

MODERN DAIRIES LTD.

Corporate Office : 98-99, Sub City Centre, Sector 34, Chandigarh - 160 022 (INDIA)
Tel. : +91-172-2609001, 2609002, Fax : +91-172-2609000
E-mail : info@moderndairies.com CIN:L74899HR1992PLC032998

Regd. Office & Works : PB No. 3, 136 KM, G.T. Road, Karnal - 132 001 (Haryana)

**Ref: MDL/SECT/BSE/
Date: 30th May, 2019**

M/s. BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001

SUB: OUTCOME OF THE MEETING OF BOARD OF DIRECTORS

**REF.: SCRIP NAME: MODERN DAIRIES LTD., SCRIP CODE: 519287 & ISIN:
INE617B01011**

Dear Sirs,

We wish to inform you that the Company in its Board meeting held today, **Thursday, 30th May, 2019** *commenced at 12:00 noon and concluded at 04:00 p.m.* at corporate office Chandigarh, along with other agenda items inter alia the following were considered and approved by the Board of Directors of the Company;

1. **Audited Financial Results** for the quarter and year ended 31st March, 2019, in pursuance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Approved the Audited Financial Statements of the Company for the year ended 31st March, 2019.

We are enclosing herewith the approved "Audited Financial Results" for the quarter and year ended 31st March, 2019 along with copy of Independent Auditors Report and Statement on Impact of Audit Qualification (for audit report with modified opinion).

This is for your information to exchange and member thereof.

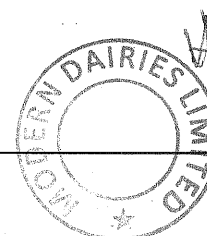
Kindly take the same on record and oblige.

Thanking you
Yours truly,
For **MODERN DAIRIES LIMITED**


Vipenjeet Kaur Banger
Authorised Signatory

MODERN DAIRIES LIMITED						
Statement of Audited financial results for the Period Ended 31 st March, 2019						(Amount Rs. in Lacs)
Sr. No.	Particulars	3 months ended	Preceding 3	Corresponding 3	Current year	Previous year
		31 March 2019	months ended	months ended in	ended	ended
		(Unaudited)	31 December 2018	the previous year 31 March 2018	31 March 2019	31 March 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
I	Revenue from operations	14,719.67	15,057.43	12,244.12	56,048.12	46,721.00
II	Other Income	4.33	(15.96)	33.46	21.01	47.80
III	Total Income(I+II)	14,724.00	15,041.47	12,277.58	56,069.12	46,768.79
IV	EXPENSES					
	Cost of materials consumed	13,054.51	13,614.17	11,506.82	50,179.16	42,693.77
	Purchase of Stock in Trade	-	-	-	-	-
	Changes in inventories of Finished goods, Stock in trade and Work-in-progress	71.41	(76.17)	9.16	466.66	1,508.68
	Excise Duty on Sales	-	-	-	-	39.92
	Employee benefits expense	257.91	233.90	332.98	938.45	869.98
	Finance costs	6.07	4.65	(21.77)	20.15	30.61
	Depreciation and amortization expenses	145.96	136.92	154.43	526.55	513.56
	Other expenses	935.20	822.87	928.90	3,332.18	2,969.15
	Total expenses(IV)	14,471.06	14,736.34	12,910.52	55,463.15	48,625.67
V	Profit/(Loss) before exceptional items and tax (III-IV)	252.94	305.13	(632.94)	605.97	(1,856.88)
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	252.94	305.13	(632.94)	605.97	(1,856.88)
VIII	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	252.94	305.13	(632.94)	605.97	(1,856.88)
X	Profit/(Loss) from discontinued operations	-	-	-	-	-
XI	Tax expenses of discontinued operations	-	-	-	-	-
XII	XI)	-	-	-	-	-
XIII	Profit/(Loss) for the period (IX+XII)	252.94	305.13	(632.94)	605.97	(1,856.88)
XIV	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	1.39	-	2.87	1.39	3.18
	(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	1.39	-	2.87	1.39	3.18
XV	Total Comprehensive Income for the period (XIII+XIV) comprising Profit/(Loss) and Other comprehensive Income for the period	254.33	305.13	(630.07)	607.36	(1,853.70)
XVI	Earnings per equity share (for continuing operation) :					
	(1) Basic	1.08	1.31	(2.72)	2.60	(7.96)
	(2) Diluted	1.08	1.31	(2.72)	2.60	(7.96)
XVI	Earnings per equity share (for discontinued operation) :					
	(1) Basic	-	-	-	-	-
	(2) Diluted	-	-	-	-	-
XVI	Earnings per equity share (for discontinued & continuing operation) :					
	(1) Basic	1.08	1.31	(2.72)	2.60	(7.96)
	(2) Diluted	1.08	1.31	(2.72)	2.60	(7.96)

