MODERN INDIA LTD.

MODERN® INDIA
ENTERPRISE
1, MITTAL CHAMBERS
228, NARIMAN POINT,
MUMBAI 400 021.

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19.05.2017
The Dy. General Manager
Corporate Relationship Department.,
Bombay Stock Exchange Limited,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

Dear Sir,

Re: Outcome of Board Meeting

Ref: Scrip No. 503015

The Board of Directors of the Company at its meeting held today i.e. 19th May, 2017 has approved the following:

1. Inter-alia approved the Audited Financial Results (Standalone and Consolidated) for the 04th quarter and year ended 31st March,2017 and the same is being enclosed along with the Auditors Report (Standalone and Consolidated) and Statement of Impact (Standalone and Consolidated).

2. The Board of Directors recommended payment of dividend of 15 % i.e ₹ 0.30 per equity share (face-value of ₹ 2 per equity share) for the year 2016-17.

3. The Board of Directors of the Company have also approved entering into an Agreement for Sale with K. Raheja Corp Pvt. Ltd ("Purchaser") for sale of its land admeasuring 12,601.99 sq. mts. or thereabouts being sub-divided Plot D-1, bearing C.S. No. 7/1895 of Byculla Division situated at Keshavrao Khadye Marg (Clerk Road) Mahalaxmi, Mumbai. The consideration receivables by us from the purchaser for the said land shall be 50% of the realisations from the sale of approx 3.80 lakhs sq.ft area to be developed on the aforesaid land as per present Development Regulations over a period of 5 to 6 years.

The meeting of Board of Directors commenced at 12.30 P.M and concluded at 3.15 P.M

Thanking You,
Yours faithfully,

For **MODERN INDIA LIMITED**

(Parind Badshah)
Vice President & Company Secretary
Address: 1, Mittal Chambers, 228, Nariman Point, Mumbai -400 021.
FCS No: 5414
Encl:a/a

MODERN INDIA LIMITED

Regd. Office: Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai - 400 011.
Corporate Office : 1, Mittal Chambers, 228, Nariman Point, Mumbai - 400 021.
Web:www.modernindia.co.in, Email: info@modernindia.co.in, Tel.:022-67444200 / 66624181, Fax:022-67444300

Statement of Audited Financial Results for the Year Ended on 31st March, 2017.

CIN:L17120MH1933PLC002031

(₹ In Lacs)

