



# Modern Threads (India) Limited

Registered Office :

Unit : Modern Woollens

Pragati Path, Near Transport Nagar,

Bhilwara-311001 (Rajasthan) India

Tel : 91-1482-241801, Fax : 297924, Email : cs@modernwoollens.com

Website : www.modernwoollens.com CIN : L17115RJ1980PLC002075

To,  
National Stock Exchange of India Limited (NSE)  
Listing Compliance Department  
Exchange Plaza, Bandra Kurla Complex, Bandra (East),  
MUMBAI – 400 051

Dated : 08/07/2023

Dear Sir/Madam,

Sub.: Clarification for Financial Results - MODTHREAD

With reference to your email dated 03/07/2023, on the above subject matter. In this connection, we would like to submit your good self that the financial results for the quarter and year ended 31<sup>st</sup> March, 2023, has already been submitted to your good self along with modified opinion.

As regards, date and place in the Statement on Impact of Audit Qualifications and missing of audit committee chairman signature, we submit your good self that the deficiency has taken place due to some printing error of the relevant pages. However, we are again attached herewith the financial results along with Statement on Impact of Audit Qualifications, for the financial year ended 31<sup>st</sup> March, 2023, for your kind perusal.

We hope you will find the same in order and oblige.

Thanking you,

Yours faithfully,  
For Modern Threads (India) Limited

( B. L. SAINI )  
Company Secretary



Encl : as above

Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai-400030

Plants : **Woollens Division** : Pragati Path, Near Transport Nagar, Bhilwara-311001 (Rajasthan)  
**Yarn Division** : Village Raila, District - Bhilwara-311024 (Rajasthan)

**S.S SURANA & CO.**

Chartered Accountants

◆ E-285, Lal Kothi Scheme,  
Jaipur-302015 (Rajasthan)  
☎ Telefax: +91 141 2741946 | +91 9829227946  
✉ prahaladgupta@gmail.com

**Independent Auditor's Report on the Quarterly and Year to date Financial  
Results of the Company Pursuant to the Regulation 33 of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To

The Board of Directors of

**Modern Threads (India) Limited**

Report on Audit of Standalone Financial Results

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date Standalone financial results of **Modern Threads (India) Limited** (the "company") for the quarter and year ended March 31, 2023 (the "statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the basis for qualified opinion section of our report, the Statement:

- is presented in accordance with the requirements of Listing Regulations in this regard; and
- give a true and fair view in conformity with the applicable Indian accounting standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the company for the quarter and year ended 31<sup>st</sup> March, 2023.

**Basis for Qualified Opinion**

- i. The company has not provided for Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31.03.2023 Rs. 8.91 Lakhs and for the year ended 31.03.2023 Rs. 36.13 Lakhs and Cumulative interest (Dividend) Rs. 975.48 Lakhs upto 31.03.2023 as the company is in process of settlement of remaining redeemable preference share capital. (Refer No. 4)
- ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Refer No. 5)

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.



### **Management's Responsibilities for the Financial Results**

The statement has been prepared on the basis of annual financial statements and has been approved by the company's Board of Directors. The company's Board of Directors are responsible for preparation and presentation of the statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the company in accordance with the applicable Indian accounting standards (Ind As) specified under Section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

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

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



- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Other Matter

- The comparative standalone financial information of the company for the corresponding quarter and year ended 31<sup>st</sup> March 2022, included in these standalone financial results were reviewed by predecessor auditor and standalone financial statements of the company for the year ended 31<sup>st</sup> March 2022, were audited by predecessor auditor who expressed an modified conclusion/ opinion on those financial information/ financial statements which are continued. The predecessor auditor reported material uncertainty related to going concern due to negative net worth of the company, however, conclusion/ opinion was not modified in respect of this matter. The net worth of the company has become positive for the year ended on 31<sup>st</sup> March 2023, therefore, material uncertainty related to going concern has not been reported.
- The statement includes the financial result for the quarter ended 31<sup>st</sup> March, 2023 and quarter ended 31<sup>st</sup> March, 2022 being the balancing figure between the audited figures in respect of the full financial year and published year to date figures up to the end of third quarter of respective financial year which were subjected to limited review by the respective auditors.

