

ANNUAL REPORT 2022-2023



Modern
THREADS (INDIA) LIMITED

BOARD OF DIRECTORS

Shri Rajesh Ranka – Chairman & Managing Director

Shri Ram Awatar Kabra – Executive Director

Smt. Veena Jain – Non-Executive
Non-Independent Director

Shri J.N. Sharma – Non-Executive
Independent Director

Mrs. Ankita Jain – Non-Executive
Independent Director

Shri C.M. Jain – Non-Executive
Independent Director

CHIEF FINANCIAL OFFICER

Shri Prabodh Kumar Nahar

COMPANY SECRETARY

Shri Banwari Lal Saini

AUDITORS

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

SECRETARIAL AUDITOR

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

COST AUDITORS

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

REGISTERED OFFICE

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

MARKETING OFFICE :

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

PLANTS

Woollen Division

Pragati Path,
Bhilwara-311 001 (Rajasthan)

Yarn Division

Village Raila-311 024
Distt. Bhilwara (Rajasthan)



NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the members of **Modern Threads (India) Limited** will be held on Saturday the 30th September, 2023 at 1:00 P.M. at Registered Office of the Company at Modern Woollens, Pragati Path, Near Transport Nagar, Bhilwara – 311 001 (Rajasthan) 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 31st March, 2023, and the reports of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Shri Ram Avatar Kabra (DIN: 00945603), who retires by rotation and being eligible, offers himself for re-appointment.

B. SPECIAL BUSINESS :

- (3) **To approve increase in remuneration of Shri Rajesh Ranka (DIN : 03438721), Chairman and Managing Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the nomination and remuneration committee and Board of Directors, approval of the members of the Company, be and is hereby accorded to the revision in the remuneration of Shri Rajesh Ranka (DIN : 03438721), Chairman & Managing Director of the Company with effect from 1st May, 2023 till remainder of duration of his tenure i.e. upto 30th June, 2025, on the following terms and conditions :-

- i) **Basic Salary :-**
Rs. 4,00,000/- (Rupees four lacs only) per month.
- ii) **Perquisites and allowances:-**
 - a) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
 - b) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
 - c) Free use of car with driver, for Company's business.
 - d) Free Telephone facility for Company's business.
 - e) Encashment of leaves as per Company's Rules.

- iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or Committee thereof.

“**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the Company has no profit or its profit are inadequate, the Company may pay to him the above remuneration as the minimum remuneration by way of salary subject to the requisite approvals, if any.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri Rajesh Ranka, Chairman & Managing Director of the Company including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

- (4) **To ratify the remuneration of Cost Auditors of the Company for the financial year ending 31st March, 2024.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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 31st March, 2024, be paid the remuneration of Rs. 50,000/- per annum plus applicable taxes and reimbursement of expenses upto Rs. 25,000/- be and is hereby ratified and approved.”

“**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board

Place : Bhilwara
Date : 29th May, 2023

(**Banwari Lal Saini**)
Company Secretary

NOTES :

1. The Explanatory Statement pursuant to Section 102 and/or any other applicable provisions of the Companies Act, 2013 setting out the material facts in respect of item No. 3 to 4 set out in the notice and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standards on the General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/ re-appointment as Director at the Annual General Meeting, is annexed hereto.
2. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 and revised Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members the facility of "remote e-voting" (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL").
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
4. The proxy form duly completed and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
5. Institutional / Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting. The said certified true copy of the Board Resolution should be sent to the Scrutinizer by email through its registered email address to rkjainbhlwara@gmail.com with a copy marked to cs@modernwoollens.com.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
8. Details of Directors retiring by rotation/seeking re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.
9. The Share transfer books and Register of members shall remain closed from 25th September, 2023 to 30th September, 2023 (both days inclusive) in connection with the Annual General Meeting.
10. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, Notice of the 42nd AGM along with the Annual Report for Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories'). A copy of this Notice along with the Annual Report for Financial Year 2022-23 is uploaded on the Company's website www.modernwoollens.com, BSE Limited website at www.bseindia.com, NSE website at www.nseindia.com and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH - 13. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Beetal (RTA) in case the shares are held by them in physical form.
12. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 read with SEBI press release PRNo.: 51/2018 dated 3rd December, 2018, effective from 1st April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However, members can continue to hold shares in physical form. Members holding shares in physical mode are requested to dematerialize their shares by surrendering their share certificates to their Depository Participants (DPs). Members are requested to quote ISIN: INE794W01014 of the Company for dematerialization of the shares.
13. Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062. Members who have not registered their email addresses so far are requested to register their e-mail ID's with M/s. Beetal Financial & Computer Services Pvt. Ltd, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective DPs in case the same is still not registered.
14. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or our Registrar and Share Transfer Agent, Beetal Financial & Computer Service Pvt. Ltd.
16. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE account with a Bank in India, if not furnished earlier.
17. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.