		Audited	Unaudited	Audited	Audited		Audited	
		Three Months Ended			Year Ended		Year Ended	
		Standalone			Standalone		Consolidated	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1	**Income from operations**							
	(a) Net Sales / Income From Operations	1273.51	1405.30	2740.47	5672.22	8038.47	24096.08	16975.01
	(b) Other Operating Revenue	5.37	6.20	5.08	22.08	14.90	22.08	14.90
	Total income from operations	**1278.88**	**1411.50**	**2745.55**	**5694.30**	**8053.37**	**24,118.16**	**16,989.91**
	Other Income (Including interest Income)	141.31	25.58	64.20	236.08	1479.08	305.61	1597.31
	Total income	**1420.19**	**1437.08**	**2809.75**	**5930.38**	**9532.45**	**24,423.77**	**18,587.22**
2	Expenses							
	(a) Purchases of Goods Traded	1133.88	1,322.48	2710.68	4797.51	7684.11	18886.63	14985.63
	(b) Changes in Inventories	(150.59)	(7.68)	(131.68)	3.15	(254.22)	3.15	(254.22)
	(c) Employee Benefits Expense	159.76	134.07	110.47	491.10	401.52	1561.86	1302.58
	(d) Finance Cost	17.83	18.16	80.95	92.90	385.47	201.14	479.93
	(d) Depreciation and amortization expenses	78.06	79.92	100.86	318.47	396.30	391.55	461.48
	(e) Other Expenses	449.31	158.61	181.36	932.42	902.82	3834.25	1297.00
	Total Expenses	1688.25	1705.56	3052.64	6635.55	9516.00	24878.58	18272.40
3	Profit / (Loss) before Exceptional items and Tax	(268.06)	(268.48)	(242.89)	(705.17)	16.45	(454.81)	314.82
4	Exceptional Income /(Expenses)	-	-		-	-	-	-
5	**Profit / (Loss) before Tax**	**(268.06)**	**(268.48)**	**(242.89)**	**(705.17)**	**16.45**	**(454.81)**	**314.82**
6	Tax Expense	(120.08)	(88.49)	(95.73)	(269.92)	2.72	**(247.65)**	86.85
7	**Net Profit / (Loss) after Tax**	**(147.98)**	**(179.99)**	**(147.16)**	**(435.25)**	**13.73**	**(207.16)**	**227.97**
8	**Extra Ordinary Items**	-	-	-	-		-	-
9	Minority Interest	-	-	-	-	-	27.43	27.71
10	**Net Profit / (Loss) for the period**	**(147.98)**	**(179.99)**	**(147.16)**	**(435.25)**	**13.73**	**(234.59)**	**200.26**
11	Paid-up Equity Share Capital - Face Value ₹ 2/-	750.86	750.86	750.86	750.86	750.86	750.86	750.86
12	Reserves excluding Revaluation Reserves (as per Audited Accounts)	-	-	-	3,403.92	3,839.17	3,644.26	3909.86
13	Basic and diluted EPS for the period before Extra-ordinary items (In Rupees)	(0.39)	(0.48)	(0.39)	(1.16)	0.04	(0.62)	0.53
14	Basic and diluted EPS for the period after Extraordinary items (In Rupees)	(0.39)	(0.48)	(0.39)	(1.16)	0.04	(0.62)	0.53

1 The above results were reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on May 19, 2017.

2 The results for the quarter ended March 31, 2017 as reported in these financial results are derived figures arrived at after subtracting the reviewed results (not subjected to audit) for the nine months ended on December 31, 2016 from the audited results for the year ended March 31, 2017.

3 *The Statutory Auditors in their Report on the Standalone Financial Statements for the year ended on March 31, 2017 have qualified their opinion as regards Receivable of ₹ 1359.51 Lakhs in respect of Commodities Trading Transaction done on NSEL .*

The Managements reply is stated here under.

Am amount of ₹ 1,359.51 Lakhs (Net of ₹ 93.61 Lakhs recovered till date) is outstanding as receivable in respect of Commodities Trading Transactions done on National Spot Exchange Limited (NSEL). The Company has filed a representative suit in the Hon'ble Bombay High Court for recovery of the same. Time limit for Ministry of Corporate Affairs (MCA) to pass Order under Section 396 of the Companies Act, 1956 is further extended to June - 2017. In the meanwhile various decrees have been passed by the High Court of Bombay against defaulters, including sale of commodities and assets is also in process. Various agencies including Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. However considering uncertainties involved in making any reliable estimate of amount recoverable, provision if any will be considered at an appropriate time on the basis of resultant outcome. Until then the dues are considered as good.

4 The Company has a long term Investment of ₹ 1500.00 Lakhs in Equity Shares of Modern India Property Developers Limited (MIPDL), a wholly owned subsidiary of the Company. As per Audited Accounts of MIPDL, there is accumulated loss of ₹ 536.46 Lakhs as at March 31, 2017. During the current year MIPDL has made Profit before Tax of ₹ 92.53 Lakhs. In view of the long term and strategic nature of investment, plans for new business initiatives, particularly development of Bikaner property and other ensuing business activity, the management is of the opinion that diminution in value of investment is temporary in nature and hence no provision is considered necessary in respect of the same.

