

MODERN INDIA LTD.



MODERN INDIA
ENTERPRISE

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13.02.2020

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 13.02.2020

Ref: Scrip No. 503015

The Board of Directors of the Company at its meeting held today i.e. 13th February, 2020 has approved the following:

- Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 we are enclosing herewith, un-audited Standalone and Consolidated Financial Results for the Third Quarter and Nine Months ended 31st December, 2019 and the Limited Review Report for the same.
- The meeting of Board of Directors commenced at 03.00 p.m. and concluded at 4:55 pm

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 5414

Encl:a/a

MODERN INDIA LIMITED

CIN:L17120MH1933PLC002031

Regd. 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 Unaudited Standalone Financial Results for the Quarter and Nine Months Ended on 31st December, 2019

(₹ In Lakhs)

Particulars	Unaudited Quarter Ended			Unaudited Year to Date		Audited Year Ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
1 Revenue from operations						
(a) Net Sales / Revenue From Operations	673.69	1,852.45	2,144.31	2,910.77	5,912.16	7,645.65
(b) Other Operating Revenue	4.13	(10.80)	2.51	13.52	7.63	12.52
Total Revenue from operations	677.82	1,841.65	2,146.82	2,924.29	5,919.79	7,658.17
Other Income (Including interest Income)	431.22	440.74	393.95	1,255.56	1,206.86	1,461.36
Total income	1,109.04	2,282.39	2,540.77	4,179.85	7,126.65	9,119.53
2 Expenses						
(a) Purchases of Goods Traded	601.04	1,773.99	2,052.58	2,702.22	5,623.60	7,280.41
(b) Changes in inventories of finished goods, Stock-in-Trade and work-in progress	(79.07)	(96.65)	(56.57)	(204.15)	(462.96)	(319.86)
(c) Employee Benefits Expense	155.34	140.51	144.29	438.14	455.53	591.17
(d) Finance Cost	352.10	327.78	323.37	995.60	963.96	801.92
(e) Depreciation and amortization expenses	103.03	84.57	86.35	260.84	227.70	319.02
(f) Other Expenses	123.36	325.37	142.19	635.44	1,114.52	1,285.19
Total Expenses	1,255.80	2,555.57	2,692.21	4,828.09	7,922.35	9,957.85
3 Profit / (Loss) before Exceptional items and Tax	(146.76)	(273.18)	(151.44)	(648.24)	(795.70)	(838.32)
4 Exceptional items	-	-	-	-	-	-
5 Profit / (Loss) before Tax	(146.76)	(273.18)	(151.44)	(648.24)	(795.70)	(838.32)
6 Tax Expense	147.76	(84.65)	(51.61)	113.92	(273.99)	(302.51)
7 Net Profit / (Loss) after Tax	(294.52)	(188.53)	(99.83)	(762.16)	(521.71)	(535.81)
8 Other Comprehensive Income						
a) Items that will not be reclassified to Profit & Loss	0.31	0.30	0.66	0.92	1.97	1.23
Remeasurement of post-employment benefit obligations						
Deferred Tax on above	(0.09)	(0.08)	(0.22)	(0.27)	(0.66)	(0.41)
9 Other Comprehensive income	0.22	0.22	0.44	0.65	1.31	0.82
10 Total Comprehensive income for the Year	(294.29)	(188.31)	(99.39)	(761.50)	(520.40)	(534.99)
11 Paid-up Equity Share Capital - (Face Value ₹ 2/- each)	750.86	750.86	750.86	750.86	750.86	750.86
12 Other Equity excluding Revaluation Reserves						1,330.16
13 Earning Per Share (EPS) Face Value ₹ 2/- each (not annualized)						
Basic EPS	(0.78)	(0.50)	(0.27)	(2.03)	(1.39)	(1.43)
Diluted EPS	(0.78)	(0.50)	(0.27)	(2.03)	(1.39)	(1.43)

Notes:

1 The above results of the Company for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 13, 2020.

2 The Statutory Auditors in their Report on the Financial Statements for the year ended on March 31, 2019 have qualified their opinion as regards Receivable of ₹ 1,348.48 Lakhs in respect of Commodities Trading Transaction done on NSEL.

The Managements reply is stated here under.

An amount of ₹ 1,348.48 Lakhs (Net of ₹ 104.64 Lakhs recovered till date) is outstanding as receivable in respect of Commodities Trading Transactions 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 NSEL which has been set aside by the Hon'ble Supreme Court of India. 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.

