



24.05.2018

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 held on 24.05.2018

Ref: Scrip No. 503015

The Board of Directors of the Company at its meeting held today i.e. 24th May, 2018 has approved the following:

- Inter-alia approved the Audited Financial Results (Standalone and Consolidated) for the 04th quarter and year ended 31st March, 2018 and the same is being enclosed along with the Auditors Report (Standalone and Consolidated) and Statement of Impact (Standalone and Consolidated).
- 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 2017-18.
- Shifting of Registered office of the Company from Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai-400011 to 1, Mittal Chambers, 228, Nariman Point, Mumbai- 400 021 which is within the local limit of the town where present Registered office of the company is situated.
- The Company proposes to enter into an LLP with Prime Tech Textiles LLP for the carrying out textile business.

The meeting of Board of Directors commenced at 04:00 P.M and concluded at 10:30 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, Fax: 022-67444300

Statement of Standalone & Consolidated Financial Results for the Quarter and Year Ended on 31st March, 2018

CIN: L17120MH1933PLC002031

(₹ In Lakhs)

		Unaudited Quarter Ended Standalone			Audited Year ended Standalone		Audited Year Ended Consolidated	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
1	Revenue from operations							
	(a) Net Sales / Revenue From Operations	1,374.21	1,844.96	1,273.50	7,223.14	5,672.21	13,420.56	24,096.08
	(b) Other Operating Revenue	2.45	3.90	5.37	15.96	22.08	15.96	22.08
	Total Revenue from operations	1,376.66	1,848.86	1,278.87	7,239.10	5,694.29	13,436.52	24,118.16
	Other Income (Including interest Income)	328.16	521.32	283.38	1,776.83	942.67	1,788.53	1,012.51
	Total income	1,704.82	2,370.18	1,562.25	9,015.93	6,636.96	15,225.05	25,130.68
2	Expenses							
	(a) Purchases of Goods Traded	1,269.71	1,786.27	1,133.88	6,952.35	4,797.51	11,106.10	18,224.93
	(b) Changes in inventories of finished goods, Stock-in-Trade and work-in progress	74.20	(13.09)	(150.10)	(210.89)	21.99	(210.89)	21.99
	(c) Employee Benefits Expense	152.39	147.76	155.84	567.08	486.33	1,471.78	1,543.65
	(d) Finance Cost	302.38	304.20	156.95	1,115.26	631.56	1,157.33	730.25
	(e) Depreciation and amortization expenses	69.37	73.51	78.06	279.91	318.47	336.19	391.55
	(f) Other Expenses	242.96	159.32	450.06	1,029.78	935.48	2,099.95	4,517.02
	Total Expenses	2,111.01	2,457.97	1,824.69	9,733.49	7,191.34	15,960.47	25,429.38
3	Profit / (Loss) before Exceptional items and Tax	(406.19)	(87.79)	(262.44)	(717.56)	(554.38)	(735.42)	(298.71)
4	Exceptional items	-	-	-	-	-	-	-
5	Profit / (Loss) before Tax	(406.19)	(87.79)	(262.44)	(717.56)	(554.38)	(735.42)	(298.71)
6	Tax Expense - deferred tax	(121.10)	(43.78)	(117.04)	(247.20)	(221.13)	(214.60)	(197.12)
7	Net Profit / (Loss) after Tax	(285.09)	(44.01)	(145.40)	(470.36)	(333.25)	(520.82)	(101.58)
8	Other Comprehensive Income							
	(a) Items that will not be classified to Profit & Loss	6.20	(1.19)	(3.92)	2.63	(4.77)	5.54	(9.99)
	(b) Income Tax relating to items that will not be classified to Profit & Loss	(2.06)	0.39	1.30	(0.88)	1.58	(1.69)	3.30
9	Other Comprehensive income	4.14	(0.80)	(2.62)	1.75	(3.19)	3.86	(6.69)
10	Minority Interest	-	-	-	-	-	-	-
11	Total Comprehensive income for the Year	(285.09)	(44.81)	(148.02)	(468.61)	(336.44)	(516.96)	(108.27)
12	Profit for the year attributable to :							
	(a) Shareholders of the Company	-	-	-	-	-	-540.43	-121.19
	(b) Non Controlling Interest	-	-	-	-	-	19.62	19.61
13	Other Comprehensive Income of the Year;							
	(a) Shareholders of the Company	-	-	-	-	-	3.35	-5.85
	(b) Non Controlling Interest	-	-	-	-	-	0.51	-0.84
14	Total Comprehensive Income of the Year;							
	(a) Shareholders of the Company	-	-	-	-	-	-537.08	-127.04
	(b) Non Controlling Interest	-	-	-	-	-	20.12	18.77
15	Paid-up Equity Share Capital - (Face Value ₹ 2/- each)	750.86	750.86	750.86	750.86	750.86	750.86	750.86
16	Other Equity excluding Revaluation Reserves				2,903.91	3,504.20	3,100.38	3,756.96
17	Earning Per Share (EPS) Face Value ₹ 2/- each (rounded annualized)							
	Basic EPS	(0.76)	(0.12)	(0.39)	(1.25)	(0.89)	(1.44)	(0.32)
	Diluted EPS	(0.76)	(0.12)	(0.39)	(1.25)	(0.89)	(1.44)	(0.32)

