

MODERN INDIA LTD.



MODERN[®]INDIA
ENTERPRISE

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20.08.2020

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 20.08.2020
Ref: Scrip No. 503015

The Board of Directors of the Company at its meeting held today i.e. 20th August, 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 First Quarter ended 30th June, 2020 and the Limited Review Report for the same. The meeting of Board of Directors commenced at 09.45 A.M. and concluded at 12.00 noon

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

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 Ended on 30th June, 2020

(₹ In Lakhs)

Particulars	Unaudited Quarter Ended			Audited Year Ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
1 Revenue from operations				
(a) Net Sales / Revenue From Operations	58.57	1,537.05	384.63	4,447.82
(b) Other Operating Revenue	5.72	3.96	20.19	17.48
Total Revenue from operations	64.29	1,541.01	404.82	4,465.30
Other Income				
(a) Fair Valuation Gain of Investments (Net)	447.21	-	6.02	-
(b) Others (Including interest Income) - Note 4	(344.05)	323.41	377.58	1,578.97
Total Other Income	103.16	323.41	383.60	1,578.97
Total income	167.45	1,864.42	788.42	6,044.27
2 Expenses				
(a) Purchases of Goods Traded	32.91	1,427.12	327.18	4,129.34
(b) Changes in inventories of finished goods, Stock-in-Trade and work-in progress	623.37	(13.67)	(28.43)	(217.82)
(c) Employee Benefits Expense	140.58	147.89	142.29	586.03
(d) Finance Cost - Note 4	(1,014.77)	354.77	315.72	1,350.37
(e) Depreciation and amortization expenses	86.59	102.38	73.24	363.22
(f) Fair Valuation Loss (Net) / Impairment of Investments	-	817.39	-	817.39
(g) Other Expenses	106.01	687.62	186.71	1,323.06
Total Expenses	(25.32)	3,523.50	1,016.71	8,351.59
3 Profit / (Loss) before Exceptional items and Tax	192.77	(1,659.08)	(228.29)	(2,307.32)
4 Exceptional items	-	-	-	-
5 Profit / (Loss) before Tax	192.77	(1,659.08)	(228.29)	(2,307.32)
6 Tax Expense	49.91	(264.81)	50.81	(150.89)
7 Net Profit / (Loss) after Tax	142.86	(1,394.27)	(279.10)	(2,156.43)
8 Other Comprehensive Income / (Loss)				
a) <u>Items that will not be reclassified to Profit & Loss</u>				
Remeasurement of post-employment benefit obligations	(1.11)	(5.36)	0.31	(4.44)
Deferred Tax on above	0.28	1.39	(0.10)	1.12
9 Other Comprehensive income / (Loss)	(0.83)	(3.97)	0.21	(3.32)
10 Total Comprehensive income / (Loss) for the Year	142.02	(1,398.24)	(278.89)	(2,159.75)
11 Paid-up Equity Share Capital - (Face Value ₹ 2/- each)	750.86	750.86	750.86	750.86
12 Other Equity excluding Revaluation Reserves				(934.33)
13 Earning Per Share (EPS) Face Value ₹ 2/- each (not annualized)				
Basic EPS	0.38	(3.71)	(0.74)	(5.74)
Diluted EPS	0.38	(3.71)	(0.74)	(5.74)

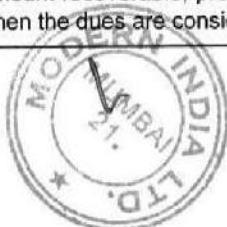
Notes:

1 The above results of the Company for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on August 20, 2020.

2 The Statutory Auditors in their Report on the Standalone Financial Statements for the year ended on March 31, 2020 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 (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. 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.

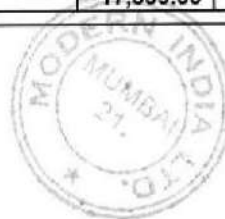


3	Tax expense comprises of current tax and deferred tax. Deferred tax for the quarter and year ended March 31, 2020 includes reversal of deferred tax assets of Rs. 117.76 lakhs and Rs. 454.60 lakhs respectively on account of reversal of income tax losses and change in income tax rates.
4	Net of adjustment of finance cost and corresponding income recognized in earlier years on account of revision in estimates done in respect of repayment schedule of interest free security deposits and this does not have any impact on financial results.
5	The outbreak of Covid-19 pandemic has caused significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of trading sales, real estate and solar power generation. Further, as at June 30, 2020, the Company expects to fully recover the carrying amount of its assets and liabilities. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company has assessed the possible impact of COVID-19 on its financial results based on the internal and external information available up to the date of approval of these financial results including but not limited to its assessment of Company's liquidity, recoverable values of property, plant and equipment, intangible assets and the net realisable values of other assets.
6	Figures for the quarter ended 31 March 2020 are the balancing figures between audited figures for the full financial year and the reviewed year to date figures upto the third quarter of the previous financial year.
7	Previous period/year's figures have been regrouped / reclassified / restated wherever necessary to correspond with the current quarter classification/disclosure.

