

2019-2020

ANNUAL REPORT

MODI NATURALS LIMITED

BOARD OF DIRECTORS

as on September 2, 2020

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

Chief Financial Officer

Mr. Pradeep Kapoor

Company Secretary

Mr. Ankit Agarwal

Auditors

Kashyap & Co.
Chartered Accountants

Registered Office

405, Deepali Building
92, Nehru Place, New Delhi-110019
Tel:011-41889999
www.modinaturals.com

Corporate Office

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

Registrars & Share Transfer Agents

Skyline Financial Services Pvt. Ltd.
D-153A, Okhla Industrial Area
Phase-I, New Delhi-110020
www.skylinerta.com

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Message to Shareholders

It is a matter of pride for us that our clientele continues to grow strongly across the entire national geography.

This year, your company continued to focus on expanding its consumer base and grow in volumes. Geographically, our target is to have more coverage and greater penetration while commensurately increasing our products' presence and distribution which found manifestation in our marketing initiatives to create brand awareness. We are working towards creating a stronger brand recall, which will allow us to consolidate and attain higher orbits of growth for the years to come. Incisive strategic initiatives relating to a gamut of activities were taken as far as the branding is concerned and higher sales revenues provided powerful impetus to our Company's growth.

We have demonstrated the value of well-defined and focused strategy consistently. We pride ourselves in providing the most trusted brands and high-quality products to customers and we shall continue to accelerate the efforts to reach every Indian kitchen and satisfy every Indian household's desire for a healthy, happy and fulfilling life.

My gratitude is due to my colleagues on the Board for their valuable guidance. The Board joins me in expressing our deep appreciation to the employees, our customers, suppliers, bankers, auditors, legal advisors, business associates, the Government and various authorities for their continued support, co-operation and understanding. I thank you, dear shareholders, for your support and look forward to your continued trust.

My team and I look forward to the challenges of delivering sustainable profitable growth in the years ahead with confidence.

Akshay Modi
Jt. Managing Director
DIN: 03341142

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Forty Sixth Annual General Meeting of the Shareholders of Modi Naturals Limited will be held on Wednesday, September 30, 2020 at 3:00 P.M., through Video Conference (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Modi (DIN: 00187078), Director, who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Ratification of Payment of Remuneration of Cost Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions 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), the Company hereby approves and ratifies the remuneration of Rs. 60,000/- (Rupees Sixty 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, appointed as Cost Auditors of the Company for the Financial Year 2020-21.

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

Registered Office:

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

For and on behalf of the Board

Sd/-
Akshay Modi
Jt. Managing Director
DIN – 03341142

New Delhi, September 02, 2020

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect of the Special Business set out at Item no. 3 of the accompanying Notice is annexed hereto.
2. In view of the current extraordinary circumstances caused by the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the Companies to hold their 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 Listing Regulations”) and MCA Circulars, the current AGM of the Company is being held through VC / OAVM. The deemed venue for the 46th AGM will be the registered office of the Company.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), in respect of Director(s) seeking appointment/re-appointment at this AGM is annexed.
4. 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.

5. Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to investors@modinaturals.com on or before September 24, 2020.
6. During the 46th AGM, Members may access the scanned 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 109 of the Act, upon logging in to CDSL e-voting system at www.evotingindia.com
7. 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.
8. The Share Transfer Books and Register of Members of the Company shall remain closed from September 26, 2020 to September 30, 2020 (both dates inclusive) for the purpose of AGM.
9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. 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 dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent - Skyline Financial Services Private Limited (SFSPL) for assistance in this regard.
10. 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.
11. 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.
12. 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 form, with relevant documents that may be required.
13. Due to Covid-19 pandemic situation, there is some difficulty in posting the announcements and reports on the Company's website (www.modinaturals.com), hence announcements will be posted on (www.modinaturals.org) until website (www.modinaturals.com) functions properly. However, prior period announcements and reports, you may visit www.modinaturals.com.
14. In view of the COVID-19 pandemic and resultant difficulties involved in dispatch of physical copies of the Annual Report, the MCA, vide its Circular dated May 5, 2020 has dispensed with the requirement of dispatch of physical copies of the Annual Report. Accordingly, the Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website www.modinaturals.org, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL www.evotingindia.com. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: investors@modinaturals.com.
15. 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.
16. Members at the 43rd AGM of the Company, held on September 29, 2017 had approved the appointment of M/s Kashyap & Co, Chartered Accountants (Firm Regn. No. 011355C) as statutory auditors of the Company, to hold office for a period of five years, subject to ratification of shareholders, from the conclusion of the 43rd AGM till the conclusion of the 48th AGM. The Ministry of Corporate Affairs vide its Notification dated May 7, 2018 has dispensed with the requirement of ratification of Auditors appointment by shareholders every year. Hence, the resolution relating to ratification of Auditors' appointment is not included in the Notice to the AGM.

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

1. 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 dated April 08, 2020, April 13, 2020 and May 05, 2020, 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 30 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 atleast 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 September 27, 2020 (10:00 am) and ends on September 29, 2020 (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, 2020 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form 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"> • 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.
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"> • 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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of **MODI NATURALS LIMITED**.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

- i. 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.com and admin@skylinerta.com respectively.
- ii. 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.com and admin@skylinerta.com respectively.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:

- 1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- 2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- 3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 4. 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.
- 5. Shareholders/viewers/Attendee to download the software/app of cisco WebEx in advance & ready to connect fast for meeting.
- 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 atleast 72 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@modinaturals.com.
- 7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:

- 1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 2. 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.

3. 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.
4. 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.

(xx) **Note 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 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.
- 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 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 and to the Company and investors@modinaturals.com, 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, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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, 25th 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.

- (xxi) 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.
- (xxii) 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.
- (xxiii) 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.
- (xxiv) 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 48 hours of conclusion of AGM, a consolidated Scrutinizer’s Report of the total votes caste in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing, who shall countersign the same.
- (xxv) 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.org 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.

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 3 of the accompanying Notice:

Item No. 3 : The Board of Directors of the Company at their meeting held on July 16, 2020 has, on recommendation by the Audit Committee, appointed M/s. Manisha & Associates (FRN: 000321), Cost Accountants as the Cost Auditors for the Financial Year at a remuneration of INR 60,000/- (Rupees Sixty Thousand only) plus applicable taxes and out of pocket expenses. As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditors for the Financial Year 2020-21 is required to be ratified by the Members of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution at Item no.3 for approval of the Members.

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.

Registered Office:

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

New Delhi, September 02, 2020

For and on behalf of the Board

Sd/-
Akshay Modi
Jt. Managing Director
DIN – 03341142

DETAILS OF THE DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Particulars	Mr. Anil Modi
DIN	00187078
Date of Birth	January 28, 1957
Date of initial appointment on the Board	April 05, 1976
Qualifications	B.Com.
Expertise in specific functional areas	Business Planning & Development, Finance, Management etc.
Nationality	Indian
Relationship, if any, between director's inter se	Relative (Father) of Mr. Akshay Modi, Joint Managing Director
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. Modi Infratech Pvt. Ltd. 2. Solvent Extractors Association of India Limited 3. Halwasiya Properties Pvt. Ltd.
Memberships/Chairmanships of committees of other public companies (Audit Committee and Stakeholders' Relationship Committee considered)	Nil
No of shares held in the company as on March 31, 2020	4650216 equity shares

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Forty Sixth Annual report on the business and operations of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS

The highlights of the Financial Results are as under:

	(Rs. In Lac)	
	2019-20	2018-19
Revenue from operations	38726.63	29484.54
Other Operating Income	137.14	142.67
Total Income	38863.77	29627.21
Profit before financial expenses, depreciation, and tax	768.20	552.96
Less: Financial Expenses	269.74	174.43
Depreciation / Amortization	137.70	128.79
Profit before tax	360.76	249.75
Tax expense	(101.81)	160.36
Profit after tax for the year	462.57	89.39
Other Comprehensive Income	4.78	12.25
Total Comprehensive Income	467.35	101.64
EPS (face value of Rs.10/- each)		
Basic	3.69	0.83
Diluted	3.69	0.83

2. DIVIDEND

No dividend is proposed for the financial year ended March 31, 2020.

3. TRANSFER TO RESERVES

No amount is proposed to be transferred to reserves.

4. REVIEW OF OPERATIONS

Refer the Management Discussion and Analysis Report for the detailed information on the operations of the Company.

5. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for 2019-20 in the prescribed Form No. MGT-9, which is a part of this report. The same is also available on www.modinaturals.org.

6. RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year were on arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All related party transactions were placed before the Audit Committee and also for the Board approval, wherever required.

