



Modern Threads (India) Limited

Registered Office :

A-4, Vijay Path, Tilak Nagar, Jaipur-302 004

Phone : 0141-4113645, Fax : 0141-2621382

E-mail : cs@modernwoollens.com

modernjaipuroffice@gmail.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

To,

31st March, 2018

The National Stock Exchange of India Limited
The Listing Department
Exchange Plaza, Plot No. C/1,
G-Block, Bandra Kurla Complex,
Bandra (East), MUMBAI – 400 051

Sub: Annual Report for financial year 2014-15

Dear Sir/Madam,

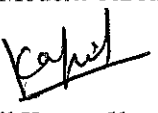
Pursuant to regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the 34th Annual Report of the Company for the financial year 2014-15 duly approved and adopted at 34th Annual General Meeting of the Company held on Thursday, 24th September, 2015.

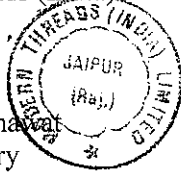
Kindly take the same on record.

Thanking you,

Yours Faithfully

For Modern Threads (India) Limited


Kapil Kumar Kumawat
Company Secretary



Encl: As above

Corporate Head Office : 68/69, Godavari, Pochkhanwala, Worli, Mumbai-400030

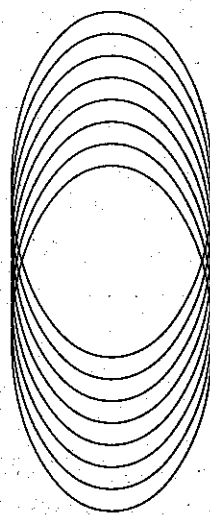
Tel.:022-24973269, Fax : 022-24950962

Plants- [Woollens Division : Hamirgarh Road, Bhilwara-311001 (Rajasthan)

Tel.:01482-241801, Fax : 01482-297924

[Yarn Division : Village Raila, District - Bhilwara-311024 (Rajasthan)]

ANNUAL REPORT 2014-2015



Modern
THREADS (INDIA) LIMITED

BOARD OF DIRECTORS

- Shri Rajesh Ranka – Chairman & Managing Director
Shri Pradeep Kumar – Special Director, BIFR
Shri H.L. Sharma – Independent Director
Shri S.B.L. Jain – Independent Director
Smt. Veena Jain – Additional Director
Shri P.K. Jain – Additional Director

CHIEF FINANCIAL OFFICER

Shri P.K. Nahar

COMPANY SECRETARY

Shri B.L. Saini

AUDITORS

M/s S.S. Surana & Co.,
Chartered Accountants,
Jaipur-302 015

REGISTERED OFFICE

A-4, Vijay Path,
Tilak Nagar,
Jaipur-302 004 (Rajasthan)
Phone : 0141-3240996
Email : modernjaipuroffice@gmail.com

CORPORATE HEADQUARTER

68/69, Godavari,
Pochkhanwala Road,
Worli, Mumbai-400 030

PLANTS

Yarn Division

Village Raila,
Distt. Bhilwara (Rajasthan)

Woollens Division

Hamirgarh Road,
Bhilwara-311 001 (Rajasthan)



NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of **Modern Threads (India) Limited** will be held on Thursday the 24th September, 2015 at 3.00 P.M. at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur-302 004 to transact the following business :

A. ORDINARY BUSINESS :

- (1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2015, and the reports of the Board of Directors and Auditors thereon.
- (2) To ratify the re-appointment of Auditors of the Company and to fix their remuneration and to pass with or without modifications, the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the Annual General Meeting held on 22nd September, 2014, the re-appointment of M/s. S.S. Surana & Co., Chartered Accountants, Jaipur (Firm Registration No. 001079C), as the Auditors of the Company to hold office till the conclusion of 36th Annual General Meeting, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors."

B. SPECIAL BUSINESS :

- (3) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder, Smt. Veena Jain (DIN: 07148606), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th June, 2015 and who holds office until the date of this Annual General Meeting under Section 161 of the Companies Act, 2013

and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

- (4) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder, Shri Pushp Kumar Jain (DIN: 07202184), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th June, 2015 and who holds office until the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
- (5) To consider and, if thought fit, to pass with or without modification, 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 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. M. Goyal & Co., Cost Accountants (Firm Registration No. 000051), appointed as Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of Rs. 30,000/- per annum plus applicable service tax and reimbursement of expenses upto Rs. 15,000/- be and is hereby ratified and approved."

By order of the Board

Place : Mumbai

Date : 18th June, 2015

(B.L. SAINI)

Company Secretary

NOTES :

1. The Explanatory Statement pursuant to Section 102 and/or any other applicable provisions of the Companies Act, 2013 in respect of Special Business is annexed hereto.
2. 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.
3. The proxy form duly completed, 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.
4. The Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Share transfer books and Register of members shall remain closed from 21st September, 2015 to 24th September, 2015 (both days inclusive).
7. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
8. 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.

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3

Smt Veena Jain (DIN: 07148606), was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th June, 2015 and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director liable to retire by rotation. The Board considers it desirable that the Company should continue to avail of her services. Smt. Veena Jain is M.A. and has knowledge and experience in Woollen Yarn Industry. She is also proprietor of 'Gravée International' which is dealing in Manufacturer, Import, Export, Wholesale & Work contract etc.

The resolution seeks the approval of the members for the appointment of Smt. Veena Jain as a Director of the Company.

No director, key managerial personnel or their relatives, except Smt. Veena Jain, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set out in item No. 3 for the approval of the members.

Item No. 4

Shri Pushp Kumar Jain (DIN: 07202184), was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th June, 2015 and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of

Director liable to retire by rotation. The Board considers it desirable that the Company should continue to avail of his services. Shri Pushp Kumar Jain is B.COM. from the University of Rajasthan. He has undertaken practical training from ENDSCO, Mumbai for material handling. He has vast experience in the field of wool worsted spinning and combing.

The resolution seeks the approval of the members for the appointment of Shri Pushp Kumar Jain as a Director of the Company.

No director, key managerial personnel or their relatives, except Shri Pushp Kumar Jain, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set out in Item No. 4 for the approval of the members.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. M. Goyal & Co., Cost Accountants, Jaipur as the Cost Auditors of the Company to conduct the audit for the financial year ending March 31, 2016 at a remuneration of Rs. 30,000/- per annum plus reimbursement of expenses upto Rs. 15,000/-.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

No directors, key managerial personnel or their relatives is concerned or interested in the said resolution set out at item No.5.

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 34th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2015.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Net Sales	142.91	97.85
Other Income	1.66	1.39
Total	144.57	99.24
Gross Profit before Depreciation	8.99	7.90
Less : Depreciation	1.51	1.94
Net Profit for the year	7.48	5.96
Add : Balance brought forward from last year	(316.09)	(322.05)
Balance carried to Balance Sheet	(308.61)	(316.09)

OPERATIONS

The Woollen division of the Company is continuing its operations and has achieved a turnover of ₹ 143 crores as compared to ₹ 98 crores in the previous year. The performance of the Woollen Division has improved during the year under review despite of stiff competitions in the domestic and International markets. Your company has been able to generate net profit of ₹ 7.48 crores during the year under review as against net profit of ₹ 5.96 crores in previous year. The Yarn division of the Company at Raila continued to remain closed during the year under review on account of continuing strike by the workers and sealing of the entire plant and machinery by Ajmer Vidyut Vitran Nigam Limited. In view of accumulated losses, your directors are unable to declare any dividend for the year under review.

EXPORTS

The Woollen division of the Company has been able to increase its exports to ₹ 95 crores during the year under review as against ₹ 59 crores in previous year. The products are well established in the International market and enjoys prestigious clientele. Woollen division has also initiated efforts to retain existing customers base and contacting newer customers in overseas market with different product range in worsted yarn so as to achieve improved performance and profitability in the ensuing period.

FUTURE PROSPECTS

The ongoing efforts of management for improving operational efficiency, cost reduction and better management of available financial resources resulted enhanced performance of Woollen division. In view of Company's inherent strengths in the field of manufacturing and market capabilities, future of Woollen division looks optimistic. The Company is hopeful that the woollen division of the Company may be able to provide better contribution towards operating margins.

PUBLIC FIXED DEPOSITS

In view of petition filed by the Company, the Hon'ble Company Law Board has passed an order on 17/04/2002 that "The repayment of fixed deposits shall be made by the Company in accordance with the 'revival scheme' as and when approved by BIFR under the provisions of 'SICA'. However, payments on compassionate ground are continued to be made as per the decision of the Committee formed by Hon'ble Company Law Board for this purpose. The Company has neither accepted nor renewed any public fixed deposits during the year within the meaning of section 73 of the companies Act, 2013 and the companies (Acceptance of Deposits) Rules, 2014.

