

MODERN DAIRIES LIMITED

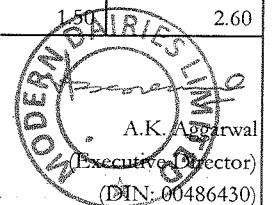
Statement of UnAudited financial results for the Year Ended 31st March, 2020

(Amount Rs in Lacs)

Sr. No.	Particulars	3 months ended 31 March 2020	Preceding 3 months ended 31 December 2019	Corresponding 3 months ended in the previous year 31 March 2019	Current year ended 31 March 2020	Previous year ended 31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
I	Revenue from operations	19,476.85	20,767.58	14,714.06	76,560.68	56,042.51
II	Other Income	12.04	9.46	10.24	42.70	26.92
III	Total Income(I+II)	19,488.89	20,777.04	14,724.30	76,603.38	56,069.43
IV	EXPENSES					
	Cost of materials consumed	18,240.39	19,857.18	13,028.24	72,481.17	50,179.16
	Purchase of Stock in Trade	-	-	-	-	-
	Changes in inventories of Finished goods, Stock in trade and Work-in-progress	(86.26)	(418.42)	71.41	(1,048.72)	466.66
	Excise Duty on Sales	-	-	-	-	-
	Employee benefits expense	275.70	251.78	257.91	1,016.91	938.45
	Finance costs	4.75	5.01	6.07	12.30	20.15
	Depreciation and amortization expenses	135.79	136.62	145.96	551.27	526.55
	Other expenses	905.27	800.33	961.77	3,241.66	3,332.48
	Total expenses(IV)	19,475.64	20,632.50	14,471.36	76,254.59	55,463.45
V	Profit/(Loss) before exceptional items and tax (III-IV)	13.25	144.54	252.94	348.79	605.98
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	13.25	144.54	252.94	348.79	605.98
VIII	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	13.25	144.54	252.94	348.79	605.98
X	Profit/(Loss) from discontinued operations	-	-	-	-	-
XI	Tax expenses of discontinued operations	-	-	-	-	-
XII	Profit/(Loss) from discontinued operations(after tax)(X-XI)	-	-	-	-	-
XIII	Profit/(Loss) for the period (IX+XII)	13.25	144.54	252.94	348.79	605.98
XIV	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	9.01	-	1.39	9.01	1.39
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XIV	Other Comprehensive Income	9.01	-	1.39	9.01	1.39
XV	Total Comprehensive Income for the period (XIII+XIV) comprising Profit/(Loss) and Other comprehensive Income for the period	22.26	144.54	254.33	357.80	607.36
XVI	Earnings per equity share (for continuing operation) :					
	(1) Basic	0.06	0.62	1.08	1.50	2.60
	(2) Diluted	0.06	0.62	1.08	1.50	2.60
XVI	Earnings per equity share (for discontinued operation) :					
	(1) Basic	-	-	-	-	-
	(2) Diluted	-	-	-	-	-
XVI	Earnings per equity share (for discontinued & continuing operation) :					
	(1) Basic	0.06	0.62	1.08	1.50	2.60
	(2) Diluted	0.06	0.62	1.08	1.50	2.60

Place: Chandigarh

Date: 30.06.2020

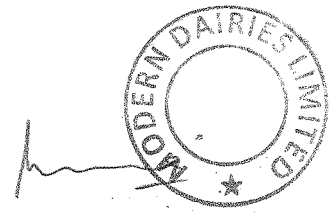


Notes to the Financial Results :

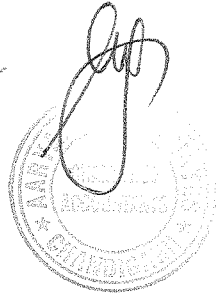
1. The financial results of Modern Dairies Limited ('MDL', 'the Company') for the quarter and year ended 31st March,2020 have been reviewed by the audit committee and subsequently approved at the meeting of the Board of Directors held on 30th June,2020.
2. The Company is primarily engaged in the business of Manufacturing of milk & milk products which is a single primary reportable segment in accordance with the requirements of Indian Accounting Standards (IndAS) – 108 on operating segments as prescribed under the Companies (Accounting Standards) rules 2006.
3. During the previous year, the lenders to the company viz. State Bank of India has assigned their exposure in the Company to Edelweiss Asset Reconstruction Company Ltd. (ARC)

Considering the above developments and favorable impact thereof the company has prepared the financial results on the basis of going concern assumptions.