The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent.

18. In terms of Section 101 and 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, the copy of the Annual Report including Financial Statements, Board's report etc. and this notice are being sent by electronic mode, to those members who have registered their email ID's with their respective depository participants or with the share transfer agents of the Company, unless any member has requested for a physical copy of the same. In case any member wish to get a physical copy of the Annual Report, he may send his request to cs@modernwoollens.com mentioning his/her Folio/DP ID & Client ID.
19. Members may also note that the Notice of the 42nd AGM, Attendance Slip, Proxy Form, Ballot Paper and the Annual Report for FY 2022-23 will also be available on the Company's website www.modernwoollens.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection without any fee during normal business hours (10:00 am to 5:00 pm) on working days, upto and including the date of AGM of the Company.
20. All the documents referred to in accompanying Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. to 5.00 p.m. upto the date of Annual General Meeting.
21. Members are requested to send all communications relating to shares and change of address etc. to the Registrar and Share Transfer Agents at the following address:
Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062.
22. 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.
23. Members holding shares in physical form who have not registered their e-mail addresses with the Company/ RTA can obtain Annual Report by providing a duly signed request letter with Folio No., name of the shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN and Aadhaar by e-mail to cs@modernwoollens.com
24. Pursuant to SEBI circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated 16th March, 2023, as amended, it shall be mandatory for all holders of physical securities to furnish PAN, Nomination, Address, Mobile Number, Bank Account Details and Specimen Signature. The members are requested to update their above KYC details (if not yet done) with the Company /RTA. The relevant forms for updation of KYC details can be downloaded from the website of the Company at www.modernwoollens.com or RTA website: www.beetalfinancial.com
25. A route map showing directions to reach the venue of the Annual General Meeting is given with the Notice/Annual Report.
26. **Voting**

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. 23rd September, 2023 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

(I) Voting through Electronic means

1. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 and revised Secretarial

Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members the facility of "remote e-voting" (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL").

2. The facility for voting through Polling Paper shall also be made available at the AGM and the members attending the meeting who have not already cast their vote through remote e-voting shall be able to exercise their right at the AGM.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The Board of Directors of the Company has appointed Shri Rajendra Kumar Jain, Practicing Company Secretary, Bhilwara as Scrutinizer for scrutinizing the voting through polling paper and remote e-voting process in a fair and transparent manner.
5. The remote e-voting period commences on Wednesday, 27th September, 2023 (9:00 a.m.) and ends on Friday, 29th September, 2023 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 23rd September, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
6. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.modernwoollens.com and on the website of NSDL www.evoting.nsdl.com and the same shall also be communicated to BSE & NSE.
7. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 23rd September, 2023, may obtain the login ID and password by sending a request to Company at cs@modernwoollens.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

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

The remote e-voting period begins on Wednesday, 27th September, 2023 at 9.00 A.M. and ends on Friday, 29th September, 2023 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2023.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;">  App Store  Google Play </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

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

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

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

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rkjainbhlwara@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Shri Manish Shanna at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@modernwoollens.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@modernwoollens.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

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

Item No. 3

The members of the Company at the Annual General Meeting held on 30th September, 2022 had approved the re-appointment and payment of remuneration of Shri Rajesh Ranka (DIN : 03438721) as the Chairman & Managing Director of the Company for a period of three years w.e.f. 01/07/2022.

further considering the contribution of Shri Rajesh Ranka and the progress made by the Company under his leadership and guidance and initiatives to strengthen the business activities of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 24th April, 2023, increase the remuneration of Shri Rajesh Ranka with effect from 1st May, 2023 till remainder of duration of his tenure i.e. upto 30th June, 2025.