STATUS OF PROCEEDINGS AT BIFR

Pursuant to the direction of Hon'ble BIFR and discussions with Operating Agency, the Company has filed revised Draft Rehabilitation Scheme with the Hon'ble BIFR, which is under examination and consideration.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Shri S.B.L. Jain and Shri H.L. Sharma were appointed as an Independent Directors of the Company for a period of three consecutive years upto 31st March, 2017. Shri J.P. Agarwal has resigned from the Directorship of the Company. Smt. Veena Jain and Shri Pushp Kumar Jain have been appointed as an Additional Director of the Company. Appropriate resolutions for the appointment are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval. The Board welcomes Smt. Veena Jain and Shri Pushp Kumar Jain and places on record its sincere thanks and gratitude for the valuable contribution made by Shri. J.P. Agarwal towards the growth and development of the company during his tenure as Director of the Company.

Shri Prabodh Kumar Nahar was appointed as Vice President (Commercial) &

Chief Financial Officer of the Company with effect from 1st July, 2014.

Declaration of Independent Directors

The Independent Directors have submitted their declarations to the Board that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement

Policy on Directors' Appointment and Remunerations

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and other employees of the Company.

Criteria for Selection/Appointment

The Non-Executive/Whole-time/Managing Director, Key Managerial Personnel (KMP) and other employees shall be of requisite qualification, high integrity and should have relevant expertise and experience.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors and also ensure that the candidate identified for appointment as an Independent Director is not disqualified for appointment under Section 149 and 164 of the Companies Act, 2013.

Remuneration Policy

The Whole time Director/Managing Director/Key Managerial Personnel (KMP) and other employees shall be entitled to receive remuneration/ compensation/ commission etc. as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The Non Executive Directors and Independent Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings within the overall limits prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the 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 and Stakeholders Relationship Committee. A standard parameters was 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.

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 shareholders 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. The Directors expressed their satisfaction with the evaluation process.

Number of Board Meetings

The Board of Directors duly met four times during the financial year from 1st April, 2014 to 31st March, 2015 i.e. 14th June, 2014, 22nd September, 2014, 27th December, 2014 and 20th March, 2015. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s S.S. Surana & Co., (Firm Registration No. 001079C), Chartered Accountants, Jaipur were appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 22nd September, 2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Accordingly, the appointment of M/s S.S. Surana & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratifications by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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.

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 R.K. Jain & Associates, Company Secretaries, Bhilwara to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as Annexure 'A'.

The observations in Secretarial Audit Report regarding appointment of Women Director and Directors liable to retire by rotation, it is clarified that both the points

have been complied with in the Board Meeting held on 18/06/2015. In respect of other observations, which are mainly related to listing agreement requirements etc., for which the Company will take necessary action on implementation of rehabilitation scheme pending for examination and approval of BIFR.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by Company is given in the notes to the financial statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations to safeguard and protect from loss, unauthorized use or disposition of its assets. The Internal Auditor ensure and evaluates the efficacy and adequacy of internal control system of the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The Company is following all the applicable Accounting Standards in respect of maintenance of books of accounts and reporting financial statements. All the transactions are properly authorized, recorded and reported to the Management of the Company. Significant audit observations and recommendations along with corrective actions taken by the management thereon are presented to the Audit Committee meetings and thereafter Board Meetings.

INDUSTRIAL RELATIONS AND PARTICULARS OF EMPLOYEES

The Company has enjoyed healthy and cordial industrial relations throughout the period except that the workers of 'Yarn Division' are still on strike. 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, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- The directors have 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;
- The directors have 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;
- The directors have prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

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

The information pertaining to 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 herewith as Annexure 'B'.

CORPORATE SOCIAL RESPONSIBILITY

The Company has not implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable. However, the Company has constituted the Corporate Social Responsibility Committee which comprises of Shri Rajesh Ranka (Chairperson), Shri S.B. L. Jain and Shri H.L. Sharma (Members).

VIGIL MECHANISM

Pursuant to the provision of Section 177 (9) and (10) of the Companies Act, 2013, the Company has adopted Vigil Mechanism, which also incorporates a whistle blower policy for Directors and employees 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.

CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The related party transaction entered into during the financial year was on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions which may have a potential conflict with the interests of the Company at large. Particulars of contracts or arrangements with related parties under the provisions of section 188(1) of the Companies Act, 2013 are annexed herewith in the prescribed form AOC-2 as Annexure 'C'.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Companies as on 31.03.2015.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format (MGT-9) is appended as Annexure D to the Board's Report.

CODE OF CONDUCT

The Company has a Code of Conduct which is applicable to the Board of Directors, Key Managerial Personnel and all other employees in the course of day to day business operations of the Company. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors, Key Managerial Personnel and all other designated employees of the Company in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

BUSINESS RISK MANAGEMENT

In accordance with Clause 49 of the Listing Agreement, the Board of Directors of the Company formally adopted a policy i.e. Risk Management Policy for framing, implementing and monitoring the risk management plan for the Company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The policy establishes a structured and disciplined approach to Risk Management. In the challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks of the Company inter alia are: competition, business risk, technology obsolescence, investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

AUDIT COMMITTEE

The Board of Directors of the Company has constituted the Audit Committee of Directors to act in accordance with the terms of reference specified by the Board as stipulated in section 177 of the Companies Act, 2013. The detail of Committee members are as follows :-

Sl. No.	Name of Director	Designation	Category
1	Shri S.B.L. Jain	Chairman	Independent Director
2	Shri H.L. Sharma	Member	Independent Director
3	Shri Pradeep Kumar	Member	Special Director, BIFR

GENERAL

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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.
- No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's Operations in future.

ACKNOWLEDGEMENTS

The Board place on record its sincere thanks to bankers, business associates, executives, workers and various Government Authorities for their continued support extended to your Company during the year under review.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Dated : 18th June, 2015

(RAJESH RANKA)
Chairman & Managing Director
DIN : 03438721

Annexure A to Boards' Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[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

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).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, 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 M/s. Modern Threads (India) Limited for the financial year ended on 31st March, 2015 according to the provisions of:-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There is no transaction relating FDI and ODI during the year under review.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Period under review);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Period under review);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the Period under review);
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Period under review); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the Company during the Audit Period).
 - (vi) And other applicable Laws like 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 Laws,
 - (vii) The Sick Industrial Companies (Special Provisions) Act, 1985. The Company has been declared as Sick Company by the Board for Industrial and Financial Reconstruction (BIFR) and the company has submitted rehabilitation scheme to BIFR which is under examination /approval.
- We have also examined compliance with the applicable clauses of the following:-
- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (Not applicable during the period under review being not notified).
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange, Jaipur Stock Exchange Limited, Bangalore Stock Exchange Ltd., Delhi Stock Exchange Ltd., Ahmedabad Stock Exchange Ltd., Madras Stock Exchange Ltd., U.P. Stock Exchange Ltd. The Calcutta Stock Exchange Ltd., National Stock Exchange of India Ltd. The Trading in Securities of the Company has been suspended by Bombay Stock Exchange Limited since January, 2002 and by NSE since 11/11/2002.

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

1. The preference shares were redeemable in four equal installments commencing from the year 2003-04, now the preference shares will be redeemed as per Rehabilitation Scheme to be approved by BIFR. The Dividend on Cumulative redeemable Preference Shares has not been provided for last years. The company expects waiver/ relief under Draft Rehabilitation Scheme pending for approval with BIFR.
2. The company had unpaid Fixed Deposits accepted from Public. The outstanding amount of Public Fixed Deposit as on 31st March, 2015 was amounting to ₹ 663.75 Lacs as on 31.03.2015. In view of petition filed by the company, The Hon'ble Company Law Board has passed as order dated 17.04.2002. According to which the repayment of Fixed Deposit shall be made by the Company as per Rehabilitation Scheme to be approved by BIFR.
3. The company has an outstanding amount of share application money ₹ 1450 lacs received from promoters and associates pursuant to the Draft rehabilitation scheme. The instrument will be issued on sanction of the scheme by BIFR. In view of pending approval of rehabilitation scheme by BIFR, no application money is due for refund. Allotment of Equity Shares has not been made so far.
4. The Company has not been appointed the Woman Director as per requirements of Section 149 of the Act.
5. The Company has not complied with the provisions of Section 152 of the Companies Act, 2013 regarding directors liable to retire by rotation. There is no director retiring by rotation from 15th December, 2014.
6. The Securities of the Company has not yet been in dematerialized form as such the company has not comply the provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
7. The Company has not complied with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 being the Company has not appointed Share Transfer Agent so far. The Company has maintained records relating to the Register of Members and share transfer in-house division.
8. The company has not complied with the provisions of Listing Agreement with stock exchanges where the securities of the Company are listed.
9. The Company has not maintained its website, the disclosure as required by Companies Act, 2013 and Listing Agreement were not disseminated of Website.
10. In respect to the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') The Company has not complied with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 during the period under review. However, there was transfer of Shareholding between promoters inter-se during the financial year 2014-15.
11. The Company has not framed the Code of Internal Procedures and code of conduct for prevention of Insider trading as required by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

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 except the observations made in the Report. The changes in the composition of the Board of Directors that took place during the period under review 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, 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.