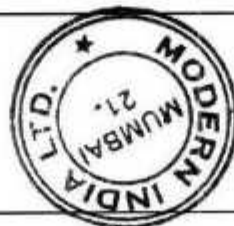


- 3 Tax expense comprises of current tax and deferred tax including deferred tax assets reversal of Rs.183.00 Lakhs pertaining to earlier years.
- 4 National Company Law Tribunal (NCLT), vide order dated July 11, 2019, has approved the Scheme of amalgamation of Modern India Free Trade Warehousing Private Limited ("MIFTWPL") and Modern India Property Developers Limited ("MIPDL"), wholly owned subsidiaries with the Company and the certified copy of the Order approving the said Scheme has been filed with the Registrar of Companies on August 7, 2019. The appointed date of the said Scheme was April 1, 2018. The company has given necessary effect of the aforesaid Scheme in the financial results by restating the figures for the quarter and nine months ended December 31, 2018 in accordance with Appendix C to Ind AS 103 Business Combination.
- 5 The comparative unaudited financial results for the quarter and nine months ended December 31, 2018 have been prepared by the management after giving necessary effect to above mentioned scheme of amalgamation and have not been subjected to limited review by the auditors.
- 6 The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ("Ind AS 116"), Leases, with effect from 1st April, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present Value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments. As permitted by the standard, the Company has elected to apply this standard to its leases w.e.f. 1st April, 2019 and comparatives for the previous period / year have not been restated. The effect of this adoption is insignificant on the Loss for the period. The net assets (PPE) and net liabilities as at December 31, 2019 have increased by ₹ 471.89 Lakhs and ₹ 481.31 Lakhs respectively.
- 7 Previous period/year's figures have been regrouped / reclassified / restated wherever necessary to correspond with the current quarter/period's classification/disclosure.

(₹ In Lakhs)

Segment - wise Revenue, Results, Assets and Liabilities

	Unaudited			Unaudited		Audited
	Quarter Ended			Year to Date		Year Ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
1 Segment Revenue :						
a) Trading	615.37	1,764.46	2,083.78	2,712.41	5,707.10	7,389.59
b) Renewable Energy	58.03	87.69	60.23	197.47	203.85	253.93
c) Real Estate	0.30	0.30	0.30	0.90	1.20	1.50
d) Others	4.13	(10.80)	2.51	13.52	7.63	13.15
Total Revenue from Operations	677.82	1,841.65	2,146.82	2,924.29	5,919.78	7,658.17
2 Segment Results:						
a) Trading	(15.06)	7.62	6.21	(20.08)	17.03	12.55
b) Renewable Energy	(27.05)	6.60	(18.75)	(45.06)	(109.92)	(138.21)
c) Real Estate	(23.70)	10.21	18.71	(10.14)	24.57	(203.38)
Total	(65.81)	24.43	6.17	(75.28)	(68.32)	(329.04)
Less:						
(i) Finance Cost	(352.10)	(327.78)	(323.37)	(995.60)	(963.96)	(801.92)
(ii) Other unallocable income net of unallocable expenditure	271.16	30.17	165.76	422.65	236.58	292.64
Profit /(Loss) before tax	(146.76)	(273.18)	(151.44)	(648.24)	(795.70)	(838.32)
3 Segment Assets:						
a) Trading	1,710.07	2,945.17	2,790.43	1,710.07	2,790.43	2,471.44
b) Renewable Energy	1,181.66	1,251.02	1,409.32	1,181.66	1,409.32	1,346.84
c) Real Estate	3,463.66	3,384.49	3,778.16	3,463.66	3,778.16	3,670.59
d) Unallocated / Corporate	13,298.95	13,464.10	12,419.53	13,298.95	12,419.53	12,808.20
Total	19,654.34	21,044.78	20,397.44	19,654.34	20,397.44	20,297.07
Segment Liabilities:						
a) Trading	182.16	785.99	1,306.74	182.16	1,306.74	1,103.57
b) Renewable Energy	30.55	31.96	21.00	30.55	21.00	12.15
c) Real Estate	16,305.52	16,284.91	16,493.74	16,305.52	16,493.74	16,265.07
d) Unallocated / Corporate	1,921.31	2,432.83	482.87	1,921.31	482.87	835.26
Total	18,439.54	19,535.69	18,304.35	18,439.54	18,304.35	18,216.05



For and on behalf of the Board
Modern India Limited

Vijay Kumar Jatia
Chairman & Managing Director
DIN No. 00096977

Mumbai, 13th February, 2020

Independent Auditor's Review Report on standalone unaudited financial results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors Modern India Limited