4. The Company has adopted Indian Accounting Standards (Ind AS) from 1 April 2017 (transition date being 1 April 2016) and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued there under and the other accounting generally accepted in India.
5. The Company's accounts with lenders have become non- performing assets (NPA) hence interest amounting to Rs. 740.097 Lakhs for current quarter (including interest on debentures) and for the year ended 31.03.2020 amounting to Rs.2824.2 Lakhs for has not been provided in the quarter under review. The Financial Results shall be affected to the same extent respectively.
6. The company has paid managerial remuneration during the current Quarter amounting to Rs. 6,72,885 and for the year ended up to 31.03.2020 amounting to Rs. 39,41,540 to directors without prior approval from the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor. The directors undertake that in case the approval is not received, the remuneration received by the Director shall be refunded. The financial Results are affected to that extent.
7. The Statutory auditors of the company have carried out an audit of the financial results for the year ended 31st March, 2020 and have issued modified report. The audit report is available on the company's website at www.moderndairies.com.



8. The figures of the previous period have been reclassified /recasted/ regrouped wherever necessary to conform to current period's figures.
9. The company is paying 25 lakhs per month as adhoc payments to edelweiss , as there is no agreement in this regard the components of such payment cannot be ascertained hence any liability for deduction of TDS if may arising on such future ascertainment has not been provided.

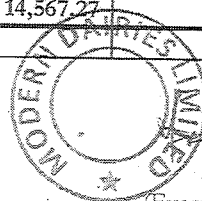


MODERN DAIRIES LIMITED

Statement of Audited Assets & Liabilities as on 31st March, 2020

Particulars		Note	As at 31 March 2020	As at 31 March 2019
ASSETS				
1)	Non-current assets			
	(a) Property, Plant and Equipment	3	7,428.00	7,622.99
	(b) Capital work-in-progress		163.92	14.47
	(c) Other Intangible assets	3	6.86	8.90
	(d) Investments	4	1.33	1.64
	(e) Long-term loans and advances	5	758.93	780.39
	(f) Deferred tax assets (net)	6	-	-
			8,359.04	8,428.39
2)	Current assets			
	(a) Inventories	7	2,560.77	1,377.93
	(b) Financial Assets	8	53.91	-
	(i) Trade receivables	9	2,306.45	3,076.85
	(ii) Cash and cash equivalents	10	89.42	157.63
	(iii) Short-term loans and advances	11	950.25	200.00
	(c) Other current assets	12	242.43	317.31
	(d) Asset Held for Disposal	13	5.00	-
			6,208.23	5,129.72
	Total Assets		14,567.27	13,558.11
EQUITY AND LIABILITIES				
1)	EQUITY			
	(a) Equity Share capital	14	2,335.89	2,335.89
	(b) Other Equity	15	(10,168.71)	(10,524.33)
			(7,832.82)	(8,188.44)
2)	LIABILITIES			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Long Term Borrowings	16	-	25.00
	(b) Provisions	17	89.62	75.61
	(c) Deferred tax liabilities (Net)	18	-	-
			89.62	100.61
3)	Current liabilities			
	(a) Financial Liabilities			
	(i) Short term borrowings	19	25.00	-
	(ii) Trade payables	20	3,441.54	2,712.24
	(iii) Other financial liabilities (other than those specified in item (c))	21	16,576.11	16,765.39
	(b) Other current liabilities	22	369.41	328.35
	(c) Provisions	23	1,898.41	1,839.96
			22,310.47	21,645.94
	Total Equity and Liabilities		14,567.27	13,558.11

