



**Annual Report**  
2021-22

**MODI NATURALS LIMITED**

## BOARD OF DIRECTORS

**Mr. Anil Modi**

*Chairman & Managing Director*

**Mr. Akshay Modi**

*Jt. Managing Director*

**Mrs. Aditi Gupta**

*Whole Time Director*

**Mr. Sudhir Shankar Halwasiya**

*Independent Director*

**Mr. Sulabh Singal**

*Independent Director*

**Mr. Alok Garg**

*Independent Director*

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**Chief Financial Officer**

Mr. Pradeep Kapoor

**Company Secretary**

Mr. Ankit Agarwal

**Auditors**

Kashyap & Co.  
Chartered Accountants  
New Delhi

**Registrars & Transfer Agents**

Skyline Financial Services Pvt. Ltd.  
D-153A, Okhla Industrial Area  
Phase-I, New Delhi-110020  
[www.skylinerta.com](http://www.skylinerta.com)

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**Registered Office**

405, Deepali Building  
92, Nehru Place, New Delhi-110019  
Tel: 011-41889999  
[www.modinaturals.com](http://www.modinaturals.com)

**Corporate Office**

D-185 / 1B & 1C,  
2<sup>nd</sup> Floor, Okhla Phase-I  
New Delhi-110020  
Tel: 011-41889999

## CONTENTS

Notice	8
Director's Report & Management Analysis	22
Report on Corporate Governance	33
Independent Auditor's Report	45
Balance Sheet	52
Statement of Profit & Loss	53
Cash Flow Statement	55
Notes to financial statements	56
Consolidated Financial Statements	89

## Message to Shareholders

I would like to present to you the Annual Report FY 2021-22 of the Company.

The past few years have been very challenging for the whole world. The lives and livelihoods of millions got disrupted due to Covid-19 pandemic. Before I delve into how the business fared or the scenarios that played out and impacted our performance across product categories, I believe a huge debt of gratitude is owed to all those who helped us make it through.

While the Indian economy is still struggling to overcome the rippling effects of the COVID-19 pandemic, we have reported another year of steady revenue growth. In fact, we have recorded our highest ever revenue from operations in the fiscal 2022. During FY 21-22 we clocked sales of ₹ 47430.32 lakhs against ₹ 44269.62 in FY 20-21 registering an overall growth of 7.14%.

We launched new products PEANUT BUTTER and PASTA under the brand OLEEV KITCHEN. A fitness icon - former **Miss Universe and actor, Lara Dutta** has been engaged by the Company as the **brand ambassador** for their range of olive and multisource cooking oils. This defines a new era for the brand and reflects the brand positioning statement '**Behtar Kal Ki Shuruat, Aaj Se**'. We have an exciting pipeline of new products that will be launched in FY23.

We started supplies to CSD this year which is a new distribution channel for us. This will scale up substantially in FY23 with greater penetration and more products.

***Our strong focus on quality, innovation, product differentiation and brand building has helped us stand out in a cluttered retail market, with Oleev becoming the No.1 "Goodness of Olive Oil" brand in India, with a fully backward-integrated portfolio of products.***

We are heavily investing in digital marketing initiatives and expect to reap its rewards, in the years to come.

As a step towards sustainable growth, Modi Naturals has diversified into ethanol manufacturing, with a state-of-the-art greenfield Ethanol Plant being established in the state of Chhattisgarh under its 100% subsidiary, Modi Biotech Private Limited.



(Mr. Akshay Modi, Joint Managing Director, Modi Naturals Limited with Mr. Bhupesh Baghel, Chief Minister of Chhattisgarh at the signing of the MOU for the plant - *Left to Right*)

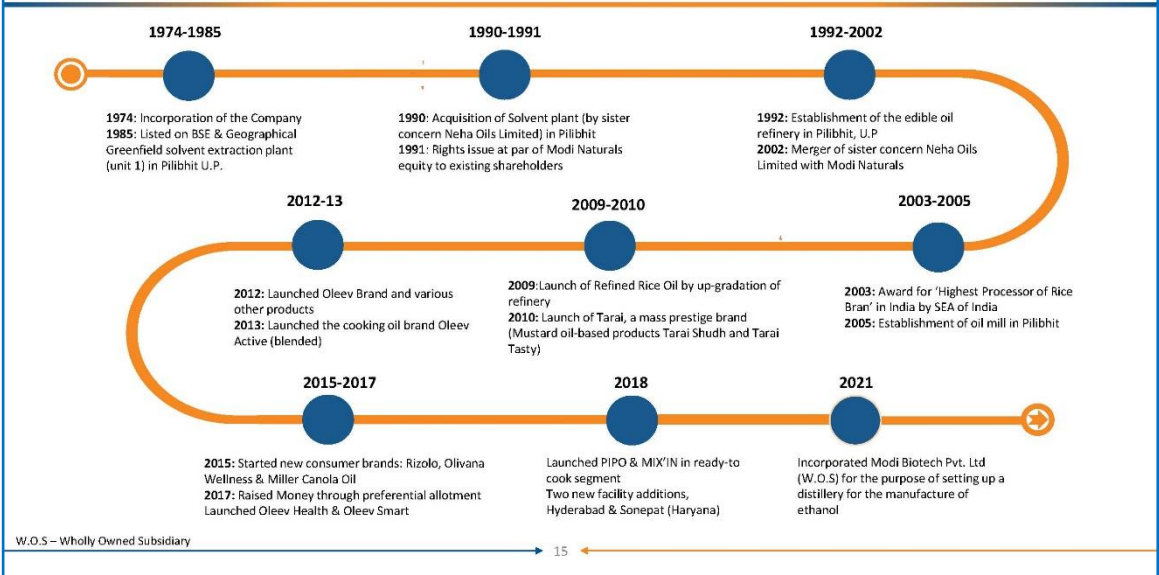
***According to a report by the International Energy Agency (IEA), India will become the third largest market for ethanol in the world after the US and Brazil by 2026.***

The plant's construction is in full swing. We hope to commission the plant in Dec-Jan FY23.

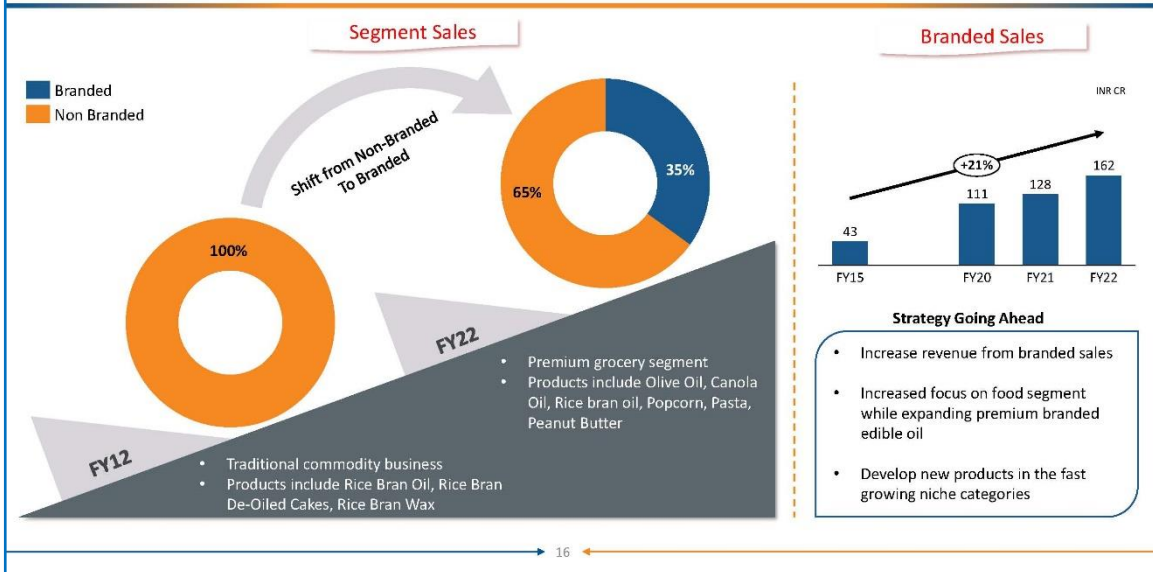
I would like to take this opportunity to thank the Board of Directors and our advisors for their continued guidance and trust. I would also like to thank our shareholders and customers for their unwavering support and faith in us and for making Modi Naturals, India's leading FMCG company. I look forward to your continued support while we remain committed to delivering quality and sustainable growth.

**Akshay Modi**  
Jt. Managing Director  
DIN: 03341142

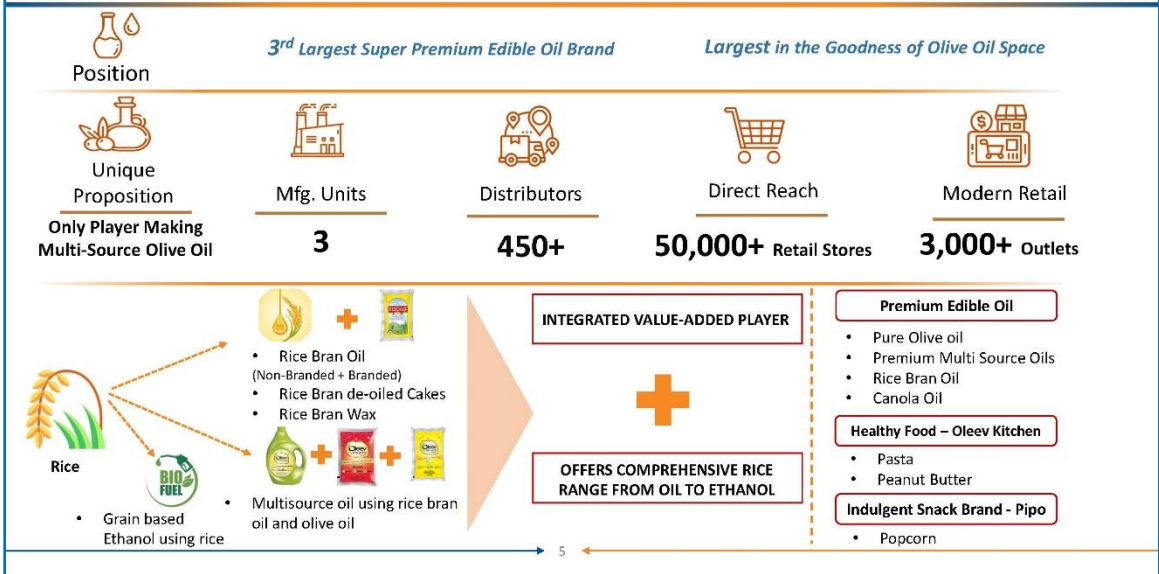
## Our Journey



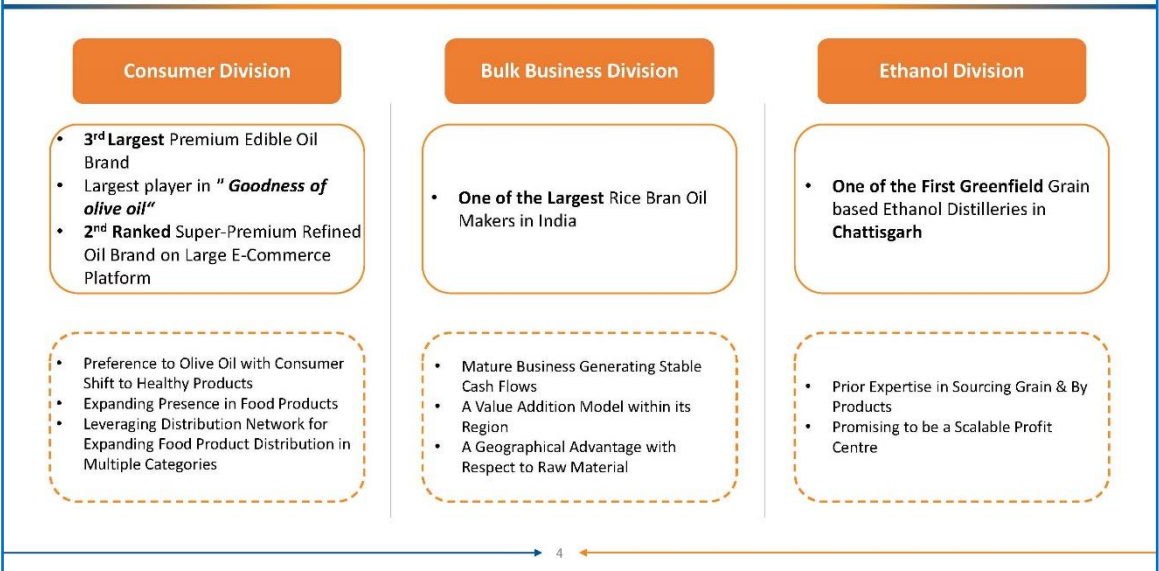
## Transforming Into A Multi Brand FMCG Company



# Modi Naturals - At A Glance



# Business Verticals

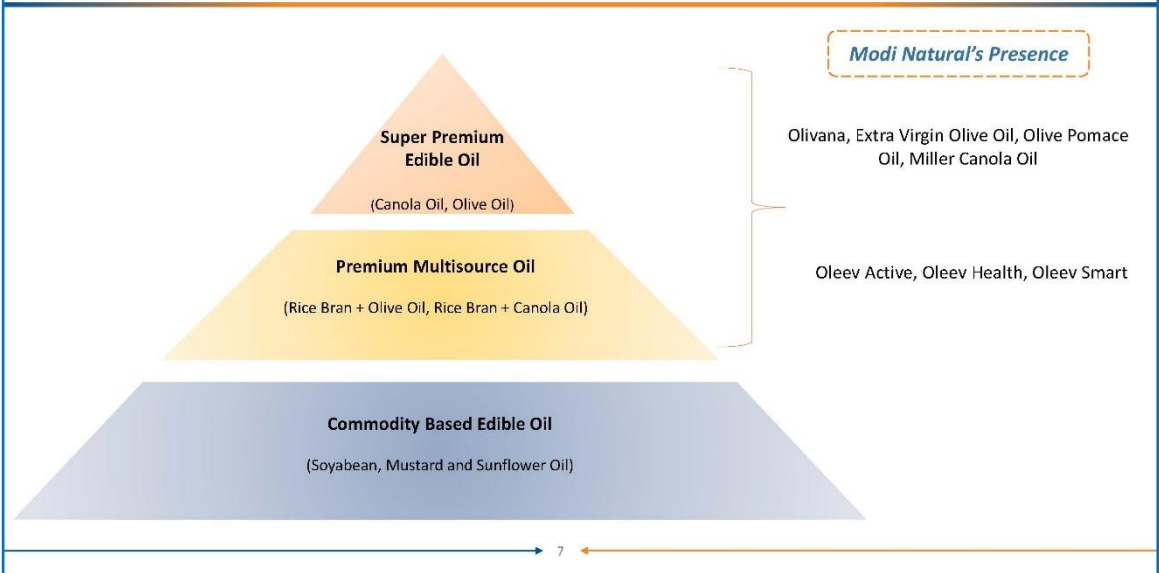


## Product Portfolio



6

## Consumer Business



7

## De-coding the Ethanol Business

Ethanol made from surplus and damaged food grain such as broken or surplus rice instead of molasses. Rice as a product is best understood due to the traditional rice bran oil business

Husk is used as a fuel for the plant, saving power and fuel cost

Plant is located in Chhattisgarh which is the only state that gets 3 crops in a year

Close proximity to procurement of raw materials saves transport costs and enhances margins

- Received an approval for 210 KLD distillery
- The investment over the next 2 years is expected to be ~Rs 250 cr, with the 1<sup>st</sup> phase of 110 KLD being completed within a year with an investment of Rs 160 cr
- Aims to commission the plant in Q3FY23

### Key Advantages



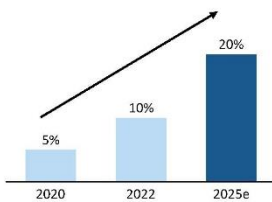
13

## Ethanol – a step Towards “Growth.....!”

Increasing Blending Rate

has led to

Increased Production Capacity



The above requires grain capacity to treble over the next 3 years as molasses-based ethanol is relatively limited without large scale diversion of sugar which will hamper food security

ADVANTAGES

Environment Friendly

Supports sugarcane, maize & rice farmers

Cuts Oil Import Bills

Increases investment & job creation in rural areas

14



## Lara Dutta- Brand Ambassador for Oleev Brand

- Oleev has appointed former Miss Universe and actor, Lara Dutta as the brand ambassador for their range of olive and multisource cooking oils
- In the latest brand campaign released in Dec 2021, campaign has featured Lara Dutta's proactive approach to a healthy lifestyle while portraying multiple roles
- She is shown juggling between her professional and personal responsibilities and playing the most pivotal role of maintaining her family's health by being mindful of her cooking choices
- This defines a new era for the brand and reflects the brand positioning statement *'Behtar Kal Ki Shuruat, Aaj Se'*



21

## Performance Highlights



28



## Notice

Notice is hereby given that the 48<sup>th</sup> Annual General Meeting of the Shareholders of Modi Naturals Limited will be held on **Friday, September 30, 2022, at 2:30 P.M.**, through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March 2022 and the reports of the Board of Directors and Auditors thereon and (b) the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2022 and the reports of the Auditors thereon, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

- a) **“RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31<sup>st</sup> March 2022, and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
- b) **“RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March 2022, and the reports of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. To appoint Mrs. Aditi Gupta, who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Aditi Gupta (DIN: 01786037), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

3. **Appointment of Auditors and authorise the Board to fix remuneration**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, Messrs. K. K. Jain & Co. (Firm Registration No. 002465N), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in place of Messrs. Kashyap & Co. (Firm Registration No. 011355C), Chartered Accountants, who shall hold office for a

period of five years, from the conclusion of this annual general meeting till the conclusion of the 53<sup>rd</sup> annual general meeting of the Company, on such remuneration, as may mutually be agreed between the Auditors and the Board of Directors of the Company.”

**‘RESOLVED FURTHER** that the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### SPECIAL BUSINESS

4. **Re-appointment of Mr. Anil Modi (DIN-00187078) as Chairman & Managing Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and in accordance with the provision of Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Anil Modi (DIN: 01187078) as the Chairman cum Managing Director of the Company for the period of three years from 1st January, 2023 to 31st December 2025, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof and as may be agreed to between the Board of Directors and Mr. Anil Modi.

**“RESOLVED FURTHER** that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**5. Re-appointment of Mr. Akshay Modi (DIN-03341142) as Joint Managing Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and in accordance with the provision of Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Akshay Modi (DIN: 03341142) as the Joint Managing Director of the Company for the period of three years from 15<sup>th</sup> December 2022 to 14<sup>th</sup> December 2025, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof and as may be agreed to between the Board of Directors and Mr. Akshay Modi.

“**RESOLVED FURTHER** that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**6. Re-appointment of Mrs. Aditi Gupta (DIN-01786037) as Whole Time Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from

time to time, and in accordance with the provision of Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mrs. Aditi Gupta (DIN-01786037) as the Whole Time Director of the Company for the period of three years from 14<sup>th</sup> August 2022 to 13<sup>th</sup> August 2025, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment), with liberty to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof and as may be agreed to between the Board of Directors and Mrs. Aditi Gupta.

“**RESOLVED FURTHER** that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**7. Ratification of remuneration payable to Cost Auditors**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that the remuneration of 70,000/- (₹ Seventy Thousand only) plus Goods and Service Tax and out of pocket expenses, if any, payable to Messrs. Manisha & Associates (Firm Registration No.: 000321), Cost Accountants, who was appointed as the Cost Auditors of the Company for the Financial Year 2022-23 as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, be and is hereby ratified.”

**Registered Office:**  
405, Deepali Building, 92,  
Nehru Place, New Delhi-110019  
CIN: L15142DL1974PLC007349

**14<sup>th</sup> August 2022, New Delhi**

**for and on behalf of the Board**

Sd/-  
**Anil Modi**  
Chairman & Managing Director  
DIN – 00187078

**NOTES:**

- (a) The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect of the Ordinary and Special Business set out at Items no. 3 to 7 of the accompanying Notice is annexed hereto.
- (b) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May 2020 read with circulars dated 8th April 2020, 13th April 2020, 13th January 2021 and 5th May 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the 48<sup>th</sup> AGM will be the registered office of the Company.
- (c) **In terms of SEBI's Circular dated 03<sup>rd</sup> November 2021, it is mandatorily required for all members holding shares in physical mode to furnish PAN, KYC details (Address proof, Bank details, E-mail address and Mobile Number) and Nomination for all eligible folios to the RTA. The folios, wherein any of the cited documents /details are not made available on or after 01<sup>st</sup> April 2023, shall be frozen by the RTA.**
- (d) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Secretarial Standard -2 issued by ICSI, in respect of Director(s) seeking appointment/re-appointment at this AGM is annexed.
- (e) Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- (f) Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to [investors@modinaturals.org](mailto:investors@modinaturals.org) on or before September 24, 2022.
- (g) During the 48<sup>th</sup> AGM, Members may request the Company Secretary for access to the electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the register of contracts and arrangements in which the Directors are interested, maintained under section 189 of the Act.
- (h) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
- (i) The Share Transfer Books and Register of Members of the Company shall remain closed from Monday, September 26, 2022, to Friday, September 30, 2022 (both dates inclusive) for the purpose of AGM.
- (j) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred, transmission or transposition of securities only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Transfer Agent – Skyline Financial Services Private Limited (SFSPL) for assistance in this regard.
- (k) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant ("DP") with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent – Skyline Financial Services Private Limited.
- (l) As per the provisions of Section 72 of the Companies Act, 2013 (the "Act") the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Skyline Financial Services Private Limited, in case the shares are held by them in physical form.
- (m) The format of the Register of Members prescribed by MCA under the Act requires the Company/ Registrar and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. Members holding shares in physical form are requested to submit the filled in form to the Company at [investors@modinaturals.org](mailto:investors@modinaturals.org) or to SFSPL in physical mode, after restoring normalcy or in electronic mode at [admin@skylinerta.com](mailto:admin@skylinerta.com), as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or SFSPL.
- (n) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer

Agents, Skyline Financial Services Private Limited for shares held in physical mode, with relevant documents that may be required.

- (o) In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.modinaturals.com](http://www.modinaturals.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: [investors@modinaturals.org](mailto:investors@modinaturals.org).
- (p) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically.

#### **Voting through Electronic Means (For Remote e-voting and e-voting during AGM)**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- II. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- III. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

#### **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING:**

- (i) The e-voting period begins on Tuesday, September 27, 2022 (10:00 am) and ends on Thursday, September 29, 2022 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository

Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking thee-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of MODI NATURALS LIMITED.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image



verification code and click on Forgot Password & enter the details as prompted by the system.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING ANNUAL REPORT AND LOGIN CREDENTIALS FOR E-VOTING:**

- For Physical Shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id [investors@modinaturals.org](mailto:investors@modinaturals.org) and [admin@skylinerta.com](mailto:admin@skylinerta.com) respectively.
- For Demat Shareholders – please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id [investors@modinaturals.org](mailto:investors@modinaturals.org) and [admin@skylinerta.com](mailto:admin@skylinerta.com) respectively.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
3. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 72 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@modinaturals.org](mailto:investors@modinaturals.org).
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and

are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  10. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (xvi) **Facility for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, by email to the Scrutinizer at [depakbansal.fcs@gmail.com](mailto:depakbansal.fcs@gmail.com) and to the Company and [investors@modinaturals.org](mailto:investors@modinaturals.org), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 or 022-23058542 /43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services

- (India) Limited, A Wing, 2<sup>nd</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-- 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
- (xvii) The voting rights of Members shall be in proportion to their shares of the paid-up equity Share Capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system.
- (xviii) Any person who acquires shares of the Company and becomes Member of the Company after mailing of the Notice and holding shares as of the cut-off date, may follow the same instructions as mentioned above for e-voting.
- (xix) The Company has appointed Mr. Deepak Bansal, Company Secretary in Practice (CP No. 7433) as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting during the meeting and remote e-voting process, in a fair and transparent manner.
- (xx) The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes casted during the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of two witnesses not in the employment of the Company and make, not later than two working days of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing, who shall countersign the same.
- (xxi) The Result shall be declared after the e-AGM of the Company. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website: www.modinaturals.com and on the website of CDSL www.evotingindia.com. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

#### **DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT:**

##### **Appointment of, Mr. Anil Modi (Item No.4), Mr. Akshay Modi (Item No.5) and Mrs. Aditi Gupta (Item No.6)**

For the details of Mr. Anil Modi, Mr. Akshay Modi, and Mrs. Aditi Gupta, please refer to the statement in respect of the Special Business set out at Item No. 4, 5, & 6 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013. The Board recommends the resolutions set out at Item No. 4, 5, & 6, of the Notice for your approval.

#### **STATEMENT OF MATERIAL FACTS CONCERNING ITEMS OF SPECIAL BUSINESS**

##### **(Annexed to notice pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 3:** The term of current auditors, viz M/s Kashyap & Co, Chartered Accountants (FRN 011355C), who were appointed by the members at their annual general meeting held on 19 August 2014 to hold the office of auditor from the conclusion of the 43<sup>rd</sup> annual general meeting till the conclusion of this 48<sup>th</sup> annual general meeting, expires at the conclusion of the ensuing annual general meeting.

The Board of Directors at its meeting held on 14<sup>th</sup> August 2022, based on the recommendation of the Audit Committee has recommended the appointment of M/s K.K. Jain & Co., Chartered Accountants (FRN 002465N), as the statutory auditors of the Company in place of the existing statutory auditors, M/s Kashyap & Co., Chartered Accountants whose terms expires at the ensuing annual general meeting, for approval by the members.

M/s K. K. Jain & Co., Chartered Accountants (FRN 002465N) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified

under section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors, in terms of section 143 of the Act.

M/s K. K. Jain & Co., Chartered Accountants are proposed to be appointed as the statutory auditors of the Company for a term of 5 (five) consecutive financial years starting from the conclusion of forthcoming 48<sup>th</sup> Annual General Meeting of the Company scheduled to be held in the year 2022 till the conclusion of the 53<sup>rd</sup> Annual General Meeting, on a remuneration, out-of-pocket expenses etc., incurred in connection with the Audit as may be decided by the Board in consultation with the auditors from year to year.

##### **Brief profile of the Auditors is as under:**

M/s K. K. Jain & Co., Chartered Accountants (FRN 002465N), ("the Audit Firm") was established in the year 1980. The Audit Firm is registered with the Institute of Chartered Accountants of India (ICAI) and has been Peer Reviewed.

The firm has state-of-the-art equipment, sufficient office space, and other amenities for carrying out professional assignments. It has offices at New Delhi. All the offices are fully computerized and are using Application Software packages for carrying out professional work.

Mrs. Simmi Jain, the Senior Partner of the firm, an F.C.A., is in practice since 1987. During her professional career of more than 30 years she specializes in the field of Audit, Direct Taxes and Management Consultancy, Corporate Consultancy, and Internal Audits.

The Second Partner, Mr. Ashok Goel, an F.C.A, is in practice since 1987 and specializes in the field of Audit, Direct Taxes, Corporate Consultancy, and Internal Audits.

None of the directors or key managerial personnel or their relatives is concerned or interested in the said resolution except to the extent of their shareholding, if any, in the company.

The Board recommends the resolution set out at Item no.3 for your approval.

**Item No. 4:** Mr. Anil Modi (DIN: 00187078) 65 years of age, the Chairman & Managing Director of the Company, holds a Bachelor's degree in commerce. He is having four decades of invaluable experience and is involved in general conduct and management of affairs of the company.

He was appointed on the Board of Directors of the Company on 05<sup>th</sup> April 1976. The remuneration in the form of salary & perquisites for the year 2021– 22 is ₹ 53.76 Lakhs.

The Board of Directors, at their meeting held on 14<sup>th</sup> August 2022 on the recommendation of the Nomination and Remuneration Committee based on the performance evaluation, educational qualification, skills, experience & exposure in FMCG and various other industries, have re-appointed him as Chairman & Managing Director, subject to the approval of shareholders, for a period of three years with effect from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2025 and fixed the remuneration payable to him as set out below:

**1. Term of Appointment:**

For a period of 3 (three) years with effect from 01<sup>st</sup> January 2023 to 31<sup>st</sup> December 2025.

**2. Remuneration:**

**I. Salary:** W.e.f. 01<sup>st</sup> January, 2023 of ₹ 4,50,000/- per month and W.e.f. 1<sup>st</sup> April 2023 in the pay scale of (₹ 5,00,000 – 50,000 – 6,00,000)- per month.

**II. Commission:** Up to 3% of Net Profit computed in accordance with Sections 197 and 198 of the Companies Act, 2013, as determined by the Nomination and Remuneration Committee for each financial year

**III. Perquisites and allowances:** In addition to the above, Mr. Anil Modi shall also be entitled to perquisites and allowances which will include House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company provided that the aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 196, 197, 198 and all other applicable provisions, if any, of the Act, read with Schedule V of the Act as amended from time to time.

**3. Minimum Remuneration:** The Minimum Remuneration is subject to the limit of 5% of the Annual Net Profits of the Company and subject to the overall limit of 10% of the Annual Net Profits of the Company on the remuneration of Managing Directors / Whole-Time Director / Manager of

the Company taken together as per Section 197 of the Companies Act, 2013 and Rules made thereunder or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). However, where in any financial year, during the currency of the tenure of Mr. Anil Modi as Chairman cum Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no 4 of the accompanying notice as minimum remuneration, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

**4. Other terms and conditions:**

- a. Subject to the superintendence, control and direction of the Board, Mr. Anil Modi shall be responsible for the general conduct and management of the affairs of the Company.
- b. As long as Mr. Anil Modi functions as Chairman cum Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- c. Mr. Anil Modi shall be liable to retire by rotation whilst he continues to hold office of Managing Director; however, his retirement will not break his length of service.
- d. Mr. Anil Modi shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company.
- e. The Office shall be liable to termination with 3 months' notice from either side.
- f. The terms and conditions of the said re-appointment may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule V to the Companies Act, 2013.