1 The above results of the Company for the quarter and year ended March 31, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on May 24, 2018.

2 The Statutory Auditors in their Report on the Financial Statements for the year ended on March 31, 2018 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. Ministry of Corporate Affairs (MCA) had ordered merger of 63 Moons Technologies Limited with NSEL which was up held by the Hon'ble High Court of Bombay. The same has been challenged by 63 Moons Technological Limited in the Hon'ble Supreme Court of India, who has stayed the merger and hearing is scheduled on 29.08.2018. 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.

3 Tax expense comprises of current tax and deferred tax.

4 The Company adopted Indian Accounting Standards ("IND AS") for the first time effective April 1, 2017 with a transition date of April 1, 2016 and accordingly, the above audited Financial Results for the year ended March 31, 2018 have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017, and May 26, 2016 respectively expressed a modified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by Statutory Auditors.



- 5 Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to IND AS for the quarter and year ended 31st March, 2017

		₹ In Lakhs		
		Standalone		Consolidated
Nature of Adjustment		Quarter Ended 31.03.2017	Year Ended 31.03.2017	Year Ended 31.03.2017
	Net profit /(Loss) as per previous GAAP (Indian GAAP)	(147.98)	(435.25)	(234.59)
	Ind AS: Adjustments increase (decrease):			
1	Fair Valuations of Investments	8.68	146.19	146.28
2	Real Estate income on fair valuation of security deposit	139.61	557.50	557.50
3	Finance cost recognised on valuations of Financial liabilities	(139.12)	(538.66)	(538.66)
4	Impact on changes in inventories due to fair valuation of security deposit	(0.49)	(18.84)	(18.84)
5	Rent Expense recognised on fair valuation of security deposit	(0.76)	(3.06)	(3.06)
6	Interest income recognised on valuations of Financial assets	0.75	2.91	2.91
7	Remeasurement of Employee Benefit - Transferred to OCI (Net of Tax)	2.34	3.19	6.69
8	Prior period adjustment	-	-	8.64
9	Others	(6.95)	-	-
10	Deferred tax on above adjustments (net)	(1.48)	(47.23)	(47.22)
	Total adjustment to profit or loss	2.58	102.00	114.24
	Profit attributable to non-controlling	-	-	18.77
	Net Profit / (Loss) for the year under IND AS	(145.40)	(333.25)	(101.58)
	OCI - Remeasurement of Employee Benefit (Net of Tax)	(2.62)	(3.19)	(6.69)
	Total comprehensive income under Ind ASs	(148.02)	(336.44)	(108.27)

- 6 Reconciliation of Equity as previously reported (referred to as Previous GAAP) and Equity as per IND AS is mentioned in table below:

		₹ In Lakhs			
		Standalone		Consolidated	
Particulars		31.03.2017	01.04.2016	31.03.2017	01.04.2016
	Equity as reported under previous GAAP	4,154.78	4,590.03	4,395.12	4,660.72
	Ind AS: Adjustments increase (decrease):				
1	Fair Valuations of Investments	149.57	3.38	149.41	3.13
2	Real Estate income on fair valuation of security deposit	2,104.97	1,547.48	2,104.97	1,547.48
3	Finance cost recognised on valuations of Financial liabilities	(1,828.27)	(1,289.61)	(1,828.27)	(1,289.61)
4	Impact on changes in inventories due to fair valuation of security deposit	(276.71)	(257.86)	(276.71)	(257.86)
5	Rent Expense recognised on fair valuation of security deposit	(7.92)	(4.86)	(7.92)	(4.86)
6	Interest income recognised on valuations of Financial assets	6.96	4.06	6.96	4.06
7	Deferred tax on above adjustments (net)	(48.33)	(1.12)	(48.33)	(1.12)
8	Share of Loss Transferred to Non Controlling Interest	-	-	12.58	12.98
9	Proposed dividend (including Dividend Distribution Tax)	-	135.56	-	135.56
	Equity as reported under IND AS	4,255.06	4,727.05	4,507.82	4,810.47