(₹ In Lakhs)

Segment - wise Revenue, Results, Assets and Liabilities					
		Unaudited		Audited	
		Quarter Ended		Year Ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
1	Segment Revenue :				
	a) Trading	33.40	1,474.54	332.58	4,186.94
	b) Renewable Energy	24.87	62.21	51.75	259.68
	c) Real Estate	0.30	0.30	0.30	1.20
	d) Others	5.72	3.96	20.19	17.48
	Total Revenue from Operations	64.29	1,541.01	404.82	4,465.30
2	Segment Results:				
	a) Trading	(15.45)	(19.32)	(12.64)	(39.40)
	b) Renewable Energy	(39.20)	(0.74)	(24.61)	(45.80)
	c) Real Estate	(2.63)	(1.76)	3.35	(11.90)
	Total	(57.28)	(21.82)	(33.90)	(97.10)
	Less:				
	(i) Finance Cost	1,014.77	(354.77)	(315.72)	(1,350.37)
	(ii) Other unallocable income net of unallocable expenditure	(764.73)	(1,282.49)	121.33	(859.85)
	Profit /(Loss) before tax	192.77	(1,659.08)	(228.29)	(2,307.32)
3	Segment Assets:				
	a) Trading	1,695.66	2,646.68	1,465.67	2,646.68
	b) Renewable Energy	1,114.77	1,161.41	1,276.71	1,161.41
	c) Real Estate	2,407.99	3,032.32	2,859.37	3,032.32
	d) Unallocated / Corporate	12,079.44	12,166.71	13,697.92	12,166.71
	Total	17,297.86	19,007.12	19,299.67	19,007.12
	Segment Liabilities:				
	a) Trading	93.56	686.59	108.45	686.59
	b) Renewable Energy	31.14	29.26	28.31	29.26
	c) Real Estate	15,698.44	16,332.96	16,271.31	16,332.96
	d) Unallocated / Corporate	1,516.16	2,141.76	1,089.48	2,141.76
	Total	17,339.30	19,190.57	17,497.55	19,190.57

For and on behalf of the Board
Modern India Limited



Vijay Kumar Jatia
Vijay Kumar Jatia
Chairman & Managing Director
DIN No. 00096977

Mumbai, 20th August, 2020

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on the quarterly unaudited standalone 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 ended June 30, 2020 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.

This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies, and other accounting principles generally accepted in India. 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 June 30, 2020 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 NSEL which was held up by the Hon'ble High Court of Bombay. The same 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.

5. Emphasis of Matter

We draw attention to Note 5 to the Standalone Unaudited Financial Results in which the company describes the uncertainties arising from the COVID 19 pandemic. Our conclusion is not modified in respect of this matter.

6. Other Matter

The Statement includes the standalone unaudited financial results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year 2019-20 and published unaudited year to date figures up to the third quarter of the that financial year which were subject to limited review by us.

Our conclusion is not modified in respect of the above matter.



For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration No. 105049W

NARENDRAKUMAR

RAJKUMAR JAIN

Digitally signed by
NARENDRAKUMAR RAJKUMAR JAIN
Date: 2020.08.20 12:04:11 +05'30'

Narendra Jain

Partner

Membership No. 048725

UDIN: 20048725AAAADJ8670

Place: Mumbai

Date: August 20, 2020

MODERN INDIA LIMITED

CIN:L17120MH1933PLC002031

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

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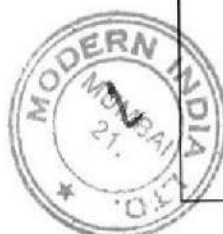
Statement of Unaudited Consolidated Financial Results for the Quarter Ended on 30th June, 2020

(₹ in Lakhs)