Place: Chandigarh
Date: 30.05.2019



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

Notes:

1. The financial results of Modern Dairies Limited ('MDL', 'the Company') for the quarter and year ended 31st March, 2019 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 30th May, 2019.
2. Post implementation of Goods and Services Tax(GST) applicable with effect from July 1, 2017 revenue from operations are required to be disclosed net of GST in accordance with the requirement of Ind AS 18 and Schedule III of companies Act 2013. Consequently, revenue from operations for the twelve months are not comparable with the previous corresponding twelve months which was reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

Particulars	Rs. In lakhs	
	Year Ended 31.03.19	Year Ended 31.03.18
Net Sales/Income from Operations	56,002.96	46,651.53
Less: Excise Duty	-	39.92
Net Sales excluding Excise Duty	56,002.96	46,611.61

3. The Company is primarily engaged in the business of manufacturing milk and milk products which is a single primary reportable segment as per Ind AS 108 Operating Segment as specified in the Companies (Accounting Standard) Rules, 2006.
4. The figures for the quarter ended 31st March, 2019 as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not (subjected to audit). These annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management.
5. During the 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.

6. The company has paid managerial remuneration of Rs 14,17,485/- for the quarter and Rs.56,40,992/- for the year ended 31st March, 2019 to directors, for which the company has yet to receive appropriate approval. Management undertakes that in case the approval is not received, they shall refund the remuneration paid to them by the company. Profitability of the company shall affect to the same extent.
7. The statutory auditors of the Company have carried out an audit of the financial results for the year 31st March, 2019 and have issued modified audit report. The audit report is available on the Company's website at www.moderndairies.com/results/2018-19/q4.pdf.
8. The figures of the previous periods/year have been regrouped/reclassified to make them comparable with those of current period/year.



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

Place: Chandigarh
Date: 30.05.2019

Modern Dairies Limited

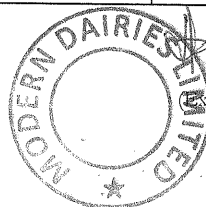
Statement of Audited financial results for the Year Ended 31st March, 2019

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
1) Non-current assets			
(a) Property, Plant and Equipment	3	7,622.98	7,677.00
(b) Capital work-inprogress		14.47	29.66
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible assets	3	8.90	9.24
(f) Intangible assets under development		-	-
(g) Biological Assets other than bearer plants		-	-
(h) Financial Assets		-	-
(i) Investments	4	1.64	1.64
(ii) Trade receivables		-	-
(iii) Loans	5	780.39	835.08
(iv) Others (to be specified)		-	-
(j) Deferred tax assets (net)		-	-
(f) Other non-current assets		-	-
		8,428.38	8,552.62
2) Current assets			
(a) Inventories	6	1,377.93	1,597.66
(b) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables	7	3,076.85	951.10
(iii) Cash and cash equivalents	8(i)	157.63	262.84
(iv) Bank balances other than (iii) above	8(ii)	-	-
(v) Loans & Advances	9	200.00	0.19
(vi) Others (to be specified)		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	10	317.31	316.84
		5,129.72	3,128.63
Total Assets		13,558.10	11,681.25
EQUITY AND LIABILITIES			
1) EQUITY			
(a) Equity Share capital	11	2,335.89	2,335.89
(b) Other Equity	12	(10,524.33)	(11,131.73)
		(8,188.44)	(8,795.84)
2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	25.00	100.70
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Provisions	14	75.61	76.75
(c) Deferred tax liabilities (Net)	15	-	-
(d) Other non-current liabilities		-	-
		100.61	177.45
3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	-	-
(ii) Trade payables	17	2,712.23	1,793.02
(iii) Other financial liabilities (other than those specified in item (c))	18	16,765.39	16,687.40
(b) Other current liabilities	19	328.35	265.56
(c) Provisions	20	1,839.96	1,553.66
(d) Current Tax Liabilities (Net)		-	-
		21,645.93	20,299.64
Total Equity and Liabilities		13,558.10	11,681.25