The proposed appointment, remuneration and perquisites conform to the requirement of Schedule V to the Companies Act, 2013, requires the appointment and remuneration to be approved by a resolution of the shareholders in general meeting. Salary, perquisites, and commission, if any, will be paid in accordance with the Shareholders approval.

Mr. Anil Modi and Mr. Akshay Modi and are related to each other. Mr. Akshay Modi is the son of Mr. Anil Modi.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anil Modi and Mr. Akshay Modi and their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board considers that his educational qualification, skills, experience & exposure in FMCG and various other industries would be of immense benefit to the Company, and it is desirable to avail services of Mr. Anil Modi as Chairman & Managing Director, at a remuneration & terms set out in the resolution.

The Board recommends the resolution set out at Item No.4 of the Notice for your approval.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**Item No. 5:** Mr. Akshay Modi (DIN: 03341142) 37 years of age, the Joint Managing Director of the Company, is an Engineer from the University of Leeds, U.K and an alumnus of The Doon School. He is a visionary entrepreneur who conceptualized the launch of Edible Oils in consumer packs under the brand names, 'Oleev', 'Tarai', 'Rizolo', 'Miller' and 'Olivana wellness'. He is having 25 years of invaluable experience in FMCG sector and is involved in operations, planning, strategy, finance, marketing, management, business development, public relationships, and regulatory affairs of the company.

He was appointed on the Board of Directors of the Company on 15<sup>th</sup> December 2010. The remuneration in the form of salary & perquisites for the year 2021-- 22 is ₹ 48.00 Lakhs.

The Board of Directors, at their meeting held on 14<sup>th</sup> August 2022 on the recommendation of the Nomination and Remuneration Committee based on the performance evaluation, educational qualification, skills, experience & exposure in FMCG Industry, have re-appointed him as Joint Managing Director, subject to approval of shareholders, for a period of three years with effect from 15<sup>th</sup> December 2022 to 14<sup>th</sup> December 2025 and fixed the remuneration payable to him as set out below:

**1. Term of Appointment:**

For a period of 3 (three) years with effect from 15<sup>th</sup> December 2022 to 14<sup>th</sup> December 2025.

**2. Remuneration:**

**I. Salary:** W.e.f. 15<sup>th</sup> December, 2022 of ₹ 4,50,000/- per month and W.e.f. 1<sup>st</sup> April 2023 in the pay scale of (₹ 5,00,000 – 50,000 – 6,00,000)- per month.

**II. Commission:** Up to 3% of Net Profit computed in accordance with Sections 197 and 198 of the Companies Act, 2013, as determined by the Nomination and Remuneration Committee for each financial year

**III. Perquisites and allowances:** In addition to the above, Mr. Akshay Modi shall also be entitled to perquisites and allowances which will include House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Gratuity, Utilities expenses, House maintenance,

Books, Periodicals and Annual subscription for residence, use of company maintained car for personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company provided that the aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 196, 197, 198 and all other applicable provisions, if any, of the Act, read with Schedule V of the Act as amended from time to time.

**3. Minimum Remuneration:** The Minimum Remuneration is subject to the limit of 5% of the Annual Net Profits of the Company and subject to the overall limit of 10% of the Annual Net Profits of the Company on the remuneration of Managing Directors / Whole-Time Director / Manager of the Company taken together as per Section 197 of the Companies Act, 2013 and Rules made thereunder or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). However, where in any financial year, during the currency of the tenure of Mr. Akshay Modi as Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no 5 of the accompanying notice as minimum remuneration, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

**4. Other terms and conditions:**

- a. Subject to the superintendence, control and direction of the Board, Mr. Akshay Modi shall provide advice, guidance and assistance to the Chairman & Managing Director and other Senior Management personnel as and when required with respect to the business and affairs of the Company including advice on strategic planning, finance, accounting, taxation, legal affairs and human resources and in that regard he shall faithfully and diligently conduct the business and affairs of the Company and, for that purpose, he shall have the powers to do all such matters, deeds and things on behalf of the Company as may be or are usual, necessary or expedient so to do and/or as fixed by the Board/ or Committee thereof time to time.
- b. As long as Mr. Akshay Modi functions as Joint Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- c. Mr. Akshay Modi shall be liable to retire by rotation whilst he continues to hold office of Joint Managing Director; however his retirement will not break his length of service.
- d. Mr. Akshay Modi shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by him in

India and abroad, exclusively on the business of the Company.

- e. The Office shall be liable to termination with 3 months' notice from either side.
- f. The terms and conditions of the said re-appointment may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule V to the Companies Act, 2013.

The proposed appointment, remuneration and perquisites conform to the requirement of Schedule V to the Companies Act, 2013, requires the appointment and remuneration to be approved by a resolution of the shareholders in general meeting. Salary, perquisites and commission will be paid in accordance with the Shareholders approval.

Mr. Akshay Modi, Mr. Anil Modi and Mrs. Aditi Gupta are related to each other. Mr. Anil Modi is the father and Mrs. Aditi Gupta, is the spouse, of Mr. Akshay Modi.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Akshay Modi, Mr. Anil Modi and Mrs. Aditi Gupta and their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board considers that his educational qualification, skills, experience & exposure in FMCG Industry would be of immense benefit to the Company and it is desirable to avail services of Mr. Akshay Modi as Joint Managing Director, at a remuneration & terms set out in the resolution.

The Board recommends the resolution set out at Item No.5 of the Notice for your approval.

**Item No. 2 & 6:** Mrs. Aditi Gupta (DIN: 01786037) 36 years of age, the Whole-Time Director is a Woman Director of the Company. She is a Graduate in BSc (Hons) from University of Nottingham and is having corporate experience of around 16 years in Investment Banking, Finance and Business Management & Planning.

She was appointed on the Board of Directors of the Company on 31<sup>st</sup> March 2015. The remuneration in the form of salary, & perquisites for the year 2021-- 22 is ₹ 9.00 Lakhs.

The Board of Directors, at their meeting held on 14<sup>th</sup> August 2022 on the recommendation of the Nomination and Remuneration Committee based on the performance evaluation, educational qualification, skills, experience & exposure in FMCG and various other industries, have re-appointed her as Whole-Time Director designated as Woman Director for a period of three years with effect from 14<sup>th</sup> August 2022 to 13<sup>th</sup> August 2025 and fixed the remuneration payable to her as set out below:

#### 1. Term of Appointment:

For a period of 3 (there) years with effect from 14<sup>th</sup> August 2022 to 13<sup>th</sup> August 2025.

#### 2. Remuneration:

I. **Salary:** W.e.f. 14<sup>th</sup> August, 2022 of ₹ 1,00,000/- per month and W.e.f. 01<sup>st</sup> April 2023 in the pay scale of (₹ 1,25,000 - 25,000 -1,75,000) per month.

II. **Commission:** Up to 3% of Net Profit computed in accordance with Sections 197 and 198 of the Companies Act, 2013 as determined by the Nomination and Remuneration Committee for each financial year

III. **Perquisites and allowances:** In addition to the above, Mrs. Aditi Gupta shall also be entitled to perquisites and allowances which will include House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company provided that the aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 196, 197, 198 and all other applicable provisions, if any, of the Act, read with Schedule V of the Act as amended from time to time.

3. **Minimum Remuneration:** The Minimum Remuneration is subject to the limit of 5% of the Annual Net Profits of the Company and subject to the overall limit of 10% of the Annual Net Profits of the Company on the remuneration of Managing Directors / Whole-Time Director / Manager of the Company taken together as per Section 197 of the Companies Act, 2013 and Rules made thereunder or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). However, where in any financial year, during the currency of the tenure of Mrs. Aditi Gupta as Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no 6 of the accompanying notice as minimum remuneration, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

#### 4. Other terms and conditions:

a. Subject to the superintendence, control and direction of the Board, Mrs. Aditi Gupta shall devote such time to the affairs of the company and perform such duties as determined by the Board/ or Committee thereof time to time.

b. As long as Mrs. Aditi Gupta functions as Whole Time Director of the Company, no sitting fees will be paid to her



- for attending the meetings of the Board of Directors or Committee thereof.
- c. Mrs. Aditi Gupta shall be liable to retire by rotation whilst she continues to hold office of Whole Time Director; however, her retirement will not break her length of service.
  - d. Mrs. Aditi Gupta shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by her in India and abroad, exclusively on the business of the Company.
  - e. The Office shall be liable to termination with 3 months' notice from either side.
  - f. The terms and conditions of the said appointment may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule V to the Companies Act, 2013.

The proposed appointment, remuneration and perquisites conform to the requirement of Schedule V to the Companies Act, 2013, requires the appointment and remuneration to be approved by a resolution of the shareholders in general meeting. Salary, perquisites, and commission, if any, will be paid in accordance with the Shareholders approval.

Mrs. Aditi Gupta and Mr. Akshay Modi and are related to each other. Mrs. Aditi Gupta is the spouse of Mr. Akshay Modi and daughter in law of Mr. Anil Modi. None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anil Modi, Mr. Akshay Modi and Mrs. Aditi Gupta and their relatives are in any way

**Registered Office:**

405, Deepali Building,  
92, Nehru Place, New Delhi-110019  
CIN: L15142DL1974PLC007349

**14<sup>th</sup> August 2022, New Delhi**

concerned or interested, financially or otherwise, in this resolution.

The Board considers that her educational qualification, skills, experience & exposure in FMCG and various other industries would be of immense benefit to the Company, and it is desirable to avail services of Mrs. Aditi Gupta as Whole-Time Director, at a remuneration & terms set out in the resolution.

The Board recommends the resolution set out at Item No.6 of the Notice for your approval.

**Item No. 7:** The Board of Directors at their meeting held on 14<sup>th</sup> August 2022, appointed M/s. Manisha & Associates, Cost Accountants (Firm Registration number: 000321), as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 and fixed a sum of ₹ 70,000/- as remuneration payable to them, for the Financial Year 2022-23.

The remuneration, as recommended by the Audit Committee and approved by the Board, is required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules 2014, read with Section 148(3) of the Act 2013.

None of the directors or key managerial personnel or their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set out at Item no.6 of the Notice for approval of the Members.

**for and on behalf of the Board**

Sd/-  
**Anil Modi**  
Managing Director  
DIN – 00187078

**Statement containing the information as required under Section-II, Part-II of Schedule V to the Companies Act, 2013**

**I. GENERAL INFORMATION:**

- |  |  |
|--|--|
| 1. Nature of industry  | The Company is engaged in the business of edible oils processing and fast-moving consumer goods. |
| 2. Date or expected date of commencement of commercial production  | Not Applicable   |
| 3. In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus | Not Applicable   |



4. Financial performance based on given indicators

(₹ Lakhs)

Particulars	2021-22	2020-21
Sales and Other Income	47561.76	44663.62
Profit Before Tax and Depreciation	1441.05	1534.98
Profit After Tax	938.03	1051.46
Paid up Equity Share Capital	1265.64	1265.64
Reserves and Surplus	6458.31	5520.27
Basic & Diluted Earnings Per Share (₹)	7.41	8.31

5. Foreign investments or collaborators if any

The Company has not entered into any foreign collaboration and no direct capital investment has been made in the company in the last three financial years.

II. INFORMATION ABOUT THE APPOINTEE:

S. N.	Particulars	Mr. Anil Modi	Mr. Akshay Modi	Mrs. Aditi Gupta
1.	Background details	Mr. Anil Modi, 65 years of age, is an Industrialist and Chairman & Managing Director of the Company. He is also a Director in Modi Biotech Pvt. Ltd., Modi Infratech Pvt. Ltd, Solvent Extractors Association of India Ltd and Halwasiya Properties Pvt. Ltd.	Mr. Akshay Modi, 37 years of age, is an Industrialist and Joint Managing Director of the Company. He is also a Director in Modi Biotech Pvt. Ltd. and Modi Infratech Pvt. Ltd..	Mrs. Aditi Modi, 36 years of age, the Whole-Time Director of the Company. She is also a Director in Osain Incubex Pvt. Ltd. and Health E-Cord Pvt. Ltd.
2.	Recognition or awards	Bachelor of Commerce	Bachelor of Engineering from the University of Leeds, U.K and an alumnus of The Doon School.	B.Sc. (Hons) from the University of Nottingham
3.	Past Remuneration in FY 2021-22	₹ 53.76 lakhs	₹ 48.00 lakhs	₹ 9.00 lakhs
4.	Job profile and his suitability	He is the Chairman & Managing Director of the Company. He is having four decades of invaluable experience in the FMCG and various other industries and is involved in general conduct and management of the company.	He is the Joint Managing Director of the Company. He is having 25 years of sound experience in the FMCG sector and is involved strategy, project, planning, public & customer relations, marketing, management and regulatory affairs of the company	She is the Whole-Time Director of the Company. She is having 16 years of sound experience in FMCG and various other Industries.
5.	Remuneration proposed	Refer Resolution No. 4	Refer Resolution No. 5	Refer Resolution No. 6
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on her and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.

7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Chairman & Managing Director of the Company. He is related to Mr. Akshay Modi, Joint Managing Director He holds 4779789 shares in the Company.	Joint Managing Director of the Company He is related to Mr. Anil Modi, Managing Director and Mrs. Aditi Gupta, Whole-Time Director. He holds 1114001 shares in the Company.	Whole-Time Director designated as Woman Director of the Company She is related to Mr. Akshay Modi, Joint Managing Director.
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**III. OTHER INFORMATION**

- |    |   |                |
|----|---|----------------|
| 1. | Reasons of loss or inadequate profits                       | Not Applicable |
| 2. | Steps taken or proposed to be taken for improvement         | Not Applicable |
| 3. | Expected increase productivity and profits measurable terms | Not Applicable |

**IV. DISCLOSURES:**

- The information, as required, is provided under Corporate Governance Section of this Annual Report. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.



## DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Forty Eighth Annual Report and audited financial statements for the financial year ended 31<sup>st</sup> March 2022.

### FINANCIAL PERFORMANCE

The summarized financial results of the Company are presented below:

Particulars	(₹ Lakhs)		
	Standalone		Consolidated
	2021-22	2020-21	2021-22
Revenue from operations	47430.32	44269.62	47430.32
Other Income	131.44	394.00	131.44
<b>Total Income</b>	<b>47561.76</b>	<b>44663.62</b>	<b>47561.76</b>
Profit before financial expenses, depreciation, and tax	1621.62	1664.52	1617.96
Less: Financial Expenses	180.57	129.54	180.57
Depreciation / Amortization	142.06	138.23	142.16
<b>Profit before tax</b>	<b>1298.99</b>	<b>1396.75</b>	<b>1295.23</b>
Tax expense	358.81	345.15	358.70
<b>Profit after tax for the year</b>	<b>940.18</b>	<b>1051.60</b>	<b>936.53</b>
<b>Total Comprehensive Income</b>	<b>938.03</b>	<b>1051.46</b>	<b>934.38</b>
<b>Earnings Per Share</b> (face value of Rs.10/- each)			
- Basic	7.41	8.31	7.38
- Diluted	7.41	8.31	7.38

### DIVIDEND

No dividend is proposed for the financial year ended 31<sup>st</sup> March 2022.

### TRANSFER TO RESERVES

No amount is proposed to be transferred to reserves.

### REVIEW OF OPERATIONS

Your Company, during the fiscal 2022, recorded revenue from operations of Rs. 47430.32 lac, a growth of 7.14% over previous year. The Profit Before Tax (PBT) was ₹ 1298.99 lac against ₹ 1396.75 lac in the previous year. The Profit After Tax (PAT) was ₹ 940.18 lac against ₹ 1051.60 lac in the previous year.

Continued investments behind the brands and increasing distribution footprint, coupled with a structured and balanced approach to driving cost management, helped Modi Naturals overcome the challenging context of COVID second and third wave and in reporting a strong performance.

Company has four production facilities to cover manufacturing footprints across India. Broadly, Edible Oil products are manufactured at factories situated in Uttar Pradesh & Telangana regions. Out of four manufacturing facilities, two units are located at Pilibhit Uttar Pradesh, one unit in Hyderabad, Telangana, and one in Sonipat, Haryana for manufacturing of all variants of edible oil and other food products.

### Segment, Product wise Performance

Modi Naturals is today one of India's leading consumer goods companies operating in the wellness and foods category. The Company has created niche, premium and differentiated brands in highly competitive categories of edible oils and healthy foods. Our strong focus on quality, innovation, product differentiation and brand building has helped us stand out in a cluttered retail market, with 'Oleev' becoming the **No.1 "Goodness of Olive Oil" brand in India**, with a fully backward-integrated portfolio of products. We are a very proud Indian company, manufacturing and marketing world-class food products in India.

Modi Natural's FMCG portfolio today includes three Brands – Oleev, Oleev Kitchen and PIPO with a range of products that includes healthy & premium edible oil, Popcorn, Pasta and Peanut Butter.

In healthy and premium edible oil category- the company's branded product portfolio includes Oleev Olive oil, Oleev Active oil (healthy Olive oil and Rice Bran Oil blend), Oleev Health Oil (Multisource Oil) Oleev Smart Oil (Multisource oil), Rizolo Rice bran oil, Miller Canola Oil and Olivana Wellness Oil (100% natural versatile oil with goodness of pure olives – can be used for cooking, hair, skin care and baby care). We are the only player making Multi-Source Olive oil.

In healthy Indulgent snacking category – the company's branded product portfolio includes PIPO Popcorn and unique Taste Bomb sachets inside with exciting flavours Peri Peri, Tomato Salsa, Cheese Burst, Desi Cocktail, to suit the Indian palate better compared to the regular butter/cheese flavours available in the market. Further strengthening its present in

this category, Modi Naturals expand this basket with the launch of 'PEANUT BUTTER' with two variants Creamy and Crunchy and 'PASTA' (100% Wheat Semolina & 0% Maida) with three variants, under the sub-brand OLEEV KITCHEN.

In the non-branded segment, the company manufactures and markets Rice Bran oil, Rice Bran wax and De-oiled cakes.

Your Company's flagship brand, "OLEEV" is a leading name in the edible oil market, and it caters to the premium segment of the market. In the multisource edible oil category, 'Oleev Active' has continued to increase its dominance. During the year, the response to the 'PIPO Popcorn' range has been promising. The growth was driven by distribution expansion and innovation, including new age channels of Modern Trade & Ecommerce, further backed by significant media investments and promotions.

A fitness Icon – former Miss Universe and actor, Lara Dutta has been engaged by the Company as the brand ambassador for their range of olive and multisource cooking oils. This defines a new era for the brand and reflects the brand positioning statement 'Behtar Kal Ki Shuruat, Aaj Se'.

The Company is present on all e-commerce platforms including Amazon, Blinkit (Big Basket), Flipkart, Grofers and Jio Mart. Further, the company is widely distributed in 3,000 organized modern retail outlets and also has around 450 distributors pan India with a direct reach of about 50,000 retail stores, which will be used to penetrate further in healthy snacking foods category.

The Company constantly aims to meet the evolving needs of its customers and delight them through innovative and value-for-money products. This became possible through its state-of-the-art and modern R&D facilities which is supported by advanced instrumentation and experienced management.

A step towards sustainable growth, Modi Naturals has diversified into ethanol manufacturing, with a state-of-the-art greenfield Ethanol Plant being established in the State of Chhattisgarh under its 100% subsidiary, Modi Biotech Private Limited. This project is in line with the company's core values & commitment towards sustainable growth and will also help the company have a diversified portfolio of businesses. This project is also in line with the Honourable Prime Minister of India Shri Narendra Modi's vision & roadmap for the Ethanol Blended Petrol (EBP) program with a target of 20% blending by 2025. The investment over the next two years is expected to be approximately ₹250 cr., with the first phase of 110 KLD with an investment of ₹160 cr, to be completed in the third quarter of FY 2022-23.

The company is poised to grow exponentially in the next few years with its three verticals namely a) consumer goods vertical, b) bulk edible oil and feeds vertical and c) alcohol manufacturing vertical.

Your Company is placed competitively in the industry and is determined to grow its market share and profitability sustainably through focus on developing top-notch products

coupled with extensive advertising and promotional campaigns.

## **SUBSIDIARIES, JOINT VENTURES, OR ASSOCIATE COMPANIES**

During the year under review, the Company has formed the following subsidiary:

### **1. Modi Biotech Private Limited**

Modi Biotech Private Limited was formed on 27<sup>th</sup> April 2021 as a wholly owned subsidiary of Modi Naturals Limited. (the "MBPL"). MBPL has been formed to set up a greenfield Ethanol Distillery at Raipur, Chhattisgarh. MBPL has received in-principal approval for a 210 KLD distillery for the manufacture of ethanol from the Central Government, along with signing an MOU with the Chhattisgarh Government for the same. The company has already received environment clearance (EC) for the project from the Ministry of Environment, Forest and Climate change (MoEF&CC). MBPL aims to commission the plant in the 3<sup>rd</sup> quarter of the financial year FY 22-23.

The Company does not have any Joint Ventures or Associate Companies.

Pursuant to the provisions of Section 129, 134 and 136 of the Act read with rules made thereunder and Regulation 33 of the SEBI Listing Regulations, the Company has prepared consolidated financial statements of the Company and a separate statement containing the salient features of financial statement of subsidiaries in Form AOC-1, which forms part of this Annual Report.

In accordance with Section 136 of the Act, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on website of the Company ([www.modinaturals.com](http://www.modinaturals.com)).

## **OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS**

### **Indian Economy and FMCG Sector**

The macro headwinds of new variants of Covid and inflation impacted India as well. The year 2021-22 was also characterised by high inflation, at levels which had not been seen before. This was further aggravated by the Russia-Ukraine crisis which began in February 2022 leading to a sharp increase in commodity and oil prices. The Government of India has taken several initiatives to improve the economic condition of the country including announcement of Production Linked Incentive (PLI) Schemes across 13 key sectors, including Food Processing. This initiative and the emphasis on building infrastructure and promoting Make in India programmes along with resilient domestic demand and consumption are likely to help sustain growth in the Indian economy.

India is expected to be one of the fastest growing economies in the world. As per IMF GDP growth in India is expected to grow by 8.2% in 2022 and 6.9% in 2023. (Source: IMF April 2022 Report)

The FMCG or consumer products industry in India had seen a remarkable transformation over the last two years with COVID acting as an inflection point and giving a fillip to healthy food products. FMCG industry reported strong growth during 2021-22 driven by price increases. Volume growths were impacted towards the end of the year by high rates of inflation which hurt the consumers' income. Growing awareness, easier access through online and delivery channels and changing lifestyles have been the key growth drivers for the sector.

### **Threats and Opportunities**

The Indian edible oil market continues to be underpenetrated and thereby holds immense business opportunities.

The Indian edible oil market is expected to witness robust expansion in the near future. However, rising edible oil prices and lower priced competitors are expected to be the challenges for this sector.

### **Outlook**

Despite the short-term slowdown in the economy and the disruptions caused by the pandemic COVID-19, the long-term outlook for the Company remains optimistic. The outlook for FMCG industry seems promising owing to recovery in economic growth and improving consumer sentiments. The industry provides ample growth opportunities, driven by growing population and urbanization, and increasing demand for value-added products. The Company strives to leverage these opportunities and create innovative products that meet diverse consumer requirements. Further, the Company's expenditure on marketing and advertising would help to reinforce its brands.

### **Internal Control Systems and its adequacy**

The Company has adequate Internal Control System consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

### **Risk Management**

The Company has adopted Risk Management Policy to proactively take care of the internal and external risks of the company and ensure smooth business operations. The company's risk management policy ensures that all its material and compliance risk exposures are properly covered, and the company's business growth and financial stability is assured. At present the Company has not identified any element of risk which may threaten the existence of the Company.

### **Human Resource and Industrial Relations**

The Company lays great emphasis on proper management of human resources and believes that this is the most important ingredient for achieving excellence in performance and sustainable growth. The Management of your Company put utmost efforts to strengthen the existing work force and retaining them to enhance the human resource capability in the Company.

As on 31<sup>st</sup> March 2022, the Company had 524 employees on its payroll. The Company's industrial relations are cordial at all locations.

The Directors of your Company deeply appreciate the spirit and commitment of its dedicated team of employees.

### **PUBLIC DEPOSITS**

During the year the Company has not accepted / renewed any deposit from public. The total deposits remained unpaid or unclaimed As at 31<sup>st</sup> March, 2022 is Nil. There is no default in repayment of deposits or payment of interest thereon during the year. The Company undertook several steps to keep a control over borrowings and cost of borrowings.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. During the year, there were no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company.

There were no materially significant related party transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. None of the transactions entered with related parties falls under the scope of Section 188(1) of the Act. The details of related party transactions are provided in Note 36 to Standalone Financial Statements in accordance with the Accounting Standards.

The Policy on RPTs as approved by the Board is uploaded on the Company's website <https://modinaturals.com/investor-relations/>

## STATUTORY AUDITORS

The term of current auditors, viz Kashyap & Co, Chartered Accountants (Firm Registration No. 011355C), expires at the conclusion of the ensuing annual general meeting and they have expressed their unwillingness to be re-appointed as Auditors of the Company.

The Board of Directors at its meeting held on 14<sup>th</sup> August 2022, based on the recommendation of the Audit Committee has recommended the appointment of M/s K. K. Jain & Co., Chartered Accountants (FRN. 002465N), as the statutory auditors of the Company in place of the existing statutory auditors, Kashyap & Co., Chartered Accountants, subject to approval of the members of the company at this AGM.

Their first year of audit will be of the financial statements for the financial year ending March 31, 2023.

## COST AUDITOR

The Board of Directors at their meeting held on 14<sup>th</sup> August 2022 appointed M/s. Manisha & Associates, Cost Auditors (FRN-000321), as the Cost Auditor for conducting the Cost Audit for the financial year 2022-23. A resolution seeking members' ratification of the remuneration payable to Cost Auditor is included in the AGM notice. The Cost Audit Report will be filed within the stipulated period. The Company is maintaining the Cost Records as per Section 148(1) of the Companies Act, 2013.

## SECRETARIAL AUDITOR

The Company appointed Mr. Deepak Bansal of M/s Deepak Bansal & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year 2021-2022, as per regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as "Annexure A".

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, there has been no change in the Board of Directors and Key Managerial Personnel of the Company.

The Board of Directors, at their meeting held on 14<sup>th</sup> August 2022 re-appointed Mr. Anil Modi as Chairman & Managing Director for a period of three years with effect from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2025 and fixed the remuneration payable to him as set out in the text of the resolution in the AGM notice, subject to the approval of the shareholders. The

Board recommends the re-appointment & remuneration payable to him.

The Board of Directors, at the aforesaid meeting also re-appointed Mr. Akshay Modi as Joint Managing Director for a period of three years with effect from 15<sup>th</sup> December 2022 to 14<sup>th</sup> December 2025 and fixed the remuneration payable to him as set out in the text of the resolution in the AGM notice, subject to the approval of the shareholders. The Board recommends the re-appointment & remuneration payable to him.

The Board of Directors, at the aforesaid meeting further re-appointed Mrs. Aditi Gupta as Whole-Time Director for a period of three years with effect from 14<sup>th</sup> August 2022 to 13<sup>th</sup> August 2025 and fixed the remuneration payable to her as set out in the text of the resolution in the AGM notice, subject to the approval of the shareholders. The Board recommends the re-appointment & remuneration payable to her.

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mrs. Aditi Modi, a Non-Independent Woman Director, retires by rotation and being eligible, offers herself for re-appointment. The Board recommends the re-appointment of Mrs. Aditi Gupta.

The information as required to be disclosed under regulation 36(3) of the SEBI Listing Regulations, 2015 in case of appointment /re-appointment of the directors is provided in the AGM Notice.

## Key Managerial Personnel

The Key Managerial Personnel (KMP) of the Company as stipulated under the Companies Act, 2013 are Mr. Anil Modi, Chairman & Managing Director, Mr. Akshay Modi, Joint Managing Director, Mr. Pradeep Kapoor, Chief Financial Officer and Mr. Ankit Agarwal, Company Secretary.

## EVALUATION BY THE BOARD

The Board has made a formal annual evaluation of its own performance, Committees of the Board, Independent Directors and Individual Directors of the Company.

The Board's performance was evaluated based on the criteria like Structure, Governance, Dynamics & Functioning, Approval & Review of Operations, Financials, Internal Controls etc. The performance of the Independent Directors as well as Individual Directors including the Chairman of the Board was evaluated based on the evaluation criteria laid down under the Nomination and Remuneration Policy and the Code of Conduct as laid down by the Board.

The Committees of the Board were evaluated individually based on the terms of reference specified by the Board to the said Committee. The Board of Directors were satisfied with the evaluation process which ensured that the performance



of the Board, its Committees, Independent Directors and Individual Directors adhered to their applicable criteria.

## SECRETARIAL STANDARDS

The company had complied with the applicable Secretarial Standards issued by ICSI.

## CSR INITIATIVES

Modi Naturals' Corporate Social Responsibility (CSR) activities reflect its philosophy of enhancing value to the society and the environment around us. CSR activities are carried out through registered trust (SLRE Foundation). The Annual Report on CSR activities is annexed herewith as "Annexure B".

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) & (ca) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed:
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2022, and of the profit of the Company for the year ended on that date:
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- iv. the directors have prepared the annual accounts on a going concern basis:
- v. the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DISCLOSURES:

1. Independent Directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Salient features of the Nomination and Remuneration Policy is disclosed in the Report on Corporate Governance.
3. Qualification, reservation or adverse remark or disclaimer made by Statutory Auditor & Secretarial Auditor in their report: **NIL**
4. The particulars of Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013 are given in Note-5 to the Standalone Financial Statements.
5. Disclosure as required under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Note. 5 & 34 to the Standalone Financial Statements.
6. There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status and the Company's operations in future.
7. **Material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report: NIL.**

## 8. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure C".

## 9. Annual Return:

Annual Return in Form MGT-7 is available at the Company's website [www.modinaturals.com](http://www.modinaturals.com) and the `w e b l l n k` : <https://modinaturals.com/announcements-events/>

## 10. Particulars of Employees:

There was no employee during the year drawing remuneration exceeding the limits as prescribed under Rule 5(2) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the information under Rule 5(2) & 5(3) is not applicable.