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. There are no transactions that are required to be reported in Form AOC-2 hence said form does not form part of this report. However, the details of related party transactions are provided in Note 35 to the Financial Statements in accordance with the Accounting Standards.

The Policy on RPTs as approved by the Board is uploaded on the Company's website www.modinaturals.com

7. AUDITORS AND AUDITORS' REPORT

Statutory Auditors : M/s Kashyap & Co., Chartered Accountants (Firm Registration No. 011355C), the statutory auditors of the Company have been appointed at the 43rd annual general meeting held on September 29, 2017 for a period of 5 years from the conclusion of 43rd Annual General Meeting upto the conclusion of 48th Annual General Meeting to be held in the year 2022.

The statutory audit report for the year 2019-20 is annexed hereto and forms part of the Annual Report. There are no qualifications made by the Auditors in their Report which requires any explanation from the Board of Directors of the Company. The Notes to Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Auditors : Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Deepak Bansal of M/s Deepak Bansal & Associates, Company Secretaries, was appointed to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Report of Secretarial Auditor for the year ended March 31, 2020 is annexed to the Directors' Report.

The said secretarial audit report does not contain any qualification, reservation or adverse remarks or disclaimer made by the Secretarial Auditor and it is self-explanatory. Thus, there is no need to give any further explanation or comment by the Board.

Cost Auditors : Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board at its meeting held on 16.07.2020, on the Audit Committee's recommendation, approved the appointment of M/s. Manisha & Associates, Cost Auditors (Firm Registration Number-000321) to audit the cost accounts of the Company for the financial year ending March 31, 2021 at a remuneration of Rs. 60,000/- plus applicable taxes and out of pocket expenses. Resolution seeking Member's ratification for the remuneration payable to M/s. Manisha & Associates, Cost Auditors for the financial year 2020-21 is included at Item No.3 of the Notice convening the Annual General Meeting.

The company is maintaining the Cost Records and is in the process to file the Cost Audit Report for the financial year 2019-20 to the Central Government within the stipulated time. (i.e. within 180 days from the end of reporting year)

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars pursuant to section 134 (m) of the Companies Act, 2013 is attached with this report as Annexure-A.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, the shareholders at their meeting held on 30.09.2019 approved the reappointment of, Mr. Anil Modi as Managing Director w.e.f. 01.01.2020, Mr. Akshay Modi as Joint Managing Director w.e.f. 14.12.2019 and appointment of Mrs. Aditi Gupta as Whole-Time Director w.e.f. 14.08.2019.

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Anil Modi retires by rotation and being eligible, offers himself for re-appointment.

During the year under review, Seven Board meetings were held and have been well attended by the Directors. The details of board and its committees' meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as Independent Directors of the Company. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013 the Independent Directors had a separate meeting on February 12, 2020.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

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 Notice of the ensuing annual general meeting.

Key Managerial Personnel

Pursuant to provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Mr. Anil Modi, Chairman & Managing Director, Mr. Akshay Modi, Joint Managing Director, and Mr. Pradeep Kapoor, Chief Financial Officer and Mr. Ankit Agarwal, Company Secretary.

10. DIRECTORS' RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of section 134 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, 2020, the applicable accounting standards have been followed with proper explanation relating to material departures.
- 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, 2020, 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.
- 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.

11. PARTICULARS ON REMUNERATION

Details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are attached with this report as Annexure-B.

The details of remuneration paid to the directors including executive directors of the Company are given in Form MGT-9 forming part of this Report.

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.

12. INTERNAL CONTROL SYSTEMS AND THEIR 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.

Details of internal financial controls and its adequacy are included in the Management Discussion and Analysis Report, which forms part of the Annual Report.

13. RISK MANAGEMENT

The Risk Management Policy of the company enables the company to proactively take care of the internal and external risks of the company and ensures 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. Necessary information is provided under Management Discussion and Analysis Report which forms part of the Annual Report.

14. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

15. CORPORATE GOVERNANCE

Pursuant to SEBI Listing Regulations, 2015, a separate chapter titled 'Corporate Governance' has been included in this Annual Report, along with the reports on Management Discussion and Analysis and General Shareholder Information.

All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2019-20. A declaration to this effect signed by the Managing Director (CEO) of the Company is annexed to this Report.

The Managing Director and CFO have certified to the Board regarding the financial statements and other matters as required under regulation 17 (8) of the SEBI Listing Regulations, 2015.

The Certificate from the Company Secretaries in Practice of the Company regarding compliance of conditions of corporate governance is annexed to this Report. Additionally, as required under Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the 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 to this Report.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The provisions of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable on the Company.

17. ANNUAL EVALUATION OF THE PERFORMANCE OF BOARD, ITS COMMITTEES, CHAIRPERSON & INDIVIDUAL DIRECTORS

The Company has laid down a process for evaluation of the Board and Committees of Board as also evaluation of the performance of each of the Directors. The evaluation criteria include inter-alia, structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, information and functioning, Board culture and dynamics, quality of relationship between the Board and management, meetings of the Board, including regularity and frequency, discussion and dissent, corporate culture and values, governance and compliance, evaluation of risk amongst others. The criteria is based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The evaluation process is conducted and monitored by the Chairperson, Nomination & Remuneration Committee (NRC) in consultation with the members of the committee. The Chairperson, NRC on the basis of the feedback received from each of the Directors has one to one meeting with them. Thereafter, briefs the Chairman of the Board on the outcome, which in turn is discussed in the Board meeting. The performance of the Independent Directors are also reviewed at the Board meeting. For the year 2019-20 the Board evaluation has been conducted as per the process mentioned above.

18. REMUNERATION POLICY

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are provided in the Corporate Governance Report. The Remuneration Policy is placed on the Company's website at www.modinaturals.com

19. WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Your Company has established a "Vigil Mechanism" for its employees and Directors, enabling them to report any concerns of unethical behavior, suspected fraud or violation of the Company's 'Code of Conduct'. To this effect, the Board has adopted a 'Whistle Blower Policy' (WBP), which is overseen by the Audit Committee. The policy provides safeguards against victimization of the Whistle Blower. Employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns if any, for review.

During the year, there were no instances of unethical behaviour, fraud or violation of the company's code of conduct or ethics policy and no personnel have been denied access to the audit committee. The details of establishment of such mechanism are disclosed on the website of the Company at www.modinaturals.com.

20. PREVENTION OF SEXUAL HARASSMENT

We have zero tolerance for sexual harassment at workplace and have 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. During the year under review, the Company has Internal Complaints Committee and no complaint was received from any employee under the said Policy.

21. OTHERS

- There was no change in the nature of business of your Company during the year.
- There are no loans, guarantees and investments made by the Company u/s 186 of the Companies Act, 2013 during the year under review. Your Company has neither accepted nor renewed any deposit during the year under review. There are no material changes and commitments affecting the Company's financial position between the end of the financial year to which this financial statement relates and the date of this report.
- Neither the Statutory Auditors nor the Secretarial Auditors have brought to the notice of the Audit Committee or the Board of Directors or the Central Government the occurrence or brewing of any fraud in the Company.
- There are no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future. However, Members attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.
- The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Company does not have any Subsidiary/Joint Venture/Associate Company.

22. ACKNOWLEDGEMENTS

Your Directors wish to thank employees, customers, partners, suppliers, and above all, our shareholders and investors for their continued support and co-operation.

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

New Delhi, September 02, 2020

ANNEXURE “A” TO DIRECTORS’ REPORT

Particulars 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 equipments 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	Rs. 1,20,51,256
b)	CIF Value of Imports	Rs. 7,42,27,007
c)	Expenditure	Rs. 11,75,760

for and on behalf of the Board
Sd/-

Anil Modi

Chairman and Managing Director

DIN: 00187078

New Delhi, September 02, 2020

ANNEXURE “B” 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	3.12 : 0.25
		Ratio: Director and Employees	3.09: 0.25
(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 2019-20 as compared to Salary Drawn in FY 2018-19	
		Name	Designation
		Mr. Anil Modi	Managing Director
		Mr. Akshay Modi	Joint Managing Director
		Mrs. Aditi Gupta*	Whole Time Director
		Mr. Pradeep Kapoor	CFO
		% increase/ (decrease) in remuneration	
			11.11
			23.66
			-*
			7.09
			10.64
(iii)	The percentage increase in the median remuneration of employees in the financial year;	5.50% 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 31.03.2020 were 579.	
(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 2019-20 was about 5.50% and average increase in remuneration of managerial remuneration was 14%. 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.	

* Aditi Gupta was appointed as WTD w.e.f. August 14, 2019.