1. Introduction

We have reviewed the accompanying statement of unaudited standalone financial results of **Modern India Limited** (the "Company") for the quarter and nine months period ended December 31, 2019 together with related notes thereon (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015") read with SEBI Circulars. Attention is drawn to the fact that the comparative unaudited financial results for the quarter and nine months period ended December 31, 2018 have not been subjected to review as stated in note 5 of the Statement.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

2. Scope of Review

We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 procedures 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. Basis for qualified conclusion

An amount of Rs. 1,348.48 lakhs (net of Rs. 104.64 lakhs recovered till date) is outstanding as trade receivables as at December 31, 2019 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 has been set aside by the Hon'ble Supreme Court of India. 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 Conclusion

Based on our review conducted as above, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with relevant circulars issued thereunder including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration No. 105049W

Narendra Jain

Narendra Jain
Partner

Membership No. 048725

UDIN: 20048725AAAABE5832



Place: Mumbai

Date: February 13, 2020

MODERN INDIA LIMITED

CIN:L17120MH1933PLC002031

Regd. Office : 1, Mittal Chambers, 228, Nariman Point, Mumbai - 400 021

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Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended on 31st December, 2019

(₹ in Lakhs)

Particulars	Unaudited Quarter Ended			Unaudited Year to Date		Audited Year Ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
1 Revenue from operations						
(a) Net Sales / Revenue From Operations	3,415.20	5,823.62	5,182.88	13,620.87	13,963.57	19,149.20
(b) Other Operating Revenue	4.13	(10.80)	2.51	13.52	7.63	12.52
Total Revenue from operations	3,419.33	5,812.82	5,185.39	13,634.39	13,971.20	19,161.72
Other Income (Including interest Income)	435.08	433.98	390.68	1,263.04	1,166.95	1,444.20
Total income	3,854.41	6,246.80	5,576.07	14,897.43	15,138.15	20,605.92
2 Expenses						
(a) Purchases of Goods Traded	2,746.14	5,084.49	4,514.14	11,618.03	12,072.87	16,538.66
(b) Changes in inventories of finished goods, Stock-in-Trade and work-in progress	(79.07)	(96.65)	(56.57)	(204.15)	(462.96)	(319.86)
(c) Employee Benefits Expense	438.38	424.49	388.52	1,296.86	1,125.17	1,493.61
(d) Finance Cost	364.31	343.24	344.01	1,037.72	1,000.37	850.23
(e) Depreciation and amortization expenses	136.47	113.27	96.52	347.75	258.74	363.12
(f) Other Expenses	336.48	590.18	372.47	1,311.02	1,774.21	2,263.18
Total Expenses	3,942.71	6,459.02	5,659.09	15,407.23	15,768.40	21,188.94
3 Profit / (Loss) before Exceptional items and Tax	(88.30)	(212.22)	(83.02)	(509.80)	(630.25)	(583.02)
4 Exceptional items	-	-	-	-	-	-
5 Profit / (Loss) before Tax	(88.30)	(212.22)	(83.02)	(509.80)	(630.25)	(583.02)
6 Tax Expense	166.01	(68.31)	(32.09)	148.46	(254.47)	(261.92)
7 Net Profit / (Loss) after Tax	(254.30)	(143.91)	(50.93)	(658.25)	(375.78)	(321.10)
8 Other Comprehensive Income						
a) Items that will not be reclassified to Profit & Loss	0.45	0.44	0.66	1.34	1.97	1.79
Remeasurement of post-employment benefit obligations						
Deferred Tax on above	(0.11)	(0.12)	(0.22)	(0.37)	(0.66)	(0.57)
b) Items that will be reclassified to profit or loss	24.46	35.34	(60.54)	59.79	102.64	72.25
Changes in foreign currency translation reserve						
9 Other Comprehensive income	24.80	35.66	(60.10)	60.76	103.95	73.47
10 Total Comprehensive income for the Year	(229.51)	(108.25)	(111.03)	(597.50)	(271.83)	(247.63)
11 Profit for the year attributable to :						
(a) Shareholders of the Company	(254.30)	(143.91)	(61.33)	(658.25)	(390.33)	(335.65)
(b) Non Controlling Interest	-	-	10.40	-	14.55	14.55
12 Other Comprehensive Income of the Year;						
(a) Shareholders of the Company	24.80	35.66	(60.16)	60.76	103.89	73.41
(b) Non Controlling Interest	-	-	0.06	-	0.06	0.06
13 Total Comprehensive Income of the Year;						
(a) Shareholders of the Company	(229.51)	(108.25)	(121.49)	(597.50)	(286.44)	(262.24)
(b) Non Controlling Interest	-	-	10.46	-	14.61	14.61
14 Paid-up Equity Share Capital - (Face Value ₹ 2/- each)	750.86	750.86	750.86	750.86	750.86	750.86
15 Other Equity excluding Revaluation Reserves						2,695.86
16 Earning Per Share (EPS) Face Value ₹ 2/- each (not annualized)						
Basic EPS	(0.68)	(0.38)	(0.16)	(1.75)	(1.04)	(0.89)
Diluted EPS	(0.68)	(0.38)	(0.16)	(1.75)	(1.04)	(0.89)

