

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@modern dairies.com, CIN : L74899HR1992PLC032998

Regd. Office & Works : PB No. 3, 136 KM, G.T. Road, Karnal - 132 801 (Haryana)

Ref: MDL/SECT/BSE/

Date: 30th July, 2021

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, **Friday, 30th July, 2021** *commenced at 12:30 noon and concluded at 04:30 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, 2021, 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, 2021.

We are enclosing herewith the approved "Audited Financial Results" for the quarter and year ended 31st March, 2021 along with copy of Statement of Assets and Liabilities, Cash Flow Statement, Independent Auditors Report and Statement on Impact of Audit Qualification (for audit report with modified opinion).

This is for your information to exchange and members thereof.

Kindly take the same on record.

Thanking you
Yours truly,

For **MODERN DAIRIES LIMITED**

COMPANY SECRETARY



MODERN DAIRIES LIMITED

Statement of Audited Financial Results for the Year Ended 31st March, 2021

(Amount Rs in Lacs)

Sr. No.	Particulars	3 months ended 31 March 2021	Preceding 3 months ended 31 December 2020	Corresponding 3 month ended in the previous year 31 March 2020	Current year ended 31 March 2021	Previous year ended 31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
I	Revenue from operations	8,121.30	17,109.45	19,476.85	61,008.01	76,560.68
II	Other Income	8.65	6.64	12.04	35.54	42.70
III	Total Income(I+II)	8,129.95	17,116.09	19,488.89	61,043.55	76,603.38
IV	EXPENSES					
	Cost of materials consumed	7,640.79	15,186.46	18,240.39	55,683.91	72,481.17
	Changes in inventories of Finished goods, Stock in trade and Work-in-progress	(800.29)	341.24	(86.26)	25.83	(1,048.72)
	Employee benefits expense	293.28	293.90	275.70	1,133.38	1,016.91
	Finance costs	3.08	0.18	4.75	3.85	12.30
	Depreciation/ Impairment Loss and amortization expenses	1,823.78	152.39	135.79	2,244.86	551.27
	Other expenses	870.94	828.79	905.27	3,147.25	3,241.66
	Total expenses(IV)	9,831.58	16,802.96	19,475.64	62,239.08	76,254.59
V	Profit/(Loss) before exceptional items and tax (III-IV)	(1,701.63)	313.13	13.25	(1,195.54)	348.79
VI	Exceptional Items	2,277.94	-	-	2,277.94	-
VII	Profit/(Loss) before tax (V-VI)	(3,979.57)	313.13	13.25	(3,473.47)	348.79
VIII	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	(3,979.57)	313.13	13.25	(3,473.47)	348.79
X	Profit/(Loss) from discontinued operations	-	-	-	-	-
XI	Tax expenses of discontinued operations	-	-	-	-	-
XII	XI)	-	-	-	-	-
XIII	Profit/(Loss) for the period (IX+XII)	(3,979.57)	313.13	13.25	(3,473.47)	348.79
XIV	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	(2.59)	-	9.01	(2.59)	9.01
	(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	(2.59)	-	9.01	(2.59)	9.01
XV	Total Comprehensive Income for the period (XIII+XIV) comprising Profit/(Loss) and Other comprehensive Income for the period	(3,982.16)	313.13	22.26	(3,476.07)	357.80
XVI	Paid-up equity share capital	2,335.89	2,335.89	2,335.89	2,335.89	2,335.89
XVII	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(13,646.55)	(10,168.71)
XVIII	Earnings per equity share (for continuing operation) :					
	(1) Basic	(17.07)	1.34	0.06	(14.89)	1.50
	(2) Diluted	(17.07)	1.34	0.06	(14.89)	1.50
XVIII	Earnings per equity share (for discontinued operation) :					
	(1) Basic	-	-	-	-	-
	(2) Diluted	-	-	-	-	-
XVIII	Earnings per equity share (for discontinued & continuing operation) :					
	(1) Basic	(17.07)	1.34	0.06	(14.89)	1.50
	(2) Diluted	(17.07)	1.34	0.06	(14.89)	1.50

