



Modern Threads (India) Limited

Registered Office :

Unit : Modern Woollens

Hamirgarh Road, Pragati Path, Near Transport Nagar,
Bhilwara-311001 (Rajasthan) India

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

Website : www.modernwoollens.com CIN : L17115RJ1980PLC002075

To,

Date : 28/01/2021

The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400023
Scrip Code: 500282

The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai-400051
Scrip Code: MODTHREAD

Dear Sir/Madam,

Sub.: Submission of Unaudited Financial Results for the quarter ended 30th June, 2020

This is to inform you that in terms of Regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby enclose a copy of the Unaudited Financial Results for the quarter ended 30th June, 2020, along with the limited review report given by the statutory auditors of the Company, which were approved by the Board of Directors at their meeting held on 28th January, 2021, commenced at 3.00 P.M. and concluded at 6.00 P.M.

This is for your information and records.

Thanking You,

Yours faithfully,

FOR Modern Threads (India) Limited

B.L. Saini

(BANWARI LAL SAINI)

Company Secretary & Compliance Officer

Membership No. : A 12576



Encl : as above

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

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

Scanned with CamScanner

Goyal D. Kumar & Co.

CHARTERED ACCOUNTANTS

207-208, Om Textile Tower, Pur Road, Bhilwara-311001(Raj.)

Phone No 01482-241554 Mail: - dkg.bhl@gmail.com

Limited Review Report

To

The Board of Directors of

Modern Threads (India) Ltd

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of **Modern Threads (India)Ltd ('the Company')** for the quarter ended **30th June, 2020 ('the Statement')**, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations").
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis for Qualified Opinion:**
 - i. The company has not provided for interest (Dividend) on cumulative redeemable preference shares for the quarter ended 30.06.2020 Rs. 17.06 Lakhs and cumulative Rs. 1655.24 Lakhs up to 30.06.2020. The company has not provided interest (dividend) in view of accumulated losses and also in process of settlement of remaining redeemable preference share capital. (Refer Note No. 4)
 - ii. Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Refer Note No. 7)
5. **Qualified Opinion**

Based on our review conducted as above, except for the effects/possible effects of our observation stated in Para 4 (including non quantification for the reasons stated therein), nothing has come to our attention that causes us to believe that the accompanying statement prepared in all material respects in accordance with the applicable Indian Accounting Standards u/s 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure



Requirements) Regulation, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to the following:

- a) Note No. 5 of the statement, which describes the management's assessment of financial impact of outbreak of Corona Virus (Covid-19) Pandemic situation, the company has taken into account internal and external information for assessing possible impact of covid-19 including impact on its business operations, liquidity, financial position and recoverability of its assets. However, the impact assessment of Covid-19 is a continuous process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated at as the date of approval of these financial results. The company will continue to monitor any material changes to future economic conditions.
- b) Note No. 6 of the statement to the fact that the figures for 3 months ended 31st March, 2020 as reported in these financial results are the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to December 31, 2019, which were subjected to a limited review by us, as required under the Listing Regulations.

Our opinion is not modified in respect of this matter.

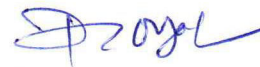
7. Material Uncertainty related to Going Concern

We draw attention that the company had made a reference to The Board of Industrial and Financial Reconstruction (BIFR) based on audited accounts for the financial ended 31st March, 2004 and BIFR in the hearing held on 12th December, 2005 had declared the company as sick industrial company u/s 3(1)(o) of the SICA Act. Consequent to abatement of Sick Industrial Companies (Special Provision) Act, 1985, w.e.f. 01.12.2016 the company has not filed rehabilitation/ revival scheme to NCLT under Insolvency and Bankruptcy Code. The company has accumulated losses with its net worth continuing to stand fully eroded and the financial statements of the company have been prepared on going concern as the Debentures, term loan and accrued interest has been settled and only balance ` 75 Lakhs is payable till 31.03.2021. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment.

Our opinion is not modified in respect of this matter.