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.

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

Place : Bhillwara
 Date : 18th June, 2015

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

Annexure 'A'

To,
 The Members
 Modern Threads (India) Limited

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. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance

Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax except some dues as mentioned in Independent Auditors' Report. There are some disputed statutory dues, which have not been deposited on account of matter pending before appropriate authorities as mentioned in Independent Auditors' Report.

5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
7. 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.

R K Jain & Associates
 Company Secretaries

Place : Bhilwara
 Date : 18th June, 2015

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

Annexure B to Boards' Report

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	Being explored.
(iii) The capital investment on energy conservation equipments	Will be known only after getting audit report and viability study done

(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	N.A.
(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	₹ 9531.80 lacs
ii) Foreign Exchange outgo during the year in terms of actual outflows	₹ 7037.38 lacs

Annexure C to Boards' 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 arms length transaction under third proviso thereto:-

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2015, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. No.	Name (s) of the related party	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	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Shubam Corporate Advisory Pvt. Ltd.	One of the Directors is interested	Leave and License agreement of corporate office premises	01.04.2013 to 31.03.2015	Occupy and use the Office space for Corporate Head Quarter at Mumbai at monthly compensation of ₹ 90000/- Plus applicable Service Tax	22.06.2013	Nil

Annexure D to Boards' Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L17115RJ1980PLC002075
ii)	Registration Date	28/08/1980
iii)	Name of the Company	Modern Threads (India) Limited
iv)	Category/Sub-Category of the Company	Limited by Shares
v)	Address of the Registered office and contact details	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004. Phone No. : 0141-3240996
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	In house

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Wool & wool blended Yarn	17123	82.88

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
-	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)
i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	23012051	23012051	66.17	Nil	23011801	23011801	66.17	Nil
e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A)(1):-	Nil	23012051	23012051	66.17	Nil	23011801	23011801	66.17	Nil

(2) Foreign									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total share holding of Promoter (A)=(A)(1)+(A)(2)	Nil	23012051	23012051	66.17	Nil	23011801	23011801	66.17	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	16200	16200	0.06	Nil	16200	16200	0.06	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	385270	385270	1.10	Nil	385270	385270	1.10	Nil
f) FIIs	Nil	436900	436900	1.26	Nil	436900	436900	1.26	Nil
g) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Banks	Nil	3057	3057	0.01	Nil	2907	2907	0.01	Nil
i) FI	Nil	3332907	3332907	9.59	Nil	3332907	3332907	9.59	Nil
Sub-total(B)(1):-	Nil	4174334	4174334	12.01	Nil	4174184	4174184	12.01	Nil
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	Nil	1509688	1509688	4.34	Nil	1509898	1509898	4.34	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual share holders holding nominal share capital upto ₹ 1 lakh	Nil	5941877	5941877	17.09	Nil	5942067	5942067	17.09	Nil
ii) Individual share holders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) NRI's	Nil	137210	137210	0.39	Nil	137210	137210	0.39	Nil
Sub-total(B)(2):-	Nil	7588775	7588775	21.82	Nil	7589165	7589165	21.82	Nil
Total Public Share holding (B)=(B)(1)+ (B)(2)	Nil	11763109	11763109	33.82	Nil	11763349	11763349	33.82	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
GrandTotal (A+B+C)	Nil	34775160	34775160	100	Nil	34775160	34775160	100	Nil

(ii) Share holding of Promoters

Sl. No.	Share holder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Invitation Investment Pvt. Ltd.	15637151	44.97	Nil	Nil	Nil	Nil	100

2	Vishwa Vyapar Trading Pvt. Ltd.	7000000	20.12	Nil	7000000	20.12	Nil	Nil
3	Shrine Trading Company Pvt. Ltd. (Pledged with GSFC)	374900	1.08	1.63	374900	1.08	1.63	Nil
4	Generotrade Exim Pvt. Ltd.	Nil	Nil	Nil	15636901	44.97	Nil	Nil
	Total	23012051	66.17	1.63	23011801	66.17	1.63	Nil

(iii) Change in Promoters' Share holding (please specify, if there is no change)

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Invitation Investment Pvt. Ltd. At the beginning of the year Interse transfer on 14.06.2014 At the end of the Year	15637151 (15637151) -	44.97 (44.97) -	15637151 - -	44.97 - -
2.	Generotrade Exim Pvt. Ltd. At the beginning of the year Interse transfer on 14.06.2014 Transfer on 25.08.2014 At the end of the Year	- - (250) 15636901	- - (-) 44.97	- 15637151 15636901 15636901	- 44.97 44.97 44.97
3.	Vishwa Vyapar Trading Pvt. Ltd. At the beginning of the year At the end of the Year (No change during the year)	7000000 7000000 -	20.12 20.12 -	7000000 7000000 -	20.12 20.12 -
4.	Shrine Trading Company Pvt. Ltd. (Pledged with GSFC) At the beginning of the year At the end of the Year (No change during the year)	374900 374900 -	1.08 1.08 -	374900 374900 -	1.08 1.08 -

(iv) Share holding Pattern of top ten Share holders (other than Directors, Promoters and Holders of GDRs sand ADRs):

Sl. No.	For Each of the Top 10 Share holders	Share holding at the beginning of the year		Share holding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Unit Trust of India	3077732	8.85	3077732	8.85
2	Amrex Marketing Pvt. Ltd.	1024400	2.95	1024400	2.95
3	TAIB A/c TSML	415839	1.20	415839	1.20
4	Life Insurance Corporation of India	265374	0.76	265374	0.76
5	Raj. State Ind. Dev. & Invest. Corp. Ltd.	248850	0.72	248850	0.72
6	3A Capital Services Ltd.	228377	0.66	233656	0.67
7	Paridhi Shreshoppe Pvt. Ltd.	67648	0.20	67648	0.20
8	MSV Securities Limited	63600	0.18	63600	0.18
9	The Oriental Insurance Company Ltd.	58915	0.17	58915	0.17
10	Fair growth Investments Ltd.	44796	0.13	44796	0.13

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Rajesh Ranka-Chairman & Managing Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
2	Shri J.P. Agarwal -Whole time Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
3	Shri Pradeep Kumar – Special Director, BIFR				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
4	Shri H.L. Sharma – Independent Director				
	At the beginning of the year	100	Nil	100	0.00
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	100	Nil	100	Nil
5	Shri S.B.L. Jain – Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
6	Shri P.K. Nahar-CFO				
	At the beginning of the year	Nil	Nil	10	0.00
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
7	Shri B L Saini – Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11719.80	76.73	688.51	12485.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7805.05	-	846.81	8651.86
Total (i+ii+iii)	19524.85	76.73	1535.32	21136.90
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	450.00	25.22	24.76	499.98
Net Change Indebtedness	450.00	25.22	24.76	499.98
At the end of the financial year				
i) Principal Amount	11269.80	51.51	663.75	11985.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7805.05	-	846.81	8651.86
Total (i+ii+iii)	19074.85	51.51	1510.56	20636.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Rajesh Ranka - Chairman & Managing Director	J. P. Agarwal - Director & Senior President upto 31/10/2014	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	940800	573227	1514027
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - others, specify...	-	-	-
5	Other - Leave Encashment	-	633000	633000
	- Gratuity	-	363461	363461
	Total(A)	940800	1569688	2510488
	Ceiling as per the Act			

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Pradeep Kumar	S.B.L. Jain	
1	Independent Directors Fee for attending board/committee meetings	11500	17000	28500
	Commission	-	-	-
	Others, please specify	-	-	-
	Total(1)	11500	17000	28500
2	Other Non-Executive Directors			

Fee for attending board/committee meetings	-	-	-
Commission	-	-	-
Others, please specify	-	-	-
Total(2)	-	-	-
Total (B)=(1+2)	11500	17000	28500
Total Managerial Remuneration	-	-	-
Overall Ceiling as per the Act	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		P.K. Nahar CFO	B L Saini Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1124697	477170	1601867
	(b) Value of perquisites u/s 17(2) Income-tax-Act, 1961	-	-	-
	(c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (C)	1124679	477170	1601867

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

To

The Members of
Modern Threads (India) Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Modern Threads (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement, and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