Notes:

1 The above results of the Company for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 13, 2020.

2 The Statutory Auditors in their Report on the Financial Statements for the year ended on March 31, 2019 have qualified their opinion as regards Receivable of ₹ 1,348.48 Lakhs in respect of Commodities Trading Transaction done on NSEL.

The Managements reply is stated here under.

An amount of ₹ 1,348.48 Lakhs (Net of ₹ 104.64 Lakhs recovered till date) is outstanding as receivable in respect of Commodities Trading Transactions 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 NSEL which has been set aside by the Hon'ble Supreme Court of India. 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 including deferred tax assets reversal of Rs.183.00 Lakhs pertaining to earlier years.
- 4 National Company Law Tribunal (NCLT), vide order dated July 11, 2019, has approved the Scheme of amalgamation of Modern India Free Trade Warehousing Private Limited ("MIFTWPL") and Modern India Property Developers Limited ("MIPDL"), wholly owned subsidiaries with the Company and the certified copy of the Order approving the said Scheme has been filed with the Registrar of Companies on August 7, 2019. The appointed date of the said Scheme was April 1, 2018. The company has given necessary effect of the aforesaid Scheme in the financial results by restating the figures for the quarter and nine months ended December 31, 2018 in accordance with Appendix C to Ind AS 103 Business Combination.
- 5 The consolidated financial results represent the results of business operations of the Company, its Wholly owned subsidiary companies Modern International (Asia) Limited(MIAL), Verifacts Services Private Limited and Wholly Owned Subsidiary of MIAL - Modern International (Vietnam) Company Limited w.e.f. 17.10.2019.
- 6 The comparative unaudited financial results for the quarter and nine months ended December 31, 2018 have been prepared by the management and have not been subjected to limited review by the auditors.
- 7 The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ("Ind AS 116"), Leases, with effect from 1st April, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present Value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments. As permitted by the standard, the Company has elected to apply this standard to its leases w.e.f. 1st April, 2019 and comparatives for the previous period / year have not been restated. The effect of this adoption is insignificant on the Loss for the period. The net assets (PPE) and net liabilities as at December 31, 2019 have increased by ₹ 730.41 Lakhs and ₹ 749.26 Lakhs respectively.
- 8 Previous period/year's figures have been regrouped / reclassified / restated wherever necessary to correspond with the current quarter/period's classification/disclosure.

(₹ in Lakhs)