- 7 The Company has a long term investment of Rs.1500 lakhs in Equity Shares of Modern India Property Developers Limited (MIPDL), a Wholly Owned Subsidiary of the Company. As per Audited Account of MIPDL, there is Accumulated loss of Rs.669.87 lakhs as at March 31, 2018 (Previous Year Rs. 536.39 lakhs). In view of the Long Term and strategic nature of investment, plans for new business initiatives 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 in standalone results.
- 8 The consolidated financial results represent the results of business operations of the Company, its subsidiary companies, Modern India Property Developers Limited (100%), Modern International (Asia) Limited (100%), Verifacts Services Private Limited (76%) and Modern India Free Trade Warehousing Private Limited (51%).
- 9 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 2017-18 subject to the approval of members in the ensuing Annual General Meeting.
- 10 The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures

3 Segment Assets:							
a) Trading	2,525.47	2,437.58	1,742.32	2,525.47	1,742.32	4,275.61	4,406.19
b) Renewable Energy	1,621.79	1,750.30	1,891.72	1,621.79	1,891.72	1,621.79	1,891.72
c) Background Check Services	-	-	-	-	-	1,364.44	1,162.83
d) Real Estate	2,094.16	2,533.31	2,147.10	2,094.16	2,147.10	3,172.57	3,412.95
e) Unallocated / Corporate	15,858.91	16,040.01	7,809.59	15,858.91	7,809.59	12,779.77	4,673.51
Total	22,100.33	22,761.20	13,590.73	22,100.33	13,590.73	23,214.18	15,547.20
Segment Liabilities:							
a) Trading	927.92	803.59	144.65	927.92	144.65	1,234.75	1,392.10
b) Renewable Energy	48.74	41.66	17.64	48.74	17.64	48.74	17.64
c) Background Check Services	-	-	-	-	-	381.89	234.07
d) Real Estate	16,700.45	16,767.14	8,246.17	16,700.45	8,246.17	16,700.69	8,500.35
e) Unallocated / Corporate	768.45	928.24	927.21	768.45	927.21	996.88	895.22
Total	18,445.56	18,540.63	9,335.67	18,445.56	9,335.67	19,362.95	11,039.38

					(₹ In Lakhs)	
Statement of Assets and Liabilities:						
		Standalone		Consolidated		
		As At	As At	As At	As At	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017	
ASSETS						
1 Non-current assets						
(a) Property, Plant and Equipment	1,979.60	1,832.39	2,051.47	1,931.71		
(b) Capital work-in-progress	355.89	348.89	355.89	348.89		
(c) Investment Property	217.51	221.83	461.51	465.82		
(d) Goodwill	-	-	2,362.11	2,362.11		
(e) Other Intangible assets	20.00	-	43.81	14.08		
(e) Intangible assets under development	-	16.69	-	16.69		
(f) Financial Assets						
(i) Investments	12,082.81	6,697.56	6,930.30	1,406.31		
(ii) Trade receivables	-	-	-	-		
(iii) Loans	-	-	-	-		
(iv) Others financial assets	330.30	315.30	364.59	359.60		
(g) Non Current Tax Assets (Net)	72.73	87.55	331.09	315.77		
(h) Deferred tax assets (net)	692.63	446.31	711.69	460.58		
(i) Other non-current assets	208.21	55.18	208.21	55.18		
	15,959.68	10,021.70	13,820.67	7,736.74		
2 Current assets						
(a) Inventories	1,245.61	1,372.09	1,245.61	1,372.09		
(b) Financial Assets						
(i) Investments	1,984.98	-	2,118.21	236.99		
(ii) Trade receivables	2,572.60	1,864.54	3,306.63	3,747.78		
(iii) Cash and cash equivalents	54.56	7.21	1,240.24	1,071.82		
(iv) Bank balances other than (iii) above	23.46	20.86	150.05	121.41		
(v) Other Financial Assets	197.75	227.78	727.66	330.94		
(c) Other current assets	61.68	76.56	605.12	929.43		
	6,140.64	3,569.04	9,393.52	7,810.47		
TOTAL ASSETS	22,100.32	13,590.74	23,214.18	15,547.20		
EQUITY AND LIABILITIES						
1 Equity						
(a) Equity Share capital	750.86	750.86	750.86	750.86		
(b) Other Equity	2,903.91	3,504.20	3,100.38	3,756.96		
Equity attributable to shareholders	3,654.77	4,255.06	3,851.24	4,507.82		
(c) Non Controlling Interest	-	-	227.33	221.84		
Total Equity	3,654.77	4,255.06	4,078.57	4,729.66		
2 Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	4.43	-	4.43	-		
(ii) Other financial liabilities	13,132.78	6,432.92	13,132.78	6,432.92		
(b) Provisions	32.67	31.75	67.86	58.04		
(c) Other Non current liabilities	2,132.41	1,224.22	2,132.41	1,224.22		
	15,302.29	7,688.89	15,337.48	7,715.17		
3 Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	603.43	813.51	812.28	848.54		
(ii) Trade payables	1,152.92	125.60	1,348.85	1,460.17		
(iii) Other financial liabilities	127.95	91.69	317.65	157.27		
(b) Provisions	47.11	26.95	48.81	28.03		
(c) Other current liabilities	1,211.85	589.04	1,270.54	608.36		
	3,143.26	1,646.79	3,798.13	3,102.37		
TOTAL EQUITY AND LIABILITIES	22,100.32	13,590.74	23,214.18	15,547.20		