5 Tax expense comprises of current tax and deferred tax.

6 The Board of Directors of the Company have also approved entering into an Agreement for Sale with K. Raheja Corp Pvt. Ltd ("Purchaser") for sale of its land admeasuring 12,601.99 sq. mtrs. or thereabouts being sub-divided Plot D-1, bearing C.S. No. 7/1895 of Byculla Division situated at Keshavrao Khadye Marg (Clerk Road) Mahalaxmi, Mumbai. The consideration receivables by us from the purchaser for the said land shall be 50% of the realisations from the sale of approx 3.80 lakhs sq.ft area to be developed on the aforesaid land as per present Development Regulations over a period of 5 to 6 years.

7 The Board of Directors has recommended a dividend of 15% i.e. ₹ 0.30 per Equity Shares of the face value of ₹ 2/- each for the year 2016-17 subject to the approval of members in the ensuing Annual General Meeting. Total outgo on account of this including Dividend Distribution Tax is ₹ 135.56 Lacs.

8 Figures for the previous quarters / Year have been regrouped and / or rearranged wherever considered necessary.

MODERN INDIA LTD. MUMBAI

(₹ In Lacs)

(*) Segment - wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement

		Audited	Unaudited	Audited	Audited		Audited	
		Three Months Ended			Year Ended		Year Ended	
		Standalone			Standalone		Consolidated	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1	**Segment Revenue :**							
	a) Trading	**1,159.78**	1332.93	2753.51	**4876.15**	7803.17	**21155.91**	14886.84
	b) Renewable Energy	**113.04**	71.09	(21.92)	**316.68**	222.21	**316.68**	222.21
	c) Background Check Services	-	-	-	-	-	**2144.11**	1,853.41
	d) Real Estate	**0.60**	0.70	0.64	**478.10**	2.84	**478.10**	2.84
	e) Unallocable	**5.46**	6.78	13.32	**23.37**	25.15	**23.37**	24.61
	Total Net Sales/Income from Operations	**1278.88**	**1411.50**	**2745.55**	**5694.30**	**8053.37**	**24118.16**	**16989.91**
2	**Segment Results:**							
	a) Trading	**12.23**	(21.99)	19.92	**(17.65)**	(9.27)	**111.75**	48.48
	b) Renewable Energy	**(104.07)**	0.44	(63.96)	**(104.90)**	(260.71)	**(112.49)**	(260.71)
	c) Background Check Services	-	-	-	-	-	**134.83**	185.46
	d) Real Estate	**(3.81)**	0.70	0.64	**288.28**	2.61	**319.27**	54.26
	e) Unallocable	**(154.58)**	(229.47)	(187.44)	**(778.00)**	432.08	**(822.86)**	435.58
	Total	**(250.23)**	(250.32)	(230.84)	**(612.27)**	164.71	**(369.49)**	463.07
	Less: Unallocable Expenditure							
	(i) Interest Payment	**17.83**	18.16	12.05	**92.90**	148.26	**85.31**	148.25
	Profit /(Loss) from Ordinary Activities before Exception	**(268.06)**	(268.48)	(242.89)	**(705.17)**	**16.45**	**(454.81)**	**314.82**
	Exceptional Income / (Expenses) - Net	-	-	-	-	-	-	-
	Total Profit /(Loss) from Ordinary Activities Before Tax	**(268.06)**	**(268.48)**	**(242.89)**	**(705.17)**	**16.45**	**(454.81)**	**314.82**
3	**Capital Employed:(Segment Assets - Segment Liabilities)**							
	a) Trading	**1599.52**	1623.51	1521.84	**1599.52**	1,521.84	**3184.46**	2838.74
	b) Renewable Energy	**1703.71**	2,011.20	2,096.25	**1703.71**	2,096.25	**1703.71**	2096.25
	c) Background Check Services	-	-	-	-	-	**928.76**	852.13
	d) Real Estate	**(6298.00)**	(6806.18)	(5726.45)	**(6298.00)**	(5726.45)	**(5087.39)**	(4536.12)
	e) Unallocated / Corporate	**7149.55**	7474.22	6698.39	**7149.55**	6698.39	**3900.08**	3,617.18
	Total Capital Employed	**4154.78**	**4302.75**	**4590.03**	**4154.78**	**4590.03**	**4629.61**	**4868.18**