Place : Chandigarh
Date : 30.06.2020

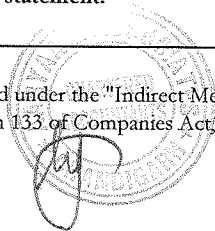


A.K. Aggarwal
(Executive Director)
(DIN: 00486430)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
A	Cash flow from operating activities:		
	Profit/(Loss) before tax	357.80	607.36
	Adjustments for:		
	Depreciation and amortisation	551.27	526.55
	Provision for milk cess	59.06	59.06
	Balances written off	0.13	2.23
	Liabilities written back	(3.12)	(0.02)
	Interest expense	12.30	20.15
	Interest income	(10.94)	(9.08)
	Employee benefits	24.80	22.90
	Changes in Accounting policy/Prior Period Errors	(2.20)	-
	Operating loss before working capital changes	989.10	1,229.15
	Adjustments for movement in:		
	Increase/Decrease in long-term loans and advances	16.69	85.66
	Increase/Decrease in inventories	(1,182.84)	219.73
	Increase/Decrease in Financial Assets	(53.91)	-
	Increase/Decrease in trade receivables	770.40	(2,125.75)
	Increase/Decrease in other current assets	74.75	(2.70)
	Increase/Decrease in Asset Held for Disposal	(5.00)	-
	Increase/Decrease in short term loans and advances	(750.25)	(199.81)
	Increase/Decrease in long-term provisions	14.01	(1.14)
	Increase/Decrease in trade payables	732.42	919.23
	Increase/Decrease in other current liabilities	41.06	62.79
	Increase/Decrease in short-term provisions	(25.41)	204.34
	Net cash generated from operations	621.03	391.50
	Taxes paid	(4.77)	30.97
	Net cash generated from operating activities	625.80	360.53
B	Cash flow from investing activities :		
	Purchase of fixed assets (including capital work in progress and movement in creditors for capital goods)	(507.15)	(457.00)
	Sale of non-current investments	0.31	-
	Proceeds from sale of fixed assets	3.46	-
	Interest received	10.94	9.08
	Net cash used in investing activities	(492.43)	(447.92)
C	Cash flow from financing activities		
	Repayment of long-term borrowings	(465.51)	50.77
	Proceeds from short term borrowings	25.00	-
	Increase/Decrease in Other financial liabilities	(189.27)	78.02
	Interest/Principal paid	428.21	(146.61)
	Net Cash used in financing activities	(201.57)	(17.82)
	Net increase/(decrease) in cash and cash equivalents	(68.21)	(105.21)
	Cash and cash equivalents at the beginning of the year	157.63	262.84
	Cash and cash equivalents at the end of the period	89.42	157.63
	Components of cash and cash equivalents :-		
	Cash in hand	18.80	29.87
	Balances with Scheduled Banks		
	In current accounts	70.62	127.76
	Cash and cash equivalents in cash flow statement:	89.42	157.63

Note:

The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).





AARYAA & ASSOCIATES CHARTERED ACCOUNTANTS

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Mob. : +91-9814798644

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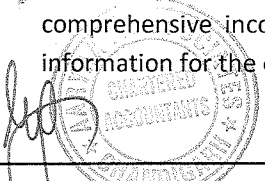
Auditor's Report on Annual Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Modern Dairies Limited

1. We have audited the accompanying statement of quarterly standalone financial results of Modern Dairies Limited (the company) for the year ended 31st March, 2020 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016. The quarterly standalone financial results for the quarter ended March 31, 2020 and year ended March 31, 2020 have been prepared on the basis of the standalone financial results for the 9 months period ended December 31, 2019, the audited annual standalone financial statement as at and for the year ended March 31, 2020 and the relevant requirements of regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016, which are the responsibility of the company's management and have been approved by the board of directors of the company. Our responsibility is to express an opinion on these standalone financial results based on our review of these standalone financial results for the nine months period ended December 31, 2019 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS 34) Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; and our audit of the annual financial statements as at and for the year ended March 31, 2020 ; and the relevant requirements of regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, **except** for the effects of the matter described in the **Basis for Qualified Opinion** section of our report and **Emphasis of Matters**, these quarterly financial results as well as the year to end results are presented in accordance with requirements of Regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 in this regard and give a true and fair view of total comprehensive income comprising of net profit and other comprehensive income and financial information for the quarter ended 31st March, 2020 and for the year ended March 31st, 2020.