The terms and conditions of remuneration is as under :-

- i) **Basic Salary:-**
Rs. 4,00,000/- (Rupees four lacs only) per month.
- ii) **Perquisites and allowances:-**
 - a) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
 - b) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.

- c) Free use of car with driver, for Company's business.
- d) Free Telephone facility for Company's business.
- e) Encashment of leaves as per Company's Rules.

iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or Committee thereof. "

Where in any financial year during the tenure of Shri Rajesh Ranka, Chairman & Managing Director, the Company has no profit or its profit are inadequate, the Company may pay to him the above remuneration as the minimum remuneration by way of salary subject to the requisite approvals, if any.

Shri Rajesh Ranka is Chairman & Managing Director of the Company and also a promoter of the Company. Shri Rajesh Ranka is MBA from Rajasthan University and having vast experience of more than 29 years in the field of Textile management and Business administration.

Except Shri Rajesh Ranka, none of the Directors and key managerial personnel of the Company and their relatives is concerned or interested in the said resolution set out at item No. 3. The Board recommends the Special Resolution set out at item No. 3 of this notice for the approval of the members. The details set out herein above may be treated as an abstract under section 190 of the Companies Act, 2013.

Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M. Goyal & Co., Cost Accountants, Jaipur as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 at a remuneration of Rs.50,000/- per annum plus applicable taxes and reimbursement of expenses upto Rs. 25,000/-.

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. 8 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024.

None of the Directors, key managerial personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution set out at item No. 4.

Details of Directors Seeking Appointment / Re-appointment at the Annual General Meeting

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards]

Name	Shri Ram Awatar Kabra
Designation	Executive Director
Director Identification Number (DIN)	00945603
Date of Birth	03/09/1956
Qualifications	FCA, FCS
Brief Resume	Shri Ram Awatar Kabra is Graduate in Commerce from the University of Rajasthan. He is also fellow member of the Institute of Chartered Accountants of India (ICAI) and the fellow member of the Institute of Company Secretaries of India (ICSI). Shri Ram Awatar Kabra has about 40 years vast and rich experience in the field of Finance, Accounts, Taxation, Administration and Management etc.
Nature of expertise in specific functional areas	Finance, Corporate Laws, Administration
Date of first Appointment on the Board of the Company	19/11/2021
Shareholding in the Company	Nil
Name of listed entities in which the person holds directorship and the membership of Committees of the Board	Modern Threads (India) Limited
Listed entities from which the person has resigned in the past three years	Nil
Remuneration proposed to be paid	—
Terms and conditions of appointment/ re-appointment	Shri Ram Awatar Kabra, is Executive Director of the Company, liable to retire by rotation.
Relationship between directors inter-se and Key Managerial personnel	Not related to any other Directors/ Key Managerial Personnel of the Company
Membership / Chairmanships of Audit and Stakeholders relationship committees	Member of Audit and Stakeholders relationship committees of the company.
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable

DIRECTORS' REPORT

To the members of Modern Threads (India) Limited,

Your Directors are pleased to present the 42nd Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended 31st March, 2023.

The Standalone financial statements for the financial year ended March 31, 2023, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs, vide its notification in the official Gazette dated 16th February, 2015.