No Director of the company, including its Managing Director or Whole-Time Director, is in receipt of any commission from the Company or its Subsidiary Company.

- 11. Disclosures of transactions of the listed entity with any person or entity belonging to the promoter / promoter group which hold(s)10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results:**

Details are given in Note. 36 to the Standalone Financial Statements.

- 12. Number of other board of directors or committees in which a director is a member or Chairperson, including separately the names of the listed entities where the person is a director and the category of directorship:**

Disclosed in the Report on Corporate Governance "Annexure E".

- 13. Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:** Not Applicable

- 14. Business Responsibility Reporting:** Not Applicable

- 15. Details of Subsidiary Companies, Joint Venture and Associate Companies, and their financial position:**

The information as required under the first proviso to sub-section (3) of Section 129 in Form AOC-1 is annexed herewith as "Annexure F".

- 16. Details in respect of frauds reported by auditors under section 143(12) of the Companies Act, 2013:**

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013

- 17. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:** NIL

- 18. Key Financial Ratios (Explanations for significant change i.e. change of 25% or more as compared to the immediately previous financial year) :**

Refer Note 42 to Standalone Financial statements.

- 19. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:**

Particulars	2021-22	2020-21	% Change	Explanations
Return on Net Worth	0.13	0.16	(18.75%)	Increase in net worth

- 20.** There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

- 21.** There was no instance of one-time settlement with any Bank or Financial Institution.

## CORPORATE GOVERNANCE

Your company re-affirms its commitment to good corporate governance practices. The company complies with corporate governance requirements specified in Regulation 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whichever applicable.

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Report on Corporate Governance which forms a part of this Report, has been annexed herewith as "Annexure E".

Chief Executive Officer and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, is made a part of this Director's Report. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the year 2021-22.

## CAUTIONARY STATEMENT

Management Discussion and Analysis forming part of this Report is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such statements may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied, important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

## ACKNOWLEDGEMENT

The Board takes this opportunity to place on record appreciation to Customers, Distributors, Dealers, Suppliers, Shareholders, Bankers and Government authorities for their continued support and co-operation during the year under review. The Directors also wish to place on record their appreciation to the employees at all levels for their continued co-operation and commitment.

for and on behalf of the Board  
Sd/-

**Anil Modi**

Chairman & Managing Director

14<sup>th</sup> August 2022, New Delhi

DIN:00187078

★ ★ ★ ★ ★

ANNEXURE 'A' TO DIRECTORS' REPORT

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Modi Naturals Limited (CIN: L15142DL1974PLC007349)  
405, Deepali Building, 92, Nehru Place,  
New Delhi-110 019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Modi Naturals Limited** (hereinafter called "the company") (CIN: L15142DL1974PLC007349). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure-A attached to this report :

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**(Not Applicable to the Company during the audit period)**

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: **(Not Applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and **(Not Applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the audit period)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company as identified by the management:

- a) Food Safety and Standards Act. 2006 and rules made there under,
- b) Legal Metrology Act, 2009 and rules made there under

- c) VOPPA (Regulation) Order, 2011 and rules made there under,  
d) The Boilers Act, 1923 and rules made there under,

The company is registered with Food Safety and Standards Authority of India vide FSS License Nos. 10012051000395, 10012051000407, 10018047001068 and 10018064001288.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in few instances, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

The Company has no reportable significant events during the audit period.

**For Deepak Bansal & Associates**

Company Secretaries  
(UIN: S2007DE093100)

Sd/-

(Deepak Bansal)

Prop.

Place: Noida

FCS 3736; CP 7433

Date: August 14, 2022

UDIN: F003736D000794944

\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

**'ANNEXURE A'**

To,  
The Members,  
**Modi Naturals Limited**  
(CIN: L15142DL1974PLC007349)  
405, Deepali Building, 92, Nehru Place,  
New Delhi-110 019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Deepak Bansal & Associates**

Company Secretaries  
(UIN: S2007DE093100)

Sd/-

(Deepak Bansal)

Prop.

Place: Noida

FCS 3736; CP 7433

Date: August 14, 2022

UDIN: F003736D000794944



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

### 1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy is in adherence to the provisions of Section 135 of the Act read with rules framed thereunder and provides for carrying out CSR activities in the area of Education & Employment, Environment & Sport, Healthcare including preventive healthcare, National Heritage, Art and Culture, Rural Development, Sanitation, etc. either directly by the Company or through 'Non-Profit Organisations', or Implementing Agency and others or by way of contribution to Central / State Government Relief Funds.

2. **Composition of CSR Committee:** Not Applicable, since the amount to be spent during the reporting period is less than Rs. 50.00 lakhs

3. **Provide the weblink where Composition of CSR policy and CSR projects approved by the board are disclosed on the website of the company:**

[https:// https://modinaturals.com/investor-relations/](https://modinaturals.com/investor-relations/)

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable attach the report.** Not applicable

i. **Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and amount required for set off for the financial year, if any**

ii. Average net profit of the company as per section 135(5) : ₹ 5,66,60,649

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 11,33,213  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil  
 (c) Amount required to be set off for the financial year, if any : Nil  
 (d) Total CSR obligation for the financial year (7a + 7b - 7c) : ₹ 11,33,213

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11,33,213	NA	NA	NA	NA	NA

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

S. No.	Name Of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regn. No.
NIL												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

S. No.	Name Of the Project	Item from The list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent in for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Regn. No.
1.	Adopt a Heritage	Education, Employment & Rural Development	No	Uttarakhand	Rudraprayag	11,33,213	No	SLRE Foundation	CSR00023792

- (d) Amount spent in Administrative Overheads : Nil  
(e) Amount spent on Impact Assessment, if applicable : Nil  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 11,33,213

(g) **Excess amount for set off, if any**

S. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	11,33,213
(ii)	Total amount spent for the Financial Year	11,33,213
(iii)	Excess amount spent for the financial year ((ii)-(i))	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	Nil

9 (a) **Details of Unspent CSR amount for the preceding three financial years:**

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	2018-19	NA	11,33,213	NA		NA	
2	2019-20	NA					
3	2020-21	NA					
	<b>TOTAL</b>	<b>NA</b>	<b>11,33,213</b>	<b>NA</b>			

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s)	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**Not applicable**

Date: 14<sup>th</sup> August 2022  
Place: New Delhi

**Anil Modi**  
Managing Director  
DIN:00187078

★ ★ ★ ★ ★



**ANNEXURE 'C' TO DIRECTORS' REPORT**
**THE CONSERVATION OF ENERGY,  
TECHNOLOGY ABSORPTION AND FOREIGN  
EXCHANGE EARNINGS AND OUTGO**

(Statement pursuant to Section 134(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

**A. Conservation of energy:**

Adequate measures have been taken to conserve and reduce the energy consumption by using energy efficient hardware and other equipment. The Company has a multi-fuel boiler for various agro fuels in place which helps in increasing its usage of bio-fuels thereby supplementing energy requirements of the company. Our emissions and waste generated are well within limits prescribed by the State Pollution Control Board. We regularly train employees and monitor various safety measures to ensure a safe working environment.

We believe that energy saved is energy produced and the Company has taken adequate measures to ensure optimum use of all equipment so as conserve energy.

**B. Technology absorption:**

Your Company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. Benefits derived as a result of the above efforts include product development and improvement as well as cost reduction.

**Imported technology:** The Company has imported no technology during the last three years.

**Expenditure incurred on R&D** : NIL

**C. Foreign exchange earnings and outgo**

a) Earnings	₹ 219.73 lakhs
b) CIF Value of Imports	₹ 1460.59 lakhs
c) Expenditure	₹ 6.44 lakhs

**ANNEXURE "D" TO DIRECTORS' REPORT**

**Particulars pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are provided as under:**

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Ratio: Managing Director and Employees	4.00 : 0.27	
		Ratio: Director and Employees	4.00 : 0.27	
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Basis: Calculated on the basis of total Salary Drawn in FY 2021-22 as compared to Salary Drawn in FY 2020-21		
		<b>Name</b>	<b>Designation</b>	
		Mr. Anil Modi	Managing Director	
		Mr. Akshay Modi	Joint Managing Director	
		Mrs. Aditi Gupta	Whole Time Director	
		<b>% increase/ (decrease) in remuneration</b>		
		Mr. Pradeep Kapoor	CFO	2.45
		Mr. Ankit Agarwal	Company Secretary	10.33
(iii)	The percentage increase in the median remuneration of employees in the financial year;	4.50 % Approx.		
(iv)	The number of permanent employees on the rolls of company;	The number of permanent employees on the rolls of the company as of 31.03.2022 were 524.		
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salaries of employees other than managerial personnel in 2021-22 was about 4.50% and average increase in remuneration of managerial remuneration was 14.40%. And there is no exceptional increase in managerial remuneration.		
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	The Company hereby affirms that the remuneration is as per the remuneration policy of the company.		

for and on behalf of the Board  
Sd/-  
**Anil Modi**  
Chairman & Managing Director  
DIN: 00187078

14<sup>th</sup> August 2022, New Delhi



## REPORT ON CORPORATE GOVERNANCE

### COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company’s philosophy on Corporate Governance revolves around principles of ethical governance and is aimed at conducting of business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long term sustainable value for all its stakeholders.

### BOARD OF DIRECTORS

As on 31st March 2022, the Company’s Board comprised of 6 Directors. The Board consists of 3 (50%) Executive Directors of whom one is a Woman Director and 3 (50%) Non-Executive Directors, of whom all are Independent Directors.

The Chairman of the Company is Executive, Non-Independent. Details are given in the table below:

The members of the Board are well-experienced professionals and industrialists. The day-to-day management and affairs are handled by Mr. Anil Modi, Chairman & Managing Director, subject to the supervision, control and direction of the Board of Directors and is supported by Mr. Akshay Modi, Joint Managing Director & other Executive Director. The composition of the Company’s Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The composition of the Board of Directors as on March 31, 2022 is as follows:

Sl. No.	Name of the Director	Category	Age (years)	Qualifications	Expertise in specific functional areas
1.	Mr. Anil Modi (DIN-00187078)	Chairman & Managing Director / Non-Independent	65	B.Com.	Business Planning & development, Finance, Management
2.	Mr. Akshay Modi (DIN-03341142)	Jt. Managing Director / Non-Independent	37	B.E. from the University of Leeds (U.K.)	Business Planning & Development, Finance, Marketing, Management
3.	Ms. Aditi Gupta (DIN-01786037)	Whole-Time Director / Non-Independent	36	B.Sc. (Eco.) from University of Nottingham (U.K.)	Business Planning & Management, Banking
4.	Mr. S. S. Halwasiya (DIN-00020000)	Independent / Non-Executive	61	B.Com., LL.B.	General Management, Legal, Management, Finance
5.	Mr. Alok Garg (DIN-01394308)	Independent / Non-Executive	50	B.Com., PGDCIM	General Management, Management, Finance
6.	Mr. Sulabh Singal (DIN-05270534)	Independent / Non-Executive	45	B.Com. from Delhi University, MBA	Business Strategy, Marketing Management, Finance

#### ▪ Core Competencies

Modi Naturals is engaged in the business of manufacturing and marketing of Edible Oils and Fast-Moving Consumer Goods. The Board has, taking into consideration the Company’s nature of business, core competencies, key characteristics, identified the core skills/ expertise/competencies as required in the context

of its business(es) & sector(s) for it to function effectively and which are available with the Board.

#### ▪ Board Meetings

During the year 2021-22, the Board met 5 times on 25th June 2021, 13th August 2021, 28<sup>th</sup> September 2021, 28th October 2021 and 11th February 2022, the gap between two meetings did not exceed 120 days.

▪ **Category of Directors, Attendance, Other Directorship and Committee Membership :**

Sl. No.	Full Name & DIN	Category	Attendance		Directorship in other public companies**		Position in Committees* of other public companies** including Modi Naturals Ltd	
			Board Meeting	Last AGM	Chairman	Member	Chairman	Member
1.	Mr. Anil Modi (DIN:00187078)	Non-Independent Executive	5	Yes	Nil	1	Nil	2
2.	Mr. Akshay Modi (DIN:03341142)	Non-Independent Executive	5	Yes	Nil	Nil	Nil	Nil
3.	Ms. Aditi Gupta (DIN:01786037)	Non-Independent Executive	2	No	Nil	Nil	Nil	Nil
4.	Mr. S. S. Halwasiya (DIN:00020000)	Independent Non-Executive	4	Yes	Nil	Nil	1	1
5.	Mr. Alok Garg (DIN:01394308)	Independent Non-Executive	4	Yes	Nil	Nil	1	1
6.	Mr. Sulabh Singal (DIN:05270534)	Independent Non-Executive	2	No	Nil	Nil	Nil	Nil

\* Excludes private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013.

\*\* As per regulation 26 of the SEBI LODR, only chairman /member of Audit Committee and Stakeholders Relationship Committee considered.

- Mr. Anil Modi, Mr. Akshay Modi and Ms. Aditi Gupta are relatives of each other in terms of the definition of 'Relative' given under the Companies Act, 2013 read with the Rules made thereunder. None of other Directors is related to any other Director on the Board.
- None of the Non-Executive Directors, except Mr. Alok Garg and Mr. S. S. Halwasiya, who holds 3090 and 910 shares respectively, hold any shares or convertible instruments in the Company.
- As detailed in the table above, none of the directors is a member of more than Ten Board level Committees (\*) of public companies in which they are Directors nor a Chairman of more than five such Committees.

▪ Board confirms that in the opinion of the Board, the Independent Directors fulfill the conditions specified for Independent Directors in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

▪ **Performance evaluation of Board and Directors:** The evaluation criteria of the Board, its committees and individual Board Members including Independent Directors have been disclosed in the Director's Report which forms part of the Annual Report.

▪ **Meeting of Independent Directors:** A separate meeting of Independent Directors for the Financial Year 2020-21 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 and Regulation 25 (3) of the SEBI Listing Regulations was held on 11<sup>th</sup> February 2022 wherein the Independent Directors reviewed the performance of the Managing Director, Non-Independent Directors and other matters. The Independent Directors have confirmed that they satisfy the criteria of Independence as stipulated under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI Listing Regulations.

▪ **Familiarisation:** The Independent Directors immediately on appointment are issued a formal letter of appointment outlining their rights, roles and responsibilities, and the Business overview of the Company, policies etc. The Chairman as well as Managing Director of the Company, brief the Director individually on the industry and businesses of the Company, prior to their appointment. At each of the Business plan meeting, the Directors are briefed on the different business units of the company, the industry as a whole and other details like customers, the future prospects, emerging technologies etc.

The familiarisation programme for the Independent Directors is available at (<https://modinaturals.com/investor-relations/>)

▪ **Brief note on Directors seeking appointment / re-appointment at the ensuing AGM:**

Brief resume, nature of expertise in specific functional areas, disclosure of relationships between director inter-se, names of listed entities in which the person also holds the directorship and the membership of Committees of the board and their shareholding in the Company, of the aforesaid director(s) seeking appointment / re-

appointment at the ensuing AGM, were given in the Notice of the Annual General Meeting.

#### AUDIT COMMITTEE

The Committee is mandated with the same terms of reference as specified in Regulation 18 f the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also conforms to the provisions of Section 177 of the Companies Act, 2013.

The Company Secretary of the Company acts as the Secretary of the Audit Committee. Chief Financial Officer and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee.

Six Meetings of the Audit Committee were held during the year 2021-22. The dates on which the Audit Committee Meetings held were May 28, 2021, June 25, 2021, August 13, 2021, September 28, 2021, October 28, 2021 and February 11, 2022. The composition, name of the members, chairperson, particulars of the Meetings, and attendance of the members during the year are as follows:

Name of Members	Category	No. of meetings attended during the year 2021-22
Mr. S. S. Halwasiya, Chairperson	Independent Non-Executive	6
Mr. Alok Garg	Independent / Non-Executive	6
Mr. Anil Modi	Non-Independent / Executive	6

#### NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors have constituted a 'Nomination & Remuneration Committee' in terms of Section 178 (1) of the Companies Act, 2013. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), KMP, framing of policies and systems of the Employee Stock Option

Scheme and looking after the issues relating to major HR policies.

Two Meetings of the Nomination and Remuneration Committee were held on August 13, 2021, and February 11, 2022 during the year 2021-22. The composition, name of the members, chairperson, particulars of the Meetings, and attendance of the members during the year are as follows:

Name of Members	Category	No. of meetings attended during the year 2021-22
Mr. Sulabh Singal, Chairperson	Independent / Non-Executive	2
Mr. S. S. Halwasiya	Independent / Non-Executive	2
Mr. Alok Garg	Independent / Non-Executive	2

#### ▪ Nomination and Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee adopted the Remuneration policy for Directors, Key Managerial Personnel (KMP) and other employees of the company.

The Nomination and Remuneration policy of the Company is available on the Company's website at <https://modinaturals.com/investor-relations/>

#### ▪ Remuneration to Directors

The remuneration payable to the Executive Directors is determined by the Board on the recommendation of the Nomination and Remuneration Committee with the approval of the shareholders at the Annual General Meeting. The Company pays remuneration by way of Salary, Allowances, Perquisites and Benefits (fixed component) to its Executive Directors.

The company has not provided any Stock Options to any of its directors and employees.

The details of remuneration paid /payable to Directors for the year ended March 31, 2022:

(₹ Lakhs except Share data)

Name of Directors	Salary & Perquisites	Commission	Sitting Fee	Total	Service Contract	No. of Equity Shares held
Mr. Anil Modi	53.76	-	-	53.76	•	4779789
Mr. Akshay Modi	48.00	-	-	48.00	#	1114001
Mr. S. S. Halwasiya	-	-	-	-	\$	910
Mr. Alok Garg	-	-	-	-	\$	3090
Mr. Sulabh Singal	-	-	-	-	\$	-
Ms. Aditi Gupta	9.00	-	-	9.00	@	-

- The term of appointment is for 3 years commencing from 01<sup>st</sup> January 2020, as approved by Shareholders in the 45<sup>th</sup> AGM held on 30.09.2019. Mr. Anil Modi is liable to retire by rotation.
- # The term of appointment is for 3 years commencing from 15<sup>th</sup> December 2019, as approved by Shareholders in the 45<sup>th</sup> AGM held on 30.09.2019. Mr. Akshay Modi is liable to retire by rotation.
- \$ The term of appointment is for 5 consecutive years commencing from 01<sup>st</sup> April 2019, as approved in the 44<sup>th</sup> AGM held on 29.09.2018.
- @ The term of appointment is for 3 years commencing from 14<sup>th</sup> August 2019, as approved by Shareholders in the 45<sup>th</sup> AGM held on 30.09.2019. Mrs. Aditi Gupta is liable to retire by rotation.
- Services of the Managing Director and Executive Directors may be terminated by either party, giving the other party three months' notice or the Company paying three months' salary in lieu thereof. There is no separate provision for payment of severance fees.
- The Company does not have any Stock Option Scheme and Pension Scheme.
- During the year, the Non-Executive directors of the Company had no pecuniary relationship or transactions with the Company.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors have constituted a 'Stakeholders Relationship Committee' in terms of Regulation 20 of SEBI Listing Regulations and Section 178(5) of the Companies Act, 2013. The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, non- receipt

of dividend etc. and all other securities-holders related matters.

Seven meetings of the stakeholders' relationship committee was held on 09<sup>th</sup> July 2021, 02<sup>nd</sup> August 2021, 01<sup>st</sup> September 2021, 23<sup>rd</sup> September 2021, 13<sup>th</sup> October 2021, 15<sup>th</sup> December 2021 and 02<sup>nd</sup> March 2022. The composition, name of the members, chairperson, particulars of the Meetings, and attendance of the members during the year are as follows:

Name of Members	Category	No. of meetings attended during the year 2021-22
Mr. Alok Garg, Chairperson	Independent / Non-Executive	7
Mr. S. S. Halwasiya	Independent / Non-Executive	1
Mr. Anil Modi	Non-Independent / Executive	7

#### ▪ Name, designation, and address of the Compliance Officer:

Mr. Ankit Agarwal  
Company Secretary  
Modi Naturals Limited  
D-185 / 1B & 1C, 2<sup>nd</sup> Floor,  
Okhla Phase-I, New Delhi-110020  
Tel: 011 41889904, Email: cs.mnl@modinaturals.org

#### ▪ Details of investor complaints received and redressed during 2021-22:

Pending as on 1 April, 2021	NIL
Received during the year	1
Resolved during the year	1
Pending as on 31 March, 2022	NIL

During the year, 1 letter was received as complaint from the investors regarding non-receipt of Bonus shares and it was replied / resolved to their satisfaction. No transfer / dematerialisation / investor complaints are pending.

The following persons can also be contacted in case of investor grievances:

- **Mr. Ankit Agarwal**  
Company Secretary  
Tel: 011 41889999  
Email: investors@modinaturals.org
- **Registrar and Transfer Agents**  
Skyline Financial Services Pvt. Ltd.  
Unit: Modi Naturals Limited  
D-153A, Okhla Industrial Area, Phase - I,  
New Delhi-110 020  
Tel.: 011-26812682, E-mail: admin@skylinerta.com

## GENERAL BODY MEETINGS

a. Location, date, and time of Annual General Meetings (AGM) held during the last 3 years:

Year	Date	Venue	Time	Special Resolutions Passed
2021	30 <sup>th</sup> September 2021	Through video conference (VC)	11.30 A.M.	None
2020	30 <sup>th</sup> September 2020	Through video conference (VC)	3:00 P.M.	None
2019	30 <sup>th</sup> September 2019	Hotel Chirag Residency, Nehru Place, Opp. Devika Tower, New Delhi-110019	3:00 P.M.	None

- b. All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders.
- c. No Extraordinary General Meeting of the shareholders was held during the year under review.
- d. Special resolution passed during the year 2021- 22, through postal ballot : NIL
- e. During 2022 - 23, there is no proposal to conduct postal ballot to pass any special resolution.

## MEANS OF COMMUNICATION

- Pursuant to Regulation 10 (1) of the SEBI (LODR) Regulations, BSE has mandated the Listing Centre as the “Electronic Platform” for filing all mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. BSE also mandated XBRL submissions for Financial Results, Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report & Voting Results etc. All the data relating to financial results, various quarterly/half yearly/annual submissions/disclosure documents etc., have been filed Electronically/XBRL mode with the Exchange on the “Listing Centre” (<http://listing.bseindia.com>)
- The quarterly/ annual financial results of the Company are displayed on the Company’s website [www.modinaturals.com](http://www.modinaturals.com). Financial Express (English daily) and Jansatta / Hari Bhoomi (vernacular daily) are usually the newspapers in which the financial results are published.
- The Company’s website ([www.modinaturals.com](http://www.modinaturals.com)) contains a separate dedicated section for the Company’s ‘Investor Relations’ where shareholders’ information is available. The Annual Report, Shareholding Pattern and all Financial Reports are available in the ‘Investor Relations’ sections on the website of the Company. The Company also has an exclusive e-mail ID i.e. [investors@modinaturals.org](mailto:investors@modinaturals.org) for investors to contact the Company in case of seeking any information and redressal of their grievances.
- **MANAGEMENT DISCUSSION & ANALYSIS:** Your Company’s Management Discussion & Analysis of the Business for the year ended March 31, 2022, forms part of the Annual Report and is given under the Directors’ Report.



## GENERAL SHAREHOLDERS INFORMATION

- a. Annual General Meeting**
- Date & Time, Friday, 30<sup>th</sup> September 2022, at 2:30 pm
  - Venue, Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5th May 2022 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
- b. Financial Calendar**
- May 30, 2022 – Q4 & FY 21-22  
 August 14, 2022 – Q1 Results  
 November 14, 2022 – Q2 Results  
 February 14, 2023 – Q3 Results  
 May 30, 2023 – Q4 Results
- c. Dates of Book Closure** September 26 2022 to September 30 2022 (both days inclusive)
- d. Particulars of Dividend** No Dividend has been declared for the Financial Year 2021-22
- e. Listing on stock Exchanges** BSE Limited  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai-400 001.
- f. Listing Fee** The listing fee has been paid to BSE for the FY 2022-23.
- g. Stock Code / Symbol** BSE: 519003; MODINATUR  
**ISIN Number** INE537F01012
- h. Company Identification Number (CIN)** L15142DL1974PLC007349

**i. Distribution of shareholding**

Shares held by	Number of holders	No of Shares	% of Total Paid-up capital
Up to 5,000	5892	1044803.00	8.26
5,001 to 10000	374	305651.00	2.41
10001 to 20000	225	383801.00	3.03
20001 to 30000	45	111893.00	0.88
30001 to 40000	17	60069.00	0.47
40001 to 50000	21	98047.00	0.77
50001 to 100000	27	193094.00	1.53
100000 and above	38	10459039.00	82.64
<b>Total</b>	<b>6639</b>	<b>12656397.00</b>	<b>100.00</b>

**j. Shareholding Pattern as on March 31, 2022**

Sl. No.	Category of Shareholders	No of Shares held	No of Shares in De-mat Form	% Shareholding
<b>A.</b>	<b>Promoters and Promoters Group Shareholding</b>			
<b>1.</b>	<b>Indian</b>			
a.	Individuals / HUF	7897407	7897407	62.40
b.	Bodies Corporate	646000	646000	5.10
<b>2.</b>	<b>Foreign</b>	0	0	0
	<b>Total - (A)</b>	<b>8543407</b>	<b>8543407</b>	<b>67.50</b>
<b>B.</b>	<b>Public Shareholding:</b>			
<b>1.</b>	<b>Institutions:</b>			
a.	Mutual Funds	0	0	0.00
b.	Financial Institutions /Banks	200	0	0.00
c.	Alternate Investment Funds	84263	84263	0.66
	<b>Sub-Total – B (1)</b>	<b>84463</b>	<b>84263</b>	<b>0.66</b>
<b>2.</b>	<b>Non-Institutions:</b>			
a.	Bodies Corporate	310943	294493	2.46
b.	Individuals	3178927	2273613	25.12
	<b>Any Other specify:</b>			
i.	Non-Resident Indians	336325	336325	2.66
ii.	Resident Indian HUF	66211	66211	0.52
iii.	Trusts	800	800	0.01
iv.	Clearing Member/House	45206	45206	0.35
v.	NBFC Registered with RBI	32690	32690	0.26
vi.	Firms	57425	57425	0.45
	<b>Sub-Total – B (2)</b>	<b>4028527</b>	<b>3106763</b>	<b>31.83</b>
	<b>Total – B = B (1) + B (2)</b>	<b>4112990</b>	<b>3191026</b>	<b>32.50</b>
	<b>Grand Total (A + B)</b>	<b>12656397</b>	<b>11734433</b>	<b>100.00</b>

**k. Stock Market Data (source: www.bseindia.com)**

Month	BSE Limited		
	High (₹)	Low (₹)	Volume (No. of shares traded)
April – 21	84.5	64.5	83708
May – 21	127.75	76.65	260335
June – 21	144.7	100	877645
July – 21	194.25	132	652621
August – 21	160	110.55	190600
September – 21	131.5	110.55	226957
October – 21	125.8	95	128294
November – 21	152.45	111.1	799729
December – 21	231	130.5	880198
January – 22	300	222	513367
February – 22	299.3	180	645608
March – 22	209.55	185	248082

## **I. Share Transfer System**

Transfer of securities held in physical mode has been discontinued w.e.f. April 01, 2019. However, SEBI vide its various circulars / notifications granted relaxation for re-lodgement cases till March 31, 2021. In compliance with the circular, Re-lodgement of transfer requests was carried out till the validity period of Circular. Further, effective from April 1, 2021, Company / RTA is not accepting any requests for the physical transfer of shares from the shareholders.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. Physical shares received for dematerialization are processed and completed within the stipulated time, if the documents are complete in all respects.

The Company obtains from a qualified Company Secretaries in practice the following certificates:

- a. Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on yearly basis, for due compliance of share transfer formalities by the Share Transfer Agent of the Company.
- b. Pursuant to SEBI (Depositories and Participants) Regulations, 2018, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued / paid-up capital of the Company.

## **m. Registrar and Transfer Agents**

The Company has appointed M/s Skyline Financial Services Pvt. Ltd. as its Registrar and Transfer Agent for handling the share registry work relating to shares held both in physical and electronic form at a single point. The shareholders may address their communications and any grievances or queries pertaining to securities to the Registrar & Transfer Agent of the Company at the following address:

Skyline Financial Services Pvt. Ltd.  
D-153A, Okhla Industrial Area, Phase - I,  
New Delhi-110 020  
Tel: 011-40450193 - 97  
E-mail: admin@skylinerta.com

## **n. SCORES (SEBI Complaints Redressal System)**

SEBI complaints redressal system i.e. SCORES is an online complaints redressal system for investors / shareholders. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder.

## **o. Dematerialisation of shares and liquidity**

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialised form. The connectivity has been established through the Company's Registrars, Skyline Financial Services Pvt. Ltd. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE537F01012. As at March 31, 2022, a total of 1,17,34,433 Equity Shares of the Company, constituting 92.72% of the paid-up share capital, stands dematerialised. To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their email address and bank accounts with the respective depository participants.

## **p. KYC and Nomination Facility**

Members are requested to complete their KYC as mentioned in SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 as amended from time to time. Members may download KYC forms from the Company's website at [www.modinaturals.com](http://www.modinaturals.com)

Pursuant to the provisions of the Companies Act, 2013, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form SH-13 to the Company's Registrar, Skyline Financial Services Private Limited. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly.