- (i) Dividend on cumulative redeemable preference shares amounting to ₹ 140.38 lacs for the year (₹ 2667.13 lacs up to 31.03.2015) has not been provided in view of accumulated losses. (Note No. 1.5)
- (ii) Provision of interest on certain unsecured loans/ deposits amounting to ₹ 36.48 lacs for the year (₹ 801.4 Lacs up to 31.03.2015) has not been made as company expects waiver/ relief. (Note No. 4.2 & 21.1)
- (iii) Provision of change in foreign exchange rate on trade payable (under litigation) prevailing at the time of transaction took place and as on the Balance sheet date amounting to ₹ (139.02) lacs for the year and ₹ 236.44 lacs up to 31.03.2015 have not been recognized as an expense (Note No. 6.3)
- (iv) Balances of trade payables pertaining to Thread Division of the company which is lying closed due to seizure of entire plant and office block by Ajmer Vidyut Vitaran Nigam Limited, are subject to confirmation and consequential adjustments, if any. (Note No. 6.2)
- (v) Impairment loss on fixed Assets and impact of depletion in inventories of Thread Division if any, not ascertained due to seizure of entire plant and office block by Ajmer Vidyut Vitaran Nigam Limited. (Note No. 8.5 & 11)

- (vi) The accounts of the company have been prepared on going concern basis though the Board of Industrial and Financial Reconstruction (BIFR) has declared the company as a SICK Company. (Note No. 27)

We further report that without considering items mentioned at para (iv), (v) & (vi) above, the effect of which could not be determined, had the observations made by us in para (i), (ii) & (iii) above been considered, the profit for the year would have been Rs. 850.34 lacs (as against the reported figures of ₹ 747.80 lacs), reserves & surplus would have been ₹ (25152.61 lacs) (as against the reported figures of ₹ (21447.64 lacs), trade payables would have been ₹ 1852.67 lacs (as against reported figures ₹ 1616.23 lacs) and other current liabilities would have been ₹ 6944.28 lacs (as against reported figures of ₹ 3475.75 lacs).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) Except for the effects of the matter 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the effects of the matter 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
 - (f) On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The qualification and other matters connected therewith are stated in the Basis for Qualified Opinion paragraph above.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014 in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements.
 - ii. The Company does not have any long term contracts including derivative, contracts for which there were any material foreseeable losses.
 - iii. There is no default in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31st March, 2015 (Refer note no.3.1 and 4.5)

For S. S. Surana & Co.
Chartered Accountants
(FRN : 001079C)

(Prahald Gupta)
(Partner)
M. No. 074458

Place : Mumbai
Date : 18th June, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[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 financial statements for the year ended March 31, 2015]

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets other than furniture and fixtures for which detailed records are not maintained.

(b) According to the information and explanations given to us, the fixed assets were physically verified by the management except of Threads Division being under attachment by AVVNL, at reasonable intervals during the year in accordance with a program of physical verification and no material discrepancies were noticed on such verification as compared to the available records.

(ii) (a) As explained to us, physical verification, except of Threads Division of the Company being under attachment of AVVNL, has been conducted by the management at reasonable intervals in respect of inventories except stocks in transit and lying with third parties which have generally been confirmed.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company has maintained proper record of its inventories. According to the records produced to us for our verification, there was no material discrepancies noticed on physical verification of stocks as compared to book records.

(iii) The company has not granted any loan, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, during the year, hence clauses (iii) (a) and (iii) (b) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of Inventory and Fixed Assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct the major weakness in internal control system.

(v) As per the information and explanations given to us, the company has not accepted fresh deposits during the year. In respect of deposits accepted in earlier years, the compliance with the provisions of Section 73 to 76 or other relevant provisions of the Companies Act and the rules framed there under are subject to order of Company Law Board Dated 17.04.2002, "that the repayment of fixed deposits shall be made by the Company in accordance with the revival scheme as and when approved by the BIFR under the Provisions of 'SICA'. However the Company is making payment on compassionate grounds as per decisions of committee formed by the Company Law Board.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) In respect of statutory dues:

(a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance,

Income Tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other statutory dues with the appropriate authorities except the dues pertains to Thread Division of the company which are outstanding for more than 6 months from the date of becoming payable :

• Central Sales Tax	₹ 13.05 Lacs
• Rajasthan Sales Tax	₹ 79.44 Lacs
• Textiles Committee Cess	₹ 7.32 Lacs
• Excise Duty	₹ 12.17 Lacs

(b) The disputed statutory dues, which have not been deposited on account of matters pending before appropriate authorities are as under:-

(₹ in lacs)

Name of statute	Nature of dues	Amount of advance	Forum where dispute is pending
Central Sales Tax Act	Sales tax	154.72	DC (A), Jaipur
	Sales tax	2.23	CTO, Jaipur
State Sales Tax Act	Sales tax (RST)	79.95	DC(A), Jaipur
	Sales tax (RST)	3.12	CTO, Jaipur
	Sales tax (UPST)	6.82	H.C., Allahabad
	Sales tax (BST)	0.07	DC(A), Mumbai
Central Excise Act	Excise duty	59.09	Commissioner Appeals, Jaipur
	Excise duty	16.05	CESTAT, Delhi
Textile Committee Cess	TC Cess	19.08	Textile Commissioner Delhi
Raj. Land & Building tax Act	Land & Building Tax	4.11	High Court, Jaipur
The Raj. Land Revenue Act	Land Tax	1.83	DJ, Bhilwara
	Land Tax	14.50	High Court, Jaipur
Employee State Insurance Act	ESI	28.09	High Court, Jodhpur
	ESI	7.07	Labour Tribunal, Delhi
Provident Fund Act	PF	4.67	Commissioner, Jaipur
The Rajasthan Agriculture Product Markets Act	Mandi Tax	455.20	The Rajasthan High Court, Jaipur
The Rajasthan Tax on Entry For goods in to Local area Act.	Entry Tax	15.03	The Rajasthan High Court, Jaipur

(c) As per information and explanations given to us, there was no amount required to be transferred to the Investor Education and Protection Fund in accordance with relevant provisions of Companies Act, 1956(1 of 1956) and rules made thereunder. (Refer note no.3.1 and 4.5)

(viii) The accumulated losses of the company at the end of financial year are more than its net worth and it has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.

(ix) The company is now regular in repayment of its settled dues.

(x) As informed and explained to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.

(xi) The company has not raised fresh term loans during the year.

(xii) As informed and explained to us, no fraud on or by the company has been noticed or reported during the year.

For S. S. Surana & Co.
Chartered Accountants
(FRN : 001079C)
(Pralhad Gupta)
(Partner)
M. No. 074458

Place : Mumbai
Date : 18th June, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	1	4,352.52	4,352.52
Reserves and Surplus	2	(21,447.64)	(22,195.44)
		<u>(17,095.12)</u>	<u>(17,842.92)</u>
2. Share Application Money Pending Allotment	3	1,450.00	1,450.00
3. Non Current Liabilities			
Long-term Borrowings	4	18,650.60	19,130.64
Long term Provisions	5	211.61	194.25
		<u>18,862.21</u>	<u>19,324.89</u>
4. Current Liabilities			
Trade payables	6	1,616.23	1,645.46
Other Current Liabilities	7	3,475.75	3,449.24
Short term Provisions	5	22.60	30.07
TOTAL		<u>5,114.58</u>	<u>5,124.77</u>
		<u>8,331.67</u>	<u>8,056.74</u>
ASSETS			
1. Non-Current Assets			
Fixed Assets			
Tangible Assets	8	3,260.90	3,156.89
Non-current investments	9	0.46	0.46
Long term loans and advances	10	68.38	114.21
Other non-current assets	11	57.45	57.45
		<u>3,387.19</u>	<u>3,329.01</u>
2. Current Assets			
Current Investments	12	-	335.28
Inventories	13	2,798.88	2,371.42
Trade Receivables	14	1,222.39	1,514.65
Cash and Bank balances	15	478.12	109.44
Short term loans and advances	10	445.09	396.94
TOTAL		<u>4,944.48</u>	<u>4,727.73</u>
		<u>8,331.67</u>	<u>8,056.74</u>
Significant Accounting Policies			
Notes on Financial Statements	1 to 31		

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. 74458

Place : Mumbai

 Date : 18th June, 2015

Rajesh Ranka – Chairman & Managing Director

Pradeep Kumar

S.B.L. Jain

H.L. Sharma

P.K. Nahar –

B.L. Saini –

Directors

Chief Financial Officer

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note No.	2014-15	2013-14
INCOME			
Revenue from Operations	16	14,291.00	9,784.91
Other Income	17	165.55	139.47
Total Revenue		14,456.55	9,924.38
EXPENSES			
Cost of Materials Consumed	18	9,935.45	6,396.45
Changes in Inventories of Finished Goods and Work-in-Process	19	(144.52)	(240.83)
Employee Benefits Expenses	20	946.92	824.84
Finance Costs	21	83.59	41.00
Depreciation and Amortization Expenses	8	151.35	193.76
Other Expenses	22	2,735.96	2,113.27
Total Expenses		13,708.75	9,328.49
Profit before Tax		747.80	595.89
Tax Expenses	23		
Current Tax		—	—
Deferred Tax		—	—
Profit for the year		747.80	595.89
Basic Earnings per equity share (in ₹)	24	2.15	1.71
Diluted Earning per equity share (in ₹)	24	1.52	1.21
Significant Accounting Policies			
Notes on Financial Statements	1 to 31		

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. 74458

Place : Mumbai

 Date : 18th June, 2015

Rajesh Ranka	—	Chairman & Managing Director
Pradeep Kumar	}	Directors
S.B.L. Jain		
H.L. Sharma		
P.K. Nahar	—	Chief Financial Officer
B.L. Saini	—	Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Preparation of Financial Statements:

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India including accounting standards and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies are consistent with those used in previous year.

