

MODERN DAIRIES LIMITED
Statement of UnAudited Financial Results for the Half year Ended 30th September, 2020

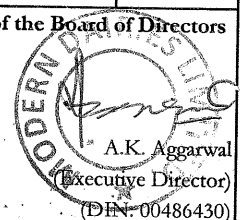
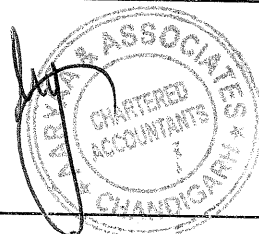
(Amount Rs in Lacs)

| Sr. No. | Particulars | 3 months ended | Preceding 3 | Corresponding 3 month | Year to date | Year to date | Previous |
|---------|--|-------------------|---------------------------|--|--|---|--------------------------|
| | | 30 September 2020 | months ended 30 June 2020 | ended in the previous year 30 September 2019 | figures for current period ended 30 September 2020 | figures for previous period ended 30 September 2019 | year ended 31 March 2020 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| I | Revenue from operations | 19,211.59 | 16,565.67 | 20,270.34 | 35,777.26 | 36,316.25 | 76,560.68 |
| II | Other Income | 5.45 | 14.80 | 7.40 | 20.24 | 21.20 | 42.70 |
| III | Total Income(I+II) | 19,217.04 | 16,580.46 | 20,277.73 | 35,797.50 | 36,337.45 | 76,603.38 |
| IV | EXPENSES | | | | | | |
| | Cost of materials consumed | 17,681.02 | 15,175.64 | 19,191.67 | 32,856.66 | 34,383.60 | 72,481.17 |
| | Purchase of Stock in Trade | - | - | - | - | - | - |
| | Changes in inventories of Finished goods, Stock in trade and Work-in-progress | 220.25 | 264.63 | 105.77 | 484.88 | (544.04) | (1,048.72) |
| | Excise Duty on Sales | - | - | - | - | - | - |
| | Employee benefits expense | 276.66 | 269.54 | 244.48 | 546.20 | 489.43 | 1,016.91 |
| | Finance costs | 0.19 | 0.40 | 1.41 | 0.59 | 2.54 | 12.30 |
| | Depreciation and amortization expenses | 138.30 | 130.39 | 138.60 | 268.69 | 278.86 | 551.27 |
| | Other expenses | 775.49 | 672.03 | 786.16 | 1,447.52 | 1,536.06 | 3,241.66 |
| | Total expenses(IV) | 19,091.91 | 16,512.63 | 20,256.55 | 35,604.54 | 36,146.45 | 76,254.59 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | 125.13 | 67.83 | 21.18 | 192.96 | 191.00 | 348.79 |
| VI | Exceptional Items | - | - | - | - | - | - |
| VII | Profit/(Loss) before tax (V-VI) | 125.13 | 67.83 | 21.18 | 192.96 | 191.00 | 348.79 |
| VIII | Tax Expense: | | | | | | |
| | (1) Current Tax | - | - | - | - | - | - |
| | (2) Deffered Tax | - | - | - | - | - | - |
| IX | Profit/(Loss) for the period from continuing operations (VII-VIII) | 125.13 | 67.83 | 21.18 | 192.96 | 191.00 | 348.79 |
| 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) | 125.13 | 67.83 | 21.18 | 192.96 | 191.00 | 348.79 |
| XIV | Other Comprehensive Income | | | | | | |
| | A. (i) Items that will not be reclassified to profit or loss | - | - | - | - | - | 9.01 |
| | (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 |
| XV | Total Comprehensive Income for the period (XIII+XIV) comprising Profit/(Loss) and Other comprehensive Income for the period | 125.13 | 67.83 | 21.18 | 192.96 | 191.00 | 357.80 |
| XVI | Earnings per equity share (for continuing operation) : | | | | | | |
| | (1) Basic | 0.54 | 0.29 | 0.09 | 0.83 | 0.82 | 1.50 |
| | (2) Diluted | 0.54 | 0.29 | 0.09 | 0.83 | 0.82 | 1.50 |
| XVI | Earnings per equity share (for discontinued operation) : | | | | | | |
| | (1) Basic | - | - | - | - | - | - |
| | (2) Diluted | - | - | - | - | - | - |
| XVI | Earnings per equity share (for discontinued & continuing operation) : | | | | | | |
| | (1) Basic | 0.54 | 0.29 | 0.09 | 0.83 | 0.82 | 1.50 |
| | (2) Diluted | 0.54 | 0.29 | 0.09 | 0.83 | 0.82 | 1.50 |

For and on behalf of the Board of Directors

Place: Chandigarh

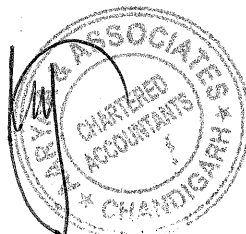
Date: 12.11.2020



NOTES TO THE FINANCIAL RESULTS :

1. The financial results of Modern Dairies Limited ('MDL', 'the Company') were reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 12th November, 2020. The Statutory Auditors of the Company have carried out a limited review of the above financial results.
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.801.584 Lakhs for current quarter (including interest on debentures) 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 to directors amounting to Rs. 17,90,760 for the half year ended 30.09.2020 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 a review of the financial results for the quarter ended 30th September, 2020 and have issued modified report. The Limited Review Report is available on the company's website at www.moderndairies.com.
8. 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.