## **p. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund ("IEPF")**

There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

**q. Commodity price risk or foreign exchange risk and hedging activities**

We manage our exposure to commodity risks and foreign exchange risks through a mechanism including monitoring market dynamics on an ongoing basis, strategic buying decisions, forward cover for foreign currency from time to time etc.

**r. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on Equity**

As on 31st March 2022, there are no Outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

**s. Plants Location**

- Bilaspur Road, Pilibhit-262001, U.P.
- Vill. Lakhori, Pilibhit-262001, U.P.
- Rai Ind. Area, Sonipat, Haryana-131029
- RR District, Hyderabad, Telangana-50132

**▪ DISCLOSURES:**

- The Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of the Company at large. Details of transactions with related parties are provided in Note-36 to Standalone Financial Statements in accordance with the provision of Indian Accounting Standards. The Company has formulated a policy on Related Party Transactions and the same is available on the Company's website at <https://modinaturals.com/investor-relations/>
- The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in the preparation of the financial statements of the Company.
- There was no instance of non-compliance by the Company on any matters relating to the capital markets, nor was there any penalties, strictures, imposed by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority, is annexed as part of this report.

- The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints under the above Act. Complaints Committee (CC) had been constituted in compliance with the provisions of above Act, to redress complaints received regarding sexual harassment.

- The Company has established a Vigil Mechanism / Whistle Blower Policy to enable the Stakeholders of the Company to report their genuine concerns and grievances. The Policy provides for adequate safeguards against victimization of stakeholders who avail of the vigil mechanism and direct access to the Chairman of the Audit Committee of the Company, in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

The Company hereby affirms that no stakeholders including Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the website of the Company and the weblink: <https://modinaturals.com/investor-relations/>

- The Company has formulated a policy on determination of materiality of event /information as required under Regulation 30 (1) of Listing Regulations, 2015. The same is available on Company's website at <https://modinaturals.com/investor-relations/>.
- The Company has formulated a Policy on Material Subsidiary Company and has placed it on the website of the Company and the weblink: <https://modinaturals.com/investor-relations/>
- The Company has adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices along with the Policy on Leak of Unpublished Price Sensitive Information and Policy on determination of legitimate purpose, as mandated by SEBI. The policies are available at Company's website at [www.modinaturals.com/investors.htm](http://www.modinaturals.com/investors.htm)
- The board has accepted all the recommendation of the Committees of the Board which is mandatorily required, in the relevant financial year.
- The Company has complied with all the applicable mandatory requirements of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted any

non-mandatory requirements. A compliance certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance as required by Schedule V of the SEBI Listing Regulations, is annexed as part of this report.

- The Company has one unlisted wholly owned subsidiary. None of the subsidiaries of the Company comes under the purview of the unlisted material subsidiary as per criteria given under “Explanation to Regulation 24(1) of the SEBI Listing Regulations”. The Company is not required to nominate an Independent Director on the Board of any other subsidiary companies. The Audit Committee of the Company reviews the financial statements and investments made by unlisted subsidiary companies and the minutes of the unlisted subsidiary companies are placed periodically at the Board Meetings of the Company.
- Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount – Nil
- During the financial year, the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- The company has complied with all the requirements specified in Regulation 17 to 27 and disseminate the information under a separate section on the website, as required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has devised a Legal Compliance reporting mechanism, wherein the Company Secretary shall obtain the Compliance status reports from the respective person who is responsible for compliance within the Company and submit periodically a comprehensive compliance report to the Executive Director(s) of the Company. The Board reviews quarterly report of compliance with respect to all laws and regulations applicable to the Company. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

for and on behalf of the Board  
Sd/-  
**Anil Modi**  
Chairman & Managing Director  
DIN: 00187078

14<sup>th</sup> August 2022, New Delhi

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#### CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and senior management personnel.

The code of conduct is available on the website of the Company under the web link [https:// modinaturals.com/investor-relations/](https://modinaturals.com/investor-relations/) The declaration of the Chief Executive Officer/ Managing Director is given below:

#### DECLARATION

All the Board members and senior management personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March 2022.

14<sup>th</sup> August 2022, New Delhi

**Anil Modi**  
Managing Director  
DIN: 00187078

★ ★ ★ ★ ★

## ANNEXURE “E” TO DIRECTORS’ REPORT

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Under Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of Modi Naturals Limited  
405, Deepali Building, 92,  
Nehru Place, New Delhi – 110019

I, Deepak Bansal, Company Secretary in Practice, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Modi Naturals Limited having CIN- L15142DL1974PLC007349 having registered office at 405, Deepali Building, 92, Nehru Place, New Delhi-110019 India (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Full Name	DIN	Designation	Date of Appointment
1.	Anil Modi	00187078	Managing Director	05.04.1976
2.	Akshay Modi	03341142	Joint Managing Director	15.12.2010
3.	Sudhir Shankar Halwasiya	00020000	Independent Director	14.03.1986
4.	Alok Garg	01394308	Independent Director	26.03.2008
5.	Sulabh Singal	05270534	Independent Director	30.07.2013
6.	Aditi Gupta	01786037	Whole Time Director	31.03.2015

Ensuring the eligibility of for the appointment /continuity of every director on the Board is the responsibility of the management of the company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or

effectiveness with which the management has conducted the affairs of the Company.

**For Deepak Bansal & Associates**  
Company Secretaries  
(UIN: S2007DE093100)  
Sd/-  
**(Deepak Bansal)**  
Prop.  
FCS 3736; CP 7433  
UDIN: F003736D000794922

**Place:** Noida  
**Date:** August 14, 2022

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members of Modi Naturals Limited  
(CIN: L15142DL1974PLC007349)

I, Deepak Bansal, Company Secretary in Practice, have examined the compliance of conditions of Corporate Governance by the Company, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the year ended on 31<sup>st</sup> March 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of Corporate Governance.

In my opinion and to the best of my information and according to the explanations given to us and based on the representations made by Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations during the year ended March 31, 2022.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Deepak Bansal & Associates**  
Company Secretaries  
(UIN: S2007DE093100)  
Sd/-  
**(Deepak Bansal)**  
Prop.  
FCS 3736; CP 7433  
UDIN: F003736D000794933

**Place:** Noida  
**Date:** August 14, 2022



**Form AOC – 1**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part – “A” – Subsidiaries**

Information in respect of each subsidiary

₹ Lakhs

Particulars	Modi Biotech Private Limited
<b>Reporting Period</b>	Apr-Mar
<b>Reporting Currency</b>	Indian Rupee (₹)
Exchange Rate for 1 reporting currency as on 31 <sup>st</sup> March 2022 (₹)	N.A.
Equity Share Capital	200.00
Reserves and Surplus	698.35
Total Assets	1505.12
Total Liabilities (other than equity)	606.77
Investment	Nil
Turnover	Nil
Profit /(Loss) before Tax	(3.76)
Provision for Taxation	Nil
Profit /(Loss) After Tax	(3.65)
Proposed Dividend	-
% of Shareholding	100%

**Notes:**

- Names of the subsidiaries which are yet to commence operations : Modi Biotech Private Limited
- Names of the subsidiaries which have been liquidated or sold during the year : Nil

**Part - "B" - Associates and Joint Ventures :** Not Applicable

for and on behalf of the Board  
Sd/-

**Anil Modi**  
**Akshay Modi**  
**Pradeep Kapoor**  
**Ankit Agarwal**

DIN:00187078  
DIN:03341142  
PAN:ATEPK2474R  
M.No.:A23445

Chairman & Managing Director  
Jt. Managing Director  
Chief Financial Officer  
Company Secretary

14<sup>th</sup> August 2022, New Delhi

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Modi Naturals Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Modi Naturals Limited ("the Company")** which comprise the standalone Balance Sheet As at March 31, 2022, the standalone Statement of Profit and Loss (including other comprehensive income), standalone statement of Cash Flows and standalone statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company As at March 31, 2022, its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the 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 standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

We draw attention to note no. 34 of the standalone audited financial statements regarding change in the method of valuation of closing Inventory of Raw Material from Weighted average cost to FIFO. As a result of this change Profit for the year and Closing Inventory of Raw Material is higher by Rs. 294.74 Lakhs.

Our opinion is not qualified in respect of this matter

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no matter which is required to be described as key audit matter to be communicated in our report.

#### Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Standalone Financial Statement**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2(A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March,

2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect of the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The company has disclosed the impact of pending litigation on its financial position in its standalone financial statements. Refer Note 31 to the standalone financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding

Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year .
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**for Kashyap & Co.**  
Chartered Accountants  
Firm Registration No. 011355C  
Sd/-  
**(Nupur Gupta)**  
Partner  
Membership No. 075983  
UDIN: 22075983AJXCJ6413

Place: New Delhi  
Date: 30.05.2022

#### **Annexure A to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Modi Naturals Limited)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i)(a)A. The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner. In

accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
  - (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued any of its Property, Plant and Equipment during the year. Therefore, the provisions of Clause(i)(d) of paragraph 3 of the order are not applicable to the company.
  - (d) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with Yes Bank and HDFC Bank are in agreement with the books of account of the Company except for the quarter ended 31 Dec, 2021 and 31<sup>st</sup> March, 2022 where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements. The details of the variations are set out in note 43(h) to the financial statements.
- (iii) According to the information and explanations given to us on the basis of our examination of the records

of the company, the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the years. The company has made investment in its wholly owned subsidiary companies during the year. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made are, prima facie, not prejudicial to the interest of the company

- (iv) According to the information and explanations given to us on the basis of our examination of the records of the company, the Company has not given any loans nor provided any guarantee or security as specified under section 185 and 186 of the Act. In respect of investments made by the Company, in our opinion, the company has complied with the Provision of Section 186 of the Act ,
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income- Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State

Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount *Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
VAT	VAT	95.93	2013-14	Supreme Court of India
VAT	VAT	4.70	2015-16	Commercial Tax Tribunal Uttar Pradesh
Income Tax	Income Tax	145.20	2011-12	Commissioner of Income Tax (Appeals), Circle 17(2), New Delhi
Provident Fund	Provident Fund	35.58	2009-2010 and 2010-11	Employees Provident Fund Appellate Tribunal, Lucknow

\*Amount is net of payments made under dispute

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.  
 (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.  
 (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.  
 (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.  
 (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.  
 (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary companies as defined under the Act.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
 (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year  
 (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.  
 (c) According to the information and explanations given to us, there were no whistle blower complaints received by the company during the year and upto the date of the audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
 (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company.
- (xvi)(a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order are not applicable

- (b) According to the information and explanations provided to us during the course of audit, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the previous statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **Kashyap & Co.**  
Chartered Accountants  
Firm Registration No. 011355C  
Sd/-  
**(Nupur Gupta)**  
Partner  
Place: New Delhi                      Membership No. 075983  
Date: 30.05.2022                      UDIN: 22075983AJXC1J6413

#### **Annexure 'B' to Independent Auditors' Report**

***Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)***

We have audited the internal financial control with reference to financial statement of Modi Naturals Limited ("the Company") as of March, 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively As at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Kashyap & Co.**  
Chartered Accountants  
Firm Registration No. 011355C  
Sd/  
**(Nupur Gupta)**  
Partner  
Membership No. 075983  
UDIN: 22075983AJXC1J6413

Place: New Delhi  
Date: 30.05.2022

## Standalone Balance Sheet as at 31<sup>st</sup> March, 2022

₹ Lakhs

Particulars	Note	AS AT 31.03.2022	AS AT 31.03.2021
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3	2,074.18	1,915.24
(b) Capital work - in - progress	3A	-	0.49
(c) Other intangible assets	4	1.52	1.94
(d) Financial assets			
(i) Investments in Subsidiary & Associates	5	1,500.00	-
(ii) Trade receivables	6	35.06	35.06
(e) Other non - current assets	7	133.47	256.42
<b>Total Non-Current Assets</b>		<b>3,744.23</b>	<b>2,209.15</b>
<b>Current assets</b>			
(a) Inventories	8	9,389.80	6,818.55
(b) Financial assets			
(i) Trade receivables	6	1,899.63	2,095.57
(ii) Cash and cash equivalents	9	15.86	41.95
(iii) Bank Balances other than (ii) above	10	36.40	33.37
(c) Other current assets	7	1,432.82	923.27
<b>Total Current Assets</b>		<b>12,774.51</b>	<b>9,912.71</b>
<b>Total assets</b>		<b>16,518.74</b>	<b>12,121.86</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	11	1,265.64	1,265.64
(b) Other equity	12	6,458.31	5,520.27
<b>Total Equity</b>		<b>7,723.95</b>	<b>6,785.91</b>
<b>LIABILITIES</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	38.57	10.23
(ii) Trade payables	14	34.40	24.04
(iii) Other financial liabilities	14A	58.00	78.00
(b) Provisions	16	155.05	132.30
(c) Deferred tax liabilities (net)	17	231.96	288.15
<b>Total Non-Current Liability</b>		<b>517.98</b>	<b>532.72</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	5,057.19	2,044.99
(ii) Trade payables	14	1,220.06	782.80
(b) Other current liabilities	15	1,559.90	1,617.90
(c) Provisions	16	105.14	91.19
(d) Current Tax Liability (net)	18	334.52	266.35
<b>Total Current Liability</b>		<b>8,276.81</b>	<b>4,803.23</b>
<b>Total Equity and Liabilities</b>		<b>16,518.74</b>	<b>12,121.86</b>

See accompanying notes to Ind AS Financial Statements 1 - 44

As per our report of even date attached

**for Kashyap & Co**

Chartered Accountants

Registration No.: 011355C

for and on behalf of the Board

Sd/-

Sd/-

**Nupur Gupta**

Partner

Membership No.: 075983

UDIN: 22075983AJXCJ6413

**Anil Modi**

**Akshay Modi**

**Pradeep Kapoor**

**Ankit Agarwal**

DIN:00187078

DIN:03341142

PAN:ATEPK2474R

M.No.:A23445

Chairman & Managing Director

Jt. Managing Director

Chief Financial Officer

Company Secretary

New Delhi, 30<sup>th</sup> May 2022

## Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2022

₹ Lakhs

Particulars	Note	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>I Revenue from operations</b>			
-Sale of Products	19	47,397.67	44,121.86
-Other Operating income		32.65	147.76
<b>Revenue from operations</b>		<b>47,430.32</b>	<b>44,269.62</b>
<b>II Other income</b>	<b>20</b>	<b>131.44</b>	<b>394.00</b>
<b>III Total income (I + II)</b>		<b>47,561.76</b>	<b>44,663.62</b>
<b>IV Expenses</b>			
Cost of materials consumed	21	38,075.61	36,144.94
Purchases of stock - in - trade	22	76.71	158.41
Changes in inventories of finished goods, stock - in - trade and work - in - progress	23	(763.79)	(219.89)
Employee benefits expenses	24	2,240.61	2,128.16
Finance costs	25	180.57	129.54
Depreciation and amortization expenses	26	142.06	138.23
Other expenses	27	6,311.00	4,787.48
<b>IV Total expenses</b>		<b>46,262.77</b>	<b>43,266.87</b>
<b>V Profit / (loss) before exceptional items and tax (I - IV)</b>		<b>1,298.99</b>	<b>1,396.75</b>
<b>VI Exceptional items</b>		<b>-</b>	<b>-</b>
<b>VII Profit / (loss) before tax (V - VI)</b>		<b>1,298.99</b>	<b>1,396.75</b>
<b>VIII Tax expense</b>			
(1) Current tax	28	415.00	424.00
(2) Taxes for Earlier Years	28	-	(0.64)
(3) Deferred tax	28	(56.19)	(78.21)
<b>IX Profit / (loss) for the period (VII - VIII)</b>		<b>940.18</b>	<b>1,051.60</b>
<b>X Other comprehensive income</b>	<b>29</b>		
A Items that will not be reclassified to profit or loss			
(i) Re-measurement gains(losses) on defined benefit plans		(2.15)	(0.14)
B Items that will be reclassified to profit or loss		-	-
<b>XI Total comprehensive income for the period (IX + X)</b>		<b>938.03</b>	<b>1,051.46</b>
<b>XII Earnings per equity share of Rs. 10 each</b>			
(1) Basic (in Rs)	30	7.41	8.31
(2) Diluted (in Rs)	30	7.41	8.31

See accompanying notes to Ind AS Financial Statements

1 - 44

As per our report of even date attached

**for Kashyap & Co**

Chartered Accountants

Registration No.: 011355C

for and on behalf of the Board

Sd/-

Sd/-

**Nupur Gupta**

Partner

Membership No.: 075983

UDIN: 22075983AJXCJ6413

**Anil Modi**  
**Akshay Modi**  
**Pradeep Kapoor**  
**Ankit Agarwal**

DIN:00187078  
DIN:03341142  
PAN:ATEPK2474R  
M.No.:A23445

Chairman & Managing Director  
Jt. Managing Director  
Chief Financial Officer  
Company Secretary

New Delhi, 30<sup>th</sup> May 2022

## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022

<b>A. Equity Share Capital</b>		<b>₹ Lakhs</b>
<b>Current Reporting Period</b>		
Balance As at 1st April, 2021		1265.64
Changes in Equity share capital during the year due to prior period errors		0.00
Restated balance As at 1st April, 2021		1265.64
Changes in Equity share capital during the year		-
<b>Balance As at 31 March, 2022</b>		<b>1265.64</b>
<b>Previous Reporting Period</b>		
Balance As at 1st April, 2020		1265.64
Changes in Equity share capital during the year due to prior period errors		-
Restated balance As at 1st April, 2020		1265.64
Changes in Equity share capital during the year		0.00
<b>Balance As at 31 March, 2021</b>		<b>1265.64</b>

<b>B. Other Equity</b>		<b>Reserves and Surplus</b>				<b>Total</b>
	<b>Capital</b>	<b>Securities</b>	<b>General</b>	<b>Retained</b>		
<b>Balance at 1 April, 2020</b>	<b>89.82</b>	<b>2,512.62</b>	<b>187.34</b>	<b>1,679.03</b>	<b>4,468.81</b>	
Profit for the year	-	-	-	1,051.60	1,051.60	
Other Comprehensive Income	-	-	-	(0.14)	(0.14)	
Total Comprehensive Income for the year	-	-	-	1,051.46	1,051.46	
<b>Balance at 31 March, 2021</b>	<b>89.82</b>	<b>2,512.62</b>	<b>187.34</b>	<b>2,730.49</b>	<b>5,520.27</b>	
Profit for the year	-	-	-	940.19	940.19	
Other Comprehensive Income	-	-	-	(2.15)	(2.15)	
Total Comprehensive Income for the year	-	-	-	938.04	938.04	
<b>Balance at 31 March, 2022</b>	<b>89.82</b>	<b>2,512.62</b>	<b>187.34</b>	<b>3,668.53</b>	<b>6,458.31</b>	

See accompanying notes to Ind AS Financial Statements

1 - 44

As per our report of even date attached  
for **Kashyap & Co**

Chartered Accountants  
Registration No.: 011355C

Sd/-  
**Nupur Gupta**  
Partner  
Membership No.: 075983  
UDIN: 22075983AJXCJ6413

for and on behalf of the Board  
Sd/-

<b>Anil Modi</b>	DIN:00187078	Chairman & Managing Director
<b>Akshay Modi</b>	DIN:03341142	Jt. Managing Director
<b>Pradeep Kapoor</b>	PAN:ATEPK2474R	Chief Financial Officer
<b>Ankit Agarwal</b>	M.No.:A23445	Company Secretary

New Delhi, 30<sup>th</sup> May 2022

## Standalone Statement of Cash Flow for the year ended 31<sup>st</sup> March 2022

₹ Lakhs

	For the year ended 31.03.2022		For the year ended 31.03.2021	
<b>(A) Cash flow from Operating Activities:</b>				
Net profit before tax		1,298.99		1,396.75
<b>Adjustments to reconcile profit and loss to net cash provided by operating activities :</b>				
Depreciation	142.06		138.23	
Foreign exchange fluctuation	(44.56)		(9.54)	
Deferred revenue expenses written off	159.17		220.97	
Provision for Gratuity	36.23		27.86	
Profit (-)/loss on sale of assets (net)	(3.53)		(323.91)	
Interest expenses	144.44	433.81	119.55	173.16
<b>Operating profit before working Capital changes</b>		<b>1,732.80</b>		<b>1,569.91</b>
<b>Net change in:</b>				
Trade and other receivable	(349.84)		(459.19)	
Inventories	(2,571.25)		0.07	
Trade payables	397.40	(2,523.69)	122.67	(336.45)
<b>Cash generated from operations</b>		<b>(790.89)</b>		<b>1,233.46</b>
Interest paid		(129.33)		(106.39)
Direct taxes paid (Net of Refund)		(346.83)		(198.81)
<b>Cash flow before extra ordinary items</b>		<b>(1,267.05)</b>		<b>928.26</b>
Extra ordinary items (net)				-
<b>Net cash from operating activities (A)</b>		<b>(1,267.05)</b>		<b>928.26</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Payment for purchase of property, plant and equipment		(412.88)		(158.24)
Proceeds from Bank Deposits		-3.02		13.37
Proceeds from disposal of property, plant and equipment		116.31		362.12
Investment in Subsidiary		(1,500.00)		-
<b>Net cash used in investing activities (B)</b>		<b>(1,799.59)</b>		<b>217.25</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issue of share capital (incl Share Warrants)				
Borrowings (net)		3,040.55		(1,207.74)
<b>Net Cash generated/(used) from/in financing activities (C)</b>		<b>3,040.55</b>		<b>(1,207.74)</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>		<b>(26.09)</b>		<b>(62.23)</b>
Cash and cash equivalents at the beginning of the year		41.95		104.18
Cash and cash equivalents at the end of the year		15.86		41.95
<b>Net increase/decrease (-) as disclosed above</b>		<b>(26.09)</b>		<b>(62.23)</b>

See accompanying notes to Ind AS Financial Statements

1 - 44

As per our report of even date attached

**for Kashyap & Co**

Chartered Accountants

Registration No.: 011355C

Sd/-

**Nupur Gupta**

Partner

Membership No.: 075983

UDIN: 22075983AJXCIJ6413

for and on behalf of the Board

Sd/-

**Anil Modi**

**Akshay Modi**

**Pradeep Kapoor**

**Ankit Agarwal**

DIN:00187078

DIN:03341142

PAN:ATEPK2474R

M.No.:A23445

Chairman & Managing Director

Jt. Managing Director

Chief Financial Officer

Company Secretary

New Delhi, 30<sup>th</sup> May 2022

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Corporate Information

Modi Naturals Limited is a Public Limited Company domiciled in India and Incorporated under the provisions of Companies Act, 1956. The shares of company are listed at Bombay Stock Exchange. The Company is in the business of manufacturing and marketing of oils and de-oiled cakes.

### 2. Significant Accounting Policies

#### 2.1 Basic of Preparation of Financial Statement

##### i. Statement of Compliance

These Financial Statements have been prepared in accordance with Indian Accounting Standards (the 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015. (as amended from time to time) and the relevant provisions of the Companies Act, 2013 ('Act').

##### ii. Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are in Rupees except when otherwise indicated

##### iii. Historical Cost Convention

The financial statements are prepared under historical cost convention on accrual basis except for certain assets and liabilities as stated in their respective policies, which have been measured at fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether the price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value,

maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

##### iv. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.23.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are rejected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

##### v. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.



## vi. New or amended standards and interpretations

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 16 – Proceeds before intended use**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

### **Ind AS 37 – Onerous Contracts- Cost of fulfilling a Contract**

The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022, although early adoption is permitted. The Company has evaluated the amendment there is no impact on its financial statements.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## 2.2 Inventory Valuation

- (a) Finished Goods - at lower of cost or net realizable value.
- (b) Goods in Process - at cost (computed on FIFO basis)
- (c) Raw material - at cost (computed on FIFO basis)
- (d) Stores and spares - at cost (computed on FIFO basis)
- (e) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.

## 2.3 Property, Plant and Equipment

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and any accumulated impairment loss.. Cost includes its purchase price (net of CENVAT/ duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and

equipment are reviewed at each financial year end and adjusted prospectively

## 2.4 Intangible assets

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

## 2.5 Depreciation

- (i) Tangible assets -Depreciation on All Assets is charged at Straight Line Method basis in the manner as prescribed in Companies Act 2013 and rate as per prescribed useful life
- (ii) Intangible assets – Computer Softwares are amortized over a period of 5 year and Website Development over a period of 10 Years on a straight line basis.

## 2.6 Impairment of Assets

Assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units). For the purpose of assessing impairment at each Balance Sheet date, Assets within a Cash Generating Unit are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount at which the assets under individual Cash Generating Unit are carried in the books exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the assets.

Previously recognized impairment losses, relating to assets other than goodwill, are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset impairment loss is limited to its carrying amount that would have been

Other Miscellaneous Revenues are recognized when the amounts are actually received or the realisability is certain.

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

## (b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the

determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

## 2.7 Recognition of Revenues

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

### Sale of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### Interest Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### Insurance claims and other Miscellaneous Revenues

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

## 2.8 Foreign Currency Transactions

### (a) Initial Recognition

date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency, are reported using the exchange rates that existed when the values were determined.

### (b) Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of monetary Items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as

expenses in the year in which they arise except exchange differences on transactions relating to acquisition of fixed assets, which are taken up to the date of capitalization of the related fixed assets.

## 2.9 Employee Benefits Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19 – Employee Benefits:

### (i) Provident Fund and ESI

The Company makes contribution to statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

### (ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in Other Comprehensive Income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

### (iii) Leave Encashment

Liability in respect of leave encashment is not applicable since the company pays leave encashment to employees every year.

### (iv) Other Short Term Benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## 2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily

takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2.11 Accounting for Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax

asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## 2.12 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends related to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 2.14 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and

which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts that are repayable on demand, as they are considered an integral part of the Company's cash management.

## 2.15 Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

## 2.16 Investments in associates/Subsidiaries

An associate/subsidiary is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in Associates/Subsidiaries are accounted at cost.

## 2.17 Non-Current Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and the sale is considered highly probable. Management must be committed to the sale within one year from the date of classification.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell.

## 2.18 Leases

### Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short term leases and low value leases. For these short-term

and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

#### **Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

## **2.19 Financial instruments**

### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

#### **a) Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### **i) Financial assets at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value, excluding dividends, recognised in other comprehensive income and

accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**iii) Financial assets at fair value through profit or loss (FVTPL)**

Investment in equity instruments are classified As at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity investments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss

**De-recognition**

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

**Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk front initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**b) Financial liabilities and equity instruments  
Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method The measurement of financial liabilities depends on their classification, as described below:

**i) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**ii) Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss

**c) Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.



Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are re-measured at fair value through profit or loss at the end of each reporting period and the resulting exchange gains or losses recognized in profit or loss immediately. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

**d) Reclassification of financial assets and financial liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**e) Offsetting of financial instruments**

Financial assets and financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on the net basis, to realise the assets and settle the liabilities simultaneously.

**2.20 Interim Financial Reporting**

Quarterly financial results are published in accordance with the requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**2.21 Deferred Revenue Expenditure**

Expenditure is accounted on accrual basis except in specific cases of expenditure incurred against which a definite benefit is expected to flow in to future periods. Such sums are treated as Deferred Revenue Expenditure and charged to Revenue Account over the expected duration of benefits.

**2.22 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities are not recognized but are disclosed, while Contingent Assets are neither recognized nor disclosed, in the financial statements.

**2.23 Critical accounting estimates and judgments**

In the course of applying the policies outlined above, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

**(i) Critical Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the standalone financial statements:

**Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.



The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

#### **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making assumption and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward estimate at the end of each reporting period.

#### **Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

#### **Defined benefit Plan**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Insurance claims and other Miscellaneous Revenues**

Insurance claims and other miscellaneous revenues are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

#### **Contingences and commitments**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

#### **(ii) Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **Allowances for doubtful debts**

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

#### **Allowances for inventories**

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the standalone financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the standalone financial statements.

#### **Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario

is considered by Company to be reliable estimate of future sales returns.

#### **Employee benefit obligations**

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Provisions and contingencies**

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgment is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the standalone financial statements. Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

#### **Deferred income tax assets and liabilities**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

#### **Impairment of Financial assets**

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables, the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company reviews its carrying value of investment in subsidiaries and goodwill carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable

amount is less than its carrying amount, the impairment loss is accounted for in the standalone statement of profit and loss.

#### **Impairment of PPE, CWIP and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact the carrying value of assets.

#### **Impairment of Inventories**

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes and duties. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **Impairment of investments in associate/subsidiaries**

Determining whether the investment in associate/subsidiary is impaired requires an estimate in the value in use of investment. In considering the value in use, the management has anticipated future business orders, operating margins and other factors of the underlying businesses / operations of the investee company. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investment.