B) Fixed Assets :

Fixed Assets are stated at cost net of recoverable taxes less accumulated depreciation. Impairment loss has been deducted from respective assets. Project and pre-operative expenses incurred prior to date of commencement of commercial production are being allocated to Fixed Assets.

No amount is written off against leasehold land of the company and the same is charged to the Statement of Profit and Loss only in the year in which the respective lease period expires.

C) Depreciation :

Depreciation on fixed assets is provided on straight line method based on useful life of the assets prescribed in Scheduled II of the Companies Act, 2013.

D) Investments :

Current investments are stated at lower of cost & Quoted / Fair value. Long term investment (non current) are stated at cost.

E) Inventories :

Raw Material is valued at cost determined on FIFO basis and Stores & Spares are valued at cost on weighted average basis. Finished goods and Work-in-process are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. Finished goods and process stock includes cost of conversion, applicable overheads and other cost incurred in acquiring the inventory and bringing them to their present location and condition. Waste is valued at estimated net realizable value after providing for obsolescence if any.

F) Excise Duty/Cenvat :

Excise duty is accounted for on the basis of payments made in respect of goods cleared and provision made for goods lying in bonded warehouse for domestic sales wherever applicable. The Cenvat credit in respect of Excise Duty and Service Tax are utilized for payment of Excise Duty on goods dispatched. The unutilized Cenvat credit is carried forward in the books.

G) Revenue Recognition:

Sales is shown inclusive of excise duty and waste sales.

H) Borrowing Cost :

Borrowing cost which are attributable to acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

I) Retirement Benefits:

The Employee and Company make monthly fixed Contribution to Government of India Employee's Provident Fund equal to a specified percentage of the Covered employee's salary. The company's contribution is recognised as an expenses in the statement of profit & loss. The Liability for Gratuity to employees, which is a defined benefit plan is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain /loss in respect of the same is charged to the statement of profit and loss. Leave encashment benefits to eligible employees has been ascertained on actuarial basis and provided for. Actuarial gain/loss in respect of the same is charged to the statement of profit and loss.

J) Foreign Currency Transactions:

- Transactions denominated in Foreign Currency are accounted for at equivalent rupee value converted at the rates prevailing at the time of transactions.
- Monetary items denominated in foreign currency are converted at exchange rate prevailing on the date of Balance Sheet.
- Foreign exchange difference arising at the time of transaction or settlement are recognized as income or expense in the Statement of Profit and Loss.

K) Impairment of Assets:

An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an assets is identified as impaired.

L) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the year ended 31st March, 2015

(₹ in Laacs)

	As at 31.03.2015	As at 31.03.2014
1. SHARE CAPITAL		
Authorised :		
18,50,00,000 (Previous year 18,50,00,000) Equity Shares of ₹ 10/- each	18,500.00	18,500.00
20,00,000 (Previous year 20,00,000) Preference Shares of ₹ 100/- each	2,000.00	2,000.00
	<u>20,500.00</u>	<u>20,500.00</u>
Issued, Subscribed and Paid-up		
Equity		
3,47,75,160 (Previous year 3,47,75,160) Equity Shares of ₹ 10/- each fully paid up	3,477.52	3,477.52
Preference		
75,000 (Previous year 75,000) 16.5% Cumulative Redeemable preference share of ₹ 100/- each fully paid up	75.00	75.00
8,00,000 (Previous year 8,00,000) 16% Cumulative Redeemable Preference Share of ₹ 100/- each fully paid up	800.00	800.00
	<u>875.00</u>	<u>875.00</u>
	<u>4,352.52</u>	<u>4,352.52</u>

1.1 Each Equity share holder is entitled to one vote per share.

1.2 The details of shareholders holding more than 5% shares

Name of the Share holders	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% held	No. of shares	% held
Equity shareholders				
1) Generotrade Exim Pvt. Ltd.	15,636,901	44.97	-	-
2) Vishwa Vyapar Trading Pvt. Ltd.	7,000,000	20.13	7,000,000	20.13
3) Unit Trust of India	3,077,732	8.85	3,077,732	8.85
4) Invitation Investment Pvt. Ltd.	-	-	15,637,151	44.97
16.50% Preference share holders				
1) National Insurance Company Limited	75,000	100.00	75,000	100.00
16% Preference share holders				
1) General Insurance Corporation of India	150,000	18.75	150,000	18.75
2) The New India Assurance Company Limited	150,000	18.75	150,000	18.75
3) United India Insurance Company Limited	100,000	12.50	100,000	12.50
4) Oriental Insurance Company Limited	100,000	12.50	100,000	12.50
5) GIC Housing Finance Limited	100,000	12.50	100,000	12.50
6) LIC Housing Finance Limited	200,000	25.00	200,000	25.00

1.3 The Reconciliation of the number of shares outstanding is set out below :

	As at 31.03.2015		As at 31.03.2014	
	Equity Share Nos.	Preference Share Nos.	Equity Share Nos.	Preference Share Nos.
Equity Shares at the beginning of the year	3,47,75,160	8,75,000	3,47,75,160	8,75,000
Add : Shares issued	-	-	-	-
Less : Shares cancelled on buy back of equity shares	-	-	-	-
Equity Shares at the end of the year	3,47,75,160	8,75,000	3,47,75,160	8,75,000

1.4 Preference Shares were redeemable in 4 equal annual instalments commencing from the year 2003-04. The same will now be redeemed as per rehabilitation scheme.

1.5 Dividend on cumulative redeemable preference shares amounting to ₹ 140.38 lacs for the year (₹ 2667.13 lacs cumulative upto 31.03.2015) has not been provided in view of accumulated losses. The Company expects waiver / relief under rehabilitation scheme which is under consideration.

1.6 The Cumulative Redeemable Preference Share holders are entitled to cumulative dividend 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 rights attached to cumulative redeemable preference share. Since the dividend 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.

1.7 In the event of liquidation of the company the holder of cumulative redeemable preference shares will have priority over equity share holders in the payment of dividend and re-payment of capital.

2. RESERVES AND SURPLUS
(₹ in Lacs)

	As at 31.03.2015	As at 31.03.2014
Capital Reserve		
As per last Balance Sheet	35.90	35.90
Capital Redemption Reserve		
As per last Balance Sheet	421.72	421.72
Securities Premium Account		
As per last Balance Sheet	7,985.77	7,985.77
Debentures Redemption Reserve		
As per last Balance Sheet	970.00	970.00
Surplus / (Deficit) in Statement of Profit & Loss Account		
Net Surplus / (Deficit) as per last Balance Sheet	(31,608.83)	(32,204.72)
Add : Profit / (Loss) for the year	747.80	595.89
Net Surplus / (Deficit)	(30,861.03)	(31,608.83)
	(21,447.64)	(22,195.44)

3. SHARE APPLICATION MONEY PENDING ALLOTMENT
(₹ in Lacs)

	As at 31.03.2015	As at 31.03.2014
Share application money pending allotment	1,450.00	1,450.00
	1,450.00	1,450.00

3.1 Equity share application money represents subscription pursuant to the draft rehabilitation scheme. The instruments will be issued on sanction of the scheme by BIFR. In view of pending approval of rehabilitation scheme by BIFR, no application money is due for refund.