For S.S Surana & Co.  
Chartered Accountants

Firm Registration No. 001079C



*Praj*  
Pralhad Gupta  
(Partner)

Membership No. 074458

Place: Bhilwara

Date: 29/05/2023

UDIN: 23074458BQVWNT4998



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## Statement of Standalone audited Financial Results for the Quarter and Year ended 31/03/2023

(Rs in Lakhs)

Particulars	Quarter Ended			Year ended	
	31/03/2023	31/12/2022	31/03/2022	31/03/2023	31/03/2022
	Audited	Un-audited	Audited	Audited	Audited
<b>1. Income</b>					
(a) Revenue from Operations	7,150.08	8,261.68	6,971.00	30,111.22	22,263.09
(b) Other Income	216.82	132.71	103.12	419.82	206.46
<b>Total income</b>	<b>7,366.90</b>	<b>8,394.39</b>	<b>7,074.12</b>	<b>30,531.04</b>	<b>22,469.55</b>
<b>2. Expenses</b>					
(a) Cost of Materials consumed	3,676.87	4,884.47	4,223.81	18,370.57	14,578.82
(b) Purchase of stock-in-trade	2.91	-	-	2.91	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	246.07	(10.14)	268.66	(732.19)	(1,099.20)
(d) Employee benefits expense	765.71	851.10	706.11	3,131.00	2,505.24
(e) Finance costs	71.17	99.87	81.96	328.67	219.92
(f) Depreciation and amortisation expense	91.42	89.43	76.81	349.15	299.83
(g) Other expenses					
Manufacturing Expenses	1,043.36	1,269.56	1,149.54	4,774.18	3,850.34
Administrative and Selling Expenses	455.78	496.91	491.75	1,769.96	1,389.93
<b>Total Expenses</b>	<b>6,353.29</b>	<b>7,681.20</b>	<b>6,998.64</b>	<b>27,994.25</b>	<b>21,744.88</b>
<b>3. Profit/(Loss) before exceptional items and Tax (1-2)</b>	<b>1,013.61</b>	<b>713.19</b>	<b>75.48</b>	<b>2,536.79</b>	<b>724.67</b>
<b>4. Exceptional Items (Refer Note 3)</b>					
			70.00	18,874.85	70.00
<b>5. Profit/(loss) before tax (3-4)</b>	<b>1,013.61</b>	<b>713.19</b>	<b>145.48</b>	<b>21,411.64</b>	<b>794.67</b>
<b>6. Tax expense</b>					
			0.76	-	0.76
<b>7. Net Profit / (Loss) after tax (5 -6)</b>	<b>1,013.61</b>	<b>713.19</b>	<b>144.72</b>	<b>21,411.64</b>	<b>793.91</b>
<b>8. Other Comprehensive Income</b>					
(a) Items that will not be reclassified to profit or loss (net of Tax)	(3.77)	6.77	2.16	16.56	27.11
(b) Items that will be reclassified to profit or loss (net of Tax)	-	-	-	-	-
<b>Other Comprehensive Income for the period (8a+8b)</b>	<b>(3.77)</b>	<b>6.77</b>	<b>2.16</b>	<b>16.56</b>	<b>27.11</b>
<b>9. Total Comprehensive Income (7 + 8)</b>	<b>1,009.84</b>	<b>719.96</b>	<b>146.88</b>	<b>21,428.20</b>	<b>821.02</b>
<b>10. Paid-up equity share capital</b> (Face Value of the Share Rs.10 /-)	<b>3,477.52</b>	<b>3,477.52</b>	<b>3,477.52</b>	<b>3,477.52</b>	<b>3,477.52</b>
<b>11. Other Equity excluding revaluation reserve</b>				<b>6,857.73</b>	<b>(14,570.47)</b>
<b>12. Earnings Per Share (Basic/Diluted) in Rs.</b>					
(a) Basic	2.91	2.05	0.42	61.57	2.28
(b) Diluted	2.91	2.05	0.42	61.57	2.28



*(Signature)*

Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai - 400030 (Maharashtra)  
 Plant [ Woollens Division : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara - 311001 (Rajasthan)  
 Yarn Division : Village Raila, District - Bhilwara - 311024 (Rajasthan)