Annual affirmation regarding compliance with the Code of Conduct

(under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Company has adopted a Code of Conduct for all its employees, Board members and Senior Management Personnel, including the Managing Director. This code is available on the Company's website www.modinaturals.com.

I hereby confirm that all Board members and senior management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended March 31, 2020

Anil Modi
Managing Director
DIN No: 00187078

July 16, 2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31st March 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15142DL1974PLC007349
2.	Registration Date	06.07.1974
3.	Name of the Company	MODI NATURALS LIMITED
4.	Category/Sub-category of the Company	Public Company having share capital
5.	Address of the Registered office & contact details	405, Deepali Building, 92, Nehru Place, New Delhi-110019 Tel: 011-41889999 Website- www.modinaturals.com
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited Address: D-153A, Okhla Industrial Area, Phase-I, New Delhi – 110020 Tel: 011 - 26812682 Email: admin@skylinerta.com Website: www.skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company	
			2019-20	2018-19
1.	Edible oil	10402	67.11	75.61
2.	De-oiled rice bran	10406	32.10	23.32

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7639561	-	7639561	60.36	7723369	-	7723369	61.02	0.66
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	646000	-	646000	5.10	646000	-	646000	5.10	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	8285561	-	8285561	65.47	8369369	-	8369369	66.13	0.66

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	200	200	-	-	200	200	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FILS / FPI	71287	-	71287	0.56	73062	-	73062	0.58	0.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	71287	-	71287	0.56	73062	200	73262	0.58	0.02
2. Non-Institutions									
a) Bodies Corporates									
i) Indian	514503	16450	530953	4.20	436464	16450	452914	3.58	-0.62
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	742485	951304	1693789	13.38	842797	926394	1769191	13.98	0.60
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1701932	-	1701932	13.45	1602306	-	1602306	12.66	-0.79
c) Others (specify)	372675	-	372675	2.94	389355	-	389355	3.08	0.14
Non-Resident Indians	266405	-	266405	2.10	279118	-	279118	2.21	0.11
Hindu Undivided Families	76540	-	76540	0.60	79907	-	79907	0.63	0.03
NBFC registered with RBI	26000	-	26000	0.21	27690	-	27690	0.22	0.01
Trusts	800	-	800	0.01	800	-	800	0.01	0.00
Clearing Members	2930	-	2930	0.02	1840	-	1840	0.01	0.01
Sub-total (B)(2)	3331594	967754	4299349	33.97	3270922	942844	4213766	33.29	-0.68
Total Public Shareholding (B)=(B)(1) + (B)(2)	3402882	967954	4370836	34.53	3343984	943044	4287028	33.87	-0.66
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	11688443	967954	12656397	100	11713353	943044	12656397	100	-

B) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Neha Agarwal (Formerly known as Neha Modi)	Nil	0.00	-	19500	0.15	-	0.15
2	D. D. Modi HUF	61,183	0.48	-	61,183	0.48	-	-
3	Anil Modi HUF	2,65,750	2.10	-	2,65,750	2.10	-	-
4	Anil Modi	45,86,008	36.23	-	46,50,216	36.74	-	0.51
5	Satya Modi*	Nil	0.00	-	Nil	0.00	-	-
6	Akshay Modi	10,76,586	8.51	-	10,76,586	8.51	-	-
7	Nita Modi	16,50,034	13.04	-	16,50,134	13.04	-	-
8	Das Investments Pvt Ltd	6,46,000	5.10	-	6,46,000	5.10	-	-

* Satya Modi ceased to be the member of Promoter Group w.e.f. 30.12.2019.

C) Change in Promoters' Shareholding (please specify if there is no change)

Sr. No.	Name of Shareholders	No of Shares as on 01.04.2019	No of Shares as on 31.03.2020	Net Change**	% to Capital
1	Das Investments Pvt Ltd	646000	646000	-	-
2	Akshay Modi	1076586	1076586	-	-
3	Satya Modi*	0	0	-	-
4	D D Modi – HUF	61183	61183	-	-
5	Neha Agarwal (Formerly Known as Neha Modi)	0	19500	19500	0.15
6	Nita Modi	1650034	1650134	100	0.00
7	Anil Modi	4586008	4650216	64208	0.51
8	Anil Modi – HUF	265750	265750	-	-

* Satya Modi ceased to be the member of Promoter Group w.e.f. 30.12.2019.

** The Equity shares of the Company are traded on a daily basis and hence the date wise increase / decrease is not indicated. Shareholding is consolidated on Permanent Account Number (PAN) of the shareholder.

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholders	No of Shares as on 01.04.2019	No of Shares as on 31.03.2020	Net Change	% to Capital
1	Own Infracon Private Limited	0	365385	365385	2.89
2	Lashit Lallubhai Sanghvi	50000	50000	-	-
3	Elara India Opportunities Fund Limited	44837	46612	1775	0.02
4	Pentagon Builders Private Limited	365385	0	-365385	-2.89
5	Devidas Naraindas Budhrani	66000	67000	1000	0.01
6	Rajesh Harichandra Budhrani	147310	156804	9494	0.08
7	Divyam Tie Up LLP	68884	0	-68884	-0.54
8	Mukul Agrawal	134683	134683	-	-
9	Shreans Daga	365385	0	-365385	2.89
10	Vora Chaitali Nikhil	200000	200000	-	-
11	Vrinda Suhrid Deorah	76923	0	-76923	-0.61
12	Varun Daga	365385	365385	-	-
13	Falguni Shreyans Daga	0	365385	365385	2.89
14	Charandeep Singh	365385	365385	-	-

The Equity shares of the Company are traded on a daily basis and hence the date wise increase / decrease is not indicated. Shareholding is consolidated on Permanent Account Number (PAN) of the shareholder.

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding		Cumulative Shareholding	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Anil Modi	01.04.2019	At the beginning of the year	4586008	36.23	4586008	36.23
		31.03.2020	Increase /(Decrease) At the end of the year	64208 4650216	0.51 36.74	64208 4650216	0.51 36.74
2	Akshay Modi	01.04.2019	At the beginning of the year	1076586	8.51	1076586	8.51
		31.03.2020	Increase /(Decrease) At the end of the year	0 1076586	0.00 8.51	0 1076586	0.00 8.51
3	Aditi Gupta	01.04.2019	At the beginning of the year	0	0.00	0	0.00
		31.03.2020	Increase /(Decrease) At the end of the year	0 0	0.00 0.00	0 0	0.00 0.00
4	Sudhir Shankar Halwasiya	01.04.2019	At the beginning of the year	910	0.01	910	0.01
		31.03.2020	Increase /(Decrease) At the end of the year	0 910	0.00 0.01	0 910	0.00 0.01
5	Alok Garg	01.04.2019	At the beginning of the year	3090	0.02	3090	0.02
		31.03.2020	Increase /(Decrease) At the end of the year	0 3090	0.00 0.02	0 3090	0.00 0.02
6	Sulabh Singal	01.04.2019	At the beginning of the year	0	0.00	0	0.00
		31.03.2020	Increase /(Decrease) At the end of the year	0 0	0.00 0.00	0 0	0.00 0.00

7	Pradeep Kapoor	01.04.2019	At the beginning of the year	0	0.00	0	0.00
		31.03.2020	Increase /(Decrease)	0	0.00	0	0.00
			At the end of the year	0	0.00	0	0.00
8	Ankit Agarwal	01.04.2019	At the beginning of the year	0	0.00	0	0.00
		31.03.2020	Increase /(Decrease)	0	0.00	0	0.00
			At the end of the year	0	0.00	0	0.00

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	300636055	13766863	0	314402918
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	652278	951451		1603729
Total (i+ii+iii)	301288333	14718314	0	316006647
Net Change in Indebtedness during the financial	(1114726)	13804088		12689362
Indebtedness at the end of the financial year				
i) Principal Amount	299599537	26696144	0	326295681
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	574070	1826258		2400328
Total (i+ii+iii)	300173607	28522402	0	328696009

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Anil Modi (MD)	Akshay Modi (JMD)	Aditi Gupta (WTD)*	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3750000.00	3709806.00	379032.00	7838838.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit /others, specify...	-	-	-	-
5	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	3750000.00	3709806.00	379032.00	7838838.00
	Ceiling as per the Act	Remuneration paid is within the limits specified under the provisions of Section 197 of the Act read with Schedule V thereof and approved by the members of the company at 45 th AGM held on September 30, 2019.			

* Aditi Gupta was appointed as WTD w.e.f. August 14, 2019.