For and on behalf of the Board
Modern India Limited



Vijay Kumar Jatia
Chairman & Managing Director
DIN No. 00096977

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To The Board of Directors of Modern India Limited

1. We have audited the accompanying statement of Standalone Ind AS Financial Results of **Modern India Limited** (the "Company") for year ended March 31, 2018 together with the related notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Statement, which is the responsibility of the Company's management and has been approved by the Board of Directors, has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant issued thereunder and other recognized accounting practices and policies. Our responsibility is to express an opinion on the Statement based on our audit of such standalone Ind AS financial statements.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Basis for qualified Opinion

Trade receivables as on March 31, 2018 include an amount of Rs. 1359.51 lakhs (Net of Rs. 93.61 Lakhs recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSE). The Company has filed a representative suit in the Hon'ble Bombay High Court for recovery of the same. Ministry of Corporate Affairs (MCA) had ordered merger of 63 Moons Technologies Limited with NSE which was up held by the Hon'ble High Court of Bombay. The same has been challenged by 63 Moons Technological Limited in the Hon'ble Supreme Court of India, who has stayed the merger. 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 (Refer note 2 of the Statement).



4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016; and gives a true and fair view in conformity with the aforesaid Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the standalone net loss and total comprehensive income and other financial information of the Company for the year ended March 31, 2018.

5. Emphasis of Matter

We draw attention to Note no. 7 of the Statement, wherein despite accumulated losses of Rs. 669.87 lakhs as at March 31, 2018, incurred by one of its subsidiary namely Modern India Property Developers Limited (MIPDL), no provision is considered necessary in the Company's long term investment of Rs. 1500 lakhs in MIPDL as in the opinion of the Management the diminution in value of investment is temporary in nature.

Our opinion on the statement and our report is not modified in respect of the above matter.

6. Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017, and May 26, 2016 respectively expressed a modified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the statement and our report is not modified in respect of the above matter.

7. The statement includes the Standalone results for the quarter ended March 31, 2018 being the balancing figure between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration No. 105049W

Narendra Jain

Narendra Jain
Partner

Membership No. 048725



Place: Mumbai

Date: May 24, 2018

MODERN INDIA LTD.



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24 MAY 2018

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS ON ANNUAL STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018:

Rs. in lakhs

1.	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures * (audited figures after adjusting for qualifications)
	1	Total Income	9,015.93	9,015.93
	2	Total Expenditure	9,733.49	9,733.49
	3	Net Profit/(Loss) after tax	(470.36)	(470.36)
	4	Earning per share	(1.25)	(1.25)
	5	Total Assets	22,100.32	22,100.32
	6	Total Liabilities	18,445.55	18,445.55
	7	Net Worth	3,654.77	3,654.77
	* Since, the impact of the qualifications on audited financial results is not quantifiable, adjusted figures have been reported same as before adjusting for impact of qualification. [Refer point II(e) below]			
II	<u>Audit Qualification</u>			
A	<u>a) Detail of Audit Qualification</u>			
	<i>Regarding receivables in respect of commodity trading done on National Spot Exchange Limited (NSEL)</i>			
	Trade receivables as on March 31, 2018 include an amount of Rs. 1359.51 lakhs (Net of Rs. 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 Hon'ble Bombay High Court for recovery of the same. Ministry of Corporate Affairs (MCA) had ordered merger of 63 Moons Technologies Limited with NSEL which was up held by the Hon'ble High Court of Bombay. The same has been challenged by 63 Moons Technological Limited in the Hon'ble Supreme Court of India, who has stayed the merger. 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 (Refer note 2 of the financial results).			
	b) Type of Audit Observation: Qualified Opinion			
	c) Frequency of Observation: Qualified opinion appears for 5th time			
	d) For Audit Qualification(s) where the impact is quantified by the auditor, Management Views:			
	Impact is not quantifiable			