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## Notes:-

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 29.05.2023.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") notified under the companies (Indian Accounting Standards) Rules, 2015, as amended, as specified in section 133 of the Companies Act, 2013, except stated otherwise.
- 3 Non current secured borrowings (Debentures, term loan and accrued interest) of Rs. 20729.85 lakhs was settled at Rs. 1855 Lakhs, out of it, Rs. 1780 Lakhs has already been paid up to 31.03.2022 and balance Rs. 75 lakhs has been paid during the year. As the company has complied with terms of settlement and accordingly, balance liabilities of Rs. 18874.85 has been written back and credited to Statement of Profit and Loss as an Exceptional items due to which net worth of the company has become positive.
- 4 The company has not provided for Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31.03.2023 Rs. 8.91 Lakhs and for the year ended 31.03.2023 Rs. 36.13 Lakhs and Cumulative interest (Dividend) Rs. 975.48 Lakhs upto 31.03.2023 as the company is in process of settlement of remaining redeemable preference share capital.
- 5 Balances of trade payables and trade receivable are subject to confirmation and consequential adjustments, if any.
- 6 Share Application Money Rs. 1450 Lakhs has been raised pursuant to restructuring / settlement scheme submitted to BIFR but consequent to abatement of Sick Industrial Companies ( Special Provision) Act, 1985 w.e.f. 01/12/2016 , it become refundable.
- 7 Provision for Income Tax has not been made in view of accumulated losses and deferred tax asset has not recognised in the financial statement as a matter of prudence.
- 8 The figures of the quarter ended 31st March, 2023 and quarter ended 31st March, 2022 are the balancing figures between audited figures between audited figures in respect of the full financial year and published year to date figure upto the end of third quarter of respective financial year which were subjected to limited review by the respective auditor.
- 9 Figures for the previous period have been regrouped/rearranged wherever necessary to conform to current period presentation.



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

( Ram Awatar Kabra )

Executive Director

DIN:00945603

Place : Bhilwara

Date : 29.05.2023

Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai - 400030 (Maharashtra)  
Plant [ Woollens Division : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara - 311001 (Rajasthan)  
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## SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2023

(Rs in Lakhs)

Particulars	Quarter Ended			Year ended	
	31/03/2023	31/12/2022	31/03/2022	31/03/2023	31/03/2022
	Audited	Un-audited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
(a) Woollen	5190.12	5592.23	4352.56	20291.76	13418.78
(b) Synthetic Yarn	1975.79	2693.05	2618.44	9904.14	8844.31
(c) Others *	-	-	-	-	-
<b>Total</b>	<b>7165.91</b>	<b>8285.28</b>	<b>6971.00</b>	<b>30195.90</b>	<b>22263.09</b>
Less: Inter Segment Sales	15.83	23.60	-	84.68	-
<b>Net sales/Revenue from Operations</b>	<b>7150.08</b>	<b>8261.68</b>	<b>6971.00</b>	<b>30111.22</b>	<b>22263.09</b>
<b>2. Segment Results</b>					
Profit / ( Loss ) before tax, Finance Costs & Exceptional item					
(a) Woollen	1280.68	920.94	177.60	3107.72	927.85
(b) Synthetic Yarn	(195.90)	(93.60)	(10.88)	(232.98)	26.02
(c) Others *	-	(9.28)	(9.28)	(9.28)	(9.28)
<b>Total</b>	<b>1084.78</b>	<b>813.06</b>	<b>157.44</b>	<b>2865.46</b>	<b>944.59</b>
Less: i) Finance Costs	71.17	99.87	81.96	328.67	219.92
Less: ii) other Unallocable exp net off unallocable income	-	-	-	-	-
<b>Profit/(Loss) before tax and exceptional item</b>	<b>1,013.61</b>	<b>713.19</b>	<b>75.48</b>	<b>2536.79</b>	<b>724.67</b>
Add: iii) Exceptional items		-	70.00	18874.85	70.00
<b>Total Profit/(Loss) Before Tax</b>	<b>1013.61</b>	<b>713.19</b>	<b>145.48</b>	<b>21411.64</b>	<b>794.67</b>
<b>3. Segment Assets</b>					
(a) Woollen	12958.71	11934.89	9597.37	12958.71	9597.37
(b) Synthetic Yarn	3596.11	3446.05	3082.68	3596.11	3082.68
(c) Others *	1150.86	1150.86	1150.86	1150.86	1150.86
<b>Total</b>	<b>17705.68</b>	<b>16531.80</b>	<b>13830.91</b>	<b>17705.68</b>	<b>13830.91</b>
<b>4. Segment Liabilities</b>					
(a) Woollen	4834.59	4777.74	3651.02	4834.59	3651.02
(b) Synthetic Yarn	2535.84	2428.65	12413.33	2535.84	12413.33
(c) Others *	0.00	-	8859.51	-	8859.51
<b>Total</b>	<b>7370.43</b>	<b>7206.39</b>	<b>24923.86</b>	<b>7370.43</b>	<b>24923.86</b>