Particulars	Unaudited Quarter Ended			Audited Year Ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
1 Revenue from operations				
(a) Net Sales / Revenue From Operations	1,495.67	4,106.24	4,382.05	17,727.11
(b) Other Operating Revenue	5.72	3.96	20.19	17.48
Total Revenue from operations	1,501.39	4,110.20	4,402.24	17,744.59
Other Income				
(a) Fair Valuation Gain of Investments (Net)	496.43	-	11.49	-
(b) Other Income (Including interest Income) - Note 4	(348.49)	310.79	382.49	1,573.83
Total Other Income	147.94	310.79	393.98	1,573.83
Total income	1,649.33	4,420.99	4,796.22	19,318.42
2 Expenses				
(a) Purchases of Goods Traded	1,166.83	3,469.13	3,787.40	15,087.16
(b) Changes in inventories of finished goods, Stock-in-Trade and work-in progress	623.37	(13.67)	(28.43)	(217.82)
(c) Employee Benefits Expense	360.06	385.84	433.99	1,682.70
(d) Finance Cost - Note 4	(993.73)	394.58	330.17	1,432.30
(e) Depreciation and amortization expenses	114.09	138.76	98.01	486.51
(f) Fair Valuation Loss (Net) / Impairment of Investments	-	849.36	-	849.36
(g) Other Expenses	220.24	904.93	384.36	2,215.95
Total Expenses	1,490.86	6,128.93	5,005.50	21,536.16
3 Profit / (Loss) before Exceptional items and Tax	158.47	(1,707.94)	(209.28)	(2,217.74)
4 Exceptional items	-	-	-	-
5 Profit / (Loss) before Tax	158.47	(1,707.94)	(209.28)	(2,217.74)
6 Tax Expense	45.47	(278.01)	50.76	(129.55)
7 Net Profit / (Loss) after Tax	113.00	(1,429.93)	(260.04)	(2,088.19)
8 Other Comprehensive Income / (Loss)				
a) Items that will not be reclassified to Profit & Loss				
Remeasurement of post-employment benefit obligations	(0.79)	(4.49)	0.45	(3.15)
Deferred Tax on above	0.20	1.16	(0.14)	0.79
b) Items that will be reclassified to profit or loss				
Changes in foreign currency translation reserve	7.48	99.82	(0.01)	159.61
9 Other Comprehensive income / (Loss)	6.89	96.49	0.30	157.25
10 Total Comprehensive income / (Loss) for the Year	119.90	(1,333.44)	(259.74)	(1,930.94)
11 Profit / (Loss) for the year attributable to :				
(a) Shareholders of the Company	113.00	(1,429.93)	(260.04)	(2088.19)
(b) Non Controlling Interest	-	-	-	-
12 Other Comprehensive Income / (Loss) of the Year;				
(a) Shareholders of the Company	6.89	96.49	0.30	157.25
(b) Non Controlling Interest	-	-	-	0.00
13 Total Comprehensive Income / (Loss) of the Year;				
(a) Shareholders of the Company	119.90	(1,333.44)	(259.74)	(1930.94)
(b) Non Controlling Interest	-	-	-	0.00
14 Paid-up Equity Share Capital - (Face Value ₹ 2/- each)	750.86	750.86	750.86	750.86
15 Other Equity excluding Revaluation Reserves				655.06
16 Earning Per Share (EPS) Face Value ₹ 2/- each (not annualized)				
Basic EPS	0.30	(3.81)	(0.69)	(5.56)
Diluted EPS	0.30	(3.81)	(0.69)	(5.56)

Notes:

- The above results of the Company for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on August 20, 2020.
- The Statutory Auditors in their Report on the Consolidated Financial Statements for the year ended on March 31, 2020 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 (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. 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.

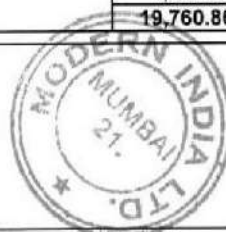


- 3 Tax expense comprises of current tax and deferred tax. Deferred tax for the quarter and year ended March 31, 2020 includes reversal of deferred tax assets of Rs. 117.76 lakhs and Rs. 458.52 lakhs respectively on account of reversal of income tax losses and change in income tax rates.
- 4 Net of adjustment of finance cost and corresponding income recognized in earlier years on account of revision in estimates done in respect of repayment schedule of interest free security deposits and this does not have any impact on financial results.
- 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 outbreak of Covid-19 pandemic has caused significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Group in terms of trading sales, real estate, solar power generation and background verification. Further, as at June 30, 2020, the Group expects to fully recover the carrying amount of its assets and liabilities. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Group has assessed the possible impact of COVID-19 on its financial results based on the internal and external information available up to the date of approval of these financial results including but not limited to its assessment of Group's liquidity, recoverable values of property, plant and equipment, intangible assets and the net realisable values of other assets.
- 7 Figures for the quarter ended 31 March 2020 are the balancing figures between audited figures for the full financial year and the reviewed year to date figures upto the third quarter of the previous financial year.
- 8 Previous period/year's figures have been regrouped / reclassified / restated wherever necessary to correspond with the current quarter classification/disclosure.