Place : Chandigarh

Date : 30.5.2019



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



www.aaryaa.net

AARYAA & ASSOCIATES

CHARTERED ACCOUNTANTS

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Mob. : 9814798644

e-mail : cahchahal@gmail.com
services@aaryaa.net

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, 2019 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, 2019 and year ended March 31, 2019 have been prepared on the basis of the standalone financial results for the 9 months period ended December 31, 2018, the audited annual standalone financial statement as at and for the year ended March 31, 2019 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, 2018 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, 2019 ; 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 loss and other comprehensive income and financial information for the quarter ended 31st March, 2019 and for the year ended March 31st, 2019.

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. 30,00,000 (for current quarter Rs. 7,50,000) and Mr. Ashwani Kumar Goyal (Executive Director) amounting to Rs. 26,62,358 (for current quarter Rs. 6,72,885).

Apart from the managerial remuneration for quarter ended 31st march, 2019, as mentioned above the company has paid director remuneration of **Rs. 97,88,357** 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 crystallise the amount payable and interest



thereon to them, hence the said debt, till then, is continued to be shown as payable to SBI instead of Edelweiss Asset Reconstruction Company Limited.



(B) One Time Settlement (OTS) with PNB

The company had proposed their OTS offer to Punjab National Bank (PNB). The bank has approved the same. The company has, however, requested to the bank for extension of the period of repayment of OTS amount.

(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. 24.55 Crores (including on the assigned debts of SBI) which has resulted in the understatement of current liabilities and losses by **Rs. 24.55 Crores** (for current quarter Rs. 6.38 Crores). 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.

**For Aaryaa & Associates
Chartered Accountants**



**CA Harsharanjit Singh Chahal
Partner
Membership No. 091689
(Firm Registration No. 015935N)**

Place: Chandigarh

Date : 30th May, 2019


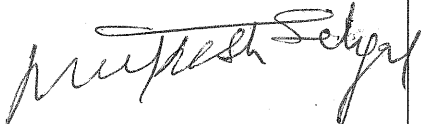

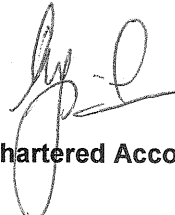
ANNEXURE I

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, 2019.

[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	56,069.12	56,069.12
	2.	Total Expenditure	55,463.15	55,406.53
	3.	Net Profit/(Loss)	605.97	662.60
	4.	Earnings Per Share	2.60	2.84
	5.	Total Assets	13,558.10	13,614.72
	6.	Total Liabilities	21,746.54	21,803.16
	7.	Net Worth	-8,188.44	-8,131.81
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	<p><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></p> <p><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. 30,00,000 (for current quarter Rs. 7,50,000) and Mr. Ashwani Kumar Goyal (Executive Director) amounting to Rs. 26,62,358 (for current quarter Rs. 6,72,885).</i></p> <p><i>Apart from the managerial remuneration for quarter ended 31st march, 2019, as mentioned above the company has paid director remuneration of Rs. 97,88,357 till date without complying the provisions of Schedule V of the companies Act, 2013.</i></p>			
	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.56,62,358/-, 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.			

III.	Signatories:
• CEO/Managing Director	 Krishan Kumar Goyal
• CFO	 Mukesh Sehgal
• Audit Committee Chairman	 B.N. Mathur
• Statutory Auditor	For Aaryaa & Associates  Chartered Accountant
Place: Chandigarh	
Date: 30th May, 2019	