\*PTA project Shelved



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

*Ram Awatar Kabra*

Ram Awatar Kabra  
Executive Director  
DIN:00945603

Place : Bhilwara



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MODERN THREADS (INDIA) LIMITED  
CIN NO. L17115RJ1980PLC002075

## STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
a Property, Plant and Equipment	4,008.94	3,647.86
b Capital Work-in-progress	54.21	-
c Right Of Use Asset	399.94	407.09
d Intangible assets	6.68	13.35
e Intangible assets under development	-	-
f Financial Assets		
i Investments	0.79	0.79
ii Other Financial assets	394.10	260.91
g Income Tax Assets	13.07	14.32
h Other non-current assets	166.04	233.36
<b>Total Non-current Assets (A)</b>	<b>5,043.77</b>	<b>4,577.68</b>
<b>Current Assets</b>		
a Inventories	7,174.80	6,026.72
b Financial Assets		
i Investments	197.27	-
ii Trade Receivables	3,963.37	2,334.35
iii Cash and Cash Equivalents	747.24	517.94
iv Bank Balances other than iii above	57.01	45.56
v Other Financial Assets	24.75	22.63
c Other Current Assets	497.47	306.03
<b>Total Current Assets (B)</b>	<b>12,661.91</b>	<b>9,253.23</b>
<b>Total Assets (A+B)</b>	<b>17,705.68</b>	<b>13,830.91</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a Equity Share Capital	3,477.52	3,477.52
b Other Equity	6,857.73	(14,570.47)
<b>Total Equity (A)</b>	<b>10,335.25</b>	<b>(11,092.95)</b>
<b>Non Current Liabilities</b>		
a Financial Liabilities		
i Borrowings	-	18,874.85
ii Lease liabilities	0.50	0.52
b Provisions	357.70	369.40
<b>Total Non Current Liabilities (B)</b>	<b>358.20</b>	<b>19,244.77</b>
<b>Current Liabilities</b>		
a Financial Liabilities		
i Borrowings	-	75.00
ii Lease liabilities	0.05	0.01
iii Trade Payables		
(a) total outstanding dues of micro enterprises and small enterprises	187.85	57.08
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,667.00	2,621.84
iii Other Financial Liabilities	2,416.49	2,267.99
b Other Current Liabilities	686.27	631.88
c Provisions	54.57	25.29
<b>Total Current Liabilities (C)</b>	<b>7,012.23</b>	<b>5,679.09</b>
<b>Total Equity and Liabilities (A+B+C)</b>	<b>17,705.68</b>	<b>13,830.91</b>

Marketing Office

Plant [ Woollens Division  
Yarn Division

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## Statement of Cash Flows for the year ended 31st March, 2023

Particulars	Rupees in Lakhs	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>A. Cash flow from operating activities</b>		
Profit before exceptional items and tax	21,411.64	724.67
<i>Adjustments for:</i>		
Depreciation and amortisation	349.15	299.83
Finance costs	328.67	219.92
Loss/(Profit) on sale of Property, Plant and Equipment (net)	2.59	0.70
Gain on Sale/ Fair value Gain on Investments	(2.27)	(17.55)
Remeasurement of employee benefits (Net)	16.56	27.11
Exceptional Items-written back of loans/debentures	(18,874.85)	
Reversal of Provision for Doubtful Debts	(27.07)	
	<b>3,204.42</b>	<b>1,254.68</b>
Operating profit / (loss) before working capital changes	<b>3,204.42</b>	<b>1,254.68</b>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1148.08)	(2099.58)
Trade receivables	(1601.95)	(737.85)
Other non-current financial assets	(133.19)	(14.11)
Other current financial assets	(2.12)	(3.31)
Other current assets	(191.44)	156.73
Other non-current assets	67.32	26.27
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	1175.93	866.39
Other Financial Liabilities	148.50	135.83
Other current liabilities	54.39	(146.44)
Provisions	17.58	35.73
Bank balance other than cash & cash equivalents	(11.45)	(0.05)
Cash generated from operations	<b>1,579.91</b>	<b>(525.71)</b>
Net income tax (paid) / refunds	1.25	8.97
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>1,581.16</b>	<b>(516.74)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment (including capital work in progress)	(804.15)	(462.28)
Proceeds from sale of Property, plant and equipment	50.94	23.67
Purchase of Mutual funds	(195.00)	(1,200.00)
Proceeds from sale of mutual funds	-	1,217.55
Proceeds from sale of Investments	-	0.34
	<b>(948.21)</b>	<b>(420.72)</b>
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(948.21)</b>	<b>(420.72)</b>



*Chauhan*

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Plant [ Woollens Division : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara - 311001 (Rajasthan)  
Yarn Division : Village Raila, District - Bhilwara - 311024 (Rajasthan)