B. Remuneration to Other Directors:

NIL

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of CEO/CFO/CS		Total Amount
		Pradeep Kapoor (CFO)	Ankit Agarwal (CS)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1118850.00	1266646.00	2385496.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400.00	-	32400.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit /others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	1151250.00	1266646.00	2417896.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

[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,
M/s Modi Naturals Limited
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, 2020 (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, 2020 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, 2009;
(Not Applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(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;
(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 as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit period)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not Applicable to the Company during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(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 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 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.

Place: Noida
Date: September 02, 2020

For Deepak Bansal & Associates
Company Secretaries
(UIN: S2007DE093100)
Sd/-
(Deepak Bansal)
Prop.
FCS 3736; CP 7433
UDIN: F003736B000650063

*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
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.

Place: Noida
Date: September 02, 2020

For Deepak Bansal & Associates
Company Secretaries
(UIN: S2007DE093100)
Sd/-
(Deepak Bansal)
Prop.
FCS 3736; CP 7433
UDIN: F003736B000650063

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
 The Members,
 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 31st March, 2020 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.	Name of the Director(s)	DIN	Designation	Date of Initial 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: F003736B000649986

Place: Noida,
 Date: September 02, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

1. Indian Economy Overview and Industrial Outlook

India has emerged as the fastest growing major economy in the world and is expected to be one of the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. India's GDP is expected to reach US\$ 5 trillion by FY25. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25 per cent of the GDP from the current 17 per cent.

The International Monetary Fund (IMF) projected a sharp contraction of 4.5 per cent for the Indian economy in 2020, a "historic low," citing the unprecedented coronavirus pandemic.

The country's largest market researcher, Nielsen projected FMCG growth to be in the range of 9-10% for the year end of 2019 and revised its outlook for the growth of the FMCG segment, downgrading it from 9-10% to 5-6% for this year 2020 as a consequence of Covid-19 outbreak.

2. 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.

3. Segment, Product wise Performance

Modi Naturals is transforming from a pure play edible oil company to a diversified FMCG company by creating world class uniquely positioned value-added products that are gaining popularity.

Your company has created a niche market segment for itself through its high-quality Olive oil products and strong distribution network. "OLEEV" brand is positioned strongly in minds of customers and it caters to the premium segment of the market.

Your company has invested in development of new product packaging with improved functionality in terms of convenience to customers and cost optimization in freight. Your Company is further looking to increase its competitiveness by making investment in modernizing the refinery complex to achieve greater operational efficiency and capability to produce varied products.

In order to further improve the overall business margin, your company is working on a strategy to identify high margin value added products for food and nutrition industry. These products shall align with our overall product offering and shall be processed in a cost-efficient manner. With continuous focus on innovation, R&D and investment in new technology, your company is confident of developing diversified products that will help us to cater to the needs of our customers and delivering the high return to shareholders.

The company's branded product portfolio includes Oleev Olive oil, Oleev Active oil (Blend of Olive oil and Rice Bran Oil), Oleev Health Oil (Blended Oil) Oleev Smart Oil (Blended oil), Rizolo Rice bran oil, Miller Canola Oil and Olivana Wellness Oil. In the non-branded segment, the company manufactures and markets Rice Bran oil, Rice Bran wax and De-oiled cakes.

This year the Company, to have a presence in the Rs 500 crore (US\$ 70.93 million) ready-to-cook food category, re-launched its range of premium quality Popcorn through its brand 'PIPO'. PIPO popcorn has an innovative range of flavours under PIPO Mixin', along with a full range of Instant popcorn and Microwave popcorn. PIPO Mixin' adds value to regular instant popcorn as it comes with a "Taste Bomb" seasoning sachet inside, offering a range of exciting seasoning flavours to choose from, adding a new dimension of taste to this universal snack.

PIPO aims to capture the millennial demographic in this country and leave a mark on the food lover's psychographic, in particular, on those who are hard-pressed for time, love having fun and enjoy experimenting with their food habits. PIPO is expected to democratize the intake of popcorn in the country because it is so easy to cook and has a distinct variety on offers.

During the year, the response to the 'PIPO Popcorn' range has been promising. The growth was driven by distribution expansion and innovation, the introduction of Diet Pop, including new age channels of Modern Trade & Ecommerce. The growth will further be backed by significant media investments and promotions.

Demand for ready-to-cook food products has been increasing over the last few years on account of busier lifestyles of consumers and their desire to explore different cuisines at home. During COVID there has been seen an acceleration of this trend and therefore an exponential growth in demand for ready to cook products. We believe that growth in this category will come through continuous innovation in product and packaging, advertisement and continuously distribution expansion and the Company is taking definitive steps towards the same.

The company is present on all e-commerce platforms including Amazon, Big Basket, Flipkart, Grofers and JioMart. Further, the company is widely distributed in 2,500 organized modern retail outlets and also has around 450 distributors pan India with a direct reach of about 50,000 retail stores, which we will use to penetrate further in this category.

Your Company continues to support our flagship Oleev Active in this Category with adequate level of investments to ensure that our position in this category remains healthy and profitable while delivering the highest returns to our shareholders.

4. Outlook

A steadily improving outlook for business in India means that the Food industry as well is recovering from a sluggish phase into a phase of more steady and sustained growth. Your Company is well placed to capture a fair share of this growth having taken significant measures in the last few years in both manufacturing capacities and distribution expansion.

We expect to be able to continue to deliver strong growth.

5. Risk Management

Business risks exist for any enterprise having national and international exposure. Your Company also faces some such risks, the key ones being - a longer than anticipated delay in economic revival, unfavorable exchange rate fluctuations, emergence of inflationary conditions, rise in counterfeits and look-alikes and any unexpected changes in regulatory framework.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

6. Internal Control Systems and its adequacy

Your Company has an adequate system of internal controls in all areas of its operations such as purchase, sale, acquisitions of fixed assets, cash & bank, including suitable monitoring procedures and competent personnel. The Company has set up an Audit Committee comprising of Non-Executive Independent Directors. The Company has also appointed the firm of Chartered Accountants to carry out Internal Audit, where one of their function is to review the Internal Control system regularly, with a view to further strengthen the same.

7. Review of Operations and Ratio Analysis

Your Company, during the fiscal 2020, recorded revenue from operations of Rs. 38863.77 lac, a growth of 31.17% over previous year due to the company's brand presence in premium categories, carefully crafted strategies, backed up by clinical execution. The Profit Before Tax (PBT) was Rs. 360.76 lac against Rs. 249.79 lac in the previous year. The Profit After Tax (PAT) was Rs.462.57

lac against Rs. 89.39 lac in the previous year. During the year under review, your Company continued its momentum of growth despite the challenges it faced in the FMCG sector, geo-political uncertainties, considerable headwinds in the business environment and oils prices volatility coupled with the unprecedented Pandemic Covid-19 situation in mid-March 2020.

The Company's EBIDTA and EBIDTA margins improved by 38.92% to Rs.768.20 Lacs as compared to the previous year.

Sl. No.	Ratios	Units	IND-AS	
			FY 2020	FY 2019
1.	Debtors Turnover Ratio	Times	26.92	28.11
2.	Inventory Turnover Ratio	Times	4.94	4.04
3.	Interest Coverage Ratio	Times	2.41	2.47
4.	Current Ratio	Times	1.68	1.63
5.	Debt-Equity Ratio	Times	1.09	1.15
6.	Operating Profit Margin	%	1.59	1.42
7.	Net Profit Margin	%	0.93	0.85
8.	Earnings Per Share	₹	3.69	0.83

8. Human Resource and Industrial Relations

The Company's industrial relations are cordial at all locations. 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.

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

9. Cautionary Statement

Estimates and expectations stated in this Management Discussion and Analysis Report may be "forward-looking statements" 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 your Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, and other statutes and incidental factors.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Mandatory Requirements:

1. 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. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

The Board comprises of members having varied skills, experience and knowledge. The Board has a mix of both Independent and Non-independent Directors. As on March 31, 2020, the Board of Directors of the Company comprised of six Directors, with three Independent Directors and three Non-Independent Directors. The Chairman of the Company is Executive, Non-Independent. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified under Regulation 26 (1) of SEBI Listing Regulations), across all the companies in which they are Directors. Necessary disclosures regarding Committee positions have been made by the Directors. The Independent Directors are independent of the management and fulfil the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI Listing Regulations.

