

**MODERN DAIRIES LTD.**

Corporate Office : 98-99, Sub-City Centre, Sector 34, Chandigarh-160 022 (INDIA)
Tel. : +91-172-3609001, 3609002, Fax : +91-172-3609000
E-mail : info@moderndairies.com, CIN : L28010PB1992PLC012998

Regd. Office & Works : Plot No. 1, 134 KM, G.T. Road, Karnal - 132 001 (Haryana)

Ref: MDL/SECT/BSE**Date: 12th August, 2022**

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 LIMITED, SCRIP CODE: 519287 & ISIN:
INE617B01011**

Dear Sir(s),

Pursuant to Regulation 30 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Company in its Board meeting held today i.e., **Friday, 12th August, 2022** at Chandigarh considered and approved the following matters alongwith other items of agenda:


1. Un-audited Financial Results of the Company for the quarter ended 30th June, 2022 along with Limited Review Report thereon issued by Statutory Auditor of the Company. **(Copy enclosed).**
2. Approved the appointment of Dr. Meena Sharma as an Additional Independent Director for a period of Two (2) years. She will hold office as an Additional (Independent) Director upto the ensuing Annual General Meeting. After the confirmation from the Shareholders in the ensuing AGM, she will be regularized as an Independent Director upto the conclusion of AGM to be held in 2024.
3. Took note of the retirement of Mr. Mukesh Sehgal, Chief Financial Officer of the Company.

Please note that the Board of Directors meeting commenced at 12:00 noon and concluded at 02:35 p.m. on 12th August, 2022.

This is for your information and records.

Thanking you

Yours truly,
For **MODERN DAIRIES LIMITED**


COMPANY SECRETARY



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MODERN DAIRIES LIMITED**BRIEF PROFILE OF NEW INDEPENDENT DIRECTOR**

Name	Dr. Meena Sharma
Date of Birth	16.03.1968
Brief Resume and expertise in specific functional area	<p>Dr. Meena Sharma, Professor, University Business School, Panjab University, Chandigarh is also holding the position of Director, Placement Cell of the University. She has also served as Dean Students Welfare(women) for one year. She has more than 30 years of teaching and research experience. Her areas of interest include valuation of intangibles, financial inclusion, financial reporting, management of small and medium enterprises, corporate restructuring strategies, valuation of mergers and acquisitions, default risk prediction, management of non-performing assets, asset liability management etc. Dr. Sharma has published more than 50 research papers in various international and national research journals and has addressed the participants of more than hundred national and international conferences, training programs, management development programs, orientation and refresher courses.</p> <p>Prof. Sharma has worked on an International project in association with Western Sydney University, Australia granted by Australia India Council. She has undertaken a major UGC research project based on funds management by financial institutions. She has also been a member of the working group on "Promotion of Agri-Business and Food Processing Industries in Haryana" constituted by Government of Haryana. She also served as a nominated member of Academic Council of a B P S Mahila Vishvidalaya. She has been a member of under graduate and Post Graduate Board of Studies and Research in Business management of various Universities. She is also an active member of various committees and boards which include editorial board of various research Journals, decision making bodies of corporates and expert committees of University Grants Commission She has been a nominated Member (by Governor-Chancellor) in the court of Maharishi Dayanand University, Rohtak. Presently she is Governor nominee in the court of Ch Bansi Lal University, Bhiwani. Nominated Member (by Governor-Chancellor) in the selection committees of a state University of Haryana.</p>
Qualification	M.Com & Ph.D
Relationship with other Directors	Not Applicable



MODERN DAIRIES LIMITED

Statement of UnAudited Financial Results for the quarter ended 30th June, 2022

(Amount Rs in Lacs)