#### **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In

developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current

contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

As per our report of even date attached  
**for Kashyap & Co**  
Chartered Accountants  
Registration No.: 011355C

Sd/-  
**Nupur Gupta**  
Partner  
Membership No.: 075983  
UDIN: 22075983AJXCJ6413

for and on behalf of the Board  
Sd/-

**Anil Modi**  
**Akshay Modi**  
**Pradeep Kapoor**  
**Ankit Agarwal**

*DIN:00187078*  
*DIN:03341142*  
*PAN:ATEPK2474R*  
*M.No.:A23445*

*Chairman & Managing Director*  
*Jt. Managing Director*  
*Chief Financial Officer*  
*Company Secretary*

New Delhi, 30<sup>th</sup> May 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
CURRENT YEAR	Item	Cost as at 01.04.2021	Addition during the year	Sale/ Transfer	Cost as at 31.03.2022	As at 01.04.2021	For The Year	Adjustment	As at 31.03.2022	As at 31.03.2021
	Land	92.85	-	-	92.85	-	-	-	-	92.85
	Building	410.37	1.56	25.11	386.82	185.05	10.78	9.65	186.18	200.64
	Plant & Machinery	3,151.36	338.51	146.98	3,342.89	1,723.30	94.66	53.07	1,764.89	1,578.00
	Electrical Equipment	40.83	6.45	-	47.28	33.71	3.35	-	37.06	10.22
	Furniture & Fixture	23.17	0.25	-	23.42	19.50	0.74	-	20.24	3.18
	Laboratory Equipment	23.81	0.50	-	24.31	18.66	0.74	-	19.40	4.91
	Office Equipment	25.14	4.19	-	29.33	16.35	2.90	-	19.25	10.08
	Computers	57.67	5.96	-	63.63	50.57	4.06	-	54.63	9.00
	Vehicles	231.13	55.95	22.93	264.15	93.95	24.41	19.51	98.85	165.30
	<b>TOTAL</b>	<b>4,056.33</b>	<b>413.37</b>	<b>195.02</b>	<b>4,274.68</b>	<b>2,141.09</b>	<b>141.64</b>	<b>82.23</b>	<b>2,200.50</b>	<b>2,074.18</b>
PREVIOUS YEAR	ITEM	Cost as at 01.04.2020	Addition during the year	Sale/ Dj During The Year	Cost as at 31.03.2021	As at 01.04.2020	For The Year	Adjustment For Sale During The Year	As at 31.03.2021	As at 31.03.2020
	Land	119.94	-	27.09	92.85	-	-	-	-	119.94
	Building	404.24	6.13	-	410.37	173.41	11.64	-	185.05	225.32
	Plant & Machinery	3,072.43	78.93	-	3,151.36	1,630.40	92.90	-	1,723.30	1,442.03
	Electrical Equipment	40.83	-	-	40.83	30.08	3.63	-	33.71	10.75
	Furniture & Fixture	22.16	1.01	-	23.17	18.81	0.69	-	19.50	3.35
	Laboratory Equipment	23.81	-	-	23.81	17.82	0.84	-	18.66	5.15
	Office Equipment	20.94	4.20	-	25.14	14.00	2.35	-	16.35	8.79
	Computers	54.47	3.42	0.22	57.67	47.06	3.73	0.22	50.57	7.10
	Vehicles	219.71	68.08	56.66	231.13	117.55	21.94	45.54	93.95	137.18
	<b>TOTAL</b>	<b>3,978.53</b>	<b>161.77</b>	<b>83.97</b>	<b>4,056.33</b>	<b>2,049.13</b>	<b>137.72</b>	<b>45.76</b>	<b>2,141.09</b>	<b>1,915.24</b>

3. Property Plant & Equipments

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3A. Capital Work In Progress		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
Plant and machinery under erection	-	0.49	
<b>Total</b>	-	<b>0.49</b>	

Ageing		₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021	
Less than 1 Year	-	0.49	
1 - 2 years	-	-	
2 - 3 years	-	-	
More Than 3 Years	-	-	
	-	<b>0.49</b>	

4. Intangible Assets		₹ Lakhs									
CURRENT YEAR		GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
Item	Cost As at 01.04.2021	Addition during the year	Sale/ Transfer	Cost AS AT 31.03.2022	As at 01.04.2021	For The Year	Adjustment	As at 31.03.2022	AS AT 31.03.2022	As at 31.03.2021	
Computer Softwares	12.17	-	-	12.17	10.41	0.42	-	10.83	1.34	1.76	
Intangible Assets	3.62	-	-	3.62	3.44	-	-	3.44	0.18	0.18	
<b>TOTAL</b>	<b>15.79</b>	<b>-</b>	<b>-</b>	<b>15.79</b>	<b>13.85</b>	<b>0.42</b>	<b>-</b>	<b>14.27</b>	<b>1.52</b>	<b>1.94</b>	

PREVIOUS YEAR		GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
Item	Cost As at 01.04.2020	Addition during the year	Sale/ Transfer	Cost As at 31.03.2021	As at 01.04.2020	For The Year	Adjustment	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	
Computer Softwares	11.47	0.70	-	12.17	9.90	0.51	-	10.41	1.76	1.57	
Intangible Assets	3.62	-	-	3.62	3.44	-	-	3.44	0.18	0.18	
<b>TOTAL</b>	<b>15.09</b>	<b>0.70</b>	<b>-</b>	<b>15.79</b>	<b>13.34</b>	<b>0.51</b>	<b>-</b>	<b>13.85</b>	<b>1.94</b>	<b>1.75</b>	

5. Non-Current Investment		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>Investment in Subsidiary</b>			
<b>Unquoted Investment (at amortised Cost)</b>	-	-	
<b>A. Investment in Equity instrument</b>			
Modi Biotech Private Limited	200.00	-	
20,00,000 (Previous Year NIL) Equity Shares @ Rs 10/- Each - Fully Paid up		-	
<b>B. Investment in Zero Interest Unsecured Optionally Convertible Debentures (Refer note below)</b>			
Modi Biotech Private Limited			
5,00,000 (Previous Year NIL) Optionally Convertible Debentures (series A) @ Rs 100/- Each (note (i))	500.00	-	
5,00,000 (Previous Year NIL) Optionally Convertible Debentures (series B) @ Rs 100/- Each (note (ii))	500.00	-	
3,00,000 (Previous Year NIL) Optionally Convertible Debentures (series C) @ Rs 100/- Each (note (iii))	300.00	-	
<b>Aggregate amount of unquoted investment at amortised cost</b>	<b>1,500.00</b>	<b>-</b>	
Aggregate amount of quoted investments	-	-	
Aggregate market value of quoted investments	-	-	
Aggregate carrying value of unquoted investments	1,500.00	-	
Aggregate amount of impairment in value of investments	-	-	

C. Interest in Other Entities					
Interest in Subsidiaries					
Name of the Company	Place of Incorporation	Principal Activity	Proportion of ownership Interest and voting rights held by the company		
			As at 31.03.2022	As at 31.03.2021	
MODI BIOTECH PRIVATE LIMITED	India	Ethanol	100.00	-	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Notes

- (i) 5,00,000 Zero Interest Unsecured Optionally Convertible Debentures (Series A) of Rs.100/- each convertible into Equity Shares of Rs.10/- each fully paid up in one or more tranches or in full at the option of Debenture Holders (Modi Naturals Limited) any time after one year from the date of allotment(s) but within 31st March, 2041 at the Net Asset Value per equity share as on the date of conversion to be determined on the basis of valuation report of a registered valuer, or redeemable at the option of the Board of Directors of the Modi Biotech Private Limited at par or premium as may be mutually decided by the Modi Biotech Private Limited and the debenture holders (Modi Naturals Limited) any time after one year from the date of allotment(s) but within 31st March, 2041
- (ii) 5,00,000 Zero Interest Unsecured Optionally Convertible Debentures (Series B) of Rs.100/- each convertible into Equity Shares of Rs.10/- each fully paid up in one or more tranches or in full at the option of Debenture Holders any time after one year from the date of allotment(s) but within 31st March, 2041 at the Net Asset Value per equity share as on the date of conversion to be determined on the basis of valuation report of a registered valuer, or redeemable at the option of the Board of Directors of the company at par or premium as may be mutually decided by the company and the debenture holders any time after one year from the date of allotment(s) but within 31st March, 2041.
- (iii) 3,00,000 Zero Interest Unsecured Optionally Convertible Debentures (Series C) of Rs.100/- each convertible into Equity Shares of Rs.10/- each fully paid up in one or more tranches or in full at the option of Debenture Holders (Modi Naturals Limited) any time after one year from the date of allotment(s) but within 31st March, 2041 at the Net Asset Value per equity share as on the date of conversion to be determined on the basis of valuation report of a registered valuer, or redeemable at the option of the Board of Directors of the Modi Biotech Private Limited at par or premium as may be mutually decided by the Modi Biotech Private Limited and the debenture holders (Modi Naturals Limited) any time after one year from the date of allotment (i.e 23.03.2022) but within 31st March, 2041

### 6. Trade receivables

Particulars	Non - current		Current	
	As at 31.03.2022		As at 31.03.2021	
-Secured, considered good	-	-	-	-
- Unsecured, considered good	35.06	1,899.63	35.06	2,095.57
- Less Allowance for bad & doubtful debts	-	-	-	-
<b>Total</b>	<b>35.06</b>	<b>1,899.63</b>	<b>35.06</b>	<b>2,095.57</b>

### Ageing for Trade Receivables - non-current outstanding As at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	0.01	0.01
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	35.05	35.05
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	-	-	-	-	-	<b>35.06</b>	<b>35.06</b>

### Ageing for Trade Receivables - non-current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	0.01	-	0.01
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	35.05	35.05
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	-	-	-	-	<b>0.01</b>	<b>35.05</b>	<b>35.06</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Ageing for Trade Receivables - current outstanding As at March 31, 2022 is as follows:

₹ Lakhs

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	-	1,568.31	7.72	162.06	153.51	8.03	1,899.63
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	-	<b>1,568.31</b>	<b>7.72</b>	<b>162.06</b>	<b>153.51</b>	<b>8.03</b>	<b>1,899.63</b>

Ageing for Trade Receivables - current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	-	1,759.01	143.79	177.05	5.29	10.43	2,095.57
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	-	<b>1,759.01</b>	<b>143.79</b>	<b>177.05</b>	<b>5.29</b>	<b>10.43</b>	<b>2,095.57</b>

### 7. Other Assets

₹ Lakhs

Particulars	Non - current		Current	
	As at 31.03.2022		As at 31.03.2021	
a. Prepaid Expenses			52.40	30.16
b. Deferred Revenue Expenditures	41.73		123.29	159.17
c. Interest Receivables			11.74	10.29
d. Insurance Claim Receivable			183.31	
e. Advances other than Capital Advances - Unsecured considered good				
- Security deposits	91.48			91.40
- Advances to Vendors			109.84	30.09
- Others			4.48	4.54
f. GST Refund/Other Amount Recoverable			21.49	2.48
g. Employee related			0.66	1.36
h. Balances with statutory authorities	0.26		925.61	685.18
<b>Total other assets</b>	<b>133.47</b>	<b>1,432.82</b>	<b>256.42</b>	<b>923.27</b>

### 8. Inventories

₹ Lakhs

Particulars	As at 31.03.2022		As at 31.03.2021	
	Raw Materials		2,544.19	
Stores & Spares		585.06		396.46
Work - in - progress		616.78		51.18
Finished goods – Produced		5,605.47		4,797.08
Finished goods – Trading		38.17		82.77
Others - Promotional Material		0.13		0.16
<b>Total</b>		<b>9,389.80</b>		<b>6,818.55</b>

Mode of valuation of inventories

- Raw Materials	At Cost on FIFO basis	At Weighted Average Cost
- Finished Goods	At Lower of Average Cost or Net Realisable Value	At Lower of Average Cost or Net Realisable Value
- Stores	At Cost on FIFO basis	At Cost on FIFO basis
- Spares	At Cost on FIFO basis	At Cost on FIFO basis



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Cash & cash equivalents			₹ Lakhs
Particulars	As at 31.03.2022	As at 31.03.2021	
Cash on hand	10.19	24.62	
Balances with banks			
-on Current Accounts	2.67	16.98	
-Fixed deposit with less than six months maturity	3.00	-	
Cheques, drafts on hand	-	0.35	
<b>Total</b>	<b>15.86</b>	<b>41.95</b>	

10. Bank Balances other than Cash and Cash equivalents			₹ Lakhs
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>Fixed Deposits with Banks against margin money</b>			
- Fixed Deposits with Banks against margin money	36.40	33.37	
<b>Total</b>	<b>36.40</b>	<b>33.37</b>	

11. Share capital			₹ Lakhs
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>Authorised</b>			
2,00,00,000 (Previous Year : 2,00,00,000 ) equity shares of Rs 10 each	2,000.00	2,000.00	
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>	
<b>Issued Subscribed &amp; Fully Paid up</b>			
1,26,56,397 (Previous Year : 1,26,56,397) equity shares of Rs 10 each	1,265.64	1,265.64	
<b>Total</b>	<b>1,265.64</b>	<b>1,265.64</b>	

### 11.1. Additional information as per Schedule III

11.1. Reconciliation of the number of shares	As at 31.03.2022		As at 31.03.2021	
	No of Shares	Amount (₹ Lacs)	No of Shares	Amount (₹ Lacs)
<b>Equity Share Capital</b>				
Number of shares at the beginning	1,26,56,397	1,265.64	1,26,56,397	1,265.64
Add : Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,26,56,397</b>	<b>1,265.64</b>	<b>1,26,56,397</b>	<b>1,265.64</b>

11.2 The company has only one class of equity shares, having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 11.3 Shares in the company held by each shareholder holding more than 5% shares are as under:

	As at 31.03.2022		As at 31.03.2021	
	No of Shares	% age	No of Shares	% age
Mr. Anil Modi	47,79,789	37.77	47,45,954	37.50
Ms. Nita Modi	16,56,184	13.09	16,50,134	13.04
Mr. Akshay Modi	11,14,001	8.80	10,76,586	8.51
Das Investment Private Limited	6,46,000	5.10	6,46,000	5.10

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 11.4 Shares held by promoters are as under:

As at March 31, 2022

Promoter Name	As at 31.03.2022		As at 31.03.2021		% Change during the year
	No of Shares	% age	No of Shares	% age	
Mr. Anil Modi	47,79,789	37.77	47,45,954	37.50	0.27
Ms. Nita Modi	16,56,184	13.09	16,50,134	13.04	0.05
Mr. Akshay Modi	11,14,001	8.80	10,76,586	8.51	0.29
Anil Modi (HUF)	2,65,750	2.10	2,65,750	2.10	-
D D Modi (HUF)	61,183	0.48	61,183	0.48	-
Ms. Neha Agarwal	20,500	0.16	19,500	0.15	0.01
Das Investment Private Limited	6,46,000	5.10	6,46,000	5.10	-
<b>TOTAL</b>	<b>85,43,407</b>	<b>67.50</b>	<b>84,65,107</b>	<b>66.88</b>	<b>0.62</b>

As at March 31, 2021

Promoter Name	As at 31.03.2021		As at 31.03.2020		% Change during the year
	No of Shares	% age	No of Shares	% age	
Mr. Anil Modi	47,45,954	37.50	46,50,216	36.74	0.76
Ms. Nita Modi	16,50,134	13.04	16,50,134	13.04	-
Mr. Akshay Modi	10,76,586	8.51	10,76,586	8.51	-
Anil Modi (HUF)	2,65,750	2.10	2,65,750	2.10	-
D D Modi (HUF)	61,183	0.48	61,183	0.48	-
Ms. Neha Agarwal	19,500	0.15	19,500	0.15	-
Das Investment Private Limited	6,46,000	5.10	6,46,000	5.10	-
<b>TOTAL</b>	<b>84,65,107</b>	<b>66.88</b>	<b>83,69,369</b>	<b>66.12</b>	<b>0.76</b>

### 11.5 Issued, subscribed and paid-up capital of the company includes:-

- (i) 4238967 shares (Previous Year 4238967) allotted as Bonus Shares by way of Capitalisation of Profits
- (ii) 2640000 Shares (Previous Year 2640000) issued by way of conversion of Optionally Convertible Warrants into equity shares Rs.10/- each at a premium of Rs.20/- each.
- (iii) 1538463 Shares (Previous Year 1538463) issued by way of conversion of Optionally Convertible Warrants into equity shares Rs.10/- each at a premium of Rs.120/- each.

### 12. Other equity

Particulars	₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
<b>Capital Reserve</b>		
Balance at the beginning and end of the year	89.82	89.82
<b>Securities Premium Reserve</b>		
Balance at the beginning and end of the year	2,512.62	2,512.62
<b>General Reserve</b>		
Balance at the beginning and end of the year	187.34	187.34
<b>Retained Earnings</b>		
Balance at the beginning of the year	2730.49	1,679.03
Addition during the year	940.19	1,051.60
Add (less) Re-measurement of defined benefit plans through OCI	(2.15)	(0.14)
Balance of retained earnings consist of surplus retained from earned profit . Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.		
<b>Total</b>	<b>6,458.31</b>	<b>5,520.27</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	₹ Lakhs			
	Non - Current		Current	
	As at 31.03.2022		As at 31.03.2021	
<b>Term Loan from banks</b>				
- Secured				
From Bank	-	-	0.35	-
Vehicle Loans	57.41	-	19.95	-
	57.41	-	20.30	-
Less: Current maturity of long-term debts	18.84	-	10.07	-
	38.57	-	10.23	-
Current maturity of long-term debts		18.84		10.07
<b>Working capital loan from banks repayable on demand</b>				
- Secured	-	4,421.58	-	1,707.69
<b>Unsecured Loans repayable on demand</b>				
- From Directors	-	616.77	-	327.23
<b>Total</b>	<b>38.57</b>	<b>5,057.19</b>	<b>10.23</b>	<b>2,044.99</b>

- 13.1 Term Loan from banks is secured by way of equitable mortgage of Factory Land & Building and Hypothecation of Plant & Machinery of all the units at Bisalpur Road and Bareilly Road, Stock and Book Debts, Personal guarantees of Mr. Anil Modi, Mrs. Nita Modi and Mr. Akshay Modi
- 13.2 Working Capital facility comprises cash credit from bank and is secured against hypothecation of raw materials, semi-finished goods, finished goods, consumable stores, book debts of units at Bisalpur Road and Bareilly Road, Pilibhit and personal guarantees of Mr. Anil Modi, Mrs. Nita Modi and Mr Akshay Modi.
- 13.3 Vehicle Loans are secured against hypothecation of respective Vehicles

13.4 Term of repayment and interest of Term Loans are as follows:-

Loan From	ROI*	As at 31.03.2022		ROI*	As at 31.03.2021	
		No. of Instalments Left	Amount ₹ Lakhs		No. of Instalments Left	Amount ₹ Lakhs
Term Loan from Banks - HDFC				9.60%	1	0.35
Vehicle Loan from HDFC Bank				9.50%	1	0.36
Vehicle Loan from HDFC Bank	6.80%	57	28.72	-	-	-
Vehicle Loan from HDFC Bank	7.25%	58	18.46			
Vehicle Loan from HDFC Bank	8.90%	12	10.23	8.90%	24	19.59
			<b>57.41</b>			<b>20.30</b>

Particulars	₹ Lakhs			
	Non - current		Current	
	As at 31.03.2022		As at 31.03.2021	
Due to parties registered under MSMED Act	-	-	-	-
Due to others	34.40	1,220.06	24.04	782.80
<b>Total</b>	<b>34.40</b>	<b>1,220.06</b>	<b>24.04</b>	<b>782.80</b>

**Based on the information so far obtained by the Company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been made within 45 days. Disclosure in accordance MSMED Act areas under:**

Particulars	31.03.2022	31.03.2021
A. Dues remaining unpaid As at 31st march	-	-
Principal	-	-
Interest due on above	-	-
B. Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
Principal paid beyond the appointed date	-	-
Interest paid in terms of section 16	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C. Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
D. Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
E. Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise	-	-

### Ageing for Trade Payables - non-current outstanding As at March 31, 2022 is as follows:

₹ Lakhs

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	15.08	5.12	11.77	2.43	34.40
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>15.08</b>	<b>5.12</b>	<b>11.77</b>	<b>2.43</b>	<b>34.40</b>

### Ageing for Trade Payables - non-current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	5.32	12.41	3.22	3.09	24.04
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>5.32</b>	<b>12.41</b>	<b>3.22</b>	<b>3.09</b>	<b>24.04</b>

### Ageing for Trade Payables - current outstanding As at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	1,218.00	2.06	-	-	1,220.06
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>1,218.00</b>	<b>2.06</b>	<b>-</b>	<b>-</b>	<b>1,220.06</b>

### Ageing for Trade Payables - current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	782.80	-	-	-	782.80
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>782.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>782.80</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14 A. Other Financial liabilities					₹ Lakhs
Particulars	Non - current	Current	Non - current	Current	
	As at 31.03.2022		As at 31.03.2021		
Security Deposits	58.00	-	78.00	-	
<b>Total</b>	<b>58.00</b>	<b>-</b>	<b>78.00</b>	<b>-</b>	

15. Other Current liabilities				₹ Lakhs
Particulars	As at 31.03.2022		As at 31.03.2021	
Statutory Payables				
- Sales Tax/GST payables		5.94		7.88
- PF & ESI payables		15.62		14.53
- TDS/TCS payables		47.62		51.31
Other Liabilities for expenses		1,326.84		1,346.92
Interest Accrued but not due		7.52		22.86
Book Overdraft		8.97		-
Advance Received from Customers		147.39		174.40
<b>Total</b>		<b>1,559.90</b>		<b>1,617.90</b>

16. Provisions					₹ Lakhs
Particulars	Non - current	Current	Non - current	Current	
	As at 31.03.2022		As at 31.03.2021		
<b>Provision for employee benefits</b>					
- Gratuity		155.05	105.14	132.30	89.52
<b>Others</b>					
- Provision for Expenses		-	-	-	1.67
<b>Total</b>		<b>155.05</b>	<b>105.14</b>	<b>132.30</b>	<b>91.19</b>

17. Deferred tax assets / liabilities (net)				₹ Lakhs
Particulars	As at 31.03.2022		As at 31.03.2021	
<b>Deferred tax liabilities</b>				
Difference between WDV as per books and income tax		250.63		258.74
Impact of disallowances u/s 43(B)		7.80		6.29
Impact of deferred revenue expenditure		41.53		84.29
	Sub Total	299.96		349.32
<b>Deferred tax Assets</b>				
Impact of Disallowance u/s 40A(7)		68.00		61.17
		68.00		61.17
<b>Net deferred tax liabilities</b>		<b>231.96</b>		<b>288.15</b>

Movement in deferred tax items					₹ Lakhs
	Opening Balance	Recognised in Profit & Loss	Recognised in other comprehensive income	Closing balance	
<b>Deferred tax asset / (liability) in relation to</b>					
Difference between WDV as per books and income tax	(258.74)	8.11	-	(250.63)	
Impact of disallowances u/s 43(B)	(6.29)	(1.51)	-	(7.80)	
Impact of deferred revenue expenditure	(84.29)	42.76	-	(41.53)	
Impact of Disallowance u/s 40A(7)	61.17	6.83	-	68.00	
	<b>(288.15)</b>	<b>56.19</b>	<b>-</b>	<b>(231.96)</b>	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

<b>18. Current tax Liability (net)</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>	
Provision for Income Tax	334.52	266.35	
<b>Total</b>	<b>334.52</b>	<b>266.35</b>	

<b>19. Revenue from operations</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
<b>A. Sale of Goods</b>	47,397.67	44,121.86	
<b>Total</b>	<b>47,397.67</b>	<b>44,121.86</b>	
<b>B. Other Operating Income</b>			
Sale of Packing & Other Material	32.65	147.76	
	<b>32.65</b>	<b>147.76</b>	
	<b>47,430.32</b>	<b>44,269.62</b>	

<b>20. Other income</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Interest income	5.32	9.52	
Sundry Balance/Excess Provision written back	10.65	23.15	
Foreign Exchange Fluctuation	44.56	9.54	
Net Gain on sale of fixed assets	3.53	326.89	
Misc. Income	67.38	24.90	
<b>Total</b>	<b>131.44</b>	<b>394.00</b>	

<b>21. Cost of materials consumed</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Raw material	36,616.99	34,770.55	
Packing Material	1,031.57	848.71	
Chemicals	427.05	525.68	
<b>Total</b>	<b>38,075.61</b>	<b>36,144.94</b>	

<b>22. Purchases of stock - in - trade</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Imported	-	136.24	
Indigenous	76.71	22.17	
<b>Total</b>	<b>76.71</b>	<b>158.41</b>	

<b>23. Changes in inventories of finished goods, stock - in - trade &amp; work - in - progress</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
<b>Inventories at the end of the year</b>			
Finished Goods	5,605.47	4,797.08	
Stock in trade	38.17	82.77	
<b>Inventory at the beginning of the year</b>			
Finished Goods	4,797.08	4,403.54	
Stock in trade	82.77	256.42	
<b>Total</b>	<b>(763.79)</b>	<b>(219.89)</b>	

<b>24. Employee benefits expenses</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Salary & Wages & Bonus	2,093.02	1,986.95	
Contribution to provident & other funds	95.70	86.52	
Recruitment Expenses	12.85	22.21	
Workman and staff welfare	7.72	4.15	
Gratuity	31.32	28.33	
<b>Total</b>	<b>2,240.61</b>	<b>2,128.16</b>	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

<b>25. Finance costs</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Interest Expense			
- On Short Term Borrowings	127.06		101.51
- On Long Term Borrowings	2.27		4.88
Interest impact on Gratuity	15.11		13.16
Other Financial Charges	36.13		9.99
<b>Total</b>	<b>180.57</b>		<b>129.54</b>

<b>26. Depreciation and amortization expense</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Depreciation of tangible assets	141.64		137.72
Amortization of intangible assets	0.42		0.51
<b>Total</b>	<b>142.06</b>		<b>138.23</b>

<b>27. Other expense</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Consumption of stores & spare parts	133.70		183.43
Job work costs	93.73		77.62
Power & fuel	1,223.77		1,032.64
Repairs & maintenance			
- Building	1.87		2.31
- Plant and Machinery	27.21		24.54
- Others	19.37		12.72
Insurance	36.01		32.77
Rent	115.75		115.04
Rates & Taxes	23.08		20.73
Payment to Auditors	4.50		4.50
Bank Charges	17.27		19.76
Freight & forwarding	1,410.77		984.10
Commission	166.05		157.12
Other selling expenses	2,543.83		1,653.25
Foreign Exchange Fluctuation	-		-
Service Tax/Entry Tax Paid	31.48		19.39
Loss on sale of fixed assets	-		2.98
Deferred Revenue Expenditures Written off	159.17		220.97
Corporate Social Responsibility Expenses (Refer Note Below)	11.33		
Other expenses	292.11		223.61
<b>Total</b>	<b>6,311.00</b>		<b>4,787.48</b>

**Note:**

<b>Corporate Social Responsibility (CSR) Expenditure</b>		<b>₹ Lakhs</b>	
	<b>Year ended 31.03.2022</b>	<b>Year ended 1.03.2021</b>	
1 Amount required to be spent by the company during the year	11.33		-
2 Amount of expenditure incurred on:			
(i) Construction/acquisition of any asset	-		-
(ii) On education, health poverty alleviation, others	11.33		-
3 Shortfall at the end of the year	-		-
4 Total of previous years shortfall	-		-
5 Reason for shortfall	NA		NA
	Contribution to Socio Legal Research and Education foundation, Delhi. The foundation is involved in charitable projects such as Promotion of Education, Working on Providing Employment, Protection of National Heritage etc.		
6 Nature of CSR activities			
7 Related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	-		-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 8 Where a provision is made with respect to a liability incurred by entering into contractual obligation, the movement in the provisions during the year

- -

<b>28. Tax expense</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Current tax	415.00	424.00	
Taxes for Earlier Years	-	(0.64)	
Deferred tax	(56.19)	(78.21)	
<b>Total</b>	<b>358.81</b>	<b>345.15</b>	

Reconciliation of tax expenses and the accounting profit for the year is as follows:-

**₹ Lakhs**

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Profit before tax	1,298.99	1,396.75	
Income tax calculated @25.168% (PY 29.12%)	326.39	406.74	
Mat credit entitlement	-	(55.12)	
Effect of expenses that are not deductible in determining taxable profit	4.94	6.79	
Effect of lower tax on long term capital gain	-	(29.52)	
Impact of change in Income tax rate	(9.22)		
Others	36.70	16.90	
	<b>358.81</b>	<b>345.79</b>	
Taxes for Earlier Years	-	(0.64)	
	<b>358.81</b>	<b>345.15</b>	

### 29. Components of other comprehensive income

**₹ Lakhs**

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
i) Items that will not be reclassified to profit or loss			
Re-measurement gains(losses) on defined benefit Plans	(2.15)	(0.14)	
ii) Items that will be reclassified to profit or loss	-	-	
<b>Total</b>	<b>(2.15)</b>	<b>(0.14)</b>	

### 30. Earnings per share

**₹ Lakhs**

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Continuing operations			
Net profit for as per Statement of Profit & Loss (calculation of basic EPS)	938.03	1,051.46	
Net profit as above	938.03	1,051.46	
Net profit for calculation of diluted EPS	938.03	1,051.46	
Weighted average number of equity shares in calculating basic EPS	1,26,56,397.00	1,26,56,397.00	
<b>Effect of dilution:</b>			
Convertible Warrants		-	
Weighted average number of equity shares in calculating diluted EPS	1,26,56,397.00	1,26,56,397.00	
Basic earning per share (Amount in Rs)	7.41	8.31	
Diluted earning per share (Amount in Rs)	7.41	8.31	

### 31. Contingent Liabilities

**₹ Lakhs**

<b>S. No.</b>	<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
i)	Provident Fund	54.63	54.63
ii)	Income Tax	181.50	181.50
iii)	VAT	198.92	198.92
iv)	Employee Dues	3.50	3.50
v)	Sales tax against pending forms	1.77	1.80
vi)	FSSAI	1.75	1.75

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favour in respect of all the items listed at (i) to (vi) above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

- 32 A.** Post closure of the Financial year 2021-2022, on May 18, 2022, the Board of Directors of the Company has, pursuant to special resolution passed by the Members at its extraordinary general meeting held on May 04, 2022 in terms of SEBI (ICDR) Regulations, 2018, allotted 6,50,000 convertible warrants carrying a right exercisable by the warrant holder to subscribe to one fully paid up equity share per warrant at a price of ₹207/- ("Issue Price") [including premium of Rs. 197/-] per equity share on preferential basis to promoter category as under:

Sr. No.	Name of the Warrant holders	Category	No of Warrants Allotted
1	Mr. Anil Modi	Individual, Promoter	1,30,000
2	Mr. Akshay Modi	Individual, Promoter	4,40,000
3	Ms. Neha Agarwal	Individual, Promoter Group	38,000
4	Ms. Aditi Modi	Individual, Promoter Group	42,000
<b>Total</b>			<b>6,50,000</b>

The amount equivalent to 25% of the warrant issue price was received upfront and balance 75% is payable by the Warrant Holder at the time of allotment of the Equity Share which may be exercised at any time on or before expiry of 18 months from the date of allotment of Warrants, failing which the warrants shall lapse and the amount paid shall stand forfeited by the Company.