(₹ In Lakhs)

Statement of Assets and Liabilities:	**Standalone**		**Consolidated**	
A EQUITY AND LIABILITIES	**As At**	**As At**	**As At**	**As At**
1 Shareholders' Funds:	**31.03.2017**	31.03.2016	**31.03.2017**	31.03.2016
(a) Share Capital	**750.86**	750.86	**750.86**	750.86
(b) Reserves and Surplus	**3403.92**	3839.17	**3644.26**	3909.86
Sub - Total - Shareholders' Funds:	**4154.78**	4590.03	**4395.12**	4660.72
2 Minority Interest	-	-	**234.49**	207.46
2 Non Current Liabilities				
(a) Long-term Borrowings	-	900.00	-	900.00
(b) Other Long Term Liabilities	**8500.00**	7600.00	**8500.00**	7600.00
(c) Long-term Provisions	**31.75**	29.93	**58.04**	45.54
Sub - Total - Non Current Liabilities:	**8531.75**	8529.93	**8558.04**	8545.54
3 Current Liabilities				
(a) Short term Borrowings	**813.51**	213.53	**848.54**	289.83
(b) Trade Payables	**125.60**	1385.86	**1460.17**	2937.83
(c) Other Current Liabilities	**114.56**	157.86	**138.64**	417.10
(d) Short-term Provisions	**26.95**	162.49	**88.86**	236.79
Sub - Total - Current Liabilities:	**1080.62**	1919.74	**2536.20**	3881.55
TOTAL - EQUITY AND LIABILITIES	**13767.15**	15039.70	**15723.86**	17295.27
B ASSETS				
1 Non Current Assets				
(a) Fixed Assets	**2419.79**	2750.14	**2777.19**	3113.75
(b) Goodwill on Consolidation	-	-	**2362.11**	2362.11
(b) Non-current Investments	**6547.99**	6659.95	**1256.74**	1321.71
(c) Deferred Tax Assets (Net)	**414.40**	144.68	**428.67**	144.68
(d) Long term Loans & Advances	**405.05**	404.64	**682.47**	645.53
(e) Other Non Current Assets	**133.87**	133.87	**133.87**	133.87
Sub - Total - Non Current Assets:	**9921.10**	10093.28	**7641.05**	7721.65
2 Current Assets				
(a) Inventories	**1648.80**	1651.94	**1,648.80**	1651.94
(b) Trade Receivables	**1864.54**	2942.40	**3,747.78**	4807.32
(c) Cash and cash equivalents	**28.07**	42.09	**1,430.15**	1466.72
(d) Short term Loans & Advances	**277.83**	273.33	**1,119.41**	1162.28
(e) Other Current Assets	**26.81**	36.66	**136.67**	485.36
Sub - Total - Current Assets:	**3846.05**	4946.42	**8082.81**	9573.62
TOTAL ASSETS	**13767.15**	15039.70	**15723.86**	17295.27

For and on behalf of the Board
Modern India Limited

Vijay Kumar Jatia
Chairman & Managing Director
DIN No. 00096977

Mumbai: 19th May, 2017.

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STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS ON ANNUAL STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017.

I	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Total Income	59,30,37,585	59,30,37,585
	2	Total Expenditure	66,35,54,791	66,35,54,791
	3	Net Profit/(Loss)after tax	(4,35,24,704)	(4,35,24,704)
	4	Earning per share	(1.16)	(1.16)
	5	Total Assets	1,37,67,15,458	1,37,67,15,458
	6	Total Liabilities	1,37,67,15,458	1,37,67,15,458
	7	Net Worth	41,54,78,217	41,54,78,217
II	**Audit Qualification**			
	a) Detail of Audit Qualification			
	Regarding receivables in respect of commodity trading done on National Spot Exchange Limited (NSEL) Receivables as on March 31, 2017 include an amount of ₹ 13,59,50,849 (net off ₹93,60,905 recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSEL). The company has filed a representative suit in the High Court of Bombay for recovery of this amount. In the meanwhile various decrees have been passed by the High Court of Bombay against defaulters, including for sale of commodities and assets which are in process of implementation. Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. Pending outcome of the legal suit and resolution of uncertainties involved, the management has considered the receivable as good for recovery. However, in the absence of appropriate audit evidence, we are unable to determine the extent of recovery possible in this case			
	b) Type of Audit Observation: Qualified			
	c) Frequency of Observation: Qualified opinion appears for 4th time			