Place: Bhilwara
Date: 28/01/2021

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



D.K. Goyal
Proprietor

Membership No. 076713

UDIN - 21076713AAAABN6546





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Statement of Standalone unaudited Financial Results for the Quarter ended 30/06/2020

(Rs in Lakhs)

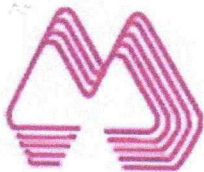
Particulars	Quarter Ended			Year ended
	30/06/2020	31/03/2020	30/06/2019	31/03/2020
	Un-audited	Audited	Un-audited	Audited
1. Income				
(a) Revenue from Operations	1,700.23	5,356.97	4,779.84	20,058.98
(b) Other Income	26.00	928.57	157.39	2,406.97
Total income	1,726.23	6,285.54	4,937.23	22,465.95
2. Expenses				
(a) Cost of Materials consumed	1,264.76	3,151.33	3,470.37	12,680.28
(b) Purchase of stock-in-trade	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(253.16)	247.48	(253.99)	551.94
(d) Employee benefits expense	328.70	558.23	510.44	2,242.70
(e) Finance costs	3.43	(23.41)	21.71	12.14
(f) Depreciation and amortisation expense	72.17	105.28	64.85	301.50
(g) Other expenses				
Manufacturing Expenses	364.10	740.40	785.73	3,339.83
Administrative and Selling Expenses	83.18	227.03	236.53	1,011.56
Total Expenses	1,863.18	5,006.34	4,835.64	20,139.95
3. Profit/(Loss) before exceptional items and Tax (1-2)	(136.95)	1,279.20	101.59	2,326.00
4. Exceptional Items (Refer Note 8)	-	-	210.00	210.00
5. Profit/(loss) before tax (3-4)	(136.95)	1,279.20	311.59	2,536.00
6. Tax expense	-	0.12	-	0.12
7. Net Profit / (Loss) after tax (5 -6)	(136.95)	1,279.08	311.59	2,535.88
8. Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss (net of Tax) (Refer Note 9)	(0.73)	(6.07)	3.01	2.96
(b) Items that will be reclassified to profit or loss (net of Tax)	-	-	-	-
Other Comprehensive Income for the period (8a+8b)	(0.73)	(6.07)	3.01	2.96
9. Total Comprehensive Income (7 + 8)	(137.68)	1,273.01	314.60	2,538.84
10. Paid-up equity share capital (Face Value of the Share Rs.10 /-)	3,477.52	3,477.52	3,477.52	3,477.52
11. Other Equity excluding revaluation reserve				(15,596.79)
12. Earnings Per Share (Basic/Diluted) in Rs.				
(a) Basic	(0.39)	3.68	0.90	7.29
(b) Diluted	(0.39)	3.68	0.90	7.29

Marketing Office

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



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SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER ENDED 30TH JUNE,2020

(Rs in Lakhs)

Particulars	Quarter Ended			Year ended
	30/06/2020	31/03/2020	30/06/2019	31/03/2020
	Un-audited	Audited	Un-audited	Audited
1. Segment Revenue				
(a) Woollen	1196.75	4087.08	3392.44	14347.02
(b) Synthetic Yarn	503.48	1269.89	1,387.40	5,711.96
(c) Others	-	-	-	-
Total	1700.23	5356.97	4779.84	20058.98
Less: Inter Segment Sales	-	-	-	-
Net sales/Revenue from Operations	1700.23	5356.97	4779.84	20058.98
2. Segment Results				
Profit / (Loss) before tax and interest				
(a) Woollen	(43.50)	1044.42	247.19	2403.93
(b) Synthetic Yarn	(90.02)	211.37	(123.89)	(65.79)
(c) Others	-	-	-	-
Total	(133.52)	1,255.79	123.30	2338.14
Less: i) Interest	3.43	(23.41)	21.71	12.14
Less: ii) other Unallocable exp net off unallocable income	-	-	-	-
Add: iii) Exceptional items	-	-	210.00	210.00
Total Profit/(Loss) Before Tax	(136.95)	1,279.20	311.59	2,536.00
3. Segment Assets				
(a) Woollen	8594.20	8937.94	9329.57	8937.94
(b) Synthetic Yarn	2467.30	2564.92	2551.56	2564.92
(c) Others	1141.50	1141.50	1129.64	1141.50
Total	12203.00	12644.36	13010.77	12644.36
4. Segment Liabilities				
(a) Woollen	2898.13	3091.99	5536.63	3091.99
(b) Synthetic Yarn	12711.59	12821.41	12967.42	12821.41
(c) Others	8850.23	8850.23	8850.23	8850.23
Total	24459.95	24763.63	27354.28	24763.63

