



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

MODERN DAIRIES LIMITED

Statement of UnAudited Financial Results for the Quarter Ended 30th June, 2021

(Amount Rs in Lacs)

| Sr. No. | Particulars | Current Quarter ended 30 June 2021 | Preceeding 3 months ended 31 March 2021 | Corresponding 3 months ended in the previous year 30 June 2020 | Previous year ended 31 March 2021 |
|------------|---|------------------------------------|---|--|-----------------------------------|
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| I | Revenue from operations | 7,152.25 | 8,121.30 | 16,565.67 | 61,008.01 |
| II | Other Income | 4.48 | 8.65 | 14.80 | 35.54 |
| III | Total Income(I+II) | 7,156.73 | 8,129.95 | 16,580.46 | 61,043.55 |
| IV | EXPENSES | | | | |
| | Cost of materials consumed | 5,111.63 | 7,640.79 | 15,175.64 | 55,683.91 |
| | Changes in inventories of Finished goods, Stock in trade and Work-in-progress | 736.39 | (800.29) | 264.63 | 25.83 |
| | Employee benefits expense | 283.74 | 293.28 | 269.54 | 1,133.38 |
| | Finance costs | 1.10 | 3.08 | 0.40 | 3.85 |
| | Depreciation/ Impairment Loss and amortization expenses | 159.22 | 1,823.78 | 130.39 | 2,244.86 |
| | Other expenses | 820.19 | 870.94 | 672.03 | 3,147.25 |
| | Total expenses(IV) | 7,112.27 | 9,831.58 | 16,512.63 | 62,239.08 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | 44.46 | (1,701.63) | 67.83 | (1,195.54) |
| VI | Exceptional Items | - | 2,277.94 | - | 2,277.94 |
| VII | Profit/(Loss) before tax (V-VI) | 44.46 | (3,979.57) | 67.83 | (3,473.47) |
| VIII | Tax Expense: | | | | |
| | (1) Current Tax | - | - | - | - |
| | (2) Deffered Tax | - | - | - | - |
| IX | Profit/(Loss) for the period from continuing operations (VII-VIII) | 44.46 | (3,979.57) | 67.83 | (3,473.47) |
| 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) | 44.46 | (3,979.57) | 67.83 | (3,473.47) |
| XIV | Other Comprehensive Income | | | | |
| | A. (i) Items that will not be reclassified to profit or loss | - | (2.59) | - | (2.59) |
| | (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 | - | - | - | - |

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 14th August, 2021. 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 year 2018-19, 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.880.949 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. 8,95,380 for the 3 months ended 30.06.2021 without prior approval from the bank or public financial institution concerned or any 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 June, 2021 and have issued modified report. The limited review report is available on the company's website at www.moderndairies.com.



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) Account with lenders

The Company's accounts with lenders have been NPA for quite some time and State Bank of India has already show cased its portion of loan in April, 2018 and the said loan has been taken over by Edelweiss Asset Reconstruction Company.

Punjab National Bank vide its letter dated 26.02.2019 had sanctioned an One Time Settlement (OTS) to the company for an amount of Rs.45.84 Crores for Fund Based and Rs.15.76 Lacs for Non-Fund based. Against the dues towards PNB, Rs. 6 Crore was paid by the Company and has submitted its proposal for extension of the payment period for the remaining dues.

Current quarter ended 30th June, 2021 (including on the assigned debts of SBI) and **Rs 16.386 Lakhs** in respect to optionally converted debentures for Current Quarter ended 30th June, 2021 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.

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

**FOR AARYAA & ASSOCIATES
CHARTERED ACCOUNTANTS**

The image shows a handwritten signature in black ink, followed by a circular logo containing the text 'AARYAA & ASSOCIATES'.