CHANDIGARH : Plot No. 181/33, Industrial Area, Phase 1, Chandigarh -160 002

PANCHKULA : # 113, Tribune Mitra Vihar, Opp. Sector - 26, Panchkula - 134 113 (Haryana)

BADDI : Showroom No. 1 (FF), Near gupta Hospital, Baddi - Nalagarh Highway, Baddi-173 205 (H.P.)

Basis for Qualified Opinion

I. Director's remuneration is not admissible as prescribed in Sec-197 of companies Act,2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required.

The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director remuneration to Mr. Krishan Kumar Goyal (Chairman & Managing Director) amounting to Rs. 12,50,000 (for current quarter Nil) and Mr. Ashwani Kumar Goyal (Executive Director) amounting to Rs. 26,91,540 (for current quarter Rs. 6,72,885).

Apart from the managerial remuneration for quarter ended 31st March, 2020, as mentioned above the company has paid director remuneration of **Rs. 1,44,79,897** till date without complying the provisions of Schedule V of the companies Act, 2013.

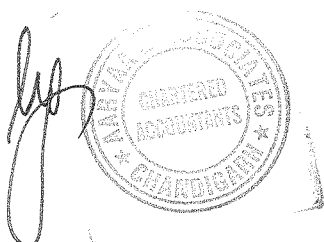
We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are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

EMPHASIS OF MATTER

(A) Assignment of SBI debt to ARC

A lender bank of the company viz. State Bank of India (SBI) has assigned its loans and other facilities along with underlying financial documents together with all the rights, title and interest to Edelweiss Asset Reconstruction Company Limited, acting in its capacity as trustee of the EARC Trust- SC 306 for the benefits of the holders of the Security Receipts issued by the trustee there under.

During the reporting period there has been no written agreement between the Company and Edelweiss Asset Reconstruction Company Limited to crystallize the amount payable and interest thereon to them. The Company is paying Rs 25 Lakhs per month as adhoc Payments to Edelweiss. In absence of any agreement in this regard, the components of such payment cannot be ascertained, hence any liability for deduction of TDS, if may arising on such future ascertainment has not been provided.



The image shows a handwritten signature in black ink on the left. To its right is a circular blue stamp. The stamp contains the text 'CHARTERED ACCOUNTANTS' in the center, 'INDIAN INSTITUTE OF' at the top, and 'CHANDIGARH' at the bottom, with a star on either side of the bottom text.

(B) One Time Settlement (OTS) with PNB

The company had proposed their OTS offer to Punjab National Bank (PNB) in Quarter ending 30th June 2019 and the same has been rejected by the bank in the Quarter ended 30th September 2019. Against the dues towards PNB the company has made a payment of Rs. 6 Crores which stands parked in a separate non-lien account.

(C) Interest provisioning on facilities from Consortium banks & Optionally Convertible Debentures:

The Company's various credit facilities, including Optionally Convertible Debentures have been declared "Non-Performing Assets"/ Recalled by its respective banks. There is a usual practice that banks discontinue to account for as "income" in respect to the accrued interest on such assets, subsequent to the declaration of these as "Non-performing assets". The bankers of the company too have not accounted as "income" in respect to the interest subsequent to NPA declaration date. In order to achieve the desired congruency on this issue & uncertainty of the amount liable to be paid, the management of the company has not provided for such interest i.e. interest on credit facilities subsequent to the date of declaration of these credit facilities as non-performing. Such interest amounts to **Rs. 7.23 Crores** and **Rs.27.58 Crores** for Current quarter & Year ended 31st March 2020 respectively (including on the assigned debts of SBI) and **Rs 16.297 Lakhs** and **Rs 65.722 Lakhs** in respect to optionally converted debentures for Current Quarter & year ended 31st March 2020 respectively which has resulted in the understatement of current liabilities and overstatement of profits by same amount. Even though the debts of SBI have been assigned to Edelweiss Asset Reconstruction Company Limited, in absence of any express agreement between the company and Edelweiss Asset Reconstruction Company Limited, no interest has been accounted for in this respect. This interest is not recorded in Profit & Loss Account.