MODERN INDIA LIMITED MUMBAI

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	d) For Audit Qualification(s)where the impact is quantified by the auditor, Management Views: N.A	
	e) For Audit Qualification(s)where the impact is not quantified by the auditor	
	With reference to the amount of ₹13,59,50,849 receivables outstanding in respect of commodity trading transactions on NSEL, considering the uncertainties involved in making any reliable estimate of amount recoverable provision, if any, will be considered at an appropriate time on the basis of resultant outcome . Untill then the dues are considered good.	
	AUDITORS COMMENT: Quantification is not possible pending resolution of uncertainties involved.	
III	**SIGNATURE**	
	a) CEO/MANAGING DIRECTOR	MODERN INDIA LTD. VIJAY KUMAR JATIA Chairman & Managing Director
	b) CHIEF FINANCIAL OFFICER	For Modern India Limited Sr. Vice President & C.F.O.
	c) AUDIT COMMITTEE CHAIRMAN	
	d) STATUTORY AUDITOR	K.S.AIYAR & CO MUMBAI 400011 Chartered Accountants

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STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS ON ANNUAL CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31,2017.

I	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Total Income	2,44,23,79,797	2,44,23,79,797
	2	Total Expenditure	2,48,78,57,841	2,48,78,57,841
	3	Net Profit/(Loss)after tax	(2,34,59,117)	(2,34,59,117)
	4	Earning per share	(0.62)	(0.62)
	5	Total Assets	1,57,23,85,887	1,57,23,85,887
	6	Total Liabilities	1,57,23,85,887	1,57,23,85,887
	7	Net Worth	43,95,12,141	43,95,12,141
II	**Audit Qualification**			
	a) Details of Audit Qualification			
	Regarding receivables in respect of commodity trading done on National Spot Exchange Limited (NSEL) In case of Modern India Limited, trade receivables as on March 31, 2017 include an amount of ` 13,59,50,849 (net off ₹ 93,60,905 recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSEL). The company has filed a representative suit in the high court of Bombay for recovery of this amount. In the mean while various decrees have been passed by the High Court of Bombay against defaulters, including for sale of commodities and assets which are in process of implementation. Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. Pending outcome of the legal suit and resolution of uncertainties involved, the management has considered the receivable as good for recovery. However, in the absence of appropriate audit evidence, we are unable to determine the extent of recovery possible in this case.		
	b) Type of Audit Observation: Qualified			
	c) Frequency of Observation: Qualified opinion appears for 4th time			
	d) For Audit Qualification(s)where the impact is quantified by the auditor, Management Views: **N.A**			

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	e) For Audit Qualification(s)where the impact is not quantified by the auditor	
	With reference to the amount of ₹13,59,50,849 receivables outstanding in respect of commodity trading transactions on NSEL, considering the uncertainties involved in making any reliable estimate of amount recoverable provision, if any, will be considered at an appropriate time other basis of resultant outcome . Untill then the dues are considered good.	
	AUDITORS COMMENT: Quantification is not possible pending resolution of uncertainties involved.	
III	**SIGNATURE**	For MODERN INDIA LTD. VIJAY KUMAR JATIA Chairman & Managing Director
	CEO/MANAGING DIRECTOR	
	CHIEF FINANCIAL OFFICER	For Modern India Limited Sr. Vice President & C.F.O.
	AUDIT COMMITTEE CHAIRMAN	
	STATUTORY AUDITOR	K.S.AIYAR & CO MUMBAI 400011 Chartered Accountants