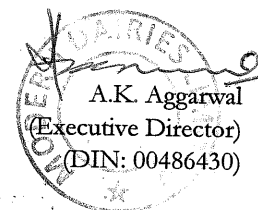
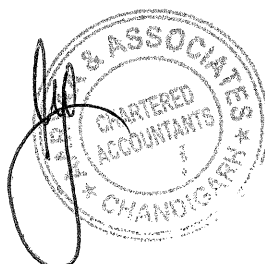
MODERN DAIRIES LIMITED

Statement of UnAudited Assets & Liabilities as on 30th September, 2020

| Particulars | | As at 30 Sept 2020 | As at 31 March 2020 |
|-------------------------------|-------------------------------------|-----------------------|------------------------|
| ASSETS | | | |
| 1) | Non-current assets | | |
| | (a) Property, Plant and Equipment | 7,527.63 | 7,428.00 |
| | (b) Capital work-inprogress | 6.72 | 163.92 |
| | (c) Other Intangible assets | 6.13 | 6.86 |
| | (d) Financial Assets | | |
| | (i) Investments | 1.33 | 1.33 |
| | (ii) Loans and advances | 737.71 | 758.93 |
| | | 8,279.52 | 8,359.04 |
| 2) | Current assets | | |
| | (a) Inventories | 2,057.02 | 2,560.77 |
| | (b) Financial Assets | | |
| | (i) Trade receivables | 2,394.79 | 2,306.45 |
| | (ii) Cash and cash equivalents | 138.74 | 89.42 |
| | (iii) Loans and advances | 1,102.40 | 950.25 |
| | (iv) Other Financial Assets | 55.48 | 53.91 |
| | (c) Other current assets | 285.96 | 242.43 |
| | (d) Asset Held for Disposal | 5.00 | 5.00 |
| | | 6,039.39 | 6,208.23 |
| | Total Assets | 14,318.91 | 14,567.27 |
| EQUITY AND LIABILITIES | | | |
| 1) | EQUITY | | |
| | (a) Equity Share capital | 2,335.89 | 2,335.89 |
| | (b) Other Equity | (9,976.32) | (10,168.71) |
| | | (7,640.43) | (7,832.82) |
| 2) | LIABILITIES | | |
| | Non-Current liabilities | | |
| | (a) Provisions | 94.76 | 89.62 |
| | | 94.76 | 89.62 |
| 3) | Current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 25.00 | 25.00 |
| | (ii) Trade payables | 2,911.67 | 3,441.54 |
| | (iii) Other financial liabilities | 16,634.16 | 16,576.11 |
| | (b) Other current liabilities | 364.15 | 369.41 |
| | (c) Provisions | 1,929.60 | 1,898.41 |
| | | 21,864.58 | 22,310.47 |
| | Total Equity and Liabilities | 14,318.91 | 14,567.27 |

For and on behalf of the Board of Directors

Place : Chandigarh
Date : 12.11.2020



Modern Dairies Limited

Cash flow statement for the Halfyear ended 30th September 2020

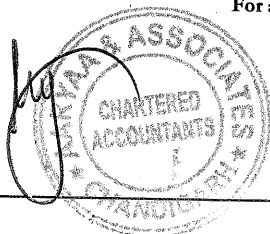
(All amounts in ₹ lacs, unless stated otherwise)