Key highlights of financial performance of your Company for the financial year 2022-23 are provided below:

FINANCIAL SUMMARY

(Rs. in Crores)

Particulars	Year ended 31/03/2022	Year ended 31/03/2023
Revenue from operations & other Income	224.70	305.31
Profit before exceptional items & tax	7.25	25.37
Exceptional items	0.70	188.75
Profit before tax	7.95	214.12
Less-Tax expenses	0.01	—
Profit for the year	7.94	214.12
Other Comprehensive Income	0.27	0.16
Total Comprehensive Income	8.21	214.28

STATE OF COMPANY'S AFFAIRS

The performance of the Woollen Division of the Company has been satisfactory over past few years in spite of stiff competitions in the Domestic and International Markets. During the year under review the turnover of the Woollen Division of the Company is Rs. 202.92 Crores as against Rs. 134.18 Crores in the previous year. During the year under review the turnover of the Yarn Division of the Company is Rs. 99.04 Crores as against Rs. 88.45 Crores in the previous year. Your company has been able to generate the profit of Rs. 25.37 Crores during the year under review as against Rs. 7.25 Crores in previous year before exceptional items and tax.

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

POST COVID-19 PHASE & GEO-POLITICAL SITUATION.

From the highs of the pandemic, growth and demand for the textiles sector has moderated this financial year. The Russia-Ukraine war, high inflation and the threat of a looming recession in key markets like the US and Europe have led to a slowdown in exports. The silver lining for the sector has, however, been robust domestic demand and new pockets of growth.

After short cyclical ups and downs in demand, the net effect of the pandemic on the domestic market has been a net increase in size of the domestic market by 15-20%, as people learnt to spend more on their homes and living environment and opt for better quality. While exports picked up for some time, other non-pandemic factors like the Ukraine war and high inflation marred them in key markets like the European Union, USA and Japan. More recently, some signs of international demand re-emerging. Skyrocketing prices of cotton, which constitute a major part of India's textile exports, impacted demand adversely in this segment. Now that the prices are reverting to normal, however for our worsted industry raw material prices were more or less stable due to lower Chinese demand & demand of worsted yarn from India in both export & domestic sector were extremely good.

Just before Russia-Ukraine war, GBP & EURO were in pressure & caused dent in realization, but slowly it is now back to square one & resulted positive impact.

SHARE CAPITAL

The authorized Share Capital of the Company stood at Rs. 185,00,00,000. During the year under review, there was no change in the authorized share

capital of the Company. The paid-up Equity Share Capital as at March 31, 2023 stood at Rs. 34,77,51,600.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2023, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

TRANSFER TO RESERVES

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

DIVIDEND

In order to conserve the resources of the company and for expansion and modernization of old plant and machinery, the Board of Directors of your company have decided not to recommend any dividend on the Equity Shares of the company for the year under review.

EXPORTS

As inflationary conditions cool off and retailers exhaust their stocks, added by growing preference of importers to move away at least part of their sourcing from China, Indian textile exporters should see good demand from in 2023. We are certainly facing stiff competition from countries labour cost advantage also enjoy favourable trade terms and duty-free access to many markets. India is in discussion with many countries on FTA & already concluded FTA with Australia and the UAE. This should work to its advantage. We need to do similar agreements with larger buyers like Europe and USA.

The biggest challenge which we feel exists is that paying enough importance to product quality & development, marketing and distributing. Production could be one of the challenge. Export production is always led by buyer specification. So we have little say there & fulfilling their requirement is of extreme importance.

FUTURE PROSPECTS

Sustainability is buzzword now. Producers are increasingly using sustainable raw materials, recycled fibres, biodegradable inputs from raw materials to process and package goods. Alternatives like RWS, Bio Wool, Organic Wool, recycled polyester are increasingly being used. Natural dyes and organic chemicals are being used for textile processing. Offering products that meet the defined standards of European and American agencies, certifying their products as sustainable, organic, biodegradable and eco-friendly is many cases a MUST now.

MSME CERTIFICATE

Your Company has getting registered under MSME vide UDYAM Registration Number – UDYAM-RJ-07-0000022.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2023 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2023. The Notes to the Financial Statements form an integral part of this Report.

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

FIXED DEPOSITS

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