Place: Chandigarh
Date: 30.07.2021



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

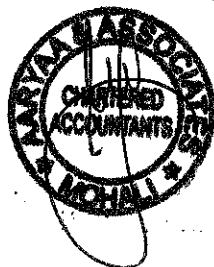


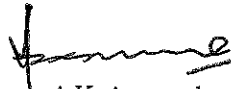
MODERN DAIRIES LIMITED

Statement of Audited Assets & Liabilities as on 31st March, 2021

Particulars		Note	As at 31 Mar 2021	As at 31 Mar 2020
<u>ASSETS</u>				
1)	Non-current assets			
	Property, Plant and Equipment	3	3,394.94	7,428.00
	Capital work-in-progress		23.87	163.92
	Other Intangible assets	3	4.87	6.86
	Investments	4	1.33	1.33
	Long-term loans and advances	5	199.99	167.93
	Deferred tax assets (net)	6	-	-
			3,625.00	7,768.04
2)	Current assets			
	Inventories	7	2,376.54	2,560.77
	Financial Assets	8	57.05	53.91
	Trade receivables	9	918.77	2,306.45
	Cash and cash equivalents	10	108.48	89.42
	Short-term loans and advances	11	0.38	0.25
	Other current assets	12	357.37	242.43
	Asset Held for Disposal	13	1.60	5.00
			3,820.19	5,258.23
	Total Assets		7,445.19	13,026.27
<u>EQUITY AND LIABILITIES</u>				
1)	<u>EQUITY</u>			
	Equity Share capital	14	2,335.89	2,335.89
	Other Equity	15	(13,646.55)	(10,168.71)
			(11,310.66)	(7,832.82)
	<u>LIABILITIES</u>			
2)	Non-Current liabilities			
	Financial Liabilities			
	Long Term Borrowings	16	-	-
	Provisions	17	109.12	89.62
	Deferred tax liabilities (Net)	18	-	-
			109.12	89.62
3)	Current liabilities			
	Financial Liabilities			
	Short term borrowings	19	25.00	25.00
	Trade payables	20	1,555.08	3,441.54
	Other financial liabilities	21	15,315.67	15,626.11
	Other current liabilities	22	384.26	369.41
	Provisions	23	1,366.72	1,307.41
			18,646.73	20,769.47
	Total Equity and Liabilities		7,445.19	13,026.27

Place : Chandigarh
Date : 30.07.2021




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



Modern Dairies Limited

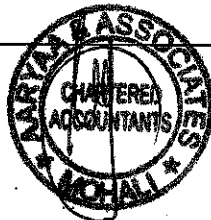
Cash flow statement for the Year ended 31st March 2021

(All amounts in ₹ lacs, unless stated otherwise)

Particulars		For the Year ended 31 Mar 2021	For the Year ended 31 Mar 2020
A	Cash flow from operating activities:		
	Profit/(Loss) before tax	(3,476.07)	357.80
	Adjustments for:		
	Depreciation and amortisation	2,244.86	551.27
	Depreciation as Exceptional Items	2,277.94	-
	Impairment Loss on Assets	-	-
	Provision for milk cess	59.06	59.06
	Bad debts	17.04	-
	Balances written off	0.02	0.13
	Liabilities written back	(7.04)	(3.12)
	Interest expense	3.85	12.30
	Interest income	(11.63)	(10.94)
	Employee benefits	24.69	24.80
	Changes in Accounting policy/Prior Period Errors	(1.77)	(2.20)
	Operating loss before working capital changes	1,130.95	989.10
	Adjustments for movement in:		
	Increase/Decrease in long-term loans and advances	(34.30)	16.69
	Increase/Decrease in inventories	184.23	(1,182.84)
	Increase/Decrease in Financial Assets	(3.14)	(53.91)
	Increase/Decrease in trade receivables	1,370.64	770.40
	Increase/Decrease in other current assets	(114.96)	74.75
	Increase/Decrease in Asset Held for Disposal	3.40	(5.00)
	Increase/Decrease in short term loans and advances	(0.13)	(750.25)
	Increase/Decrease in long-term provisions	19.50	14.01
	Increase/Decrease in trade payables	(1,879.42)	732.42
	Increase/Decrease in other current liabilities	14.85	41.06
	Increase/Decrease in short-term provisions	(24.44)	(25.41)
	Net cash generated from operations	667.18	621.03
	Taxes paid	(2.24)	(4.77)
	Net cash generated from operating activities	669.42	625.80
B	Cash flow from investing activities :		
	Purchase of fixed assets (including capital work in progress and movement in creditors for capital goods)	(352.74)	(507.15)
	Sale of non-current investments	-	0.31
	Proceeds from sale of fixed assets	5.04	3.46
	Interest received	11.63	10.94
	Net cash used in investing activities	(336.07)	(492.43)
C	Cash flow from financing activities		
	Repayment of long-term borrowings	(299.99)	(465.51)
	Proceeds from short term borrowings	-	25.00
	Increase/Decrease in Other financial liabilities	(310.44)	(189.27)
	Interest/Principal paid	296.14	428.21
	Net Cash used in financing activities	(314.29)	(201.57)
	Net increase/(decrease) in cash and cash equivalents	19.06	(68.21)
	Cash and cash equivalents at the beginning of the year	89.42	157.63
	Cash and cash equivalents at the end of the period	108.48	89.42
	Components of cash and cash equivalents :-		
	Cash in hand	11.28	18.80
	Balances with Scheduled Banks		
	In current accounts	97.20	70.62
	Cash and cash equivalents in cash flow statement:	108.48	89.42

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).