For Aaryaa & Associates

Chartered Accountants

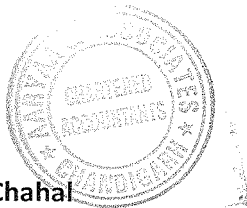

CA Harsharanjit Singh Chahal

Partner

Membership No. 091689

(Firm Registration No. 015935N)

UDIN : 20091689AAAAEU6254



Place: Chandigarh

Date : 30th June, 2020

ANNEXURE I


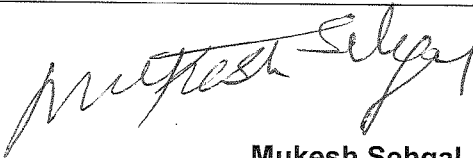

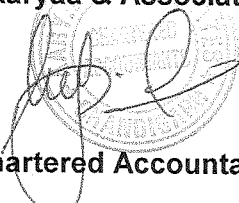
**Statement on Impact of Audit Qualifications
(for audit report with modified opinion)
submitted along-with Annual Audited Financial Results –
(Standalone and Consolidated separately)**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020.
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	76,560.68	76,560.68
	2.	Total Expenditure	76,254.59	76,215.39
	3.	Net Profit/(Loss)	348.79	387.99
	4.	Earnings Per Share	1.50	1.67
	5.	Total Assets	14,567.27	14,591.74
	6.	Total Liabilities	22,400.09	22,385.37
	7.	Net Worth	-7,832.82	-7,793.62
	8.	Any other financial item(s) (as felt appropriate by the management)		
II. Audit Qualification (each audit qualification separately):				
a. Details of Audit Qualification:				
<i>Director's remuneration is not admissible as prescribed in Sec-197 of companies Act,2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required.</i>				
<i>The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director remuneration to Mr. Krishan Kumar Goyal (Chairman & Managing Director) amounting to Rs. 12,50,000 (for current quarter Nil) and Mr. Ashwani Kumar Goyal (Executive Director) amounting to Rs. 26,91,540(for current quarter Rs. 6,72,885).</i>				
<i>Apart from the managerial remuneration for quarter ended 31st March, 2020, as mentioned above the company has paid director remuneration of Rs. 1,44,79,897till date without complying the provisions of Schedule V of the companies Act, 2013.</i>				
b. Type of Audit Qualification: Qualified Opinion				
c. Frequency of qualification: Repetitive				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The company has paid Managerial Remuneration amounting to Rs.39,41,540/-, to directors for which the company is yet to receive approval from the competent authority/agency. Management undertakes that in case the approval is not received from the competent authority/agency, they shall refund the remuneration paid to them by the company. Profitability of the company shall affect to the same extent.				
e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable.				



(i) Management's estimation on the impact of audit qualification:
(ii) If management is unable to estimate the impact, reasons for the same:
(iii) Auditors' Comments on (i) or (ii) above:

III	Signatories:
	<ul style="list-style-type: none"> • CEO/Managing Director <div style="text-align: right;">  Krishan Kumar Goyal </div>
	<ul style="list-style-type: none"> • CFO <div style="text-align: right;">  Mukesh Sehgal </div>
	<ul style="list-style-type: none"> • Audit Committee Chairman <div style="text-align: right;">  Satish Kumar Kapoor </div>
<ul style="list-style-type: none"> • Statutory Auditor <div style="text-align: right;"> For Aaryaa & Associates  Chartered Accountant </div>	

Place: Chandigarh

Date: 30th June, 2020