The composition of the Board of Directors as on March 31, 2020 is as follows:

Sl. No.	Name of the Director	Category	Age (in years)	Qualifications	Expertise in specific functional areas
1.	Mr. Anil Modi (DIN-00187078)	Chairman & Managing Director / Non-Independent	63	B.Com.	Business Planning & development, Finance, Management
2.	Mr. Akshay Modi (DIN-03341142)	Jt. Managing Director / Non-Independent	35	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	34	B.Sc. (Eco.) from University of Nottingham (U.K.)	Business Planning & Management, Banking
4.	Mr. S. S. Halwasiya (DIN-00020000)	Independent / Non-Executive	59	B.Com., LL.B.	General Management, Legal, Management, Finance
5.	Mr. Alok Garg (DIN-01394308)	Independent / Non-Executive	48	B.Com., PGDCIM	General Management, Management, Finance
6.	Mr. Sulabh Singal (DIN-05270534)	Independent / Non-Executive	43	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.

Seven Board Meetings were held during the year 2019-20 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were April 01, 2019; May 30, 2019; August 13, 2019; September 12, 2019, November 14, 2019, January 25, 2020 and February 12, 2020. The necessary quorum was present at all the Board meetings.

The Composition of the Board of Directors and other details as on March 31, 2020 are as follow:

Sl. No	Name of the Director	Category	No. of Board Meetings Attended	Whether attended AGM held on 30.09.2019	No. of Chairmanships/Directorships in other Boards/ Committees* of public companies**			
					Chairman/ Chairperson of the Board	Chairman/ Chairperson of the Committee	Member of the Board	Member of the Committee
1.	Mr. Anil Modi (DIN-00187078)	Promoter/ Managing Director	5	Yes	Nil	Nil	1	Nil
2.	Mr. Akshay Modi (DIN-03341142)	Promoter / Jt. Managing Director	6	Yes	Nil	Nil	Nil	Nil
3.	Ms. Aditi Gupta (DIN-01786037)	Non-Independent/ Executive	3	No	Nil	Nil	Nil	Nil
4.	Mr. S. S. Halwasiya (DIN-00020000)	Independent/ Non-Executive	3	Yes	Nil	Nil	Nil	Nil
5.	Mr. Alok Garg (DIN-01394308)	Independent/ Non-Executive	6	Yes	Nil	Nil	Nil	Nil
6.	Mr. Sulabh Singal (DIN-05270534)	Independent/ Non-Executive	1	No	Nil	Nil	Nil	Nil

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

** Only Audit Committee and the Stakeholders Relationship Committee are 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.

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 2019-20 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 February 12, 2020 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 (http://www.modinaturals.com/corporate_governance.html)

Code of Conduct for the Board Members and Senior Management

In line with the Regulation 17(5) of the SEBI Listing Regulations, the Company's Board of Directors has adopted a 'Code of Conduct and Ethics' ("the Code") for the Board of Directors and Senior Executives of the Company'. The Code is posted on the Company's website - www.modinaturals.com/investor.htm.

The purpose of this 'Code of Conduct and Ethics' is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all other stakeholders. The 'Code of Conduct' is also a tool in carrying out the Company's Business and Social responsibility in a more effective manner. The Code sets out a broad policy for one's

conduct in dealing with the Company, fellow directors and employees and the external environment in which the Company operates.

As required under Chapter IV of the SEBI Listing Regulations, all Directors and senior management have affirmed compliance with the Code for the financial year ended March 31, 2020. A declaration to the effect, signed by the Chairman and Managing Director, is annexed to and forms part of this Annual Report at Page 15.

3. AUDIT COMMITTEE

The Audit Committee formed in pursuance to Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 is instrumental in reviewing the procedures of financial reporting besides reviewing the quarterly, half yearly, annual financial results of the Company, internal control systems, auditing and accounting matters including the recommendation for appointment of independent auditors, compliance with legal and statutory requirements and integrity of the Company's financial statements.

The Company Secretary of the Company acts as the Secretary of the Audit Committee. Shri Pradeep Kapoor, Chief Financial Officer of the Company and a representative of the Statutory Auditors are permanent invitees to the Audit Committee.

Five Meetings of the Audit Committee were held during the year 2019-20. The dates on which the Audit Committee Meetings held were May 30, 2019, August 13, 2019, September 12, 2019, November 14, 2019 and February 12, 2020. 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 2019-20
Mr. S. S. Halwasiya, Chairperson	Independent / Non-Executive	5
Mr. Alok Garg	Independent / Non-Executive	5
Mr. Anil Modi	Non-Independent / Executive	4

4. 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, 2019, and February 12, 2020 during the year 2019-20. 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 2019-20
Mr. Sulabh Singal, Chairperson	Independent / Non-Executive	1
Mr. S. S. Halwasiya	Independent / Non-Executive	1
Mr. Alok Garg	Independent / Non-Executive	2

▪ 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.

▪ Non-Executive Directors (including Independent Directors)

Fees and compensation, if any, paid to any Non-Executive Director, including Independent Director shall be fixed by the Board of Directors and shall be previously approved by the shareholders, as may be required, at the general body meeting. Further, the Independent Directors shall not be entitled to any stock options.

- **Executive Directors**

The Board on the recommendation of the Nomination and Remuneration Committee fixes remuneration of Executive Directors (i.e. Managing Director/ Whole-Time Director) and thereafter the same is approved by the shareholders at a General Meeting. The remuneration structure comprises of salary, allowances, commissions, perquisites, and employee benefits, if any.

The formal Remuneration policy of the Company is available on the Company's website at http://www.modinaturals.com/corporate_governance.htm

- **Remuneration to Directors**

Details of remuneration paid to Directors for the year ended March 31, 2020:

(In Rupees except Share data)

Name of Directors	Salary & Perquisites	Commission	Sitting Fee	Total	Service Contract	No of Equity Shares held
Mr. Anil Modi	3755000.00	-	-	3755000.00	•	4650216
Mr. Akshay Modi	3709806.00	-	-	3709806.00	#	1076586
Mr. S. S. Halwasiya	-	-	-	-	\$	910
Mr. Alok Garg	-	-	-	-	\$	3090
Mr. Sulabh Singal	-	-	-	-	\$	-
Ms. Aditi Gupta	379032.00	-	-	379032.00	@	-

- The term of appointment is for 3 years commencing from 01st January 2020, as approved by Shareholders in the 45th 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 15th December 2019, as approved by Shareholders in the 45th 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 01st April 2019, as approved in the 44th AGM held on 29.09.2018.
- @ The term of appointment is for 3 years commencing from 14th August 2019, as approved by Shareholders in the 45th 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, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

5. 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.

Five meetings of the stakeholders' relationship committee were held on April 30, 2019, August 07, 2019, September 23, 2019, November 20, 2019 and March 03, 2020. 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 2019-20
Mr. Alok Garg, Chairperson	Independent / Non-Executive	4
Mr. S. S. Halwasiya	Independent / Non-Executive	1
Mr. Anil Modi	Non-Independent / Executive	5

Name, designation, and address of the Compliance Officer:

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

Details of investor complaints received and redressed during 2019-20:

Pending as on 1 April, 2019	NIL
Received during the year	NIL
Resolved during the year	NIL
Pending as on 31 March, 2020	NIL

Complaints/correspondences are usually dealt with within 15 days of receipt and are completely resolved, except in cases where litigation is involved.

Share transfer lodgements are processed within 15 days and returned, except in cases where litigations are involved. The following persons can also be contacted in case of investor grievances:

- **Mr. Ankit Agarwal**
 Company Secretary
Tel: 011 41889999
Email: investors@modinaturals.com
- **Registrar and Share 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

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Time	Special Resolutions Passed
2018-19	September 30, 2019	Hotel Bluestone, CC24, Kalkaji, Near Nehru Enclave, Paras Cinema, New Delhi-110019	3.00 P.M	3
2017-18	September 29, 2018	Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019		None
2016-17	September 29, 2017			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. No Postal Ballot was conducted during the financial year 2019-20.
- e. Details of special resolution proposed to be conducted through postal ballot: None

7. DISCLOSURES:

- There are no materially significant Related Party Transactions during the year that have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The related party transactions during the year under review are mentioned in Note 35 to the "Notes to Accounts". The Company has formulated a policy on Related Party Transactions and the same is available on the Company's website at http://www.modinaturals.com/corporate_governance.htm

- 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 has been no non-compliance or penalties, or strictures imposed on your Company by any of the Stock Exchanges or SEBI, or any statutory authority on any matter related to capital markets during the last three years.
- None of the Directors 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. Refer to Page 23 for the certificate from Mr. Deepak Bansal, Practicing Company Secretary.
- 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.
- The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. The policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. No personnel/person has been denied access to the Audit Committee. The said policy is available on the Company's Website at http://www.modinaturals.com/corporate_governance.htm
- 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 http://www.modinaturals.com/corporate_governance.htm.
- 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
- The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8), read with Part B of Schedule II to the SEBI Listing Regulations, 2015, for the financial year ended March 31, 2020.
- 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 given as an annexure to this report.
- The Company does not have any subsidiary companies.
- 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.