Sr. No.	Particulars	Current quarter ended 30 June 2022	Preceding 3 months ended 31 March 2022	Corresponding 3 months ended in the previous year 30 June 2021	Previous year ended 31 March 2022
		(UnAudited)	UnAudited	(UnAudited)	(Audited)
I	REVENUE				
	Revenue from operations	4,380.40	5,015.60	7,134.29	24,053.39
	Other Income	56.94	51.78	22.43	163.30
	Total Revenue (I)	4,437.34	5,067.37	7,156.72	24,216.69
II	EXPENSES				
	Cost of materials consumed	3,001.58	3,400.51	5,111.63	17,469.48
	Changes in inventories of Finished goods, Stock in trade and Work-in-progress	(150.00)	(33.82)	736.39	980.53
	Employee benefits expense	307.16	317.63	283.74	1,179.67
	Finance costs	0.24	7.13	1.10	8.23
	Depreciation and Amortization expenses	86.27	160.75	159.22	643.88
	Other expenses	926.95	963.99	820.19	3,439.68
	Total Expense (II)	4,172.20	4,816.19	7,112.27	23,721.47
III	Profit/(Loss) before exceptional items and tax (I-II)	265.14	251.19	44.45	495.22
IV	Exceptional Items	-	-	-	-
V	Profit/(Loss) before tax (III-IV)	265.14	251.19	44.45	495.22
VI	Tax Expense:				
	(1) Current Tax	-	-	-	-
	(2) Deferred Tax	-	-	-	-
VII	Profit/(Loss) for the period from continuing operations (V-VI)	265.14	251.19	44.45	495.22
VIII	Profit/(Loss) from discontinued operations	-	-	-	-
IX	Tax expenses of discontinued operations	-	-	-	-
X	Profit/(Loss) from discontinued operations(after tax) (VIII-IX)	-	-	-	-
XI	Profit/(Loss) for the period (VII+X)	265.14	251.19	44.45	495.22
XII	Other Comprehensive Income				
	A. (i) Items that will not be reclassified to profit or loss	-	11.65	-	11.65
	(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	-	-	-	-
	Other Comprehensive Income (XII)	-	11.65	-	11.65
XIII	Total Comprehensive Income for the period (XI+XII) comprising Profit/(Loss) and Other comprehensive Income for the period	265.14	262.84	44.45	506.88
XIV	Paid-up equity share capital	2,335.89	2,335.89	2,335.89	2,335.89
XV	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				(15,140.18)
XVI	Earnings per equity share (for continuing operation) :				
	(1) Basic	1.14	1.08	0.19	2.12
	(2) Diluted	1.14	1.08	0.19	2.12
XVI	Earnings per equity share (for discontinued operation) :				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
XVI	Earnings per equity share (for discontinued & continuing operation) :				
	(1) Basic	1.14	1.08	0.19	2.12
	(2) Diluted	1.14	1.08	0.19	2.12

Place: Chandigarh
Date: 12th August, 2022



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 12th August, 2022. 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. The management endeavor is to resolve debt of the lenders i.e. Punjab National Bank, Canara Bank and State Bank of India / Edelweiss Asset Restructuring Ltd. and the discussions are in progress.

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.897.947Lacs 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 30.06.2022 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, 2022 and have issued modified report. The limited review report is available on the company's website at www.moderndairies.com.



A handwritten signature in black ink, appearing to be "J. Singh".





www.aaryaa.net

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 June, 2022 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 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. 8,95,380 for current quarter ended 30th June, 2022.



Apart from the managerial remuneration for quarter ended 30th June, 2022, as mentioned above the company has paid total director remuneration of Rs.2,23,15,822 till date without complying the provisions of Schedule V of the companies Act, 2013.

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 there under 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 crystalise 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 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 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 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. 8.82 Crores** for the Current quarter ended 30th June, 2022 (including on the assigned debts of SBI) and **Rs 16.386 Lakhs** in respect to optionally converted debentures for Current Quarter ended 30th June, 2022 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**


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



**Place: Chandigarh
Dated: 12/08/2022
UDIN: 22091689AOWMXY1415**