(₹ in Lakhs)

Segment - wise Revenue, Results, Assets and Liabilities				
	Unaudited			Audited
	Quarter Ended			Year Ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
1 Segment Revenue :				
a) Trading	1,212.58	3,581.01	3,866.80	15,446.75
b) Renewable Energy	24.87	62.21	51.75	259.68
c) Background Check Services	257.91	462.72	463.20	2,019.48
d) Real Estate	0.30	0.30	0.30	1.20
e) Others	5.72	3.96	20.19	17.48
Total Revenue from Operations	1,501.39	4,110.20	4,402.24	17,744.59
2 Segment Results:				
a) Trading	(33.60)	(11.10)	21.31	26.97
b) Renewable Energy	(39.20)	(0.74)	(24.61)	(45.80)
c) Background Check Services	1.87	4.93	8.95	148.73
d) Real Estate	(2.63)	(1.76)	(18.81)	(11.90)
Total	(73.55)	(8.67)	(13.16)	118.00
Less:				
(i) Finance Cost	993.73	(394.58)	(330.17)	(1,432.30)
(ii) Other unallocable income net of unallocable expenditure	(761.72)	(1,304.69)	134.05	(903.44)
Profit/(Loss) before tax	158.47	(1,707.94)	(209.28)	(2,217.74)
3 Segment Assets:				
a) Trading	4,931.29	5,855.41	4,082.87	5,855.41
b) Renewable Energy	1,114.77	1,161.41	1,276.71	1,161.41
c) Background Check Services	1,898.89	2,031.88	1,755.59	2,031.88
d) Real Estate	2,407.99	3,032.32	2,855.53	3,032.32
e) Unallocated / Corporate	10,933.73	11,013.98	13,349.03	11,013.98
Total	21,286.67	23,095.00	23,319.73	23,095.00
Segment Liabilities:				
a) Trading	1,685.82	2,235.40	1,841.25	2,235.40
b) Renewable Energy	31.14	29.26	28.31	29.26
c) Background Check Services	831.56	951.61	706.56	951.61
d) Real Estate	15,698.44	16,332.96	16,271.31	16,332.96
e) Unallocated / Corporate	1,513.90	2,139.85	1,285.32	2,139.85
Total	19,760.86	21,689.08	20,132.75	21,689.08

For and on behalf of the Board
Modern India Limited



Vijay Kumar Jatia
Chairman & Managing Director
DIN No. 00096977

Mumbai, 20th August, 2020

KHANDELWAL JAIN & CO.

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CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on quarterly 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**

1. Introduction

We have reviewed the accompanying Statement of Consolidated Unaudited 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 ended June 30, 2020 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.

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. 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. 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.



3. The Statement includes the financial 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 (w.e.f. 17.10.2019)

4. **Basis for Qualified Conclusion**

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 June 30, 2020 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 held up by the Hon'ble High Court of Bombay. The same 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]

5. **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 4 above and based on the consideration of the review/audit reports of the other auditors referred to in paragraph 7(i) below, nothing has come to our attention that causes us to believe that the accompanying Statement of consolidated unaudited 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.

6. **Emphasis of Matter**

We draw attention to Note 6 to the Consolidated Unaudited Financial Results in which the Group describes the uncertainties arising from the COVID 19 pandemic. Our conclusion is not modified in respect of this matter.

7. **Other Matters**

- i) 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 ended June 30, 2020, 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 ended June 30, 2020	Total Net profit/ (loss) after tax for the quarter ended June 30, 2020	Total Comprehensive Income/(Loss) for the quarter ended June 30, 2020
Verifacts Services Private Limited	320.58	(13.18)	(12.94)
Modern International (Asia) Limited *	1180.80	(15.86)	(8.88)
Modern International (Vietnam) Company Limited*	Nil	(0.82)	(0.32)

* 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 these 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/information 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 2 above.

Our conclusion 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.

- ii) The Statement includes the consolidated unaudited financial results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year 2019-20 and published unaudited year to date figures up to the third quarter of the that financial year which were subject to limited review by us.

Our conclusion is not modified in respect of the above matter.



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

NARENDRAKUMAR
RAJKUMAR JAIN

Digitally signed by NARENDRAKUMAR
RAJKUMAR JAIN
Date: 2020.08.20 12:06:04 +05'30'

Narendra Jain
Partner
Membership No. 048725
UDIN: 20048725AAAADI3487

Place: Mumbai
Date: August 20, 2020