



MODERN DAIRIES LTD.

Corporate Office : 98-99, Sub City Centre, Sector 34, Chandigarh -160 022 (INDIA)
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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: 13th November, 2019

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

SUB: OUTCOME OF THE MEETING OF BOARD OF DIRECTORS

Dear Sirs,

We wish to inform you that the Company in its Board meeting held today, **Wednesday, 13th November, 2019** at Chandigarh approved the Un-Audited Financial Results for the quarter and half year ended 30th September, 2019 along with Statement of Assets and Liabilities and Cash Flow Statement, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We are enclosing herewith the approved Un-audited Financial Results, Statement of Assets and Liabilities, Cash Flow Statement along with copy of Limited Review Report.

Please note that the Board of Directors meeting commenced at 12:00 noon and concluded at 2:30 pm on 13th November, 2019. This is for your information and doing the needful.

Thanking you

Yours truly,
For **MODERN DAIRIES LIMITED**


Mansi Gupta
Authorised Signatory



MODERN DAIRIES LIMITED

Statement of UnAudited financial results for the Half Year Ended 30th September, 2019

(Amount Rs in Lacs)

Sr. No.	Particulars	3 months ended 30 September 2019	Preceding 3 months ended 30 June 2019	Corresponding 3 month ended in the previous year 30 September 2018	Year to date figures for current period ended 30 September 2019	Year to date figures for Previous Period ended 30 September 2018	Previous year ended 31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	20,270.34	16,045.91	13,714.22	36,316.25	26,271.02	56,042.51
II	Other Income	7.40	13.81	27.25	21.20	32.64	26.92
III	Total Income(I+II)	20,277.74	16,059.72	13,741.47	36,337.45	26,303.66	56,069.43
IV	EXPENSES	-	-	-	-	-	-
	Cost of materials consumed	19,191.67	15,191.93	12,423.46	34,383.60	23,524.45	50,179.16
	Purchase of Stock in Trade	-	-	-	-	-	-
	Changes in inventories of Finished goods, Stock in trade and Work-in-progress	105.77	(438.27)	2.58	(544.04)	471.42	466.66
	Excise Duty on Sales	-	-	-	-	-	-
	Employee benefits expense	244.48	244.95	226.53	489.43	446.64	938.45
	Finance costs	1.41	1.13	4.60	2.54	9.43	20.15
	Depreciation and amortization expenses	138.60	140.26	122.83	278.86	243.67	526.55
	Other expenses	786.16	749.90	919.88	1,536.06	1,560.14	3,332.48
	Total expenses(IV)	20,256.55	15,889.90	13,699.88	36,146.45	26,255.75	55,463.45
V	Profit/(Loss) before exceptional items and tax (III-IV)	21.19	169.82	41.59	191.00	47.91	605.98
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	21.19	169.82	41.59	191.00	47.91	605.98
VIII	Tax Expense:	-	-	-	-	-	-
	(1) Current Tax	-	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-	-
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	21.19	169.82	41.59	191.00	47.91	605.98
X	Profit/(Loss) from discontinued operations	-	-	-	-	-	-
XI	Tax expenses of discontinued operations	-	-	-	-	-	-
XII	XI)	-	-	-	-	-	-
XIII	Profit/(Loss) for the period (IX+XII)	21.19	169.82	41.59	191.00	47.91	605.98
XIV	Other Comprehensive Income	-	-	-	-	-	-
	A. (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	1.39
	(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
XV	Total Comprehensive Income for the period (XIII+XIV) comprising Profit/(Loss) and Other comprehensive Income for the period	21.19	169.82	41.59	191.00	47.91	607.36
XVI	Earnings per equity share (for continuing operation) :	-	-	-	-	-	-
	(1) Basic	0.09	0.73	0.18	0.82	0.21	2.60
	(2) Diluted	0.09	0.73	0.18	0.82	0.21	2.60
XVI	Earnings per equity share (for discontinued operation) :	-	-	-	-	-	-
	(1) Basic	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-
XVI	Earnings per equity share (for discontinued & continuing operation) :	-	-	-	-	-	-
	(1) Basic	0.09	0.73	0.18	0.82	0.21	2.60
	(2) Diluted	0.09	0.73	0.18	0.82	0.21	2.60

For and on behalf of the Board of Directors

Place: Chandigarh

Date: 13.11.2019


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


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 13 November 2019. 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 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. The company is working to resolve with the lenders for the payment of their debts. In expectation of the said resolution, the company has prepared financial results on the 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.696 lakhs for Quarter and half yearly amounting 1363 lakhs for 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 the Directors amounting to Rs.11,67,485/- for the quarter under review and Rs.25,84,970/- for the half year ended 30.09.2019. As required, the company has applied for the approval of lenders for the payment set remuneration, which is under their consideration. The directors undertake that in case the approval is not received, the remuneration paid shall be refunded. The financial results are affected to that extent.
7. The figures of the previous period have been reclassified /recasted/ regrouped wherever necessary to conform to current period's figures.