| Particulars | | For the Half year ended 30 Sept 2020 | For the Year ended 31 March 2020 |
|-------------|---|---|-------------------------------------|
| A | Cash flow from operating activities: | | |
| | Profit/(Loss) before tax | 192.96 | 357.80 |
| | Adjustments for: | | |
| | Depreciation and amortisation | 268.69 | 551.27 |
| | Provision for milk cess | 27.56 | 59.06 |
| | Balances written off | 0.00 | 0.13 |
| | Liabilities written back | (6.92) | (3.12) |
| | Interest expense | 0.59 | 12.30 |
| | Interest income | (5.26) | (10.94) |
| | Employee benefits | 8.77 | 24.80 |
| | Changes in Accounting policy/Prior Period Errors | (0.57) | (2.20) |
| | Operating loss before working capital changes | 485.82 | 989.10 |
| | Adjustments for movement in: | | |
| | Increase/Decrease in long-term loans and advances | (0.10) | 16.69 |
| | Increase/Decrease in inventories | 503.75 | (1,182.84) |
| | Increase/Decrease in Financial Assets | (1.58) | (53.91) |
| | Increase/Decrease in trade receivables | (88.34) | 770.40 |
| | Increase/Decrease in other current assets | (43.51) | 74.75 |
| | Increase/Decrease in Asset Held for Disposal | - | (5.00) |
| | Increase/Decrease in short term loans and advances | (152.15) | (750.25) |
| | Increase/Decrease in long-term provisions | 5.14 | 14.01 |
| | Increase/Decrease in trade payables | (522.95) | 732.42 |
| | Increase/Decrease in other current liabilities | (5.26) | 41.06 |
| | Increase/Decrease in short-term provisions | (5.14) | (25.41) |
| | Net cash generated from operations | 175.68 | 621.03 |
| | Taxes paid | (21.32) | (4.77) |
| | Net cash generated from operating activities | 197.00 | 625.80 |
| B | Cash flow from investing activities : | | |
| | Purchase of fixed assets (including capital work in progress and movement in creditors for capital goods) | (210.40) | (507.15) |
| | Sale of non-current investments | - | 0.31 |
| | Proceeds from sale of fixed assets | - | 3.46 |
| | Interest received | 5.26 | 10.94 |
| | Net cash used in investing activities | (205.14) | (492.43) |
| C | Cash flow from financing activities | | |
| | Repayment of long-term borrowings | (29.58) | (465.51) |
| | Proceeds from short term borrowings | - | 25.00 |
| | Increase/Decrease in Other financial liabilities | 58.05 | (189.27) |
| | Interest/Principal paid | 28.99 | 428.21 |
| | Net Cash used in financing activities | 57.46 | (201.57) |
| | Net increase/(decrease) in cash and cash equivalents | 49.32 | (68.21) |
| | Cash and cash equivalents at the beginning of the year | 89.42 | 157.63 |
| | Cash and cash equivalents at the end of the period | 138.74 | 89.42 |
| | Components of cash and cash equivalents :- | | |
| | Cash in hand | 40.50 | 18.80 |
| | Balances with Scheduled Banks | | |
| | in current accounts | 98.24 | 70.62 |
| | Cash and cash equivalents in cash flow statement: | 138.74 | 89.42 |

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).

For and on behalf of the Board of Directors



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

Place: Chandigarh

Date: 12.11.2020



www.aaryaa.net

AARYAA & ASSOCIATES CHARTERED ACCOUNTANTS

Plot No. 1632, 3rd Floor, JLPL Industrial Park,
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Mob. : +91-9814798644

E-mail : contactus@aaryaa.net

cahchahal@aaryaa.net

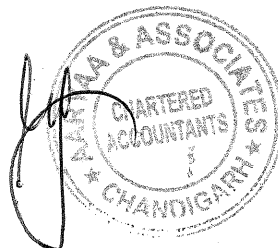
LIMITED REVIEW REPORT

To,
The Board of Directors
Modern Dairies Limited

1. We have reviewed the accompanying statement of un-audited financial results of **Modern Dairies Limited** for the quarter ended 30TH September 2020 prepared as per the applicable Indian Accounting Standards (IndAS) being submitted by the company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligation a Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This statement is the responsibility of the company's Management and has been approved by Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure, 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.
3. We refer to the following Qualifications:

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. Ashwani Kumar Aggarwal (Executive Director) amounting to Rs. 11,17,875 for current quarter ended 30th September 2020 and Rs.17,90,760 for half year ended 30th September, 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.)

Apart from the managerial remuneration for quarter ended 30th September, 2020, as mentioned above the company has paid total director remuneration of Rs. 1,62,70,657 till date without complying the provisions of Schedule V of the companies Act, 2013.

4. Based on our review conducted as above, except for the effects of qualification stated in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (IndAS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to the following matters:

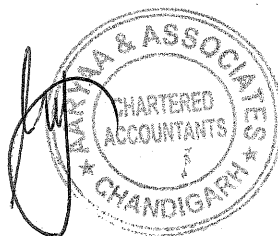
(A) Assignment of SBI debt to ARC

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 crystallise the amount payable and interest thereon to them. The Company is paying Rs 25 Lakh per month as adhoc Payments to Edelweiss. In absence of any agreement in this regard, the components of such payment can not be ascertained, hence any liability for deduction of TDS, if may arising on such future ascertainment has not been provided.

(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. Against the dues towards PNB the company has made a payment of 6 Crores which stands parked in a separate non-lien account.



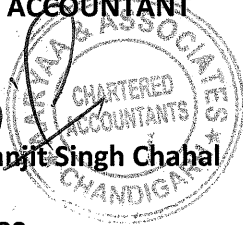
(C) Interest provisioning on facilities from Consortium banks & Optionally Convertible Debentures:

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 amounting to Rs.1,533.98 Lakh for half year ended 30th September 2020 respectively (including on the assigned debts of SBI) and Rs 32.95 Lakh in respect to optionally converted debentures for half year ended 30th September 2020 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 Statement.

Our Opinion is not qualified in respect of matters specified in Para 5.

**FOR AARYAA & ASSOCIATES
CHARTERED ACCOUNTANT**


CA Harsharanjit Singh Chahal
(Partner)
M No. 091689



Place: Chandigarh
Dated: 12-11-2020
UDIN : 20091689AAAAMI7266