K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

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Auditor's Report on Standalone Quarterly 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
The Board of Directors of Modern India Limited

1. We have audited the annual standalone financial results ("the Statement") of Modern India Limited ('the Company') for the year ended 31st March, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note No 2 in the Statement regarding the figures for the quarter ended 31st March, 2017 as reported in this Statement which 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. This Statement has been prepared on the basis of the annual standalone financial statement and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on this Statement based on our review of the financial results for the nine months period ended on 31st December, 2016 which was prepared in accordance with (a) the recognition and measurement principles laid down in Accounting Standard – 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standard) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India (b) our audit of the standalone annual financial statements which have been prepared in accordance with the Companies (Accounting Standard) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free from material misstatement.
An audit includes examining on a test basis, evidence supporting the amounts disclosed in standalone 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 qualified opinion.

3. As noted in Note no 3 to the Statement, receivables as on March 31, 2017 include an amount of ₹ 1359.51 lakhs (net off ₹ 93.61 Lakhs recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSEL). The company has filed a representative suit in the high court of Bombay for recovery of this amount. In the meanwhile various decrees have been passed by the High Court of Bombay against defaulters, including for sale of commodities and assets which are in process of implementation. Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. Pending outcome of the legal suit and resolution of uncertainties involved, the management has considered the receivable as good for recovery. However, in the absence of appropriate audit evidence, we are unable to determine the extent of recovery possible in this case

4. In our opinion and to the best of our information and according to the explanations given to us, this Statement:
   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
   (ii) give a true and fair view of the net loss and other financial information for the quarter and the year ended on 31st March, 2017 except for the possible effect of our qualification as described in the previous paragraph.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No. 100186W

Satish Kelkar
Partner
Membership No: 38934

Place: Mumbai
Date: May 19, 2017

K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

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Auditor's Report on Consolidated Quarterly 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 India Limited

1. We have audited the consolidated annual financial results ("the Statement") of Modern India Limited ("the company") and its subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement has been prepared from the consolidated annual financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on this Statement based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the Standards on Auditing 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. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management. We believe that our audit provides a reasonable basis for our qualified opinion.

3. As stated in Note 3 of the Statement, receivables as on March 31, 2017 include an amount of ₹ 1359.51 Lakhs (net off ₹ 93.61 Lakhs recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSEL). The company has filed a representative suit in the high court of Bombay for recovery of this amount. In the meanwhile various decrees have been passed by the High Court of Bombay

against defaulters, including for sale of commodities and assets which are in process of implementation. Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. Pending outcome of the legal suit and resolution of uncertainties involved, the management has considered the receivables as good for recovery. However, in the absence of appropriate audit evidence, we are unable to determine the extent of recovery possible in this case.

4. In our opinion and to the best of our information and according to the explanations given to us and upon consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiaries, the consolidated financial results:
   (i) include the financial results for the year ended March 31, 2017 of the following entities:
      a) Modern International (Asia) Limited (Subsidiary outside India)
      b) Verifacts Services Private Limited (Subsidiary)
      c) Modern India Free Trade Warehousing Pvt. Ltd. (Subsidiary)
      d) Modern India Property Developers Limited (Subsidiary)
   (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard and
   (iii) gives a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2017 except for the possible effects of qualifications as described in the previous paragraph.

5. We did not audit the financial statement of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 5243.06 Lakhs as at March 31 2017; total revenues of ₹ 18529.40 Lakhs and net profit of ₹ 264.09 Lakhs for the year then ended. These financial statements have been audited by other auditors whose audit report(s) have been furnished to us by the management and our opinion in respect thereof is based solely on the Audit Reports of such other auditors. Our opinion is not qualified in respect of this matter.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Satish Kelkar
Partner
Membership No.: 38934

Place: Mumbai
Date: May 19, 2017