	e) For Audit Qualification(s) where the impact is not quantified by the auditor
	<p>(i) & (ii) Management's estimation on the impact of audit qualification and if management is unable to estimate the impact, reasons for the same:</p> <p>With reference to the amount of Rs.1359.51 lakhs 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. Until then the dues are considered good.</p> <p>(iii) Auditors' Comments on above: Quantification is not possible, pending outcome of the legal suit and resolution of uncertainties involved as stated in para II(A)(a) above.</p>
B	MATTER OF EMPHASIS
	<p>a) Diminution in value of Investment of its Subsidiary namely Modern India Property Developers Ltd.</p> <p>We draw attention to Note no. 7 of the Statement, wherein despite accumulated losses of Rs. 669.87 lakhs as at March 31, 2018, incurred by one of its subsidiary namely Modern India Property Developers Limited (MIPDL), no provision is considered necessary in the Company's long term investment of Rs. 1500 lakhs in MIPDL as in the opinion of the Management the diminution in value of investment is temporary in nature.</p>
	b) Type of Audit Observation: Matter of emphasis
	c) Frequency of Observation: Matter of emphasis appears 5th time
	d) For Emphasis of Matter where the impact is quantified by the auditor, Management Views: Not Applicable
	<p>e) For Emphasis of Matter where the impact is not quantified by the auditor</p> <p>(i) & (ii) Management's estimation on the impact of audit qualification and if management is unable to estimate the impact, reasons for the same:</p> <p>The Company has a long term investment of Rs.1500 lakhs in Equity Shares of Modern India Property Developers Limited (MIPDL), a Wholly Owned Subsidiary of the Company. As per Audited Account of MIPDL, there is Accumulated loss of Rs.669.87 lakhs as at March 31, 2018 (Previous Year Rs. 536.39 lakhs). In view of the Long Term and strategic nature of investment, plans for new business initiatives 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 in standalone results.</p>

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iii	<p>(iii) Auditor's Comments on above: Auditor's opinion on the above emphasis of matter is not modified.</p>	
	<p>SIGNATURE a) CEO/MANAGING DIRECTOR</p>	<p>For Modern India Limited Vijay Kumar Jatia Chairman and Managing Director DIN:00096977</p>
	<p>b) Chief Financial Officer</p>	<p>For Modern India Limited Nawalkishore Deora Sr. Vice President and Chief Financial Officer</p>
	<p>c) AUDIT COMMITTEE CHAIRMAN</p>	<p>For Modern India Limited Anand Didwania Chairman of Audit Committee DIN:00022120</p>
	<p>d) STATUTORY AUDITOR</p>	<p>For Khandelwal Jain and Co. Chartered Accountants FRN:105049W Narendra Jain Partner Membership No. 048725</p>



KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To The Board of Directors of Modern India Limited

1. We have audited the accompanying statement comprising of Consolidated Financial Results of **Modern India Limited** (the "Holding Company") for year ended March 31, 2018 together with the related notes thereon (the "Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The consolidated financial results in the Statement include the results of the Holding Company, and its' subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"). This Statement, which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared on the basis of the related standalone financial statements which are in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



3. Basis for qualified Opinion

In case of the Holding Company, trade receivables as on March 31, 2018 include an amount of Rs. 1359.51 lakhs (Net of Rs. 93.61 Lakhs recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSEL). The Holding Company has filed a representative suit in the Hon'ble Bombay High Court for recovery of the same. Ministry of Corporate Affairs (MCA) had ordered merger of 63 Moons Technologies Limited with NSEL which was up held by the Hon'ble High Court of Bombay. The same has been challenged by 63 Moons Technological Limited in the Hon'ble Supreme Court of India, who has stayed the merger. 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 (Refer note 2 of the Statement).

