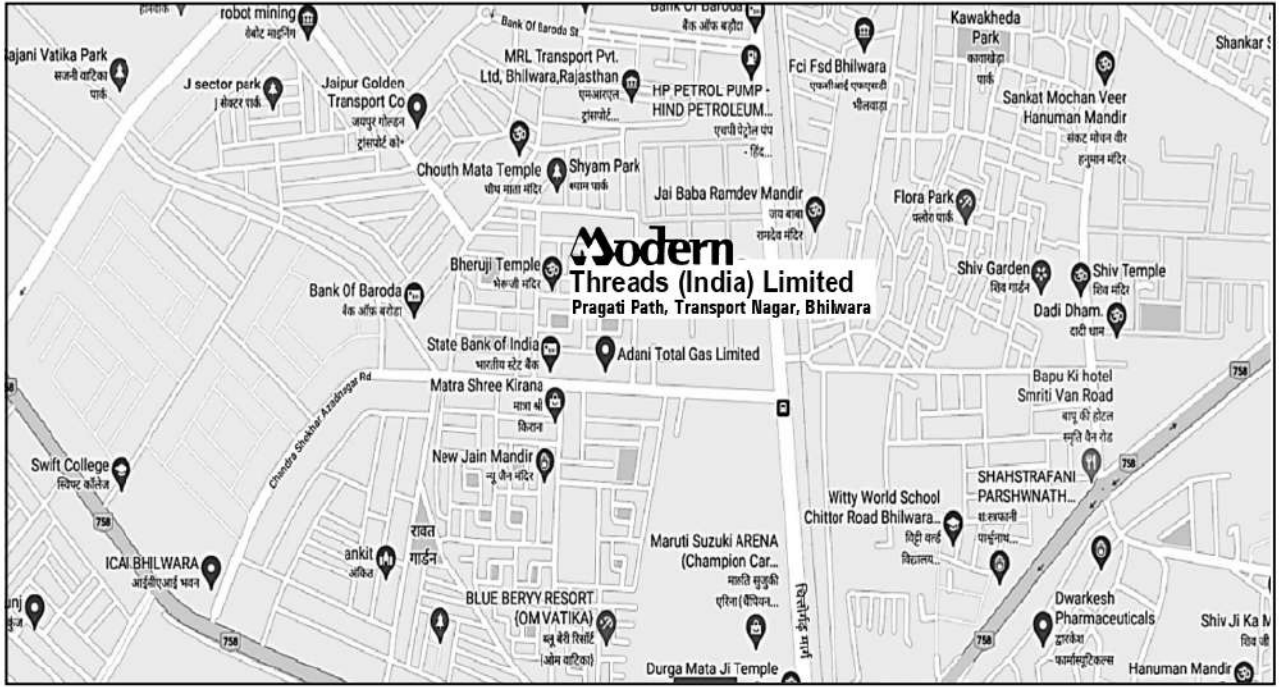
Signature of Shareholder :

Signature of Proxy Holder(s) :

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) (India) not less than FORTY EIGHT HOURS before the commencement of the meeting.

Affix
 Re 1/-
 Revenue
 Stamp

Route Map to the venue of AGM



Book Post
(Printed Matter)

If undelivered please return to :

Modern Threads (India) Limited
Unit : Modern Woollens, Pragati Path
Bhilwara-311001 (Rajasthan) (India)