8. MEANS OF COMMUNICATION

- Your Company uses several modes for communicating with its external stakeholders, such as announcements and press releases in newspapers, circular letters and other reports to the members, posting information on its website (www.modinaturals.com), intimation to the Stock Exchanges, etc.
- The quarterly, half-yearly and annual results are displayed on the Company's website www.modinaturals.com and disseminated through all the modes mentioned above. Financial Express (English daily) and Jansatta (vernacular daily) are usually the papers in which the quarterly results are published.

- The Company's website (www.modinaturals.com) contains a separate dedicated section for the Company's 'Investor Relations' where shareholders' information is available. Due to Covid-19 pandemic situation, there is some difficulty in posting the announcements and reports on the Company's website (www.modinaturals.com), hence announcements will be posted on (www.modinaturals.org) until website (www.modinaturals.com) functions properly. However, prior period announcements and reports, you may visit www.modinaturals.com. The full 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.com for investors to contact the Company in case of seeking any information and redressal of their grievances.

9. **MANAGEMENT DISCUSSION & ANALYSIS:** Your Company's Management Discussion & Analysis of the Business for the year ended March 31, 2020 forms part of the Directors' Report and is given under the section so captioned.

10. GENERAL SHAREHOLDERS INFORMATION

A. AGM Date, Time, and Venue for FY 2020	September 30, 2020, Wednesday at 3:00 pm through Video Conference (VC) or Other Audio-Visual Means (OAVM) at Delhi.
B. Financial Calendar	July 16, 2020 – Q4 & FY 19-20 August 4, 2020 – Q1 Results November 14, 2020 – Q2 Results February 14, 2020 – Q3 Results May 30, 2020 – Q4 Results
C. Dates of Book Closure	September 26, 2020 to September 30, 2020 (both days inclusive)
D. Dividend Payment Date	No Dividend is declared for the Financial Year 2019-20
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 2019-20.
G. Stock Code / Symbol ISIN Number for NSDL and CDSL	BSE: 519003; MODINATUR INE537F01012
H. Company Identification Number (CIN)	L15142DL1974PLC007349

I. Distribution of Holdings as on March 31, 2020					
Category	Number of Shareholders	% to Total Numbers	Share Holding Amount	% to Total Amount	
Up to 5,000	3839	86.97	8762180	6.92	
5,001 to 10,000	291	6.59	2406690	1.9	
10,001 to 20,000	170	3.85	3019650	2.39	
20,001 to 30,000	30	0.68	713440	0.56	
30,001 to 40,000	10	0.23	340920	0.27	
40,001 to 50,000	10	0.23	436390	0.34	
50,001 to 1,00,000	25	0.57	1851610	1.46	
1,00,000 and Above	39	0.88	109033090	86.15	
Total	4414	100	126563970	100	

J. Shareholding Pattern as on March 31, 2020				
Sl. No.	Category of Shareholders	No of Shares held	No of Shares in De-mat Form	% Shareholding
A.	Promoters and Promoters Group Shareholding			
1.	Indian			
a.	Individuals / HUF	7723369	7723369	61.02
b.	Bodies Corporate	646000	646000	5.10
2.	Foreign	0	0	0
	Total - (A)	8369369	8369369	66.13
B.	Public Shareholding:			
1.	Institutions:			
a.	Mutual Funds	0	0	0.00
b.	Financial Institutions /Banks	200	0	0.00
c.	Foreign Portfolio Investors	73062	73062	0.58
	Sub-Total – B (1)	73262	73262	0.58
2.	Non-Institutions:			
a.	Bodies Corporate	452914	436464	3.58
b.	Individuals	3371497	2445103	26.64
	Any Other specify:			
i.	Non-Resident Indians	279118	279118	2.21
ii.	Resident Indian HUF	79907	79907	0.63
iii.	Trusts	800	800	0.01
iv.	Clearing Member/House	1840	1840	0.01
v.	NBFC Registered with RBI	27690	27690	0.22
	Sub-Total – B (2)	4213766	3270922	33.29
	Total – B = B (1) + B (2)	4287028	3343984	33.87
	Grand Total (A + B)	12656397	11713353	100.00

K. Market Price Data

Monthly's High and Low (based on daily closing prices) and number of equity shares traded during each month in the year 2019-20 on BSE (Source: www.bseindia.com)

Month	BSE		
	High (Rs.)	Low (Rs.)	Volume (No. of shares traded)
April – 2019	88.95	78.85	13161
May – 2019	81.7	60	80964
June – 2019	68.5	56.9	7581
July – 2019	63	36.1	7611
August – 2019	38.5	31.35	9765
September – 2019	40.95	33.5	410164
October – 2019	36	29.55	84780
November – 2019	29	22.25	20249
December – 2019	30.45	24.15	19817
January – 2020	39.9	23.8	58419
February – 2020	29	20.9	35783
March – 2020	27.9	17.9	62024

L. Share Transfer System

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. The transfer through demat mode takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.

M. Registrar and Share 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

The Company's shares are actively traded in on BSE and are available for trading on both the depositories, viz. NSDL and CDSL. 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, 2020, a total of 1,17,13,353 Equity Shares of the Company, constituting 92.55% 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. Share Capital Reconciliation Report

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Q. 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, 2020.

R. 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.

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

There are no outstanding instruments and hence there will be no dilution of the equity.

T. Plants Location

- Bisalpur Road, Pilibhit - 262001, Uttar Pradesh
- Rai Ind. Area, Sonipat, Haryana-131029
- RR District, Hyderabad, Telangana-501323

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MODI NATURALS LIMITED

I, Deepak Bansal, Company Secretary in Practice, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

Managements' Responsibility

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.

Auditor's Responsibility

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

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 Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.

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: F003736B000650085

Place: Noida

Date: September 02, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Modi Naturals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Modi Naturals Limited (“the Company”)** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (Including other Comprehensive Income), the statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the (Auditor’s Responsibilities for the Audit of the Financial Statements) section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the 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 ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 matters which is required to be described as key audit matter to be communicated in our report.

Information other than the 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 Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.

- h) 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, as amended in our opinion and to the best of 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 financial statements. Refer Note 32 to the financial statements.
 - ii. The company did not have any long term contracts and had no derivative contracts outstanding as at 31st March, 2020.
 - iii. The Company did not have any dues required to be transferred by it to the Investor Education and Protection fund.

for **Kashyap & Co.**
Chartered Accountants
Firm Registration No. 011355C
Sd/-
(Nupur Gupta)
Partner
Membership No. 075983
UDIN :20075983AAAACU2980

New Delhi, 16th July, 2020

Annexure A referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of Independent Auditors’ Report of even date on the financial statements for the year ended on March 31, 2020.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) In respect of Company’s Fixed Assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 or Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the books of account 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) The Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, Goods & Service Tax (GST), service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the Statute	Nature of Dues	Amount	Period to which amount relates	Forum where dispute is pending	Remark
VAT	VAT	95,93,282	2013-14	Supreme Court of India	Stayed Vide order dated 16/12/2019 by The Hon’ble Supreme Court of India
Income Tax	Income Tax	1,45,19,880	2011-12	Commissioner of Income Tax (Appeals)	Stayed by Deputy Commissioner of Income Tax, Circle 17(2), New Delhi

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion, the term loans were applied for the purposes for which the loans were obtained. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanation given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid (and)/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **Kashyap & Co.**
Chartered Accountants
Firm Registration No. 011355C
Sd/-
(Nupur Gupta)
Partner
Membership No. 075983
UDIN :20075983AAAACU2980

New Delhi, 16th July, 2020

Annexure 'B' to Independent Auditors' Report

(Referred to in paragraph (h) under the head 'Report on Other Legal and Regulatory Requirements' of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, ("the Act")

1. We have audited the internal financial control with reference to financial statement of MODI NATURALS LIMITED ("the Company") as of March, 31, 2020 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

2. The Company's management 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

3. 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.
4. 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.
5. 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

6. 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

7. 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

8. In our opinion, the Company has, in all material respects, and adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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."