4. LONG TERM BORROWINGS
(₹ in Lacs)

	As at 31.03.2015		As at 31.03.2014	
	Non Current	Current	Non Current	Current
Debentures - Secured				
Optionally fully Convertible Debentures	1,666.34	-	1,666.34	-
Non Convertible Debentures	3,434.33	-	3,434.33	-
Accrued interest	3,438.76	-	3,438.76	-

Term Loans – Secured				
From others	5,719.13	450.00	6,169.13	450.00
Accrued Interest	4,366.29	–	4,366.29	–
Loans – Unsecured				
Sales Tax Loan	–	–	4.28	–
Deferred Sales Tax	25.75	25.76	51.51	20.94
Deposits - Unsecured				
Public Fixed Deposit	–	663.75	–	688.51
Interest accrued on Public Fixed deposit	–	846.81	–	846.81
Total	18,650.60	1,986.32	19,130.64	2,006.26
Less : Amount disclosed under head other current Liabilities (Refer Note No. 7)	–	1,986.32	–	2,006.26
Total	18,650.60	–	19,130.64	–

- 4.1 Debentures, term loan and accrued interest are secured by way of first charge and equitable mortgage of respective immovable properties both present & future consisting of land, building and plant and machinery and hypothecation of all movable assets of the Company. The said borrowings settled at ₹ 3450 lacs against which ₹ 1655 lacs paid up to 31/03/2015 and balance payable in 4 years i.e. ₹ 450 lacs p.a. from 2015-16 to 2017-18 and ₹ 445 lacs in 2018-19 as agreed with the present assignee. The remaining amount ₹ 17279.85 lacs will be written back on discharge of full payment obligation.
- 4.2 Sales Tax loan from Rajasthan State Industrial Development & Investment Corporation Limited under interest free sales-tax loan scheme of the Government of Rajasthan is guaranteed by the Ex-Director of the Company and after due date of re-payment, interest has not been provided ₹ 0.19 lacs for current year and cumulative ₹ 18.29 lacs as the company expects waiver / relief under rehabilitation scheme.
- 4.3 Deferred Sales tax is as per Sales Tax deferment Scheme 1987 being availed w.e.f. 02.03.2005 and repayable after 7 Years in 10 half yearly instalments of ₹ 12.88 lacs commencing from 03/04/2012. The amount payable within one year is ₹ 25.76 lacs.
- 4.4 Public fixed deposit carries interest rate of 14% p.a.
- 4.5 The Hon'ble Company Law Board had passed order on 17.04.2002 that "The repayment of fixed deposits of Modern Threads (India) Limited shall be made by the company in accordance with the revival scheme as and when approved by the BIFR under provisions of "SICA".
- In view of above, the company has been advised that as the repayment of the matured fixed deposits are covered by the above referred order and the DRS is pending for consideration before the Hon'ble BIFR, the same are not remained unclaimed and unpaid. As such no amounts are required to be transferred to the Investor Education and Protection Fund. However payment on compassionate grounds are being made regularly as per decision of the committee formed by Hon'ble Company Law Board for this purpose.

5. PROVISIONS

	As at 31.03.2015		As at 31.03.2014	
	Long Term	Short Term	Long Term	Short Term
For Employees benefit				
Gratuity	172.97	16.88	162.87	18.86
Un-availed leave	38.64	5.51	31.38	11.21
Other provisions				
Provision for excise duty on goods lying in bonded warehouse at the year end	–	0.21	–	–
	211.61	22.60	194.25	30.07

6. TRADE PAYABLES

	As at 31.03.2015	As at 31.03.2014
Trade Payables	1,616.23	1,645.46
	1,616.23	1,645.46

- 6.1 The company has not received information from vendors regarding their status under the Micro, small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at year end together with interest paid / payable under this Act have not been given.
- 6.2 Balances of trade payables pertaining to Thread Division of the company which is lying closed due to seizure of entire plant and office block by Ajme Vidyut Vitaran Nigam Limited, are subject to confirmation and consequential adjustments, if any.
- 6.3 Provision of change in foreign exchange rate on trade payables (under litigation) prevailing at the time of transaction took place and as on the Balance sheet date amounting to ₹ (139.02) lacs for the year and ₹ 236.44 lacs up to 31.03.2015 have not been recognized as an expense as the company expects waiver / relief under Rehabilitation Scheme.

7. OTHER CURRENT LIABILITIES

	As at 31.03.2015	As at 31.03.2014
Current maturity of secured long term borrowings	450.00	450.00
Current maturity of deferred sales tax	25.76	20.94
Public Fixed Deposits	663.75	688.51
Interest Accrued on public fixed deposits	846.81	846.81
Sub Total (Refer Note no 4)	1,986.32	2,006.26
Advance from customers	120.86	164.49
Sundry deposits	31.25	26.63
Other payables	1,337.32	1,251.86
	3,475.75	3,449.24

- 7.1 Other payables includes statutory dues and liabilities for expenses etc.

8. FIXED ASSETS

(₹ in Lacs)

Particulars	TANGIBLE ASSETS						Total
	Lease Hold Land	Free Hold Land	Building	Plant & Machinery	Furniture Fixtures & Office Equipments	Vehicles	
GROSS BLOCK							
As at 01.04.2014	457.77	747.17	1,661.17	18,683.40	140.03	96.99	21,786.53
Addition	—	5.94	1.98	253.18	8.53	—	269.63
Deduction	—	—	—	134.10	1.52	15.55	151.17
As at 31.03.2015	457.77	753.11	1,663.15	18,802.48	147.04	81.44	21,904.99
As at 01.04.2013	457.77	742.04	1,655.37	18,677.20	137.60	97.43	21,767.41
Addition	—	5.13	5.80	38.42	5.46	—	54.81
Deduction	—	—	—	32.22	3.03	0.44	35.69
As at 31.03.2014	457.77	747.17	1,661.17	18,683.40	140.03	96.99	21,786.53
DEPRECIATION							
As at 01.04.2014	—	—	1,184.92	17,291.79	110.73	42.20	18,629.64
Charge for the year	—	—	42.44	86.93	11.08	10.90	151.35
Deduction	—	—	—	120.97	0.99	14.94	136.90
As at 31.03.2015	—	—	1,227.36	17,257.75	120.82	38.16	18,644.09
As at 01.04.2013	—	—	1,151.57	17,169.34	107.69	34.64	18,463.24
Charge for the year	—	—	33.35	148.28	4.34	7.79	193.76
Deduction	—	—	—	25.83	1.30	0.23	27.36
As at 31.03.2014	—	—	1,184.92	17,291.79	110.73	42.20	18,629.64
NET BLOCK							
As at 31.03.2015	457.77	753.11	435.79	1,544.73	26.22	43.28	3,260.90
As at 31.03.2014	457.77	747.17	476.25	1,391.61	29.30	54.79	3,156.89

8.1 Addition to land is on account of taxes.

8.2 Deduction under the head plant & machinery represents discarded assets

8.3 Depreciation includes ₹ 14.49 lacs (Previous year ₹ 14.53 lacs) provided on the assets of Threads Division which is not in operation.

8.4 Pursuant to the enactment of Companies Act, 2013, the company has applied the useful life as specified in Schedule II. Accordingly transitional depreciation on tangible fixed assets with NIL remaining useful life amounting to ₹ 12.91 lacs charged to profit & loss account during the year.

8.5 In Pursuance to Accounting Standard 28 issued by The Institute of Chartered Accountants of India, the fixed assets of the company pertaining to the Thread Division and PTA project have been valued as at 01/04/2004 and necessary provision made for the impairment loss amounting to ₹ 22303.48 lacs during the financial year 2004-2005, based on valuation report by an expert. Further Impact of impairment if any in respect of assets of Thread Division of the company not ascertainable as the unit is attached by AVVNL for recovery of their dues.

9. NON CURRENT INVESTMENTS

(₹ in Lacs)

(Long term investment at cost)

Investment in Government Securities (Unquoted)
National Saving Certificate
(Deposited with government department.)

As at 31.03.2015

As at 31.03.2014

0.46

0.46

0.46

0.46

10. LOANS & ADVANCES

(₹ in Lacs)

(Unsecured and Considered Good)

Interest accrued on Investment
Advances for supply of goods & Services
Balance with Revenue Authorities
TDS receivable
Prepaid expenses
Employees advances
Deposit with Government / Other Authorities
Other receivables (Includes Export benefits)

As at 31.03.2015

As at 31.03.2014

Long Term	Short Term	Long Term	Short Term
—	0.25	—	0.25
—	89.06	—	103.84
—	41.33	—	33.97
—	17.06	—	30.46
—	14.73	—	13.97
—	11.47	—	5.93
68.38	—	114.21	—
—	271.19	—	208.52
68.38	445.09	114.21	396.94

11. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Inventories

(Pertaining to Threads Division of the company which is lying closed.
It includes Raw Material ₹ 0.12 lacs. Process stock ₹ 53.90 lacs. Stores and Spares ₹ 2.25 lacs and Waste ₹ 1.18 lacs. Physical verification of the same could not be carried out and impact of depletion if any is not ascertainable.)

As at 31.03.2015

As at 31.03.2014

57.45

57.45

57.45

57.45

12. CURRENT INVESTMENT

(₹ in Lacs)

Investment in mutual fund - quoted, fully paid-up.