- 32B.** During the year, the Company incorporated a wholly owned subsidiary Modi Biotech Private Limited in the State of National Capital Territory of Delhi, on April 27, 2021. In line with the Ethanol Blended Petrol (EBP) program, the Company has diversified into ethanol manufacturing, with a state-of-the art greenfield Ethanol Plant being established in the state of Chhattisgarh under its wholly owned subsidiary Modi Biotech Private Limited (MBPL). MBPL has received in-principle approval for a 210 KLD distillery for the manufacture of ethanol from the Central Government, along with signing an MOU with the Chhattisgarh Government for the same. The company has also received environment clearance (EC) for the project from the Ministry of Environment, Forest and Climate change (MoEF&CC). The Company has invested in its wholly owned subsidiary Rs. 15,00,00,000/- by way of 20,00,000 fully paid-up equity shares having a face value of Rs.10/- each aggregating Rs. 2,00,00,000/- and 13,00,000 fully paid up optionally convertible debentures having face value of Rs. 100/- each aggregating Rs. 13,00,00,000/-.
- 33.** There was a fire in the Vegetable Oil Refinery in December 2021, resulting in complete closure of the plant for 13 days and thereafter running on reduced capacity for about one month. The company had filed an insurance claim for the losses sustained and the claim is still under process. The Company has adjusted the loss incurred on stock against the insurance claim filed. The loss incurred on fixed asset has been adjusted to the extent of written down value of the asset. The actual profit /loss due to fire would be adjusted at the time of settlement of the claim.
- 34.** The method of valuation of closing Inventory of Raw Material has been changed from Weighted average cost to FIFO. As a result of this change Profit for the year and Closing Inventory of Raw Material is higher by Rs. 294.74 Lacs.

### 35. Employee Benefits

#### A Defined Benefit plans

Gratuity Recognised in financial statements as per Actuarial Valuations as on March 31, 2022

Assumptions	As at March 31, 2022	As at March 31, 2021
<b>Economic Assumptions</b>		
Discount rate	6.79%	6.81%
Salary escalation	4.00%	4.00%
<b>Demographic Assumptions</b>		
Retirement Age	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at Ages	<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
-Up to 30 Years	3%	3%
-From 31 to 44 years	2%	2%
-Above 44 years	1%	1%

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

₹ Lakhs

<b>Movements in present value of the defined benefit obligation</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Present value of obligation As at the beginning of the period	221.81	193.82
Interest cost	15.11	13.16
Current service cost	31.33	28.33
Past Service Cost including curtailment Gains/Losses	-	-
Benefit paid	(10.20)	(13.64)
Actuarial (Gain)/Loss on obligation	2.15	0.14
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-
<b>Liability at the end of the year</b>	<b>260.19</b>	<b>221.81</b>

<b>Movements in the fair value of plan assets</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Fair Value of plan assets at the beginning of the period / year	-	-
Contribution from the employer	-	-
Actual return on plan assets	-	-
Benefits paid	-	-
Actuarial gain/loss for the year on asset	-	-
<b>Fair value of the plan assets at the end of the period / year</b>	<b>-</b>	<b>-</b>

<b>Amount recognized in the Balance Sheet</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Present Value of the obligation at end	260.19	221.81
Fair value of plan assets at the end of the period /year	-	-
<b>Unfunded Liabilities recognized in the Balance Sheet</b>	<b>(260.19)</b>	<b>(221.81)</b>

<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Current service cost	31.33	28.33
Past Service Cost	-	-
Net Interest cost	15.11	13.16
Net actuarial (gain)/loss recognized in the period	2.15	0.14
<b>Expense recognized in the Statement of Profit and Loss</b>	<b>48.58</b>	<b>41.63</b>

<b>Other Comprehensive Income</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	-	-
Actuarial gain / (loss) for the year on Asset	-	-
<b>Unrecognized actuarial gain/(loss) at the end of the year</b>	<b>-</b>	<b>-</b>

**Description of plan assets:**

<b>Major categories of plan assets</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Insurer managed fund	-	-

<b>Change in Net benefit Obligations</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Net defined benefit liability at the start of the period	221.81	193.82
Acquisition adjustment	-	-
Total Service Cost	31.33	28.33
Net Interest cost (Income)	15.11	13.16
Actuarial (gain)/loss on obligation	2.15	0.14
Contribution paid to the Fund	-	-
Benefit paid directly by the enterprise	(10.20)	(13.64)
<b>Net defined benefit liability at the end of the period</b>	<b>260.19</b>	<b>221.81</b>

<b>Bifurcation of PBO at the end of year in current and Non-Current.</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Current liability (Amount due within one year)	105.14	89.51
Non-Current liability (Amount due over one year)	155.05	132.30
<b>Total PBO at the end of year</b>	<b>260.19</b>	<b>221.81</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ Lakhs

<b>Sensitivity Analysis of the defined benefit obligation</b>		<b>As at March 31, 2022</b>
a) Impact of the change in discount rate		
-Impact due to increase of 0.50 %		(7.55)
-Impact due to decrease of 0.50 %		8.20
b) Impact of the change in salary increase		
-Impact due to increase of 0.50 %		7.96
-Impact due to decrease of 0.50 %		(7.39)

Sensitivities due to mortality and withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary and relied upon by the auditors.

The employer's best estimate of contribution expected to be paid during the next year is Rs. 51.02 lakhs.

### B. Defined Benefit plans – Leave Encashment

Liability in respect of leave encashment is not applicable since the company pays leave encashment to employees every year.

### C. Defined Contribution plans – Provident Fund and ESI

The Company has recognized Rs. 95.70 lakhs (As on 31 March,2021: Rs. 86.52 lakhs) in statement of profit and loss as Company's contribution to provident fund and ESI.

## 36. RELATED PARTY DISCLOSURE

### 1. Names of the related parties with whom transactions have taken place during the year:-

- (A) Key Management Personnel  
Mr. Anil Modi, Managing Director  
Mr. Akshay Modi, Joint Managing Director
- (B) Relatives of Key Management Personnel.  
Mrs. Nita Modi  
Mrs. Aditi Gupta  
Mrs. Neha Agarwal
- (C) Subsidiary.  
Modi Biotech Private Limited
- (D) Enterprises over which key Management personnel, or his relative, has significant influence. NA

Note: Related parties are as identified by the company and relied upon by the Auditors.

### 2. Transactions carried out with related parties referred in 1 above in ordinary course of business:-

Nature of Transaction	THIS YEAR (₹ Lakhs)			PREVIOUS YEAR (₹ Lakhs)		
	Referred in 1(A) above	Referred in 1(B) above	Referred in 1(C) above	Referred in 1(A) above	Referred in 1(B) above	Referred in 1(C) above
<b>Expenses:</b>						
Remuneration	96.00	24.00	-	82.67	19.81	-
Perquisites						
Company's Contribution to Provident Fund	5.76	-		5.04	-	
Interest Paid	16.89	-	-	24.11	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Reimbursement of Expenses			13.74			
<b>Investments</b>			1500.00			
<b>Loan Taken</b>	726.00	-	-	104.50	-	-
<b>Loan Repaid</b>	471.00			62.50		
<b>Outstanding Payables:</b>						
Loan (Inc Interest)	619.71	-	-	349.53	-	-
Payable	19.68	2.23	-	8.93	1.71	-

### 37. Financial Instruments- Fair Value and Risk Management

#### A. Financial instruments by Categories

The carrying value and fair value of financial instruments is as follows

As at 31 March, 2022

₹ Lakhs

Particulars	Measured at amortized cost	Measured at fair value through Other Comprehensive Income	Total carrying value	Total fair value
Cash and cash equivalents	15.86		15.86	15.86
Bank balances	36.40		36.40	36.40
Trade Receivables -non current	35.06		35.06	35.06
Trade Receivables – current	1899.63		1899.63	1899.63
Loans and Advances-non current	-		-	-
Loans and Advances- current	-		-	-
Investments In Subsidiary	1500.00		1500.00	1500.00
<b>Total</b>	<b>3486.95</b>		<b>3486.95</b>	<b>3486.95</b>
<b>Financial liabilities</b>				
Borrowings -current	5057.19		5057.19	5057.19
Borrowings-non current	38.57		38.57	38.57
Trade Payable – current	1220.06		1220.06	1220.06
Trade Payable – non current	34.40		34.40	34.40
Other financial Liabilities	58.00		58.00	58.00
<b>Total</b>	<b>6408.22</b>		<b>6408.22</b>	<b>6408.22</b>

As at 31 March, 2021

₹ Lakhs

Particulars	Measured at amortized cost	Measured at fair value through Other Comprehensive Income	Total carrying value	Total fair value
Cash and cash equivalents	41.95		41.95	41.95
Bank balances	33.37		33.37	33.37
Trade Receivables -non current	35.06		35.06	35.06
Trade Receivables – current	2095.57		2095.57	2095.57
Loans and Advances-non current	-		-	-
Loans and Advances- current	-		-	-
<b>Total</b>	<b>2205.95</b>		<b>2205.95</b>	<b>2205.95</b>
<b>Financial liabilities</b>				
Borrowings -current	2044.99		2044.99	2044.99
Borrowings-non current	10.23		10.23	10.23
Trade Payable – current	782.80		782.80	782.80
Trade Payable – non current	24.04		24.04	24.04
Other financial Liabilities	78.00		78.00	78.00
<b>Total</b>	<b>2940.06</b>		<b>2940.06</b>	<b>2940.06</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Valuation techniques used to determine fair value

Fair value of cash and cash equivalents, loans and advances, receivables, payables, and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets (Loans and advances) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.

### B. Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market condition and Company's Activities.

The Company's Board of Directors oversee how management monitors compliances with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Company.

### Financial risk factors

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarized ahead.

#### (i) Market Risk:

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and commodity prices. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the returns.

#### (ii) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primary arises from trade receivables, which are typically unsecured. Apart from this, the Company is exposed to credit risk from its financing activities including deposit with banks and security deposits.

The credit risk on bank balances is limited because the counter parties are banks with good credit ratings. Financial assets are written off when there is no reasonable expectation of recovery. Where the loans and receivables were written off and subsequently recoveries are made, these are recognised as an income in the financial statements.

### Trade Receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

### Cash & Cash Equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counter party as non-material.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Exposure to Credit Risk

#### Financial assets to which loss allowances measured using life time months expected credit loss

Ageing analysis of Trade Receivables is as under

₹ Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
More than six months	366.38	371.62
Up to Six Months	1568.31	1759.01
<b>TOTAL</b>	<b>1934.69</b>	<b>2130.63</b>
Expected credit loss allowance	Nil	Nil

Financial assets to which loss allowances measured using 12 months expected credit loss

For financial assets (other than trade receivables), expected credit losses are measured at an amount equal to the 12-month ECI, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECI. The Company does not have any expected credit loss on financial assets which are measured on 12 month ECI and also has not observed any significant increase in credit risk since initial recognition of the financial assets.

### iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

##### As at 31.03.2022

₹ Lakhs

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	38.57	38.57
Current borrowings	5057.19	-	5057.19
Trade payables	1254.46	-	1254.46
Other financial liabilities	-	58.00	58.00

##### As at 31.03.2021

₹ Lakhs

Particulars	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	10.23	10.23
Current borrowings	2044.99	-	2044.99
Trade payables	806.84	-	806.84
Other financial liabilities	-	78.00	78.00

### 38. Capital Management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the company consists of net debt and total equity.

The company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term /short-term borrowings. The company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio.

₹ Lakhs

Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
Borrowings - Non-Current	13	38.57	10.23
Borrowings – Current	13	5057.19	2044.99
Less Cash and bank balances	9 and 10	(52.26)	(75.32)
<b>Net debt</b>		<b>5043.50</b>	<b>1979.90</b>
<b>Total equity</b>	11 and 12	<b>7723.95</b>	<b>6785.91</b>
<b>Capital and Net debt</b>		<b>12767.45</b>	<b>8765.81</b>
<b>Gearing Ratio (%)</b>		<b>39.50%</b>	<b>22.59%</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous year.

### 39. Operating Segment

The company's sole business segment is manufacturing and marketing of Oils & De-oiled Cakes and the geographical segment is India. Consequently, no separate disclosure, as required under Indian Accounting Standard 108 – Operating Segment, is considered relevant.

### 40. Amount paid/payable to Auditors (included under Other Expenses)

	₹ Lakhs	
	This Year	Previous Year
As Audit Fee	3.25	3.25
For Tax Audit	1.00	1.00
For Taxation Work	0.25	0.25
<b>TOTAL</b>	<b>4.50</b>	<b>4.50</b>

### 41. Additional information:

#### 41.1 Sales of Products comprises of:

	₹ Lakhs	
	2021-22	2020-21
<b>Manufactured Goods</b>		
Oils	37486.51	34981.01
Deoiled Rice Bran	8804.84	7678.46
Fatty	143.48	239.85
Others	755.98	642.49
<b>Total – Sale of Manufactured Goods</b>	<b>47190.81</b>	<b>43541.81</b>
<b>Trading Goods:</b>		
Oils	140.26	580.05
Others	66.60	-
<b>Total – Sale of Traded Goods</b>	<b>206.86</b>	<b>580.05</b>
<b>Total Sales</b>	<b>47397.67</b>	<b>44121.86</b>

#### 41.2 Closing Stock of Finished Goods

	₹ Lakhs	
	2021-22	2020-21
<b>Manufactured Goods</b>		
Oils	4376.25	3920.94
Deoiled Rice Bran	1075.60	772.85
Others	136.19	69.19
Fatty	17.43	34.10
<b>Total</b>	<b>5605.47</b>	<b>4797.08</b>
<b>Trading Goods:</b>		
Oils	10.15	82.77
Other	28.02	-
<b>Total</b>	<b>38.17</b>	<b>82.77</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 41.3 Material Consumed

₹ Lakhs

Particulars	2021-22	2020-21
<b>A. Raw Material</b>		
Rice Bran	20741.93	16011.38
Oils	15562.94	18593.43
Others	312.12	165.74
<b>Total</b>	<b>36616.99</b>	<b>34770.55</b>
<b>B. Chemical</b>		
Hexane	143.75	131.10
Activated Earth	139.90	235.68
Others	143.40	158.90
<b>Total</b>	<b>427.05</b>	<b>525.68</b>

### 41.4 Purchase of Stock in Trade

₹ Lakhs

Particulars	2021-22	2020-21
Oils	5.95	158.41
Others	70.76	0.00
<b>Total</b>	<b>76.71</b>	<b>158.41</b>

### 41.5 Value of import on CIF/F.O.B basis of –

₹ Lakhs

(1) raw material	1460.59	1089.53
(2) Capital Goods	-	-

### 41.6 Expenditure in Foreign Currency

Travelling Expenses	6.44	-
Other Expenses	-	-

### 41.7 Earning in foreign currency

-Value of Export of F.O.B. basis	219.73	156.26
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### 41.8 Value of imported and indigenous raw materials, stores, components and spare parts consumed:

₹ Lakhs

		For the year ended 31.03.2022		For the year ended 31.03.2021	
		Amount	%	Amount	%
(i)	<b>Raw Material</b>				
a.	Imported	2047.72	5.59	1902.05	5.47
b.	Indigenous	34569.27	94.41	32868.50	94.53
	<b>Total</b>	<b>36616.99</b>	<b>100.00</b>	<b>34770.55</b>	<b>100.00</b>
(ii)	<b>Packing Material</b>				
a.	Imported	17.55	1.70	17.76	2.09
b.	Indigenous	1014.02	98.30	830.95	97.91
	<b>Total</b>	<b>1031.57</b>	<b>100.00</b>	<b>848.71</b>	<b>100.00</b>
(iii)	<b>Chemicals</b>				
a.	Imported	-	-	-	-
b.	Indigenous	427.05	100.00	525.68	100.00
	<b>Grand Total (i)+(ii)+(iii)</b>	<b>38075.61</b>		<b>36144.94</b>	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 42. The following are analytical ratios:

Particulars	Numerator	Denominator	31st March, 2022	31st March, 2021	Variance %	Refer Note
(a) Current Ratio (in times)	Current Assets	Current Liabilities	1.54	2.06	(25.24)	(i)
(b) Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.66	0.30	120.00	(ii)
(c) Debt Service Coverage Ratio (in times)	Earnings available for debt service (*)	Debt Service (**)	85.53	15.93	436.91	(iii)
(d) Return on Equity Ratio, (%)	Net Profits after Taxes	Shareholder's Equity	12.14	15.49	(21.63)	
(e) Inventory turnover ratio (in times)	Revenue from Operations	Average Inventories	5.85	6.49	(9.86)	
(f) Trade Receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivables	23.33	23.60	(1.14)	
(g) Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	36.68	44.02	(16.67)	
(h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	10.55	8.66	21.82	
(i) Net profit ratio, (%)	Net Profit before Taxes	Revenue from Operations	2.74	3.16	(13.29)	
(j) Return on Capital employed, (%)	Earnings before interest and taxes	Capital Employed (#)	17.51	20.72	(15.49)	
(k) Return on investment	Income generated from long term investments	Average long-term investments	NA	NA	NA	

(\*) Earnings available for debt service

(\*\*) Debts Service

(#) Capital Employed

Profit after Tax before depreciation and interest on long term borrowings

Repayment of long-term borrowings and Gross Interest on long term borrowings

Total book value of all assets less current liabilities

### Explanation for variance exceeding 25%:

- i. Current ratio has decreased due to increase in borrowings.
- ii. Debt equity ratio has increased due to increase in borrowings.
- iii. Debt Service ratio has increased as the liability to pay long term borrowings is less in current year.

### 43. Additional Regulatory Information as required by Schedule III of Companies Act, 2013

- (a) There are no proceedings which have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988.
- (b) Title deeds of immovable properties are held in the name of the company.
- (c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (d) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (e) The company has used the borrowings from banks and financial institutions for the purpose for which it was taken at the balance sheet date.
- (f) There are no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (g) There are no Loans or Advances in the nature of Loans granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- (h) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks for the quarter ended as on 31.12.2021 and 31.03.2022 are not in agreement with the books of account of the Company. Reconciliation and reason for the same as follows:

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ Lakhs

Name of the Bank	Working Capital Limit Sanctioned	Security Offered	Quarter Ended	Amount disclosed in Statement	Amount as per books	Difference	Reasons for difference
HDFC BANK AND YES BANK	5000.00	Stock and Book Debts	31.12.2021	9258.70	9944.44	685.74	Primarily due to valuation of inventories and booking of certain invoices after submission of the quarterly statement to bankers.
			31.03.2022	10742.98	11324.49	581.51	

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (k) The Company does not have any transactions with companies struck off.
- (l) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (m) The Company has complied with the number of layers for its holdings in downstream companies prescribed under clause 87 of section 1 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

#### 44. Approval of financial statements

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors and authorize for issue on 30th May 2022.

As per our report of even date attached  
**for Kashyap & Co**  
 Chartered Accountants  
 Registration No.: 011355C

Sd/-  
**Nupur Gupta**  
 Partner  
 Membership No.: 075983  
 UDIN: 22075983AJXCJ6413

for and on behalf of the Board  
 Sd/-

<b>Anil Modi</b>	DIN:00187078	Chairman & Managing Director
<b>Akshay Modi</b>	DIN:03341142	Jt. Managing Director
<b>Pradeep Kapoor</b>	PAN:A7EPK2474R	Chief Financial Officer
<b>Ankit Agarwal</b>	M.No.:A23445	Company Secretary

New Delhi, 30<sup>th</sup> May 2022

## INDEPENDENT AUDITOR'S REPORT

To the Members of Modi Naturals Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Modi Naturals Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet As at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group As at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Emphasis of Matters

We draw attention to note no. 34 of the consolidated audited financial statements regarding change in the method of valuation of closing Inventory of Raw Material from Weighted average cost to FIFO. As a result of this change Profit for the year and Closing Inventory of Raw Material is higher by Rs. 294.74 Lakhs.

Our opinion is not qualified in respect of this matter

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no matter which is required to be described as key audit matter to be communicated in our report.

#### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each

company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further

described in para (a) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 1,505.12 lakhs As at 31 March 2022, total revenues (before consolidation adjustments) of Rs. Nil lakhs and net cash flows (before consolidation adjustments) amounting to Rs.428.25 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by

the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2.(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the



consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:

- a) The consolidated financial statements disclose the impact of pending litigations As at 31 March 2022 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
- b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
- c) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary company and during the year ended 31 March 2022.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any

- guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided in (d) (i) and (d) (ii) above contain any material misstatement.

- e) Neither the Holding Company nor its subsidiary company have declared or paid any dividend during the year .

- (C) With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of subsidiary company, which was not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us

for **Kashyap & Co.**  
Chartered Accountants  
Firm Registration No. 011355C  
Sd/-  
**(Nupur Gupta)**  
Partner  
Membership No. 075983  
UDIN: 22075983AJXBVZ5126

Place: New Delhi  
Date: 30.05.2022

**Annexure A to the Independent Auditor’s Report on Consolidated Financial Statements – 31 March 22**  
(Referred to in our report of even date)

In our opinion and according to the information and explanations given to us, following company

incorporated in India and included in the consolidated financial statements, has certain remarks included in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO), which have been reproduced below:

Sr No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report *
1.	Modi Naturals Limited	L15142DL1974PLC007349	Holding Company	Clause (ii) (b)

\*These clauses pertain to difference observed in books and quarterly statements submitted to the bank by the Company. The details of the differences are set out in note 43(h) to the consolidated financial statements.

**Annexure B to the Independent Auditors’ report on the consolidated financial statements of Modi Naturals Limited for the year ended 31 March 2022**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph (2(A)(f)) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Modi Naturals Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company (together referred to as “the Group”) as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the

degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and according to the information and explanations given to us, the company and its subsidiary, which is a company incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively As at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to one subsidiary company, is based on the corresponding reports of the auditors of such company incorporated in India.

for **Kashyap & Co.**  
Chartered Accountants  
Firm Registration No. 011355C  
Sd/-  
**(Nupur Gupta)**  
Partner  
Membership No. 075983  
UDIN: 22075983AJXBVZ5126

Place: New Delhi  
Date: 30.05.2022

## Consolidated Balance Sheet as at 31<sup>st</sup> March 2022

Particulars	Note	₹ Lakhs	
		As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3	2,576.11	1,915.24
(b) Capital work - in - progress	4	-	0.49
(c) Other intangible assets	5	1.97	1.94
(d) Financial assets			
(i) Trade receivables	6	35.06	35.06
(e) Other non - current assets	7	702.57	256.42
<b>Total Non-Current Assets</b>		<b>3,315.71</b>	<b>2,209.15</b>
<b>Current assets</b>			
(a) Inventories	8	9,389.80	6,818.55
(b) Financial assets			
(i) Trade receivables	6	1,899.63	2,095.57
(ii) Cash and cash equivalents	9	444.11	41.95
(iii) Bank Balances other than (ii) above	10	36.40	33.37
(c) Other current assets	7	1,438.10	923.27
<b>Total Current Assets</b>		<b>13,208.04</b>	<b>9,912.71</b>
<b>Total assets</b>		<b>16,523.75</b>	<b>12,121.86</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	11	1,265.64	1,265.64
(b) Other equity	12	6,454.66	5,520.27
<b>Total Equity</b>		<b>7,720.30</b>	<b>6,785.91</b>
<b>LIABILITIES</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	38.57	10.23
(ii) Trade payables	14	34.40	24.04
(iii) Other financial liabilities	14A	58.00	78.00
(b) Provisions	15	155.05	132.30
(c) Deferred tax liabilities (net)	16	231.85	288.15
<b>Total Non-Current Liability</b>		<b>517.87</b>	<b>532.72</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	5,057.19	2,044.99
(ii) Trade payables	14	1,223.42	782.80
(iii) Other financial liabilities	14A	2.76	-
(b) Other current liabilities	15	1,562.55	1,617.90
(c) Provisions	17	105.14	91.19
(d) Current Tax Liability (net)	18	334.52	266.35
<b>Total Current Liability</b>		<b>8,285.58</b>	<b>4,803.23</b>
<b>Total Equity and Liabilities</b>		<b>16,523.75</b>	<b>12,121.86</b>

See accompanying notes to Ind AS Financial Statements 1 - 44

As per our report of even date attached

**for Kashyap & Co**

Chartered Accountants

Registration No.: 011355C

for and on behalf of the Board

Sd/-

Sd/-

**Nupur Gupta**

Partner

Membership No.: 075983

UDIN: 22075983AJXBVZ5126

**Anil Modi**  
**Akshay Modi**  
**Pradeep Kapoor**  
**Ankit Agarwal**

DIN:00187078  
DIN:03341142  
PAN:ATEPK2474R  
M.No.:A23445

*Chairman & Managing Director*  
*Jt. Managing Director*  
*Chief Financial Officer*  
*Company Secretary*

N New Delhi, 30<sup>th</sup> May 2022

## Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2022

		₹ Lakhs	
Particulars	Note	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>I Revenue from operations</b>			
-Sale of Products	19	47,397.67	44,121.86
-Other Operating income		32.65	147.76
<b>Revenue from operations</b>		<b>47,430.32</b>	<b>44,269.62</b>
II Other income	20	131.44	394.00
<b>III Total income (I + II)</b>		<b>47,561.76</b>	<b>44,663.62</b>
<b>IV Expenses</b>			
Cost of materials consumed	21	38,075.61	36,144.94
Purchases of stock - in - trade	22	76.71	158.41
Changes in inventories of finished goods, stock - in - trade and work - in - progress	23	(763.79)	(219.89)
Employee benefits expenses	24	2,240.61	2,128.16
Finance costs	25	180.57	129.54
Depreciation and amortization expenses	26	142.16	138.23
Other expenses	27	6,314.66	4,787.48
<b>IV Total expenses</b>		<b>46,266.53</b>	<b>43,266.87</b>
V Profit / (loss) before exceptional items and tax (I - IV)		1,295.23	1,396.75
VI Exceptional items		-	-
<b>VII Profit / (loss) before tax (V - VI)</b>		<b>1,295.23</b>	<b>1,396.75</b>
VIII Tax expense			
(1) Current tax	28	415.00	424.00
(2) Taxes for Earlier Years	28	-	(0.64)
(3) Deferred tax	28	(56.30)	(78.21)
<b>IX Profit / (loss) for the period (VII - VIII)</b>		<b>936.53</b>	<b>1,051.60</b>
X Other comprehensive income	29		
A Items that will not be reclassified to profit or loss			
(i) Re-measurement gains(losses) on defined benefit plans		(2.15)	(0.14)
B Items that will be reclassified to profit or loss		-	-
<b>XI Total comprehensive income for the period (IX + X)</b>		<b>934.38</b>	<b>1,051.46</b>
XII Earnings per equity share of Rs. 10 each			
(1) Basic (in Rs)	30	7.38	8.31
(2) Diluted (in Rs)	30	7.38	8.31

See accompanying notes to Ind AS Financial Statements 1 - 44

As per our report of even date attached

**for Kashyap & Co**

Chartered Accountants

Registration No.: 011355C

Sd/-

**Nupur Gupta**

Partner

Membership No.: 075983

UDIN: 22075983AJXBVZ5126

for and on behalf of the Board

Sd/-

**Anil Modi**

**Akshay Modi**

**Pradeep Kapoor**

**Ankit Agarwal**

DIN:00187078

DIN:03341142

PAN:ATEPK2474R

M.No.:A23445

Chairman & Managing Director

Jt. Managing Director

Chief Financial Officer

Company Secretary

New Delhi, 30<sup>th</sup> May 2022

## Consolidated Statement of Cash Flow for the year ended 31<sup>st</sup> March 2022

	₹ Lakhs	
	For year ended March 31 2022	For year ended March 31 2021
<b>(A) Cash flow from operating activities</b>		
Net profit before tax	1,295.23	1,396.75
Adjustments to reconcile profit and loss to net cash provided by operating activities:		
Depreciation	142.16	138.23
Foreign exchange fluctuation	(44.56)	(9.54)
Deferred revenue expenses incurred	0.00	0.00
Deferred revenue expenses written off	159.17	220.97
Provision for Gratuity	36.23	27.86
Profit (-)/loss on sale of assets (net)	(3.53)	(323.91)
Interest expenses	144.44	433.91
	433.91	119.55
<b>Operating profit before working Capital changes</b>	<b>1,729.14</b>	<b>1,569.91</b>
Net change in:		
Trade and other receivable	(388.10)	(459.19)
Inventories	(2,571.25)	0.07
Trade payables	406.18	(2,553.17)
	(2,553.17)	122.67
<b>Cash generated from operations</b>	<b>(824.03)</b>	<b>1,233.46</b>
Interest paid	(129.33)	(106.39)
Direct taxes paid (Net of Refund)	(346.83)	(198.81)
<b>Cash flow before extra ordinary items</b>	<b>(1,300.19)</b>	<b>928.26</b>
Extra ordinary items (net)	-	-
<b>Net cash from operating activities (A)</b>	<b>(1,300.19)</b>	<b>928.26</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payment for purchase of property, plant and equipment	(915.36)	(158.24)
Proceeds from Bank Deposits	(3.02)	13.37
Proceeds from disposal of property, plant and equipment	116.31	362.12
Capital Advances	(536.12)	-
<b>Net cash used in investing activities (B)</b>	<b>(1,338.19)</b>	<b>217.25</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of share capital (incl Share Warrants)	3,040.54	(1,207.74)
Borrowings (net)	-	-
<b>Net Cash generated/(used) from/in financing activities (C)</b>	<b>3,040.54</b>	<b>(1,207.74)</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>402.16</b>	<b>(62.23)</b>
Cash and cash equivalents at the beginning of the year	41.95	104.18
Cash and cash equivalents at the end of the year	444.11	41.95
<b>Net increase/decrease (-) as disclosed above</b>	<b>402.16</b>	<b>(62.23)</b>

See accompanying notes to Ind AS Financial Statements

1 - 44

As per our report of even date attached  
for **Kashyap & Co**

Chartered Accountants  
Registration No.: 011355C

Sd/-  
**Nupur Gupta**  
Partner  
Membership No.: 075983  
UDIN: 22075983AJXBVZ5126

for and on behalf of the Board  
Sd/-

<b>Anil Modi</b> DIN:00187078	<b>Chairman &amp; Managing Director</b>
<b>Akshay Modi</b> DIN:03341142	<b>Jt. Managing Director</b>
<b>Pradeep Kapoor</b> PAN:ATEPK2474R	<b>Chief Financial Officer</b>
<b>Ankit Agarwal</b> M.No.:A23445	<b>Company Secretary</b>

New Delhi, 30<sup>th</sup> May 2022

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022

<b>A. Equity Share Capital</b>		<b>₹ Lakhs</b>
<b>Current Reporting Period</b>		
Balance as at 1st April, 2021		1265.64
Changes in Equity share capital during the year due to prior period errors		0.00
Restated balance as at 1st April, 2021		1265.64
Changes in Equity share capital during the year		
<b>Balance as at 31 March, 2022</b>		<b>1265.64</b>
<b>Previous Reporting Period</b>		
Balance as at 1st April, 2020		1265.64
Changes in Equity share capital during the year due to prior period errors		-
Restated balance as at 1st April, 2020		1265.64
Changes in Equity share capital during the year		0.00
<b>Balance as at 31 March, 2021</b>		<b>1265.64</b>

	<b>Reserves and Surplus</b>				<b>Total</b>
	<b>Capital Reserve</b>	<b>Securities Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	
As at 1 April, 2020	<b>89.82</b>	<b>2,512.62</b>	<b>187.34</b>	<b>1,679.03</b>	<b>4,468.81</b>
Profit for the year	-	-	-	1,051.60	1,051.60
Other Comprehensive Income	-	-	-	(0.14)	(0.14)
Total Comprehensive Income for the year	-	-	-	1,051.46	1,051.46
<b>Balance at 31 March, 2021</b>	<b>89.82</b>	<b>2,512.62</b>	<b>187.34</b>	<b>2,730.49</b>	<b>5,520.27</b>
Profit for the year	-	-	-	936.54	936.54
Other Comprehensive Income	-	-	-	(2.15)	(2.15)
Total Comprehensive Income for the year	-	-	-	934.39	934.39
<b>Balance at 31 March, 2022</b>	<b>89.82</b>	<b>2,512.62</b>	<b>187.34</b>	<b>3,664.88</b>	<b>6,454.66</b>

See accompanying notes to Ind AS Financial Statements

1 - 44

As per our report of even date attached

**for Kashyap & Co**

Chartered Accountants

Registration No.: 011355C

Sd/-

**Nupur Gupta**

Partner

Membership No.: 075983

UDIN: 22075983AJXBVZ5126

**Anil Modi**

**Akshay Modi**

**Pradeep Kapoor**

**Ankit Agarwal**

for and on behalf of the Board

Sd/-

DIN:00187078

DIN:03341142

PAN:ATEPK2474R

M.No.:A23445

Chairman & Managing Director

Jt. Managing Director

Chief Financial Officer

Company Secretary

New Delhi, 30<sup>th</sup> May 2022



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Group Information

Modi Naturals Limited ("the holding company") is a Public Limited Company domiciled in India and Incorporated under the provisions of Companies Act, 1956. The shares of company are listed at Bombay Stock Exchange. During the year company has formed a wholly owned subsidiary "Modi Biotech Private Limited" having registered office at D-185/1B & 1C, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020, India.