New Delhi, 16th July, 2020

for **Kashyap & Co.**
Chartered Accountants
Firm Registration No. 011355C
Sd/-
(Nupur Gupta)
Partner
Membership No. 075983
UDIN :20075983AAAACU2980

BALANCE SHEET

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - current assets			
(a) Property, plant and equipment	2	19,29,40,438.00	19,56,29,155.00
(b) Capital work - in - progress	3	4,72,120.00	90,982.00
(c) Other intangible assets	4	1,75,615.00	2,71,235.00
(d) Financial assets			
(i) Trade receivables	5	64,58,538.00	86,37,211.00
(ii) Loans and Advances	6	92,32,780.00	84,19,784.00
(e) Other non - current assets	8	3,24,18,570.00	5,55,85,704.00
Current assets			
(a) Inventories	9	68,18,62,412.00	65,65,89,807.00
(b) Financial assets			
(i) Trade receivables	5	15,56,60,214.00	11,69,53,377.00
(ii) Cash and cash equivalents	10	1,04,18,431.00	18,74,765.00
(iii) Loans and Advances	6	2,54,35,554.00	79,44,210.00
(iv) Bank Balances	7	46,73,675.00	44,79,015.00
(c) Other current assets	8	7,79,71,356.00	7,76,72,116.00
TOTAL ASSETS		1,19,77,19,703.00	1,13,41,47,361.00
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	12,65,63,970.00	12,65,63,970.00
(b) Other equity	12	44,68,80,963.00	40,01,45,712.00
Liabilities			
Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	20,71,709.00	96,25,404.00
(ii) Trade payables	14	27,91,074.00	2,49,464.00
(b) Provisions	15	1,20,42,613.00	1,19,65,062.00
(c) Deferred tax liabilities (net)	16	3,66,36,445.00	5,35,10,522.00
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	31,66,14,750.00	29,74,62,684.00
(ii) Trade payables	14	7,20,47,639.00	6,79,60,009.00
(b) Other current liabilities	17	17,04,16,214.00	15,44,09,885.00
(c) Provisions	15	75,06,292.00	66,25,211.00
(d) Current Tax Liability (net)	18	41,48,034.00	56,29,438.00
TOTAL EQUITY AND LIABILITIES		1,19,77,19,703.00	1,13,41,47,361.00

See accompanying notes to Ind AS Financial Statements 1 - 41

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

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, 16th July, 2020

New Delhi, 16th July, 2020

STATEMENT OF PROFIT AND LOSS

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations (Net)	19	3,87,26,62,699.00	2,94,84,53,696.00
Other Operating income	20	1,37,13,886.00	1,42,66,864.00
Total income (I + II)		3,88,63,76,585.00	2,96,27,20,560.00
Expenses			
Cost of materials consumed	21	3,13,18,85,566.00	2,32,34,60,595.00
Purchases of stock - in - trade	22	3,13,77,827.00	2,38,66,089.00
Changes in inventories of finished goods, stock - in - trade and work - in - progress	23	(3,14,86,141.00)	(2,47,95,519.00)
Employee benefits expenses	24	19,59,28,129.00	17,63,88,441.00
Finance costs	25	2,69,73,932.00	1,74,42,732.00
Depreciation and amortization expenses	26	1,37,70,428.00	1,28,79,309.00
Other expenses	27	48,18,50,903.00	40,85,04,522.00
Total expenses		3,85,03,00,644.00	2,93,77,46,169.00
Profit / (loss) before exceptional items and tax (I - IV)		3,60,75,941.00	2,49,74,391.00
Exceptional items		-	-
Profit / (loss) before tax (V - VI)		3,60,75,941.00	2,49,74,391.00
Tax expense	28		
(1) Current tax		64,00,000.00	57,65,000.00
(2) Taxes for Earlier Years		2,92,643.20	28,316.00
(3) Deferred tax		(1,68,74,077.00)	1,02,42,647.00
Profit / (loss) for the period (VII - VIII)		4,62,57,374.80	89,38,428.00
Other comprehensive income			
A Items that will not be reclassified to profit or loss	29	4,77,875.00	12,24,658.00
Total comprehensive income for the period (IX + X)		4,67,35,249.80	1,01,63,086.00
Earnings per equity share (for continuing operations) (Rs.)	30		
(1) Basic		3.69	0.83
(2) Diluted		3.69	0.83

See accompanying notes to Ind AS Financial Statements 1 - 41

As per our report of even date attached

for Kashyap & Co

Chartered Accountants

Registration No.: 011355C

Sd/-

Nupur Gupta

Partner

Membership No.: 075983

New Delhi, 16th July, 2020

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, 16th July, 2020

STATEMENTS OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
111179340.00	15384630.00	126563970.00
Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
126563970.00	-	126563970.00

B. OTHER EQUITY

	Reserves and Surplus				Money received against share warrants	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
As at 1 April, 2018	8981650.00	66646480.00	18733836.00	111005100.00	100000095.00	305367161.00
Profit for the year	-	-	-	8938428.00	-	8938428.00
Other Comprehensive Income	-	-	-	1224658.00	-	1224658.00
Total Comprehensive Income for the year	-	-	-	10163086.00	-	10163086.00
Shares Issued	-	184615560.00	-	-	(10,00,00,095.00)	84615465.00
As at 31 March, 2019	8981650.00	251262040.00	18733836.00	121168186.00	0.00	400145712.00
Profit for the year	-	-	-	46257375.00	-	46257375.00
Other Comprehensive Income	-	-	-	477875.00	-	477875.00
Total Comprehensive Income for the year	-	-	-	46735250.00	-	46735250.00
Shares Issued	-	-	-	-	-	0.00
Dividends	-	-	-	-	-	0.00
As at 31 March, 2020	8981650.00	251262040.00	18733836.00	167903436.00	0.00	446880962.00

See accompanying notes to Ind AS Financial Statements

1 - 41

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

Anil Modi

Akshay Modi

Pradeep Kapoor

Ankit Agarwal

DIN:00187078

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PAN:ATEPK2474R

M.No.:A23445

Chairman & Managing Director

Jt. Managing Director

Chief Financial Officer

Company Secretary

New Delhi, 16th July, 2020

New Delhi, 16th July, 2020

STATEMENT OF CASH FLOW

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(A) Cash flows from operating activities:		
Profit for the Year	3,60,75,941	2,49,74,391
Adjustment for:		
Depreciation	1,37,70,428	1,28,79,309
Foreign exchange fluctuation	3,17,103	(18,22,626)
Deferred revenue expenses incurred	-	(3,73,30,430)
Deferred revenue expenses written off	2,94,11,755	2,98,43,974
Provision for Gratuity	14,36,507	31,60,052
Profit (-)/loss on sale of assets (net)	48,675	(90,160)
Interest expenses	2,55,59,798	1,69,61,208
Operating profit before working Capital changes	10,66,20,207	4,85,75,718
Net change in:		
Trade and other receivable	(6,15,13,306)	(6,51,02,047)
Inventories	(2,52,72,605)	(8,73,04,036)
Trade payables	2,06,12,870	4,95,57,890
Cash generated from operations	4,04,47,166	(5,42,72,475)
Interest paid	(2,41,48,595)	(1,56,97,557)
Direct taxes paid (Net of Refund)	(80,37,106)	40,51,313
Cash flow before extraordinary items	82,61,466	(6,59,18,719)
Extra ordinary items (net)	-	-
Net cash from operating activities (A)	82,61,466	(6,59,18,719)
(B) Cash flow from investing activities:		
Payment for purchase of property, plant and equipment	(1,14,90,403)	(1,79,11,894)
Proceeds from Bank Deposits	(1,94,660)	(21,80,073)
Proceeds from disposal of property, plant and equipment	74,500	4,24,898
Net cash used in investing activities (B)	(1,16,10,563)	(1,96,67,069)
(C) Cash flow from financing activities:		
Proceeds from issue of share capital (including Share Warrants)	-	10,00,00,095
Borrowings (net)	1,18,92,763	(1,58,09,885)
Net Cash generated from financing activities (C)	1,18,92,763	8,41,90,210
Net change in cash and cash equivalents (A+B+C)	85,43,666	(13,95,578)
Cash and cash equivalents at the beginning of the year	18,74,765	32,70,343
Cash and cash equivalents at the end of the year	1,04,18,431	18,74,765
Net increase/decrease (-) as disclosed above	85,43,666	(13,95,578)

See accompanying notes to Ind AS Financial Statements

1 - 41

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

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, 16th July, 2020

New Delhi, 16th July, 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

1. Basic of Preparation of Financial Statement

i) Statement of compliance with Ind AS

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) prescribed under Section 133 of the Companies Act, 2013.

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

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

iv) Use of estimates and judgements

The preparation of the standalone financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the standalone financial statements and the reported amounts of the revenues and expenses for the years presented. 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 under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 periods if the revision affects both current and future periods.