HDFC Cash Management Fund-Treasury Advantage Plan

NIL Unit (Previous year-475183.805 Unit)

Birla Sunlife Floating Rate Fund-Long Term Growth-Regular Plan

NIL Units (Previous year-143563.894 Unit)

As at 31.03.2015

As at 31.03.2014

—

122.11

—

213.17

—

335.28

Market value of Quoted investments

—

349.40

13 INVENTORIES

	As at 31.03.2015	As at 31.03.2014
Raw Material	839.12	578.35
Stores & Spares (including Capital Stores)	77.10	54.93
Work in Process	547.59	639.86
Finished Goods	1,243.28	985.51
Waste	91.79	112.77
	<u>2,798.88</u>	<u>2,371.42</u>

14 TRADE RECEIVABLES (Unsecured)

	As at 31.03.2015	As at 31.03.2014
Outstanding for a period exceeding six months from due date	59.92	4.66
considered good	28.30	28.30
Doubtful	88.22	32.96
	<u>28.30</u>	<u>28.30</u>
Less : provision for doubtful receivables	59.92	4.66
Other considered good	1,162.47	1,509.99
	<u>1,222.39</u>	<u>1,514.65</u>

14.1 Doubtful trade receivables includes ₹ 12 lacs under litigation (Previous year ₹ 12 Lacs) for which adequate provision has been made.

15. CASH AND BANK BALANCES

	As at 31.03.2015	As at 31.03.2014
Cash and Cash equivalents	2.25	0.02
Cash on hand	474.77	106.67
Balances with Banks		
Other Bank Balance	1.10	0.75
Fixed Deposit with banks		
(Including against Bank Guarantee margin ₹ 1.10 Lacs) (Previous Year ₹ 0.75 Lacs)	<u>478.12</u>	<u>109.44</u>

16. REVENUE FROM OPERATIONS

	2014-15	2013-14
Sale of Products	13,262.52	8,511.85
Export Incentive	658.29	380.29
Job work Income	381.67	913.93
	<u>14,302.48</u>	<u>9,806.07</u>
Less : Excise Duty	11.48	21.16
Total	<u>14,291.00</u>	<u>9,784.91</u>
16.1 Particulars of sale of products:		
Yarn	11,855.26	7,606.62
Wool Tops	490.91	230.80
Others	<u>916.35</u>	<u>674.43</u>
	<u>13,262.52</u>	<u>8,511.85</u>

17. OTHER INCOME

	2014-15	2013-14
Interest Income	10.62	15.02
Sundry Balances written back	41.46	3.40
Gain on Sale of Investment	29.43	34.36
Foreign exchange fluctuation	46.40	60.90
Miscellaneous Income	37.64	25.79
	<u>165.55</u>	<u>139.47</u>

18. COST OF MATERIALS CONSUMED

	2014-15	2013-14
Imported	₹ in Lacs 6,932.26	₹ in Lacs 4,323.91
Indigenous	3,003.19	2,072.54
	<u>9,935.45</u>	<u>6,396.45</u>
18.1 Details of Materials consumed		
- Wool	8,037.34	4,416.82
- Wool Tops	607.55	1,030.05
- Polyester / Other Tops	837.63	622.16
- Dyes and Chemicals	452.93	327.42
	<u>9,935.45</u>	<u>6,396.45</u>

19. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS

	2014-15	2013-14
Inventory at the beginning of the year	985.51	1,067.09
(including inventories shown as other non current assets)	693.76	364.70
Finished Goods	113.95	120.60
Work in Process		
Waste	<u>1,793.22</u>	<u>1,552.39</u>

Inventory at the end of the year
(including inventories shown as other non-current assets)
Finished Goods
Work in Process
Waste

1,243.28	985.51
601.49	693.76
92.97	113.95
<u>1,937.74</u>	<u>1,793.22</u>
<u>(144.52)</u>	<u>(240.83)</u>

20. EMPLOYEE BENEFITS EXPENSES

Salaries and Wages
Contribution to Provident Fund & Other Fund
Gratuity and Leave encashment
Employees Welfare Expenses

	2014-15	2013-14
Salaries and Wages	802.58	695.10
Contribution to Provident Fund & Other Fund	80.61	70.26
Gratuity and Leave encashment	54.54	51.73
Employees Welfare Expenses	9.19	7.75
	<u>946.92</u>	<u>824.84</u>

20.1 The disclosure of Employee benefit as defined in the Accounting standard 15

Principal assumptions

– Discounting Rate

8.50%

8.50%

– Expected rate of return on plan assets

7.50%

7.50%

– Expected rate of future salary increase

Change in present value of obligations

2014-15

2013-14

	Gratuity unfunded	Leave Encashment Unfunded	Gratuity unfunded	Leave Encashment Unfunded
– Present value of obligations as at beginning of the year	181.73	42.59	159.49	33.84
– Interest Cost	10.44	3.29	8.55	2.55
– Current Service Cost	17.50	7.86	16.36	7.36
– Benefits Paid	(21.85)	(23.01)	(8.85)	(11.89)
– Past Service Cost	–	–	–	–
– Actuarial (Gain) / Loss on Obligations	2.03	13.42	6.18	10.73
– Present value of Obligations as at close of the year	189.85	44.15	181.73	42.59
Change in fair value of plan assets	N.A.	N.A.	N.A.	N.A.
Liability recognized in the Balance Sheet				
– Present value of obligations as at close of the year	189.85	44.15	181.73	42.59
– Fair value of plan assets as at the end of the year	–	–	–	–
– Unrecognized Actuarial (Gain) / Loss	–	–	–	–
– Net (Assets) / Liability recognized in Balance Sheet	189.85	44.15	181.73	42.59
Expenses recognized in Statements of Profit and Loss Account				
– Current service cost	17.50	7.86	16.36	7.36
– Past Service Cost	–	–	–	–
– Interest Cost	10.44	3.29	8.55	2.55
– Expected Return on plan assets	–	–	–	–
– Net Actuarial (Gain)/Loss recognized during the year	2.03	13.42	6.18	10.73
Total Expenses recognized	29.97	24.57	31.09	20.64

21. FINANCE COSTS

Interest expenses
Bank Charges

	2014-15	2013-14
Interest expenses	11.94	2.18
Bank Charges	71.65	38.82
	<u>83.59</u>	<u>41.00</u>

21.1 Interest provision have not been made on Public fixed deposit amounting to ₹ 36.29 Lacs (Previous Year ₹ 51.97 Lacs). Net of reversal of interest on amount repaid. (Cumulative ₹ 783.11 Lacs) as the company expects waiver/relief under rehabilitation scheme which is under consideration.

22. OTHER EXPENSES

Manufacturing Expenses
Packing Material
Stores & Spares
Power and fuel
Job charges
Excise duty on Increase / (Decrease) in finished goods
Repairs & Maintenance to:
– Plant & Machinery
– Building
– Others
Administrative Expenses
Rent
Insurance (Net)
Rates & Taxes
Travelling and Conveyance
Legal and Professional expenses
Directors Fees
Payment to Auditors
– For Audit Fee
– For Tax Audit Fee
– For Expenses
Miscellaneous expenses

	2014-15	2013-14
Packing Material	127.35	109.50
Stores & Spares	499.26	412.49
Power and fuel	946.79	798.16
Job charges	60.47	65.86
Excise duty on Increase / (Decrease) in finished goods	0.21	(14.11)
Repairs & Maintenance to:		
– Plant & Machinery	45.47	36.11
– Building	45.63	24.22
– Others	3.79	3.79
Administrative Expenses		
Rent	26.23	38.33
Insurance (Net)	6.61	5.95
Rates & Taxes	2.11	1.20
Travelling and Conveyance	106.49	77.27
Legal and Professional expenses	19.94	8.73
Directors Fees	0.29	0.35
Payment to Auditors		
– For Audit Fee	1.69	1.69
– For Tax Audit Fee	0.56	0.56
– For Expenses	1.41	1.31
Miscellaneous expenses	89.59	96.93

Selling Expenses	215.25	124.67
Commission and Brokerage	331.76	247.92
Carriage outward (Net)	121.11	48.87
Rebate, Claims and Discounts	21.93	22.92
Others Selling expenses	56.81	—
Loss on Derivatives	5.21	0.55
Loss on disposal of Discarded Assets (Net)	2,735.96	2,113.27

22.1 DETAILS OF STORES & SPARES CONSUMED

	₹ in Lacs	% age	₹ in Lacs	% age
Imported	156.48	31.34	154.20	37.36
Indigenous	342.78	68.66	258.49	62.64
	499.26	100.00	412.69	100.00

23. TAX EXPENSES

	2014-15	2013-14
Current Tax	—	—
Deferred Tax	—	—

23.1 Provisions for income tax for the current year has not been made in view of accumulated losses.

23.2 The Company is entitled for set off of carried forward losses and unabsorbed depreciation against the future income under the Income Tax Act. However, based on present scenario, the company is not confident of earning sufficient profits to utilize these carried forward losses and unabsorbed depreciation in future and accordingly the Company has recognized deferred tax assets only to the extent there is deferred tax liability in compliance with Accounting Standard 22 issued by The Institute of Chartered Accountants of India. The major components of deferred tax assets and liabilities on account of timing difference are as given below:

	As on 31.03.2015	As on 31.03.2014
Particulars		
Depreciation	107.57	174.69
Carried forward losses / depreciation	3,608.42	3,933.48
Provision for doubtful debts	8.74	9.18
Others	2,678.13	2,808.78
Net Deferred Tax Assets	6,402.86	6,926.13

The Net Deferred Tax Assets of ₹ 6402.86 lacs have not been recognized in accounts due to the reasons as mentioned above.