Notes to the Financial Results :

1. The financial results of Modern Dairies Limited ('MDL', 'the Company') for the quarter and year ended 31st March, 2021 have been reviewed by the audit committee and subsequently approved at the meeting of the Board of Directors held on 30th July, 2021.
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 (Ind AS) – 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.840.807 Lakhs for current quarter (including interest on debentures) and for the year ended 31.03.2021 amounting to Rs. 3238.339 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 during the current Quarter amounting to Rs. 8,95,380 and for the year ended up to 31.03.2021 amounting to Rs. 35,81,520 to directors without prior approval of lenders. 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 an audit of the financial results for the year ended 31st March, 2021 and have issued modified report. The audit report is available on the company's website at www.moderndairies.com.
8. The management has reassessed the useful life of the plant & machinery of Unit-II to compute depreciation as per advice of expert. The management has decided to revise the useful life from 25 years existing to 15 years. The change in method of computing the depreciation has affected the profitability to the extent of Rs. 2.85 Crores for the year under review.
9. The exceptional item amounting to Rs. 22.78 Crore stands for the additional depreciation provided during the previous year because of change in useful life of the plant & machinery as decided by management (refer note 8 above).
10. During the year Company has reclassified it's Standby Equipments from Capital Nature to Revenue Nature retrospectively due to which the net block of the Standby Equipments has been fully depreciated during the year resulting in Increase of Rs. 10.60 Crore in the Depreciation.
11. The company has provided additional depreciation on account of Impairment Loss on account of impairment in the value of plant & machinery of Unit-II of Butter, Casein & Ghee Sections during the year which has not been in use for a long period, the management has computed the Recoverable Value on the basis of Fair Value. The impairment loss amounting to Rs. 4.10 Crores provided for the year under review has been shown separately in Fixed Assets Schedule.
12. The figures of the previous period have been reclassified / recasted / regrouped wherever necessary to conform to current period's figures.



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www.aaryaa.net

AARYAA & ASSOCIATES CHARTERED ACCOUNTANTS

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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, 2021 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, 2021 and year ended March 31, 2021 have been prepared on the basis of the standalone financial results for the 9 months period ended December 31, 2020, the audited annual standalone financial statement as at and for the year ended March 31, 2021 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, 2020 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, 2021; 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 profit and other comprehensive income and financial information for the quarter ended 31st March, 2021 and for the year ended March 31st, 2021.

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. Ashwani Kumar Aggarwal (Executive Director) amounting to Rs. 35,81,520 (for current quarter Rs.8,95,380).

Apart from the managerial remuneration for quarter ended 31st March, 2021, as mentioned above the company has paid director remuneration of **Rs. 1,71,66,037** till date without complying the provisions of Schedule V of the companies Act, 2013.

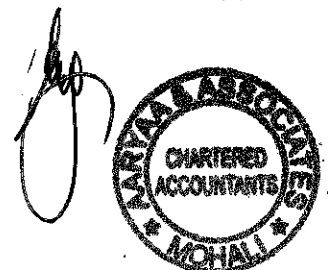
We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are 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 crystallize the amount payable and interest thereon to them. The Company is paying Rs 25 Lakhs per month as adhoc Payments to Edelweiss. In absence of any agreement in this regard, the components of such payment cannot 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'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.

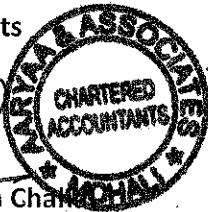
Punjab National Bank vide its letter dated 26.02.2019 had sanctioned an One Time Settlement (OTS) to the company for an amount of Rs.45.84 Crores for Fund Based and Rs.15.76 Lacs for Non-Fund based. Against the dues towards PNB, Rs. 6 Crore was paid by the Company and has submitted its proposal for extension of the repayment period of the remaining amount. The matter is pending before the Hon'ble High Court. Further the company is also taking up the issue with Canara Bank to find out a resolution in the account.

(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. 8.24 Crores and Rs. 31.72 Crores for Current quarter & Year ended 31st March 2021 respectively (including on the assigned debts of SBI) and Rs 16.205 Lakhs and Rs 65.722 Lakhs in respect to optionally converted debentures for Current Quarter & year ended 31st March 2021 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.

For Aaryaa & Associates
Chartered Accountants


CA Harsharanjit Singh Chahal
Partner



Membership No. 091689

(Firm Registration No. 015935N)

UDIN : 21091689AAAAPH7728

Place: Mohali

Date : 30/07/2021

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, 2021.

[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	61,043.55	61,043.55
	2.	Total Expenditure	62,239.08	62,203.27
	3.	Profit/(loss) before exceptional items.	(1,195.54)	(1,159.72)
	4.	Exceptional Items	2,277.94	2,277.94
	5.	Net Profit/(Loss)	(3,473.47)	(3,437.66)
	5.	Earnings Per Share	(14.89)	(14.74)
	6.	Total Assets	7,445.19	7,477.82
	7.	Total Liabilities	18,755.85	18,752.88
	8.	Net Worth	(11,534.40)	(11,498.58)
	9.	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. Ashwani Kumar Aggarwal (Executive Director) amounting to Rs. 35,81,520 (for current quarter Rs. 8,95,380).</i></p> <p><i>Apart from the managerial remuneration for quarter ended 31st March, 2021, as mentioned above the company has paid director remuneration of Rs. 1,71,66,037 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. 35,81,520 /-, 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			