4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the Statement:

- i. includes the results of the following entities in so far as they relate to the consolidated financial results in the Statement:

Sr. No.	Name of the entity
	Subsidiaries
1.	Modern India Free Trade Warehousing Private Limited
2.	Modern India Property Developers Limited
3.	Modern International (Asia) Limited
4.	Verifacts Services Private Limited

- ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- iii. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the consolidated net loss and total comprehensive income and other financial information of the Group for the year ended March 31, 2018.



5. Other Matters

- i. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017, and May 26, 2016 respectively expressed a modified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. For the purpose of the comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 in respect of subsidiaries as referred to in Para 5(ii) below, we have relied on the comparative financial information included in their standalone financial statements as at March 31, 2018 and audited by other auditors.
- ii. We did not audit the financial statements of the four subsidiaries whose financial statements reflect total assets and total net assets as at March 31, 2018, total revenues and net cash inflow / (outflow) for the year ended on that date considered as under in the Statement based on audited financial statements by other auditors:

(Rs. in Lakhs)

Name of the subsidiary	Total Assets as at March 31, 2018	Total Net Assets as at March 31, 2018	Total Revenue for the year ended March 31, 2018	Net Cash Inflow / (Outflow)
Modern India Free Trade Warehousing Private Limited	454.40	331.44	0.22	(2.95)
Modern India Property Developers Limited	831.23	830.13	29.23	1.05
Modern International (Asia) Limited	1,750.14	1443.30	4,361.99	132.51
Verifacts Services Private Limited	1,364.44	982.56	1,889.75	(9.54)

- iii. The financial statements referred to in para5(ii) have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the statement and our report is not modified in respect of the above matters.

For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration No. 105049W

Narendra Jain

Narendra Jain

Partner

Membership No. 048725



Place: Mumbai

Date: May 24, 2018

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24 MAY 2018

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS ON ANNUAL CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018:

I	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures * (audited figures after adjusting for qualifications)
	1	Total Income	15,225.05	15,225.05
	2	Total Expenditure	15,960.47	15,960.47
	3	Net Profit/(Loss) after tax	(520.82)	(520.82)
	4	Earning per share	(1.44)	(1.44)
	5	Total Assets	23,214.18	23,214.18
	6	Total Liabilities	19,362.94	19,362.94
	7	Net Worth	3,851.24	3,851.24
	* Since, the impact of the qualifications on audited financial results is not quantifiable, adjusted figures have been reported same as before adjusting for impact of qualification. [Refer point II(e) below]			
II	Audit Qualification			
A	a) Details of Audit Qualification			
	<p>Regarding receivables in respect of commodity trading done on National Spot Exchange Limited (NSEL)</p> <p>Trade receivables as on March 31, 2018 include an amount of Rs. 1359.51 lakhs (Net of Rs. 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 Hon'ble Bombay High Court for recovery of the same. Ministry of Corporate Affairs (MCA) had ordered merger of 63 Moons Technologies Limited with NSEL which was up held by the Hon'ble High Court of Bombay. The same has been challenged by 63 Moons Technological Limited in the Hon'ble Supreme Court of India, who has stayed the merger. 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 (Refer note 2 of the financial results).</p>			
	b) Type of Audit Observation: Qualified Opinion			
	c) Frequency of Observation: Qualified opinion appears for 5th time			
	d) For Audit Qualification(s) where the impact is quantified by the auditor, Management Views: Impact is not quantifiable			



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e) For Audit Qualification(s) where the impact is not quantified by the auditor

(i) & (ii) Management's estimation on the impact of audit qualification and If management is unable to estimate the impact, reasons for the same:

With reference to the amount of Rs.1359.51 lakhs 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 other basis of resultant outcome. Until then the dues are considered good.

Quantification is not possible, pending outcome of the legal suit and resolution of uncertainties involved as stated in para II(A)(a) above.

iii. Signature		For Modern India Limited
	a) CEO/MANAGING DIRECTOR	 Vijay Kumar Jatia Chairman and Managing Director DIN:00096977
	b) Chief Financial Officer	For Modern India Limited  Nawalkishore Deora Sr. Vice President and Chief Financial Officer
	c) AUDIT COMMITTEE CHAIRMAN	For Modern India Limited  Anand Didwania Chairman of Audit Committee DIN:00022120
	a) STATUTORY AUDITOR	For Khandelwal Jain and Co. Chartered Accountants FRN:105049W  Narendra Jain Partner Membership No. 048725 