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MODERN DAIRIES LIMITED

Statement of UnAudited Assets & Liabilities as on 30th September, 2019

(Amount Rs. in Lacs)

Particulars	As at 30 Sept 2019	As at 31 March 2019
ASSETS		
1) Non-current assets		
(a) Property, Plant and Equipment	7,507.14	7,622.99
(b) Capital work-inprogress	138.07	14.47
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible assets	7.89	8.90
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financial Assets	-	-
(i) Investments	1.64	1.64
(ii) Trade receivables	-	-
(iii) Long-term loans and advances	770.38	780.39
(iv) Others (to be specified)	-	-
(i) Deferred tax assets (net)	-	-
(j) Other non-current assets	-	-
	8,425.12	8,428.39
2) Current assets		
(a) Inventories	2,071.16	1,377.93
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	2,627.50	3,076.85
(iii) Cash and cash equivalents	134.22	157.63
(iv) Bank balances other than (iii) above	-	-
(v) Short-term loans and advances	603.25	200.00
(vi) Others (to be specified)	-	-
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	537.64	317.31
	5,973.77	5,129.72
Total Assets	14,398.89	13,558.11
EQUITY AND LIABILITIES		
1) EQUITY		
(a) Equity Share capital	2,335.89	2,335.89
(b) Other Equity	(10,333.31)	(10,524.33)
	(7,997.42)	(8,188.44)
2) LIABILITIES		
Non-Current liabilities		
(a) Financial Liabilities		
(i) Long Term Borrowings	25.00	25.00
(ii) Trade payables	-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)	-	-
(b) Provisions	79.52	75.61
(c) Deferred tax liabilities (Net)	-	-
(d) Other non-current liabilities	-	-
	104.52	100.61
3) Current liabilities		
(a) Financial Liabilities		
(i) Short term borrowings	-	-
(ii) Trade payables	3,542.83	2,712.24
(iii) Other financial liabilities (other than those specified in item (c))	16,568.04	16,765.39
(b) Other current liabilities	310.09	328.35
(c) Provisions	1,870.83	1,839.96
(d) Current Tax Liabilities (Net)	-	-
	22,291.79	21,645.94
Total Equity and Liabilities	14,398.89	13,558.11

For and on behalf of the Board of Directors

Place : Chandigarh
Date : 13.11.2019



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



Modern Dairies Limited

Cash flow statement for the half year ended 30th September 2019

(All amounts in Rs. Lacs, unless stated otherwise)

Particulars		For the Period ended 30 Sept 2019	For the year ended 31 March 2019
A	Cash flow from operating activities:		
	Profit/(Loss) after tax and prior period items	191.00	607.36
	Adjustments for:		
	Depreciation and amortisation	278.86	526.55
	Provision for milk cess	27.56	59.06
	Bad debts	-	-
	Balances written off	2.28	2.23
	Liabilities written back	(1.31)	(0.02)
	Interest expense	2.54	20.15
	Interest income	(5.37)	(9.08)
	Employee benefits	8.07	22.90
	Unrealised exchange rate fluctuation	-	-
	Operating loss before working capital changes	503.64	1,229.15
	Adjustments for movement in:		
	Increase/Decrease in long-term loans and advances	16.12	85.66
	Increase/Decrease in inventories	(693.23)	219.73
	Increase/Decrease in trade receivables	449.35	(2,125.75)
	Increase/Decrease in other current assets	(222.61)	(2.70)
	Increase/Decrease in short term loans and advances	(403.25)	(199.81)
	Increase/Decrease in long-term provisions	3.91	(1.14)
	Increase/Decrease in trade payables	831.90	919.23
	Increase/Decrease in other current liabilities	(18.26)	62.82
	Increase/Decrease in short-term provisions	(4.76)	204.34
	Net cash generated from operations	462.80	391.53
	Taxes paid	6.11	30.97
	Net cash generated from operating activities	456.69	360.56
B	Cash flow from investing activities :		
	Purchase of fixed assets (including capital work in progress and movement in creditors for capital goods)	(287.98)	(457.00)
	Sale of non-current investments	-	-
	Proceeds from sale of fixed assets	2.39	-
	Interest received	5.37	9.08
	Net cash used in investing activities	(280.22)	(447.92)
C	Cash flow from financing activities		
	Repayment of long-term borrowings	400.00	50.77
	Proceeds from short term borrowings	-	-
	Increase/Decrease in Other financial liabilities	(197.35)	77.99
	Interest/Principal paid	(402.54)	(146.61)
	Net Cash used in financing activities	(199.89)	(17.85)
	Net increase/(decrease) in cash and cash equivalents	(23.41)	(105.21)
	Cash and cash equivalents at the beginning of the year	157.63	262.84
	Cash and cash equivalents at the end of the period	134.22	157.63
	Components of cash and cash equivalents :-		
	Cash in hand	6.45	29.87
	Cheques in hand	-	-
	Balances with Scheduled Banks		
	In current accounts	127.77	127.76
	Cash and cash equivalents in cash flow statement:	134.22	157.63