The Holding Company is in the business of manufacturing and marketing of oils, de-oiled cakes. The subsidiary is engaged in the manufacture of all type of Organic and inorganic chemicals and synthetic chemical derived from fermented high starch juice of any nature and Special types of ethanol and products, including specifically, gases, effluent gases, power, steam and bio fertilizers and also to produce biofuels such as ethanol for selling to petroleum marketing companies to enable them to blend in petrol and diesel.

The Consolidated Financial Statements comprise financial statements of Modi Natural Limited ("the Holding Company") and its subsidiary together referred to as "the Company" or "the Group".

- a. The subsidiary considered in the preparation of the Consolidated Financial Statement is as under:

Name of the Subsidiary	Country of Incorporation	Proportion (%) of ownership interest	
		As at 31-03-2022	As at 31-03-2021
Modi Biotech Private Limited	India	100	NA

- b. Share of Entities in Group

₹ Lakhs

Name of the Entity	As at 31-03-2022		For the Year ended 31.03.2022					
	Net Assets (Total Liabilities)		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Modi Naturals Limited	100.05%	7723.95	100.39%	940.18	100%	(2.15)	100.39%	938.03
<b>Subsidiary</b>								
Modi Biotech Private Limited	(0.05)%	(3.65)	(0.39)%	(3.65)	-		(0.39)%	(3.65)
	100%	7720.30	100%	936.53	100%	(2.15)	100%	934.38

As this is the first year of consolidation for the group previous year figures are not available/comparable.

### 2. Significant Accounting Policies

#### 2.1 Basic of Preparation of Financial Statement

##### i. Principles Of Consolidation

The Consolidated financial statements comprise the financial statements of Modi Natural Limited("the Holding Company") and its subsidiary (The Holding Company and its subsidiary together referred to as "the Group").

The Financial Statements of the Company and its subsidiary are combined on a line – by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit/loss incurred therein.

The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.

##### ii. Statement of Compliance

These consolidated financial statements (hereinafter referred to as "financial statements" in the consolidated financial statements) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

### iii. **Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are in Rupees except when otherwise indicated

### iv. **Historical Cost Convention**

The financial statements are prepared under historical cost convention on accrual basis except for certain assets and liabilities as stated in their respective policies, which have been measured at fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether the price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### iv. **Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates,

judgments and assumptions affect the application of accounting policies and the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.23.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are rejected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### v. **Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

### vi. **New or amended standards and interpretations**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### ***Ind AS 103 – Reference to Conceptual Framework***

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### ***Ind AS 16 – Proceeds before intended use***

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and

equipment. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 37 – Onerous Contracts- Cost of fulfilling a Contract**

The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2022, although early adoption is permitted. The Company has evaluated the amendment there is no impact on its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company does not expect the amendment to have any significant impact in its financial statements.

**2.2 Inventory Valuation**

- (a) Finished Goods - at lower of cost or net realizable value.
- (b) Goods in Process - at cost (computed on FIFO basis)
- (c) Raw material - at cost (computed on FIFO basis)
- (d) Stores and spares - at cost (computed on FIFO basis)
- (e) Provision for obsolescence and other anticipated losses are made on the stocks, whenever identified / considered necessary.

**2.3 Property, Plant and Equipment**

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and any accumulated impairment loss.. Cost includes its purchase price (net of CENVAT/ duty credits wherever

applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively

**2.4 Intangible assets**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**2.5 Depreciation**

- (i) Tangible assets -Depreciation on All Assets is charged at Straight Line Method basis in the manner as prescribed in Companies Act 2013 and rate as per prescribed useful life
- (ii) Intangible assets – Computer Softwares are amortized over a period of 5/6 year and Website Development over a period of 10 Years on a straight-line basis.

**2.6 Impairment of Assets**

Assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units). For the purpose of assessing impairment at each Balance Sheet date, Assets within a Cash Generating Unit are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount at which the assets under individual Cash Generating Unit are carried in the books exceeds its recoverable amount

being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the assets.

Previously recognized impairment losses, relating to assets other than goodwill, are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

## 2.7 Recognition of Revenues

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

### Sale of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### Interest Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### Insurance claims and other Miscellaneous Revenues

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Other Miscellaneous Revenues are recognized when the amounts are actually received or the realisability is certain.

## 2.8 Foreign Currency Transactions

### (a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency

amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### (b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency, are reported using the exchange rates that existed when the values were determined.

### (c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except exchange differences on transactions relating to acquisition of fixed assets, which are taken up to the date of capitalization of the related fixed assets.

## 2.9 Employee Benefits Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19 – Employee Benefits:

### (i) Provident Fund and ESI

The Company makes contribution to statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

### (ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the

defined benefit obligations recognized in Other Comprehensive Income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

**(iii) Leave Encashment**

Liability in respect of leave encashment is not applicable since the company pays leave encashment to employees every year.

**(iv) Other Short-Term Benefits**

Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**2.10 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**2.11 Accounting for Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying

amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**2.12 Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends related to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number

of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 2.14 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts that are repayable on demand, as they are considered an integral part of the Company's cash management.

### 2.15 Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

### 2.16 Non-Current Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and the sale is considered highly probable. Management must be committed to the sale within one year from the date of classification.

non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell.

### 2.17 Leases

#### Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short term leases and low value leases. For these short-term

and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

#### Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### 2.19 Financial instruments

Financial Instruments



A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

**a) Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i) Financial assets at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value, excluding dividends, recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other

comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**iii) Financial assets at fair value through profit or loss (FVTPL)**

Investment in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity investments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss

**De-recognition**

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

**Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**b) Financial liabilities and equity instruments Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on



the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortized cost using the effective interest method. The measurement of financial liabilities depends on their classification, as described below:

#### i) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### ii) Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

#### c) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not

designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are re-measured at fair value through profit or loss at the end of each reporting period and the resulting exchange gains or losses recognized in profit or loss immediately. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

#### d) Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the classification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on the net basis, to realise the assets and settle the liabilities simultaneously.

## 2.20 Interim Financial Reporting

Quarterly financial results are published in accordance with the requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## 2.21 Deferred Revenue Expenditure

Expenditure is accounted on accrual basis except in specific cases of expenditure incurred against which a definite benefit is expected to flow in to future periods. Such sums are treated as Deferred Revenue Expenditure and charged to Revenue Account over the expected duration of benefits.

## 2.22 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities are not recognized but are disclosed, while Contingent Assets are neither recognized nor disclosed, in the financial statements.

## 2.23 Critical accounting estimates and judgments

In the course of applying the policies outlined above, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

### (i) Critical Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the standalone financial statements:

#### Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that

option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

#### Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making assumption and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward estimate at the end of each reporting period.

#### Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

#### Defined benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Insurance claims and other Miscellaneous Revenues

Insurance claims and other miscellaneous revenues are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

#### Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided

for in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

(ii) **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Allowances for doubtful debts**

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

**Allowances for inventories**

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the standalone financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the standalone financial statements.

**Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

**Employee benefit obligations**

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the

valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Provisions and contingencies**

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgment is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the standalone financial statements. Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

**Deferred income tax assets and liabilities**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

**Impairment of Financial assets**

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables, the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company reviews its carrying value of investment in subsidiaries and goodwill carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the standalone statement of profit and loss.

**Impairment of PPE, CWIP and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of

the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact the carrying value of assets.

#### Impairment of Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes and duties. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

### 3. Property Plant & Equipments

₹ Lakhs

CURRENT YEAR		GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
Item	Cost As at 01.04.2021	Addition during the year	Sale/ Transfer	Cost As at 31.03.2022	As at 01.04.2021	For The Year	Adjustment	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land	92.85	499.06	-	591.91	-	-	-	-	591.91	92.85
Building	410.37	1.56	25.11	386.82	185.05	10.78	9.65	186.18	200.64	225.32
Plant & Machinery	3,151.36	338.51	146.98	3,342.89	1,723.30	94.66	53.07	1,764.89	1,578.00	1,428.06
Electrical Equipment	40.83	6.45	-	47.28	33.71	3.35	-	37.06	10.22	7.12
Furniture & Fixture	23.17	1.55	-	24.72	19.50	0.75	-	20.25	4.47	3.67
Laboratory Equipment	23.81	0.50	-	24.31	18.66	0.74	-	19.40	4.91	5.15
Office Equipment	25.14	5.09	-	30.23	16.35	2.92	-	19.27	10.96	8.79
Computers	57.67	6.12	-	63.79	50.57	4.07	-	54.64	9.15	7.10
Vehicles	231.13	56.51	22.93	264.71	93.95	24.42	19.51	98.86	165.85	137.18
<b>TOTAL</b>	<b>4,056.33</b>	<b>915.35</b>	<b>195.02</b>	<b>4,776.66</b>	<b>2,141.09</b>	<b>141.69</b>	<b>82.23</b>	<b>2,200.55</b>	<b>2,576.11</b>	<b>1,915.24</b>

PREVIOUS YEAR		GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
ITEM	Cost As at 01.04.2020	Addition during the year	Sale/ Dj During The Year	Cost As at 31.03.2021	As at 01.04.2020	For The Year	Adjustment For Sale During The Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land	119.94	-	27.09	92.85	-	-	-	-	92.85	119.94
Building	404.24	6.13	-	410.37	173.41	11.64	-	185.05	225.32	230.83
Plant & Machinery	3,072.43	78.93	-	3,151.36	1,630.40	92.90	-	1,723.30	1,428.06	1,442.03
Electrical Equipment	40.83	-	-	40.83	30.08	3.63	-	33.71	7.12	10.75
Furniture & Fixture	22.16	1.01	-	23.17	18.81	0.69	-	19.50	3.67	3.35
Laboratory Equipment	23.81	-	-	23.81	17.82	0.84	-	18.66	5.15	5.99
Office Equipment	20.94	4.20	-	25.14	14.00	2.35	-	16.35	8.79	6.94
Computers	54.47	3.42	0.22	57.67	47.06	3.73	0.22	50.57	7.10	7.41
Vehicles	219.71	68.08	56.66	231.13	117.55	21.94	45.54	93.95	137.18	102.16
<b>TOTAL</b>	<b>3,978.53</b>	<b>161.77</b>	<b>83.97</b>	<b>4,056.33</b>	<b>2,049.13</b>	<b>137.72</b>	<b>45.76</b>	<b>2,141.09</b>	<b>1,915.24</b>	<b>1,929.40</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 4. Capital Work In Progress

₹ Lakhs

Particulars	AS AT 31.03.2022	As at 31.03.2021
Plant and machinery under erection	-	0.49
<b>Total</b>	-	<b>0.49</b>

₹ Lakhs

Ageing	As at 31.03.2022	As at 31.03.2021
Less than 1 Year	-	0.49
1 - 2 years	-	-
2 - 3 years	-	-
More Than 3 Years	-	-
	-	<b>0.49</b>

### 5. Intangible Assets

₹ Lakhs

CURRENT YEAR		GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
Item	Cost As at 01.04.2021	Addition during the year	Sale/ Transfer	Cost AS AT 31.03.2022	As at 01.04.2021	For The Year	Adjustment	As at 31.03.2022	AS AT 31.03.2022	As at 31.03.2021
Computer Softwares	12.17	0.50	-	12.67	10.41	0.47	-	10.88	1.79	1.76
Intangible Assets	3.62	-	-	3.62	3.44	-	-	3.44	0.18	0.18
<b>TOTAL</b>	<b>15.79</b>	<b>0.50</b>	<b>-</b>	<b>16.29</b>	<b>13.85</b>	<b>0.47</b>	<b>-</b>	<b>14.32</b>	<b>1.97</b>	<b>1.94</b>

PREVIOUS YEAR		GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
Item	Cost As at 01.04.2020	Addition during the year	Sale/ Transfer	Cost As at 31.03.2021	As at 01.04.2020	For The Year	Adjustment	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer Softwares	11.47	0.70	-	12.17	9.90	0.51	-	10.41	1.76	1.57
Intangible Assets	3.62	-	-	3.62	3.44	-	-	3.44	0.18	0.18
<b>TOTAL</b>	<b>15.09</b>	<b>0.70</b>	<b>-</b>	<b>15.79</b>	<b>13.34</b>	<b>0.51</b>	<b>-</b>	<b>13.85</b>	<b>1.94</b>	<b>1.75</b>

### 6. Trade receivables

₹ Lakhs

Particulars	Non - current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
- Secured, considered good	-	-	-	-
- Unsecured, considered good	35.06	1,899.63	35.06	2,095.57
- Less Allowance for bad & doubtful debts	-	-	-	-
<b>Total</b>	<b>35.06</b>	<b>1,899.63</b>	<b>35.06</b>	<b>2,095.57</b>

### Ageing for Trade Receivables - non-current outstanding As at March 31, 2022 is as follows:

₹ Lakhs

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
		(i) Undisputed Trade receivables – considered good	-	-	-	-	
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	
(iii) Disputed Trade Receivables considered good	-	-	-	-	35.05	35.05	
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	
	-	-	-	-	<b>35.06</b>	<b>35.06</b>	

### Ageing for Trade Receivables - non-current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
		(i) Undisputed Trade receivables – considered good	-	-	-	0.01	
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	
(iii) Disputed Trade Receivables considered good	-	-	-	-	35.05	35.05	
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	
	-	-	-	<b>0.01</b>	<b>35.05</b>	<b>35.06</b>	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Ageing for Trade Receivables - current outstanding As at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	-	1,568.31	7.72	162.06	153.51	8.03	1,899.63
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	-	<b>1,568.31</b>	<b>7.72</b>	<b>162.06</b>	<b>153.51</b>	<b>8.03</b>	<b>1,899.63</b>

### Ageing for Trade Receivables - current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment					Total
		Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	-	1,759.01	143.79	177.05	5.29	10.43	2,095.57
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	-	<b>1,759.01</b>	<b>143.79</b>	<b>177.05</b>	<b>5.29</b>	<b>10.43</b>	<b>2,095.57</b>

### 7. Other Assets

Particulars	Non - current		Current		Total	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
a. Prepaid Expenses			52.45		52.45	30.16
b. Deferred Revenue Expenditures	41.73		123.29	165.02	166.72	159.17
c. Interest Receivables			11.74		11.74	10.29
d. Insurance Claim Receivable			183.31		183.31	
e. Pre-operative Expenses	32.58				32.58	
f. Capital Advances	536.12				536.12	
g. Advances other than Capital Advances -						
- Unsecured considered good						
- Security deposits	91.88			91.40	91.88	91.40
- Advances to Vendors			112.83		112.83	30.09
- Others			4.48		4.48	4.54
h. GST Refund/Other Amount Recoverable			22.30		22.30	2.48
i. Employee related			0.66		0.66	1.36
j. Balances with statutory authorities	0.26		927.04		927.30	685.18
<b>Total other assets</b>	<b>702.57</b>		<b>1,438.10</b>	<b>256.42</b>	<b>1,697.07</b>	<b>923.27</b>

### 8. Inventories

Particulars	As at 31.03.2022		As at 31.03.2021	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Raw Materials	2,544.19	1,490.90	2,544.19	1,490.90
Stores & Spares	585.06	396.46	585.06	396.46
Work - in - progress	616.78	51.18	616.78	51.18
Finished goods - Produced	5,605.47	4,797.08	5,605.47	4,797.08
Finished goods - Trading	38.17	82.77	38.17	82.77
Others - Promotional Material	0.13	0.16	0.13	0.16
<b>Total</b>	<b>9,389.80</b>	<b>6,818.55</b>	<b>9,389.80</b>	<b>6,818.55</b>

### 9.1. Additional information as per Schedule III

Mode of valuation of inventories

- Raw Materials	At Cost on FIFO basis	At Weighted Average Cost
- Finished Goods	At Lower of Average Cost or Net Realisable Value	At Lower of Average Cost or Net Realisable Value
- Stores	At Cost on FIFO basis	At Cost on FIFO basis
- Spares	At Cost on FIFO basis	At Cost on FIFO basis

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Cash & cash equivalents		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
Cash on hand	11.50	24.62	
Balances with banks			
- on Current Accounts	429.61	16.98	
-Fixed deposit with less than six months maturity	3.00	-	
Cheques, drafts on hand	-	0.35	
<b>Total</b>	<b>444.11</b>	<b>41.95</b>	

10. Bank Balances other than Cash and Cash equivalents		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>Fixed Deposits with Banks against margin money</b>			
- Fixed Deposits with Banks against margin money	36.40	33.37	
<b>Total</b>	<b>36.40</b>	<b>33.37</b>	

11. Share capital		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>Authorised</b>			
Modi Naturals Limited - Holding Company - 2,00,00,000 (Previous Year : 2,00,00,000) equity shares of Rs 10/- each	2,000.00	2,000.00	
Modi Biotech Private Limited - Subsidiary Company - 20,00,000 (Previous Year : NIL) Equity shares of Rs.10/- each	200.00	-	
<b>Total</b>	<b>2,200.00</b>	<b>2,000.00</b>	
<b>Issued Subscribed &amp; Fully Paid up</b>			
1,26,56,397 (Previous Year : 1,26,56,397) Equity shares of Rs 10/- each	1,265.64	1,265.64	
20,00,000 (Previous Year : NIL) Equity shares of Rs.10/- each issued by Subsidiary Company and Held by Holding Company	-	-	
<b>Total</b>	<b>1,265.64</b>	<b>1,265.64</b>	

### 11.1. Additional information as per Schedule III

11.1. Reconciliation of the number of shares	As at 31.03.2022		As at 31.03.2021	
	No of Shares	Amount (₹ Lacs)	No of Shares	Amount (₹ Lacs)
<b>Equity Share Capital</b>				
Number of shares at the beginning	1,26,56,397	1,265.64	1,26,56,397	1,265.64
Add : Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,26,56,397</b>	<b>1,265.64</b>	<b>1,26,56,397</b>	<b>1,265.64</b>

11.2 (A) The company has only one class of equity shares, having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company' s residual assets. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

11.2 (B) During the year the company subsidiary - Modi Biotech Private Limited has issued 20,00,000 one class of equity shares (held by Holding Company - Modi Naturals Limited) having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2022 the amount of dividend recognised as distributions to equity shareholders is Nil. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid-up equity capital of the company.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 11.3 Shares in the company held by each shareholder holding more than 5% shares are as under:

	As at 31.03.2022		As at 31.03.2021	
	No of Shares	% age	No of Shares	% age
Mr. Anil Modi	47,79,789	37.77	47,45,954	37.50
Ms. Nita Modi	16,56,184	13.09	16,50,134	13.04
Mr. Akshay Modi	11,14,001	8.80	10,76,586	8.51
Das Investment Private Limited	6,46,000	5.10	6,46,000	5.10

### 11.4 Shares held by promoters are as under:

As at March 31, 2022					
Promoter Name	As at 31.03.2022		As at 31.03.2021		% Change during the year
	No of Shares	% age	No of Shares	% age	
Mr. Anil Modi	47,79,789	37.77	47,45,954	37.50	0.27
Ms. Nita Modi	16,56,184	13.09	16,50,134	13.04	0.05
Mr. Akshay Modi	11,14,001	8.80	10,76,586	8.51	0.29
Anil Modi (HUF)	2,65,750	2.10	2,65,750	2.10	-
D D Modi (HUF)	61,183	0.48	61,183	0.48	-
Ms. Neha Agarwal	20,500	0.16	19,500	0.15	0.01
Das Investment Private Limited	6,46,000	5.10	6,46,000	5.10	-
<b>TOTAL</b>	<b>85,43,407</b>	<b>67.50</b>	<b>84,65,107</b>	<b>66.88</b>	<b>0.62</b>

As at March 31, 2021					
Promoter Name	As at 31.03.2021		As at 31.03.2020		% Change during the year
	No of Shares	% age	No of Shares	% age	
Mr. Anil Modi	47,45,954	37.50	46,50,216	36.74	0.76
Ms. Nita Modi	16,50,134	13.04	16,50,134	13.04	-
Mr. Akshay Modi	10,76,586	8.51	10,76,586	8.51	-
Anil Modi (HUF)	2,65,750	2.10	2,65,750	2.10	-
D D Modi (HUF)	61,183	0.48	61,183	0.48	-
Ms. Neha Agarwal	19,500	0.15	19,500	0.15	-
Das Investment Private Limited	6,46,000	5.10	6,46,000	5.10	-
<b>TOTAL</b>	<b>84,65,107</b>	<b>66.88</b>	<b>83,69,369</b>	<b>66.12</b>	<b>0.76</b>

### 11.5 Issued, subscribed and paid-up capital of the company includes:-

- 4238967 (Previous Year 4238967) shares allotted as Bonus Shares by way of Capitalisation of Profits
- 2640000 (Previous Year 2640000) Shares issued by way of conversion of Optionally Convertible Warrants into equity shares Rs.10/- each at a premium of Rs.20/- each.
- 1538463 (Previous Year 1538463) Shares issued by way of conversion of Optionally Convertible Warrants into equity shares Rs.10/- each at a premium of Rs.120/- each.

## 12. Other equity

	₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
<b>Capital Reserve</b>		
Balance at the beginning and end of the year	89.82	89.82
<b>Securities Premium Reserve</b>		
Balance at the beginning and end of the year	2,512.62	2,512.62
<b>General Reserve</b>		
Balance at the beginning and end of the year	187.34	187.34
<b>Retained Earnings</b>		
Balance at the beginning of the year	2730.49	1,679.03
Addition during the year	936.54	1,051.60
Add (less) Re-measurement of defined benefit plans through OCI	(2.15)	(0.14)
Balance of retained earnings consist of surplus retained from earned profit. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.	3,664.88	2,730.49
<b>Total</b>	<b>6,454.66</b>	<b>5,520.27</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	₹ Lakhs			
	Non - Current		Current	
	As at 31.03.2022		As at 31.03.2021	
<b>Term Loan from banks</b>				
- Secured				
From Bank	-	-	0.35	-
Vehicle Loans	57.41	-	19.95	-
	57.41	-	20.30	-
Less: Current maturity of long term debts	18.84	-	10.07	-
	38.57	-	10.23	-
Current maturity of long term debts		18.84		10.07
<b>Working capital loan from banks repayable on demand</b>				
- Secured	-	4,421.58		1,707.69
<b>Unsecured Loans repayable on demand</b>				
- From Directors	-	616.77	-	327.23
<b>Total</b>	<b>38.57</b>	<b>5,057.19</b>	<b>10.23</b>	<b>2,044.99</b>

13.1 Term Loan from banks is secured by way of equitable mortgage of Factory Land & Building and Hypothecation of Plant & Machinery of all the units at Bisalpur Road and Bareilly Road, Stock and Book Debts, Personal guarantees of Mr. Anil Modi, Mrs. Nita Modi and Mr. Akshay Modi

13.2 Working Capital facility comprises cash credit from bank and is secured against hypothecation of raw materials, semi-finished goods, finished goods, consumable stores, book debts of units at Bisalpur Road and Bareilly Road, Pilibhit and personal guarantees of Mr. Anil Modi, Mrs. Nita Modi and Mr Akshay Modi.