24. EARNING PER SHARE (as per Accounting Standard 20, As issued by ICAI)

Particulars	2014-15	2013-14
Profit / (Loss) for the year	747.80	595.89
Weighted Avg. No. of Equity Shares used as Denominator for Calculating Basic Earning Per Shares	34775160	34775160
Weighted Avg. No. of Equity Shares used as Denominator for Calculating Diluted Earning Per Shares	49275160	49275160
Nominal Value of Shares (in ₹)	10	10
Basic Earning per Share (in ₹)	2.15	1.71
Diluted Earning per share (in ₹)	1.52	1.21

The Earning per share is calculated without considering the impact, if any, on account of rehabilitation scheme, pending approval and implementation.

25. SEGMENT INFORMATION AS PER ACCOUNTING STANDARD 17, AS ISSUED BY ICAI:

a) Primary Segment reporting (By Business Segment): -

The composition of business segments are :

Woollen	Worsted Yarn, Carpet Yarn and Wool Tops
Yarn	Synthetic Yarn
Others	PTA Project (Shelved)

	2014-15				2013-14			
	Woollens	Yarn	Others	Total	Woollens	Yarn	Others	Total
Segment Revenue								
Net Sales	14291.00	—	—	14291.00	9784.91	—	—	9784.91
Segment Results								
Profit / (Loss) before Interest & Tax	850.29	(18.90)	—	831.39	660.54	(23.65)	—	636.89
Less : Financial cost				83.59				41.00
Profit before Tax				747.80				595.89
Tax Expenses				—				—
Total Profit After Tax				747.80				595.89
Capital Employed								
Segment Assets	6581.76	1037.41	712.50	8331.67	6298.20	1051.98	706.56	8056.74
Segment Liabilities	(5818.04)	16323.46	13471.37	23976.79	(5334.90)	16319.13	13465.43	24449.66
Capital Employed	12399.80	(15286.05)	(12758.87)	(15645.12)	11633.10	(15267.15)	(12758.87)	(16392.92)

b) Geographical Segment: -

	2014-15	2013-14
Revenue by Geographical Market		
In India	4,602.09	3,833.65
Other than India	9,688.91	5,951.26
Carrying Amounts of Segment Assets		
In India	7,263.71	6,951.02
Other than India	1,067.96	1,105.72

26. RELATED PARTY DISCLOSURE

(as per Accounting Standard 18 as issued by ICAI)

Names and Relationship of related parties

Where Control exists:

NIL

Key Management personnel

Shri Rajesh Ranka (Chairman and Managing Director)

Shri J.P. Agarwal (Director and Sr. President) up to 14.08.2014

Shri P.K. Nahar (Chief Financial Officer)

Shri B.L. Saini (Company Secretary)

Relative of Key Management Personnel and their enterprises:-

Shubham Corporate advisory Services Pvt.Ltd.

Transactions with related parties and outstanding at the end of the year:

(₹ in Lacs)

Types of related Parties	Description of the nature of the transactions	Name of Party	Volume of transactions	
			2014-15	2013-14
Key Managerial Personnel	Remuneration etc	Shri Rajesh Ranka	9.41	9.45
		Shri J.P. Agarwal	15.70	12.47
		Shri P.K. Nahar	11.25	9.90
		Shri B.L. Saini	4.77	4.31
Relative of Key Management Personnel and their Enterprises	Rent	Shubham Corporate Advisory Services Pvt. Ltd	10.80	10.80

27. The net worth of the company has been eroded fully as on 31st March, 2001 as per provisions of Sick Industrial Companies (Special provisions) Act, 1985. The Company has also filed reference based on audited accounts for the financial year ended 31st March, 2004. The Board for Industrial and Financial Reconstruction (BIFR) has declared the company as "Sick Company" pending approval of rehabilitation scheme, the accounts of the company has been prepared on going concern basis.

(₹ in Lacs)

28. CONTINGENT LIABILITIES NOT PROVIDED FOR

- i. Bank Guarantees
 ii. Disputed demands of Sales Tax Cases under appeal.
 (Amount paid ₹ 1.34 Lacs Previous year ₹ 1.80 Lacs)
 iii. Disputed demand of Excise cases under appeal.
 (Amount paid ₹ 10.11 Lacs Previous year ₹ 10.11 Lacs)
 iv. Other disputed demands by Government departments
 (Amount paid ₹ 4.73 Lacs Previous year ₹ 4.73 Lacs)
 v. Disputed liabilities and claims not acknowledged as debts

As at 31.03.2015

As at 31.03.2014

1.10

0.75

248.25

249.16

85.25

85.25

65.00

65.00

1,498.37

1,602.98

(₹ in Lacs)

2014-15

2013-14

29. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

- Raw Material
 Stores & Spares

6,627.52

4,095.75

156.32

139.00

(₹ in Lacs)

2014-15

2013-14

30. EXPENSES IN FOREIGN CURRENCY

- Commission on Sales
 Travelling
 Others

160.80

83.54

38.77

27.14

53.97

20.36

31. EARNINGS IN FOREIGN EXCHANGE

(₹ in Lacs)

2014-15

2013-14

F.O.B. Value of Exports

9531.80

5917.33

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. 74458

Place : Mumbai

Date : 18th June, 2015

Rajesh Ranka

-

Chairman & Managing Director

Pradeep Kumar

}

Directors

S.B.L. Jain

H.L. Sharma

P.K. Nahar

-

Chief Financial Officer

B.L. Saini

-

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	2014-15	2013-14
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & exceptional items	747.80	595.89
ADJUSTMENTS FOR		
- Depreciation	151.35	193.76
- Loss / (Profit) on Disposal of discarded Assets	5.21	0.55
- Sundry balances (written back) / Written off	(41.46)	(3.40)
- Gain on Sale of Investment	(29.43)	(34.36)
- Interest and Financial Charges	83.59	41.00
Operating profit before working capital changes	917.06	793.44
ADJUSTMENTS FOR		
- Trade and other receivables	289.94	(765.05)
- Inventories	(427.46)	(349.01)
- Trade and other payable	68.57	362.57
Cash Generation from Operations	848.11	41.95
(B) CASH FLOW FROM INVESTING ACTIVITIES		
- Fixed Assets	(269.63)	(54.81)
(Including Capital Work in Progress/Advances)		
- Disposal of discarded Assets	9.06	7.78
- Gain on Sale of Investment	29.43	34.36
- Sale / (Purchase) of Investments (Net)	335.28	111.64
Net cash used in investing activities	104.14	98.97
(C) CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Borrowings		
Non-convertible debentures	-	-
Term Loans/Unsecured Loan	(499.98)	(139.20)
Interest and bank charges paid	(83.59)	(41.78)
Net Cash from financing activities	(583.57)	(180.98)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	368.68	(40.06)
Cash & Cash Equivalents - Opening Balance	109.44	149.50
Cash & Cash Equivalents - Closing Balance	478.12	109.44

Note :

- The figures of the previous year have been regrouped and rearranged wherever found necessary.
- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For and on behalf of the Board

For **S.S. SURANA & CO.**
Chartered Accountants
FRN 001079C

(**Prahalad Gupta**)
Partner
M. No. 74458

Place : Mumbai
Date : 18th June, 2015

Rajesh Ranka	-	Chairman & Managing Director
Pradeep Kumar	}	Directors
S.B.L. Jain		
H.L. Sharma		
P.K. Nahar	-	Chief Financial Officer
B.L. Saini	-	Company Secretary



Modern
Threads (India) Limited

MODERN THREADS (INDIA) LIMITED

Registered Office : A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
Phone : 0141-3240996 E-mail : modernjaipuroffice@gmail.com
CIN : L17115RJ1980PLC002075

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
34th Annual General Meeting - 24th September, 2015

I hereby record my presence at the THIRTY FOURTH ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur-302 004 on Thursday the 24th September, 2015 at 03:00 P.M.

Full Name of Member (IN BLOCK LETTERS)

Reg. Folio No. 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 : A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
Phone : 0141-3240996 E-mail : modernjaipuroffice@gmail.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 member(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 34th Annual General Meeting of the Company, to be held on Thursday, the 24th September, 2015 at 03:00 P.M. at A-4, Vijay Path, Tilak Nagar, Jaipur - 302 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1 2 3 4 5

Signed this day of 2015.

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 A-4, Vijay Path, Tilak Nagar, Jaipur-302 004 not less than FORTY EIGHT HOURS before the commencement of the meeting.

Affix
Re 1/-
Revenue
Stamp

**Book Post
(Printed Matter)**

If undelivered please return to :


Modern Threads (India) Limited
A-4, Vijay Path, Tilak Nagar,
Jaipur-302 004 (India)