Note:

The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

For and on behalf of the Board of Directors

Place: Chandigarh
Date: 13.11.2019



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



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AARYAA & ASSOCIATES

CHARTERED ACCOUNTANTS

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LIMITED REVIEW REPORT

To,
The Board of Directors
Modern Dairies Limited

1. We have reviewed the accompanying statement of un-audited financial results of **Modern Dairies Limited** for the quarter ended 30th September 2019 prepared as per the applicable Indian Accounting Standards (IndAS) being submitted by the company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligation a Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This statement is the responsibility of the company's Management and has been approved by Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We refer to the following Qualifications:
 - *Director's remuneration is not admissible as prescribed in Section 197 of Companies Act, 2013 if company has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditors, then the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.*

The Company is not eligible to pay director remuneration for non-compliance of condition prescribed in section 197 of the Companies Act, 2013. The company has given the following director remuneration:



S. No.	Name	Designation	Remuneration (for Quarter ending 30 th September, 2019)	Remuneration (for Half yearly ending 30 th September, 2019)
1.	Mr. Krishan Kumar Goyal	Chairman & Managing Director	5,00,000	12,50,000
2	Mr. Ashwani Kumar Aggarwal	Executive Director	6,67,485	13,34,970

***Above figures of director's remuneration are inclusive of perks.**

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

(A) Assignment of SBI debt to ARC

A lender bank of the company viz. State Bank of India (SBI) has assigned its loans and other facilities along with underlying financial documents together with all the rights, title and interest to Edelweiss Asset Reconstruction Company Limited, acting in its capacity as trustee of the EARC Trust- SC 306 for the benefits of the holders of the Security Receipts issued by the trustee there under.

During the reporting period there has been no written agreement between the Company and Edelweiss Asset Reconstruction Company Limited to crystallise the amount payable and interest thereon to them. The Company is paying Rs 25 Lakh per month as adhoc Payments to Edelweiss. In absence of any agreement in this regard, the components of such payment can not be ascertained, hence any liability for deduction of TDS, if may arising on such future ascertainment has not been provided.



(B) One Time Settlement (OTS) with PNB

The company had proposed their revised OTS offer to Punjab National Bank (PNB) for extension of repayment of OTS amount in Quarter ending 30th June 2019 and the same has not been accepted by the bank in the Current Quarter. Hence no further payment has been made by the company to bank in this quarter.

(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.6.79 Crores and 13.29 Crores for Current quarter & Half Year ended 30th September 2019 respectively (including on the assigned debts of SBI) and Rs 16.47 Lakh and Rs 32.95 Lakh in respect to optionally converted debentures for Quarter & half year ended 30th September 2019 respectively which has resulted in the understatement of current liabilities and overstatement of profits by same amount. Even though the debts of SBI have been assigned to Edelweiss Asset Reconstruction Company Limited, in absence of any express agreement between the company and Edelweiss Asset Reconstruction Company Limited, no interest has been accounted for in this respect.

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

**FOR AARYAA & ASSOCIATES
CHARTERED ACCOUNTANT**



**CA Harsharanjit Singh Chahal
(Partner)
M No. 091689**

**Place: Chandigarh
Dated: 13th November, 2019**