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

R. K. Kabra

Ram Rai Kabra

Director

DIN:07985411

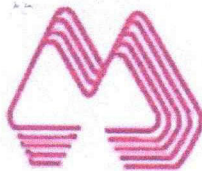


Place : Bhilwara

Date : 28/01/2021

Marketing Office : 5, Bhima Building, Sir Pochkhanwala Road, Worli, Mumbai-400030
Plants: [Woollens Division : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara-311001 (Rajasthan)
Yarn Division : Village Raila, District - Bhilwara - 311 024 (Rajasthan)

R. K. Kabra



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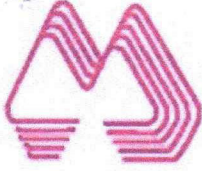
Website : www.modernwoollens.com / CIN:L17115RJ1980PLC002075

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 28/01/2021
- 2 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards("Ind AS") notified under the companies (Indian Accounting Standards) Rules, 2015, as ammended, as specified in section 133 of the Companies Act, 2013, except stated otherwise.
- 3 The company based on audited accounts for the financial year ended 31st March, 2004 had been declared as a sick industrial company u/s 3(1)(o) of the SICA Act by The Board of Industrial and Financial Reconstruction (BIFR) in the hearing held on 12th December, 2005. Consequent to abatement of Sick Industrial Companies (Special Provision) Act, 1985 w.e.f. 01/12/2016, the company has not filed rehabilitation/ revival scheme to NCLT under Insolvency and Bankruptcy Code. The company has accumulated losses with its net worth continuing to stand fully eroded and the financial statements of the company have been prepared on going concern, as the non current secured borrowings have been settled and only balance Rs.75 Lakhs is payable till 31.03.2021. The company is expecting compliance of term of settlement and liability will be written back on discharge of full payment
- 4 The company has provided for interest (Dividend) on cumulative redeemable preference shares for the Quarter ended amounting to Rs. 17.06 Lakhs (cumulative Rs. 1655.24 Lakhs up to 30-06-2020) has not been provided in view of accumulated losses and also in process of settlement of remaining redeemable preference share capital.
- 5 Impact of COVID-19 pandemic: The outbreak of COVID-19 pandemic in the entire country resulted in Lockdown, announced by the Central and State Government, due to which the production activities of the Company situated at Bhilwara was halted from 22nd March, 2020 till 28th May, 2020. The Company has since resumed its manufacturing and operational activities. The Company is complying with all the safety measures viz. Social Distancing and mandatory to wear face mask, face cover and proper sanitizations and thermal screening at the entry gate in premises. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements. The Company will assess any material changes to future economic conditions also.
- 6 The figures of 3 months ended 31st March, 2020 are the balancing figures between figures in respect of the full financial year upto March 31, 2020 and unaudited published year to date figures upto December 31, 2019, being the date of end of the third quarter of the financial year which were subject to limited review.
- 7 Balances of trade payables and trade receivable are subject to confirmation and consequential adjustments, if any.
- 8 Share Application Money Rs. 1450 Lakhs has been raised pursuant to restructuring / settlement scheme submitted

Marketing Office : 5, Bhilwa Building, Sir Pochkhanwala Road, Worli, Mumbai-400030
Plants: Woollens Division : Hamirgarh Road, Pragati Path, Near Transport Nagar, Bhilwara-311001 (Rajasthan)
Yarn Division : Village Raila, District – Bhilwara – 311 024 (Rajasthan)

R. K. Sharma



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to BIFR but consequent to abatement of Sick Industrial Companies (Special Provision) Act, 1985 w.e.f. 01/12/2016 , it become refundable.

- 9 Tax effect has not taken into consideration as there is no taxable income and deferred tax asset has not recognised in the financial statement as a matter of prudence.
- 10 Figures for the previous periods, wherever necessary have been regrouped/ reclassified to conform to the current periods presentation.

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

**Place : Bhilwara
Date : 28/01/2021**

R. Kabra
**(Ram Rai Kabra)
Director
DIN:07985411**



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