Segment - wise Revenue, Results, Assets and Liabilities

	Unaudited Quarter Ended			Unaudited Year to Date		Audited Year Ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
1 Segment Revenue :						
a) Trading	2,832.48	5,166.47	4,633.63	11,865.75	12,428.36	17,006.75
b) Renewable Energy	58.03	87.69	60.23	197.47	203.86	253.93
c) Background Check Services	524.40	569.16	488.72	1,556.76	1,330.15	1,886.39
d) Real Estate	0.30	0.30	0.30	0.90	1.20	1.50
e) Others	4.13	(10.80)	2.51	13.52	7.63	13.15
Total Revenue from Operations	3,419.33	5,812.82	5,185.39	13,634.39	13,971.20	19161.72
2 Segment Results:						
a) Trading	(0.40)	17.16	23.27	38.07	128.86	57.77
b) Renewable Energy	(27.05)	6.60	(18.75)	(45.06)	(109.92)	(138.21)
c) Background Check Services	21.69	113.16	58.30	143.80	128.65	225.82
d) Real Estate	(23.70)	32.37	14.76	(10.14)	24.57	(204.17)
Total	(29.46)	169.29	77.58	126.67	172.16	(58.79)
Less:						
(i) Finance Cost	(364.31)	(343.24)	(344.01)	(1,037.72)	(1,000.37)	(850.23)
(ii) Other unallocable income net of unallocable expenditure	305.47	(38.27)	183.41	401.25	197.96	326.00
Profit /(Loss) before tax	(88.30)	(212.22)	(83.02)	(509.80)	(630.25)	(583.02)
3 Segment Assets:						
a) Trading	5,223.33	7,152.83	5,785.80	5,223.33	5,785.80	4,622.03
b) Renewable Energy	1,181.66	1,251.02	1,409.32	1,181.66	1,409.32	1,346.84
c) Background Check Services	1,841.53	1,887.04	1,409.04	1,841.53	1,409.04	1,526.56
d) Real Estate	3,463.66	3,384.49	3,778.16	3,463.66	3,778.16	3,670.59
e) Unallocated / Corporate	11,973.37	12,127.68	12,419.53	11,973.37	12,419.53	12,294.71
Total	23,683.55	25,803.06	24,801.85	23,683.55	24,801.85	23,460.73
Segment Liabilities:						
a) Trading	1,953.49	3,269.68	2,549.53	1,953.49	2,549.53	1,843.20
b) Renewable Energy	30.55	31.96	21.00	30.55	21.00	12.15
c) Background Check Services	732.18	814.82	405.99	732.18	405.99	466.51
d) Real Estate	16,305.52	16,284.91	16,493.74	16,305.52	16,493.74	16,264.59
e) Unallocated / Corporate	1,922.47	2,706.39	482.87	1,922.47	482.87	1,427.56
Total	20,944.21	23,107.76	19,953.13	20,944.21	19,953.13	20,014.01



For and on behalf of the Board
Modern India Limited

Vijay Kumar Jatia
Chairman & Managing Director
DIN No. 00096977

Mumbai, 13th February, 2020

Independent Auditor's Review Report on consolidated unaudited financial results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors Modern India Limited

Introduction

- 1) We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of **Modern India Limited** ("the Parent"), which includes its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter and nine months period ended December 31, 2019 together with the related notes thereon (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015") read with SEBI Circulars. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and nine months period ended December 31, 2018 as reported in these financial results have not been subjected to review as stated in note 6 of the Statement.
- 2) This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of review

- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4) The Statement includes the results of the following entities:

Sr. No.	Name Of the Entity	Relationship
Direct Subsidiaries		
1	Verifacts Services Private Limited	Subsidiary
2	Modern International (Asia) Limited	Subsidiary
Indirect Subsidiary		
3	Modern International (Vietnam) Company Limited (Subsidiary of Modern International (Asia) Limited)	Step-Down Subsidiary

Basis for Qualified Conclusion

5) In case of the Holding Company, an amount of Rs. 1,348.48 lakhs (net of Rs. 104.64 lakhs recovered till date) is outstanding as trade receivables as at December 31, 2019 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 has been set aside by the Hon'ble Supreme Court of India. 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).

Qualified Conclusion

6) Based on our review conducted as above, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph 5 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with relevant circulars issued thereunder including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

7) We did not review the unaudited financial results of two subsidiaries and one step-down subsidiary included in the consolidated unaudited financial results, whose financial results reflect total revenues, total net profit/(loss) after tax and total comprehensive income / (loss) for the quarter and nine months period ended December 31, 2019, considered as under in the Statement based on review of unaudited financial results by other auditors:



Rs. in lakhs

Name of the subsidiary	Total Revenue for the quarter and nine months ended Dec 31, 2019 respectively	Total Net profit/ (Loss) after tax for the quarter and nine months ended Dec 31, 2019 respectively	Total Comprehensive Income/ (Loss) for the quarter and nine months ended Dec 31, 2019 respectively
Verifacts Services Private Limited	545.08 and 1,620.34	37.02 and 79.12	37.13 and 79.43
Modern International (Asia) Limited *	2,219.79 and 9,180.74	4.13 and 50.73	28.61 and 110.54
Modern International (Vietnam) Company Limited*	- and -	(0.94) and (0.94)	(0.96) and (0.96)

* these subsidiaries are located outside India whose unaudited financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been reviewed by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial information of the said subsidiaries located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the financial information of the said subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion 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 report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

For **Khandelwal Jain & Co.**
Chartered Accountants
Firm Registration No. 105049W

Narendra Jain

Narendra Jain
Partner

Membership No. 048725

UDIN: 20048725AAAABF7896



Place: Mumbai
Date: February 13, 2020