13.3 Vehicle Loans are secured against hypothecation of respective Vehicles

13.4 Term of repayment and interest of Term Loans are as follows: -

Loan From	ROI*	As at 31.03.2022		ROI*	As at 31.03.2021	
		No. of Instalments Left	Amount		No. of Instalments Left	Amount
		Term Loan from Banks - HDFC				
Vehicle Loan from HDFC Bank				9.50%	1	0.36
Vehicle Loan from HDFC Bank	6.80%	57	28.72	-	-	-
Vehicle Loan from HDFC Bank	7.25%	58	18.46			
Vehicle Loan from HDFC Bank	8.90%	12	10.23	8.90%	24	19.59
			<b>57.41</b>			<b>20.30</b>

Particulars	₹ Lakhs			
	Non - current		Current	
	As at 31.03.2022		As at 31.03.2021	
Due to parties registered under MSMED Act	-	-	-	-
Due to others	34.40	1,223.42	24.04	782.80
<b>Total</b>	<b>34.40</b>	<b>1,223.42</b>	<b>24.04</b>	<b>782.80</b>

Based on the information so far obtained by the Company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been made within 45 days. Disclosure in accordance MSMED Act areas under:

Particulars	31.03.2022	31.03.2021
A. Dues remaining unpaid As at 31st march		
Principal	-	-
Interest due on above	-	-
B. Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
Principal paid beyond the appointed date	-	-
Interest paid in terms of section 16	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C. Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
D. Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
D. Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise	-	-

### Ageing for Trade Payables - non-current outstanding As at March 31, 2022 is as follows: ₹ Lakhs

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	15.08	5.12	11.77	2.43	34.40
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>15.08</b>	<b>5.12</b>	<b>11.77</b>	<b>2.43</b>	<b>34.40</b>

### Ageing for Trade Payables - non-current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	5.32	12.41	3.22	3.09	24.04
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>5.32</b>	<b>12.41</b>	<b>3.22</b>	<b>3.09</b>	<b>24.04</b>

### Ageing for Trade Payables - current outstanding As at March 31, 2022 is as follows: Rs in Lakhs

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	1,221.36	2.06	-	-	1,223.42
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>1,221.36</b>	<b>2.06</b>	<b>-</b>	<b>-</b>	<b>1,223.42</b>

### Ageing for Trade Payables - current outstanding As at March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following periods from date of invoice of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 Years	More Than 3 Years	
MSME	-	-	-	-	-	-
Others	-	782.80	-	-	-	782.80
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
	-	<b>782.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>782.80</b>

### 14 A. Other Financial liabilities ₹ Lakhs

Particulars	Non - current		Current	
	As at 31.03.2022		As at 31.03.2021	
Security Deposits	58.00	-	78.00	-
Other	-	2.76	-	-
<b>Total</b>	<b>58.00</b>	<b>2.76</b>	<b>78.00</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Other Current liabilities		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
Statutory Payables			
- Sales Tax/GST payables	5.96		7.88
- PF & ESI payables	16.12		14.53
- TDS/TCS payables	49.75		51.31
Other Liabilities for expenses	1,326.84		1,346.92
Interest Accrued but not due	7.52		22.86
Book Overdraft	8.97		-
Advance Received from Customers	147.39		174.40
<b>Total</b>	<b>1,562.55</b>		<b>1,617.90</b>

16. Deferred tax assets / liabilities (net)		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>Deferred tax liabilities</b>			
Difference between WDV as per books and income tax	250.67		258.74
Impact of disallowances u/s 43(B)	7.80		6.29
Impact of deferred revenue expenditure	41.53		84.29
Sub Total	300.00		349.32
<b>Deferred tax Assets</b>			
Unabsorbed losses	0.15		-
Impact of Disallowance u/s 40A(7)	68.00		61.17
	68.15		61.17
<b>Net deferred tax liabilities</b>	<b>231.85</b>		<b>288.15</b>

Movement in deferred tax items		₹ Lakhs		
	Opening Balance	Recognised in Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax asset / (liability) in relation to</b>				
Difference between WDV as per books and income tax	(258.74)	8.07	-	(250.67)
Unabsorbed losses	-	0.15	-	0.15
Impact of disallowances u/s 43(B)	(6.29)	(1.51)	-	(7.80)
Impact of deferred revenue expenditure	(84.29)	42.76	-	(41.53)
Impact of Disallowance u/s 40A(7)	61.17	6.83	-	68.00
	<b>(288.15)</b>	<b>56.30</b>	-	<b>(231.85)</b>

17. Provisions		₹ Lakhs			
Particulars	Non - current		Current		
	As at 31.03.2022		As at 31.03.2021		
<b>Provision for employee benefits</b>					
- Gratuity	155.05	105.14	132.30	89.52	
<b>Others</b>					
- Provision for Expenses	-	-	-	1.67	
<b>Total</b>	<b>155.05</b>	<b>105.14</b>	<b>132.30</b>	<b>91.19</b>	

18. Current tax Liability (net)		₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021	
Provision for Income Tax	334.52		266.35
<b>Total</b>	<b>334.52</b>		<b>266.35</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

<b>19. Revenue from operations</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
<b>A. Sale of Goods</b>	47,397.67	44,121.86	
<b>Total</b>	<b>47,397.67</b>	<b>44,121.86</b>	
<b>B. Other Operating Income</b>			
Sale of Packing & Other Material	32.65	147.76	
	<b>32.65</b>	<b>147.76</b>	
	<b>47,430.32</b>	<b>44,269.62</b>	
<b>20. Other income</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Interest income	5.32	9.51	
Sundry Balance/Excess Provision written back	10.65	23.15	
Foreign Exchange Fluctuation	44.56	9.55	
Net Gain on sale of fixed assets	3.53	326.89	
Misc. Income	67.38	24.90	
<b>Total</b>	<b>131.44</b>	<b>394.00</b>	
<b>21. Cost of materials consumed</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Raw material	36,616.99	34,770.55	
Packing Material	1,031.57	848.71	
Chemicals	427.05	525.68	
<b>Total</b>	<b>38,075.61</b>	<b>36,144.94</b>	
<b>22. Purchases of stock - in - trade</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Imported	-	136.24	
Indigenous	76.71	22.17	
<b>Total</b>	<b>76.71</b>	<b>158.41</b>	
<b>23. Changes in inventories of finished goods, stock - in - trade &amp; work - in - progress</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
<b>Inventories at the end of the year</b>			
Finished Goods	5,605.47	4,797.08	
Stock in trade	38.17	82.77	
<b>Inventory at the beginning of the year</b>			
Finished Goods	4,797.08	4,403.54	
Stock in trade	82.77	256.42	
<b>Total</b>	<b>(763.79)</b>	<b>(219.89)</b>	
<b>24. Employee benefits expenses</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Salary & Wages & Bonus	2,093.02	1,986.95	
Contribution to provident & other funds	95.70	86.52	
Recruitment Expenses	12.85	22.21	
Workman and staff welfare	7.72	4.15	
Gratuity	31.32	28.33	
<b>Total</b>	<b>2,240.61</b>	<b>2,128.16</b>	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

<b>25. Finance costs</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Interest Expense			
- On Short Term Borrowings	127.06		101.51
- On Long Term Borrowings	2.27		4.88
Interest impact on Gratuity	15.11		13.16
Other Financial Charges	36.13		9.99
<b>Total</b>	<b>180.57</b>		<b>129.54</b>

<b>26. Depreciation and amortization expense</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Depreciation of tangible assets	141.69		137.72
Amortization of intangible assets	0.47		0.51
<b>Total</b>	<b>142.16</b>		<b>138.23</b>

<b>27. Other expense</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Consumption of stores & spare parts	133.70		183.43
Job work costs	93.73		77.62
Power & fuel	1,223.77		1,032.64
Incorporation Expenses	0.03		
Repairs & maintenance			
- Building	1.87		2.31
- Plant and Machinery	27.21		24.54
- Others	19.37		12.72
Insurance	36.01		32.77
Rent	115.75		115.04
Rates & Taxes	26.20		20.73
Payment to Auditors	5.00		4.50
Bank Charges	17.27		19.76
Freight & forwarding	1,410.77		984.10
Commission	166.05		157.12
Other selling expenses	2,543.83		1,653.25
Foreign Exchange Fluctuation	-		-
Service Tax/Entry Tax Paid	31.48		19.39
Loss on sale of fixed assets	-		2.98
Deferred Revenue Expenditures Written off	159.17		220.97
Corporate Social Responsibility Expenses (Refer Note Below)	11.33		
Other expenses	292.12		223.61
<b>Total</b>	<b>6,314.66</b>		<b>4,787.48</b>

<b>Note:</b>		<b>₹ Lakhs</b>	
<b>Corporate Social Responsibility (CSR) Expenditure</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
1 Amount required to be spent by the company during the year	11.33		-
2 Amount of expenditure incurred on:			
(i) Construction/acquisition of any asset	-		-
(ii) On education, health poverty alleviation, others	11.33		-
3 Shortfall at the end of the year	-		-
4 Total of previous years shortfall	-		-
5 Reason for shortfall	NA		NA
	Contribution to Socio Legal Research and Education foundation, Delhi. The foundation is involved in charitable projects such as Promotion of Education, Working on Providing Employment, Protection of National Heritage etc.		
6 Nature of CSR activities			-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7 Related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	-	-
8 Where a provision is made with respect to a liability incurred by entering into contractual obligation , the movement in the provisions during the year	-	-

<b>28. Tax expense</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Current tax	415.00	424.00	
Taxes for Earlier Years	-	(0.64)	
Deferred tax	(56.30)	(78.21)	
<b>Total</b>	<b>358.70</b>	<b>345.15</b>	

Reconciliation of tax expenses and the accounting profit for the year is as follows:-

		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Profit before tax	1,295.23	1,396.75	
Income tax calculated @25.168%(PY 29.12%)	326.39	406.74	
Expected Income Tax expenses @ 17.16%	(0.65)	-	
Mat credit entitlement	-	(55.12)	
Effect of expenses that are not deductible in determining taxable profit	5.48	6.79	
Effect of lower tax on long term capital gain	-	(29.52)	
Impact of change in Income tax rate	(9.22)	-	
Others	36.70	16.90	
	<b>358.70</b>	<b>345.79</b>	
Taxes for Earlier Years	-	(0.64)	
	<b>358.70</b>	<b>345.15</b>	

<b>29. Components of other comprehensive income</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
i) Items that will not be reclassified to profit or loss			
-Re-measurement gains(losses) on defined benefit plans	(2.15)	(0.14)	
ii) Items that will be reclassified to profit or loss	-	-	
<b>Total</b>	<b>(2.15)</b>	<b>(0.14)</b>	

<b>30. Earnings per share</b>		<b>₹ Lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>	
Continuing operations			
Net profit for as per Statement of Profit & Loss (calculation of basic EPS)	934.38	1,051.46	
Net profit as above	934.38	1,051.46	
Net profit for calculation of diluted EPS	934.38	1,051.46	
Weighted average number of equity shares in calculating basic EPS	1,26,56,397.00	1,26,56,397.00	
Effect of dilution:			
Convertible Warrants			-
Weighted average number of equity shares in calculating diluted EPS	1,26,56,397.00	1,26,56,397.00	
Basic earnings per share (Amount in Rs)	7.38	8.31	
Diluted earnings per share (Amount in Rs)	7.38	8.31	

## 31. Contingent Liabilities

		<b>₹ Lakhs</b>	
<b>S.No.</b>	<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
i)	Provident Fund	54.63	54.63
ii)	Income Tax	181.50	181.50
iii)	VAT	198.92	198.92
iv)	Employee Dues	3.50	3.50
v)	Sales tax against pending forms	1.77	1.80
vi)	FSSAI	1.75	1.75



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favour in respect of all the items listed at (i) to (vi) above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

- 32A.** Post closure of the Financial year 2021-2022, on May 18, 2022, the Board of Directors of the Company has, pursuant to special resolution passed by the Members at its extraordinary general meeting held on May 04, 2022 in terms of SEBI (ICDR) Regulations, 2018, allotted 6,50,000 convertible warrants carrying a right exercisable by the warrant holder to subscribe to one fully paid up equity share per warrant at a price of ₹207/- ("Issue Price") [including premium of Rs. 197/-] per equity share on preferential basis to promoter category as under:

Sr. No.	Name of the Warrant holders	Category	No of Warrants Allotted
1	Mr. Anil Modi	Individual, Promoter	1,30,000
2	Mr. Akshay Modi	Individual, Promoter	4,40,000
3	Ms. Neha Agarwal	Individual, Promoter Group	38,000
4	Ms. Aditi Modi	Individual, Promoter Group	42,000
<b>Total</b>			<b>6,50,000</b>

The amount equivalent to 25% of the warrant issue price was received upfront and balance 75% is payable by the Warrant Holder at the time of allotment of the Equity Share which may be exercised at any time on or before expiry of 18 months from the date of allotment of Warrants, failing which the warrants shall lapse and the amount paid shall stand forfeited by the Company.

- 32B.** During the year, the Company incorporated a wholly owned subsidiary Modi Biotech Private Limited in the State of National Capital Territory of Delhi, on April 27, 2021. In line with the Ethanol Blended Petrol (EBP) program, the Company has diversified into ethanol manufacturing, with a state-of-the art greenfield Ethanol Plant being established in the state of Chhattisgarh under its wholly owned subsidiary Modi Biotech Private Limited (MBPL). MBPL has received in-principle approval for a 210 KLD distillery for the manufacture of ethanol from the Central Government, along with signing an MOU with the Chhattisgarh Government for the same. The company has also received environment clearance (EC) for the project from the Ministry of Environment, Forest and Climate change (MoEF&CC). The Company has invested in its wholly owned subsidiary Rs. 15,00,00,000/- by way of 20,00,000 fully paid-up equity shares having a face value of Rs.10/- each aggregating Rs. 2,00,00,000/- and 13,00,000 fully paid up optionally convertible debentures having face value of Rs. 100/- each aggregating Rs. 13,00,00,000/-.
- 33.** There was a fire in the Vegetable Oil Refinery in December 2021, resulting in complete closure of the plant for 13 days and thereafter running on reduced capacity for about one month. The company had filed an insurance claim for the losses sustained and the claim is still under process. The Company has adjusted the loss incurred on stock against the insurance claim filed. The loss incurred on fixed asset has been adjusted to the extent of written down value of the asset. The actual profit /loss due to fire would be adjusted at the time of settlement of the claim.
- 34.** The method of valuation of closing Inventory of Raw Material has been changed from Weighted average cost to FIFO. As a result of this change Profit for the year and Closing Inventory of Raw Material is higher by Rs. 294.74 Lacs.

### 35. Employee Benefits

#### A Defined Benefit plans

Gratuity Recognised in financial statements as per Actuarial Valuations as on March 31, 2022

Assumptions	As at March 31, 2022	As at March 31, 2021
<b>Economic Assumptions</b>		
Discount rate	6.79%	6.81%
Salary escalation	4.00%	4.00%
<b>Demographic Assumptions</b>		
Retirement Age	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at Ages	<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
-Up to 30 Years	3%	3%
-From 31 to 44 years	2%	2%
-Above 44 years	1%	1%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ Lakhs

<b>Movements in present value of the defined benefit obligation</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Present value of obligation as at the beginning of the period	221.81	193.82
Interest cost	15.11	13.16
Current service cost	31.33	28.33
Past Service Cost including curtailment Gains/Losses	-	-
Benefit paid	(10.20)	(13.64)
Actuarial (Gain)/Loss on obligation	2.15	0.14
Actuarial (Gain)/Loss on arising from Experience Adjustment		
<b>Liability at the end of the year</b>	<b>260.19</b>	<b>221.81</b>

<b>Movements in the fair value of plan assets</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Fair Value of plan assets at the beginning of the period / year	-	-
Contribution from the employer	-	-
Actual return on plan assets	-	-
Benefits paid	-	-
Actuarial gain/loss for the year on asset	-	-
<b>Fair value of the plan assets at the end of the period / year</b>	<b>-</b>	<b>-</b>

<b>Amount recognized in the Balance Sheet</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Present Value of the obligation at end	260.19	221.81
Fair value of plan assets at the end of the period /year	-	-
<b>Unfunded Liabilities recognized in the Balance Sheet</b>	<b>(260.19)</b>	<b>(221.81)</b>

<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Current service cost	31.33	28.33
Past Service Cost	-	-
Net Interest cost	15.11	13.16
Net actuarial (gain)/loss recognized in the period	2.15	0.14
<b>Expense recognized in the Statement of Profit and Loss</b>	<b>48.58</b>	<b>41.63</b>

<b>Other Comprehensive Income</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	-	-
Actuarial gain / (loss) for the year on Asset	-	-
<b>Unrecognized actuarial gain/(loss) at the end of the year</b>	<b>-</b>	<b>-</b>

### Description of plan assets:

<b>Major categories of plan assets</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Insurer managed fund	-	-

<b>Change in Net benefit Obligations</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Net defined benefit liability at the start of the period	221.81	193.82
Acquisition adjustment	-	-
Total Service Cost	31.33	28.33
Net Interest cost (Income)	15.11	13.16
Actuarial (gain)/loss on obligation	2.15	0.14
Contribution paid to the Fund	-	-
Benefit paid directly by the enterprise	(10.20)	(13.64)
<b>Net defined benefit liability at the end of the period</b>	<b>260.19</b>	<b>221.81</b>

<b>Bifurcation of PBO at the end of year in current and Non-Current</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Current liability (Amount due within one year)	105.14	89.51
Non-Current liability (Amount due over one year)	155.05	132.30
<b>Total PBO at the end of year</b>	<b>260.19</b>	<b>221.81</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ Lakhs

Sensitivity Analysis of the defined benefit obligation	As at March 31, 2022	As at March 31, 2022
a) Impact of the change in discount rate		
-Impact due to increase of 0.50 %	(7.55)	(7.55)
-Impact due to decrease of 0.50 %	8.20	8.20
b) Impact of the change in salary increase		
-Impact due to increase of 0.50 %	7.96	7.96
-Impact due to decrease of 0.50 %	(7.39)	(7.39)

Sensitivities due to mortality and withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary and relied upon by the auditors.

The employer's best estimate of contribution expected to be paid during the next year is Rs. 51.02 lakhs.

### B. Defined Benefit plans – Leave Encashment

Liability in respect of leave encashment is not applicable since the company pays leave encashment to employees every year.

### C. Defined Contribution plans – Provident Fund and ESI

The Company has recognized Rs. 95.70 lakhs (As on 31 March,2021: Rs. 86.52 lakhs) in statement of profit and loss as Company's contribution to provident fund and ESI.

## 36. RELATED PARTY DISCLOSURE

### 1. Names of the related parties with whom transactions have taken place during the year:-

- (A) Key Management Personnel  
Mr. Anil Modi, Managing Director  
Mr. Akshay Modi, Joint Managing Director
- (B) Relatives of Key Management Personnel.  
Mrs. Nita Modi  
Mrs. Aditi Gupta  
Mrs. Neha Agarwal
- (C) Enterprises over which key Management personnel, or his relative, has significant influence. NA

Note: Related parties are as identified by the company and relied upon by the Auditors.

### 2. Transactions carried out with related parties referred in 1 above in ordinary course of business:-

Nature of Transaction	THIS YEAR (₹ Lakhs)			PREVIOUS YEAR (₹ Lakhs)		
	Referred in 1(A) above	Referred in 1(B) above	Referred in 1(C) above	Referred in 1(A) above	Referred in 1(B) above	Referred in 1(C) above
<b>Expenses:</b>						
Remuneration	96.00	24.00	-	82.67	19.81	-
Perquisites						
Company's Contribution to Provident Fund	5.76	-	-	5.04	-	-
Interest Paid	16.89	-	-	24.11	-	-
<b>Loan Taken</b>	726.00	-	-	104.50	-	-
<b>Loan Repaid</b>	471.00			62.50		
<b>Outstanding Payables:</b>						
Loan (Inc Interest)	619.71	-	-	349.53	-	-
Payable	19.68	2.23	-	8.93	1.71	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 37. Financial Instruments- Fair Value and Risk Management

#### A. Financial instruments by Categories

The carrying value and fair value of financial instruments is as follows

As at 31 March, 2022

₹Lakhs

Particulars	Measured at amortized cost	Measured at fair value through Other Comprehensive Income	Total carrying value	Total fair value
Cash and cash equivalents	444.11		444.11	444.11
Bank balances	36.40		36.40	36.40
Trade Receivables -non current	35.06		35.06	35.06
Trade Receivables - current	1899.63		1899.63	1899.63
Loans and Advances-non current	-		-	-
Loans and Advances- current	-		-	-
<b>Total</b>	<b>2415.20</b>		<b>2415.20</b>	<b>2415.20</b>
<b>Financial liabilities</b>				
Borrowings -current	5057.19		5057.19	5057.19
Borrowings-non current	38.57		38.57	38.57
Trade Payable – current	1223.42		1223.42	1223.42
Trade Payable – non current	34.40		34.40	34.40
Other financial Liabilities – non current	58.00		58.00	58.00
Other financial Liabilities – current	2.76		2.76	2.76
<b>Total</b>	<b>6414.34</b>		<b>6414.34</b>	<b>6414.34</b>

As at 31 March, 2021

₹Lakhs

Particulars	Measured at amortized cost	Measured at fair value through Other Comprehensive Income	Total carrying value	Total fair value
Cash and cash equivalents	41.95		41.95	41.95
Bank balances	33.37		33.37	33.37
Trade Receivables -non current	35.06		35.06	35.06
Trade Receivables – current	2095.57		2095.57	2095.57
Loans and Advances-non current	-		-	-
Loans and Advances- current	-		-	-
<b>Total</b>	<b>2205.95</b>		<b>2205.95</b>	<b>2205.95</b>
<b>Financial liabilities</b>				
Borrowings -current	2044.99		2044.99	2044.99
Borrowings-non current	10.23		10.23	10.23
Trade Payable – current	782.80		782.80	782.80
Trade Payable – non current	24.04		24.04	24.04
Other financial Liabilities	78.00		78.00	78.00
<b>Total</b>	<b>2940.06</b>		<b>2940.06</b>	<b>2940.06</b>

#### Valuation techniques used to determine fair value

Fair value of cash and cash equivalents, loans and advances, receivables, payables, and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets (Loans and advances) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### B. Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market condition and Company's Activities.

The Company's Board of Directors oversee how management monitors compliances with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Company.

#### Financial risk factors

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarized ahead.

#### (i) Market Risk:

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and commodity prices. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the returns.

#### (ii) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primary arises from trade receivables, which are typically unsecured. Apart from this, the Company is exposed to credit risk from its financing activities including deposit with banks and security deposits. The credit risk on bank balances is limited because the counter parties are banks with good credit ratings.

Financial assets are written off when there is no reasonable expectation of recovery. Where the loans and receivables were written off and subsequently recoveries are made, these are recognised as an income in the financial statements.

#### Trade Receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

#### Cash & Cash Equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counter party as non-material.

#### Exposure to Credit Risk

##### Financial assets to which loss allowances measured using life time months expected credit loss

Ageing analysis of Trade Receivables is as under

	₹ Lakhs	
Particulars	As at 31.03.2022	As at 31.03.2021
More than six months	366.38	371.62
Upto Six Months	1568.31	1759.01
TOTAL	1934.69	2130.63
Expected credit loss allowance	Nil	Nil

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial assets to which loss allowances measured using 12 months expected credit loss

For financial assets (other than trade receivables), expected credit losses are measured at an amount equal to the 12-month ECI, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECI. The Company does not have any expected credit loss on financial assets which are measured on 12 month ECI and also has not observed any significant increase in credit risk since initial recognition of the financial assets.

### iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

#### As at 31.03.2022

Particulars	₹ Lakhs		
	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	38.57	38.57
Current borrowings	5057.19	-	5057.19
Trade payables	1257.82	-	1257.82
Other financial liabilities – non current	-	58.00	58.00
Other financial liabilities – current	2.76	-	2.76

#### As at 31.03.2021

Particulars	₹ Lakhs		
	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	10.23	10.23
Current borrowings	2044.99	-	2044.99
Trade payables	806.84	-	806.84
Other financial liabilities	-	78.00	78.00

### 38. Capital Management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the company consists of net debt and total equity.

The company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term /short-term borrowings. The company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio.

Particulars	Note	₹ Lakhs	
		As at 31 March, 2022	As at 31 March, 2021
Borrowings - Non-Current	13	38.57	10.23
Borrowings – Current	13	5057.19	2044.99
Less Cash and bank balances	9 and 10	(480.51)	(75.32)
<b>Net debt</b>		4615.25	1979.90
<b>Total equity</b>	11 and 12	7720.30	6785.91
<b>Capital and Net debt</b>		12335.55	8765.81
<b>Gearing Ratio (%)</b>		37.41%	22.59%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current year.

### 39. Operating Segment

The company's sole business segment is manufacturing, and marketing of Oils & De-oiled Cakes and the geographical segment is India. Consequently, no separate disclosure, as required under Indian Accounting Standard 108 – Operating Segment, is considered relevant.

### 40. Amount paid/payable to Auditors (included under Other Expenses)

	₹ Lakhs	
	This Year	Previous Year
As Audit Fee	3.75	3.25
For Tax Audit	1.00	1.00
For Taxation Work	0.25	0.25
<b>TOTAL</b>	<b>5.00</b>	<b>4.50</b>

### 41. Additional information:

#### 41.1 Sales of Products comprises of:

	₹ Lakhs	
	2021-22	2020-21
<b>Manufactured Goods</b>		
Oils	37486.51	34981.01
Deoiled Rice Bran	8804.84	7678.46
Fatty	143.48	239.85
Others	755.98	642.49
<b>Total – Sale of Manufactured Goods</b>	<b>47190.81</b>	<b>43541.81</b>
<b>Trading Goods:</b>		
Oils	140.26	580.05
Others	66.60	-
<b>Total – Sale of Traded Goods</b>	<b>206.86</b>	<b>580.05</b>
<b>Total Sales</b>	<b>47397.67</b>	<b>44121.86</b>

#### 41.2 Closing Stock of Finished Goods

	₹ Lakhs	
	2021-22	2020-21
<b>Manufactured Goods</b>		
Oils	4376.25	3920.94
Deoiled Rice Bran	1075.60	772.85
Others	136.19	69.19
Fatty	17.43	34.10
<b>Total</b>	<b>5605.47</b>	<b>4797.08</b>
<b>Trading Goods:</b>		
Oils	10.15	82.77
Other	28.02	-
<b>Total</b>	<b>38.17</b>	<b>82.77</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 41.3 Material Consumed

₹ Lakhs

Particulars	2021-22	2020-21
<b>A. Raw Material</b>		
Rice Bran	20741.93	16011.38
Oils	15562.94	18593.43
Others	312.12	165.74
<b>Total</b>	<b>36616.99</b>	<b>34770.55</b>
<b>B. Chemical</b>		
Hexane	143.75	131.10
Activated Earth	139.90	235.68
Others	143.40	158.90
<b>Total</b>	<b>427.05</b>	<b>525.68</b>

### 41.4 Purchase of Stock in Trade

₹ Lakhs

Particulars	2021-22	2020-21
Oils	5.95	158.41
Others	70.76	-
<b>Total</b>	<b>76.71</b>	<b>158.41</b>

### 41.5 Value of import on CIF/F.O.B basis of –

₹ Lakhs

(1) raw material	1460.59	1089.53
(2) Capital Goods	-	-

### 41.6 Expenditure in Foreign Currency

Travelling Expenses	6.44	-
Other Expenses	-	-

### 41.7 Earning in foreign currency

-Value of Export of F.O.B. basis	219.73	156.26
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### 41.8 Value of imported and indigenous raw materials, stores, components and spare parts consumed:

₹ Lakhs

		For the year ended 31.03.2022		For the year ended 31.03.2021	
		Amount	%	Amount	%
<b>(i) Raw Material</b>					
a.	Imported	2047.72	5.59	1902.05	5.47
b.	Indigenous	34569.27	94.41	32868.50	94.53
	<b>Total</b>	<b>36616.99</b>	<b>100.00</b>	<b>34770.55</b>	<b>100.00</b>
<b>(ii) Packing Material</b>					
a.	Imported	17.55	1.70	17.76	2.09
b.	Indigenous	1014.02	98.30	830.95	97.91
	<b>Total</b>	<b>1031.57</b>	<b>100.00</b>	<b>848.71</b>	<b>100.00</b>
<b>(iii) Chemicals</b>					
a.	Imported	-	-	-	-
b.	Indigenous	427.05	100.00	525.68	100.00
	<b>Grand Total (i)+(ii)+(iii)</b>	<b>38075.61</b>		<b>36144.94</b>	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 42. The following are analytical ratios:

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Variance %	Refer Note
(a) Current Ratio (in times)	Current Assets	Current Liabilities	1.59	2.06	(22.82)	
(b) Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.66	0.30	120.00	(i)
(c ) Debt Service Coverage Ratio (in times)	Earnings available for debt service (*)	Debt Service (**)	85.28	15.93	435.34	(ii)
(d) Return on Equity Ratio, (%)	Net Profits after Taxes	Shareholder's Equity	12.10	15.49	(21.89)	
(e) Inventory turnover ratio (in times)	Revenue from Operations	Average Inventories	5.85	6.49	(9.86)	
(f) Trade Receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivables	23.33	23.60	(1.14)	
(g) Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	36.62	44.02	(16.81)	
(h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	9.64	8.66	11.32	
(i) Net profit ratio, (%)	Net Profit before Taxes	Revenue from Operations	2.73	3.16	(13.61)	
(j) Return on Capital employed, (%)	Earnings before interest and taxes	Capital Employed (#)	17.48	20.72	(15.64)	
(k) Return on investment	Income generated from long term investments	Average long-term investments	NA	NA	NA	

(\*) Earnings available for debt service =

(\*\*) Debts Service =

(#) Capital Employed =

Profit after Tax before depreciation and interest on long term borrowings

Repayment of long-term borrowings and Gross Interest on long term borrowings

Total book value of all assets less current liabilities

### Explanation for variance exceeding 25%:

- Debt equity ratio has increased due to increase in borrowings.
- Debt Service ratio has increased as the liability to pay long term borrowings is less in current year.

### 43. Additional Regulatory Information as required by Schedule III of Companies Act, 2013

- There are no proceedings which have been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988.
- Title deeds of immovable properties are held in the name of the company.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Holding Company has used the borrowings from banks and financial institutions for the purpose for which it was taken at the balance sheet date.
- There are no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- There are no Loans or Advances in the nature of Loans granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- The Holding Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks for the quarter ended as on 31.12.2021 and 31.03.2022 are not in agreement with the books of account of the Company. Reconciliation and reason for the same as follows:

₹ Lakhs

Name of the Bank	Working Capital Limit Sanctioned	Security Offered	Quarter Ended	Amount disclosed in Statement	Amount as per books	Difference	Reasons for difference
HDFC BANK AND YES BANK	5000.00	Stock and Book Debts	31.12.2021	9258.70	9944.44	685.74	Primarily due to valuation of inventories and booking of certain invoices after submission of the quarterly statement to bankers.
			31.03.2022	10742.98	11324.49	581.51	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (k) The Group does not have any transactions with companies struck off.
- (l) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (m) The Group has complied with the number of layers for its holdings in downstream companies prescribed under clause 87 of section 1 of the Companies Act, 2013 read with Companies(Restriction on number of Layers) Rules, 2017.

### 44. Approval of financial statements

The financial statements for the year ended 31 March, 2022 were approved by the Board of Directors and authorize for issue on 30th May, 2022.

As per our report of even date attached

**for Kashyap & Co**

Chartered Accountants

Registration No.: 011355C

Sd/-

**Nupur Gupta**

Partner

Membership No.: 075983

UDIN: 22075983AJXBVZ5126

for and on behalf of the Board

Sd/-

**Anil Modi**

**Akshay Modi**

**Pradeep Kapoor**

**Ankit Agarwal**

DIN:00187078

DIN:03341142

PAN:ATEPK2474R

M.No.:A23445

*Chairman & Managing Director*

*Jt. Managing Director*

*Chief Financial Officer*

*Company Secretary*

New Delhi, 30<sup>th</sup> May 2022







**Green Initiative in Corporate Governance: Register e-mail Address**

The Ministry of Corporate Affairs has now permitted companies to send various notices/documents under the Companies Act, 2013 to its shareholders, through electronic mode. We request the Members to support this initiative and register their e-mail addresses in respect of shares held in: (1) dematerialized mode, with their Depository Participants; and (2) physical mode with Skyline Financial Services Private Limited (RTA). Please quote the following particulars in the e-mail Registration Request: Folio No./DPID-Client ID, PAN, Names (s) of Registered Holder(s), Address, Telephone and e-mail Address (to be registered for sending future communications through e-mail).