# Modern Threads (India) Limited

Registered Office :

Unit : Modern Woollens

Hamirgarh Road, Pragati Path, Near Transport Nagar

BHILWARA-311001 (Rajasthan) INDIA

Tel : +91-1482-241801, Fax : 91-1482-297924

E-Mail : cs@modernwoollens.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

MODERN THREADS (INDIA) LIMITED  
CIN NO. L17115RJ1980PLC002075

Statement of Cash Flows for the year ended 31st March, 2023

	Rupees in Lakhs			
<b>C. Cash flow from financing activities</b>				
Proceeds/ (Repayment) of Borrowings	(75.00)		(29.03)	
Payment of Lease Liabilities	0.02		0.02	
Finance costs	(328.67)		(219.92)	
Redemption of preference share	-	(403.65)	(30.00)	(278.93)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(403.65)</b>		<b>(278.93)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>229.30</b>		<b>(1,216.39)</b>
Cash and cash equivalents at the beginning of the year		517.94		1,734.33
<b>Cash and cash equivalents at the end of the year</b>		<b>747.24</b>		<b>517.94</b>

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



Ram Awatar Kabra  
Executive Director  
DIN:00945603

Place: Bhilwara  
Date: 29/05/2023

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Bhilwara-311001 (Rajasthan) India**

**E-mail [cs@modernwoollens.com](mailto:cs@modernwoollens.com) Phone No. : 07823040996**

## Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2023

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in Lakhs
	1.	Turnover / Total income	30531.04	30531.04
	2.	Exceptional Items*	18874.85	18874.85
	3.	Total Expenditure	27994.25	28030.38
	4.	Net Profit/(Loss) (1+2-3)	21411.64	21375.51
	5.	Earnings Per Share	61.57	61.47
	6.	Total Assets	17705.68	17705.68
	7.	Total Liabilities	7370.43	8345.91
	8.	Net Worth**	10335.25	9359.77
	9.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

\* Non current secured borrowings (Debentures, term loan and accrued interest) of Rs. 20729.85 lakhs was settled at Rs. 1855 Lakhs, out of it, Rs. 1780 Lakhs has already been paid up to 31.03.2022 and balance Rs. 75 lakhs has been paid during the year. As the company has complied with terms of settlement and accordingly, balance liabilities of Rs. 18874.85 has been written back and credited to Statement of Profit and Loss as an Exceptional items due to which net worth of the company has become positive.

\*\* Tax effect on OCI has been taken in deferred tax and Deferred Tax Assets has not been recognized in the financial statements as a matter of prudence.



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<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>
a.	<b>Details of Audit Qualification :</b> (i) The company has not provided for Interest (Dividend) on cumulative redeemable preference shares for the quarter ended 31.03.2023 Rs. 8.91 Lakhs and for the year ended 31.03.2023 Rs. 36.13 Lakhs and Cumulative interest (Dividend) Rs. 975.48 Lakhs upto 31.03.2023 as the company is in process of settlement of remaining redeemable preference share capital.  (ii) Balances of trade payables and trade receivables are subject to confirmation and consequential Adjustments, if any.
b.	<b>Type of Audit Qualification :</b> Qualified Opinion
c.	<b>Frequency of qualification :</b> Repetitive
d.	<b>For Audit Qualification(i) where the impact is quantified by the auditor, Management's Views:</b> For the Audit Qualifications Company is in process of settlement with respective preference shareholders.
e.	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> (i) <b>Management's estimation on the impact of audit qualification:</b> Unable to Estimate (ii) <b>If management is unable to estimate the impact, reasons for the same:</b> For qualification (ii) the company is in process of identifying liability of trade Payables and trade receivables.  (iii) <b>Auditors' Comments on (i) or (ii) above:-</b> Managements Comments are self explanatory so no separate comments are required.





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III.

**Signatories:**

**For Modern Threads (India) Limited**

**Ram Awatar Kabra**  
Executive Director

DIN:00945603

**For Modern Threads (India) Limited**

**Ankita Jain**  
Chairman of Audit Committee

DIN:09598249

**For Modern Threads (India) Limited**

**P.K. Nahar**  
Chief Financial Officer

Place: Bhilwara

Date: 29.05.2023

Refer Our Audit Report dated May 29, 2023 on Financial results of the Company

**For S.S Surana & Co.**

Chartered Accountants

(FRN. 001079C)

**(Pralhad Gupta)**  
Partner

Membership No. 074458

VDIN: 23074458BGVWNT4998



Place: Bhilwara

Date: 29/5/2023