(i) Critical Judgements

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

Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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 crystallising 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:

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

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 in 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.

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

Their 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 several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations in some of the Company's manufacturing and depot locations got temporarily disrupted. 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. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

v) Current versus non-current classification

All assets and liabilities have been classified as current or non-current. 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 for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

Summary of Significant Accounting Policies

A. Inventory Valuation

- (a) Finished Goods - at lower of cost or net realizable value.
- (b) Goods in Process - at weighted average cost
- (c) Raw material - at weighted average cost
- (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.

B. Property, Plant and Equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS-101 and elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 1st April, 2016, measured as per the previous GAAP and use that as its deemed cost as at the transition date. 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.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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

C. 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.

D. Depreciation

Based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. The useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

And depreciation is charged on the following basis:-

- (i) 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 – Computers are amortized over a period of 5 year and Website Development over a period of 10 Years on a straight-line basis.

E. 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.

F. Recognition of Revenues & Expenses

- (a) With effect from 01st April, 2018 the company has applied IND AS 115: Revenue from Contract with customers which provided a framework determining the nature amount and timing of revenue recognition. The impact on the financial statement or adoption of the standard is insignificant.
- (b) Incomes and Expenditures are accounted for on accrual basis except for interest on account of delayed payments/overdue outstanding to various parties and insurance claims, where there is no reasonable certainty regarding the amount and/or its collectability. Interest income is stated in full with tax thereon being accounted under advance tax.
- (c) Domestic Sales are recognized on dispatch of goods by the Company to its customers.

G. 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.

H. 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.

I. 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.

J. Accounting for Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in the Standalone Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as

determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is recognised in respect of temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

K. 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.

L. Leases

Policy applicable before April 1, 2019

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Finance Lease:

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized

immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Policy applicable after April 1, 2019

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2020.

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. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the

lease liability comprise the fixed payments, including in substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Company's leases are in respect of residential and office premises

M. Interim Financial Reporting

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

N. 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.

O. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. PROPERTY PLANT & EQUIPMENTS

CURRENT YEAR	GROSS CARRYING AMOUNT				DEPRECIATION			NET CARRYING AMOUNT		
	Item	Cost as at 01.04.2019	Addition during the year	Sale/ Transfer	Cost as at 31.03.2020	Up to 01.04.2019	For the Year	Adjustment	Up to 31.03.2020	As At 31.03.2020
Land	11994105.00	0.00	0.00	11994105.00	-	-	-	0.00	11994105.00	11994105.00
Building	39582205.00	841941.00	-	40424146.00	16214264.00	1126263.00	0.00	17340527.00	23083620.00	23367942.00
Plant & Machinery	298560318.00	8877352.00	194898.00	307242772.00	154130194.00	9032585.00	123301.00	163039478.00	144203294.00	144430124.00
Electrical Equipment	4083035.00	0.00	0.00	4083035.00	2610993.00	397038.00	0.00	3008031.00	1075004.00	1472042.00
Furniture & Fixture	2216035.00	0.00	0.00	2216035.00	1777483.00	103249.00	0.00	1880732.00	335303.00	438552.00
Laboratory Equipment	2381556.00	0.00	0.00	2381556.00	1588192.00	193773.00	0.00	1781965.00	599591.00	793364.00
Office Equipment	1895310.00	198270.00	0.00	2093580.00	1207146.00	193256.00	0.00	1400402.00	693178.00	688164.00
Computers	5177077.00	323642.00	53680.00	5447039.00	4302000.00	428896.00	24646.00	4706250.00	740789.00	875077.00
Vehicles	21152396.00	868061.00	49523.00	21970934.00	9582611.00	2199748.00	26979.00	11755380.00	10215554.00	11569785.00
TOTAL	387042037.00	11109266.00	298101.00	397853202.00	191412883.00	13674808.00	174926.00	204912765.00	192940438.00	195629155.00

PREVIOUS YEAR	GROSS CARRYING AMOUNT				DEPRECIATION			NET CARRYING AMOUNT		
	Item	Cost as at 01.04.2018	Addition during the year	Sale/ Transfer	Cost as at 31.03.2019	Up to 01.04.2018	For the Year	Adjustment	Up to 31.03.2019	As At 31.03.2019
Land	11994105.00	0.00	0.00	11994105.00	-	-	-	0.00	11994105.00	11994105.00
Building	39241128.00	341077.00	0.00	39582205.00	15099290.00	1114974.00	0.00	16214264.00	23367942.00	24141839.00
Plant & Machinery	283317607.00	16032156.00	789445.00	298560318.00	146164764.00	8428610.00	463180.00	154130194.00	144430124.00	137152843.00
Electrical Equipment	4083035.00	0.00	0.00	4083035.00	2209566.00	401427.00	0.00	2610993.00	1472042.00	1873469.00
Furniture & Fixture	2181781.00	34254.00	0.00	2216035.00	1657591.00	119892.00	0.00	1777483.00	438552.00	524190.00
Laboratory Equipment	2287276.00	94280.00	0.00	2381556.00	1335605.00	252587.00	0.00	1588192.00	793364.00	951671.00
Office Equipment	1416368.00	478942.00	0.00	1895310.00	1080478.00	126668.00	0.00	1207146.00	688164.00	335890.00
Computers	4805333.00	386943.00	15199.00	5177077.00	3781613.00	534826.00	14439.00	4302000.00	875077.00	1023720.00
Vehicles	17787597.00	3925253.00	560454.00	21152396.00	8393199.00	1742153.00	552741.00	9582611.00	11569785.00	9394398.00
TOTAL	367114230.00	21292905.00	1365098.00	387042037.00	179722106.00	12721137.00	1030360.00	191412883.00	195629155.00	187392125.00

	As at March 31, 2020	As at March 31, 2019
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3. CAPITAL WORK IN PROGRESS		
Plant and machinery under erection	4,72,120.00	90,982.00
Total	4,72,120.00	90,982.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS

CURRENT YEAR	GROSS CARRYING AMOUNT			DEPRECIATION				NET CARRYING AMOUNT		
	Item	Cost as at 01.04.2019	Addition during the year	Sale/ Transfer	Cost as at 31.03.2020	Up to 01.04.2019	For the Year	Adjustment	Up to 31.03.2020	As At 31.03.2020
Computer Softwares	1147454.00	0.00	0.00	1147454.00	909887.00	80042.00	0.00	989929.00	157525.00	237567.00
Intangible Assets	361784.00	0.00	0.00	361784.00	328116.00	15578.00	0.00	343694.00	18090.00	33668.00
TOTAL	1509238.00	0.00	0.00	1509238.00	1238003.00	95620.00	0.00	1333623.00	175615.00	271235.00

PREVIOUS YEAR	GROSS CARRYING AMOUNT			DEPRECIATION				NET CARRYING AMOUNT		
	Item	Cost as at 01.04.2018	Addition during the year	Sale/ Transfer	Cost as at 31.03.2019	Up to 01.04.2018	For the Year	Adjustment	Up to 31.03.2019	As At 31.03.2019
Computer Softwares	1047454.00	100000.00	0.00	1147454.00	786175.000	123712.000	0.000	909887.00	237567.00	261279.00
Intangible Assets	361784.00	0.00	0.00	361784.00	293656.000	34460.000	0.000	328116.00	33668.00	68128.00
TOTAL	1409238.00	100000.00	0.00	1509238.00	1079831.00	158172.00	0.00	1238003.00	271235.00	329407.00

	As at March 31, 2020	As at March 31, 2019
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5. TRADE RECEIVABLES

Exceeding 6 months from payment due date		
Unsecured, considered good	64,58,538.00	86,37,211.00
Allowance for bad & doubtful debts	-	-
	64,58,538.00	86,37,211.00
Less than 6 months		
Unsecured, considered good from related party	-	-
Unsecured, considered good	15,56,60,214.00	11,69,53,377.00
	15,56,60,214.00	11,69,53,377.00
Total	16,21,18,752.00	12,55,90,588.00

6. LOANS AND ADVANCES

	Non - current	Current	Non - current	Current
Capital Advances	-	-	-	-
Advances other than Capital Advances -				
Security deposits	91,35,641.00	-	82,91,129.00	-
Advances to Other -Transporter, Packing Material etc.		44,39,247.00		22,49,436.00
Advances to suppliers		2,82,795.00		10,20,624.00
Others	97,139.00	2,22,031.00	1,28,655.00	5,85,271.00
GST Refund Recoverable		34,25,536.00		-
Myanmar Operation Expenses		17,53,581.00		17,53,581.00
Employee related		73,457.00		95,949.00
Balances with statutory authorities				
PF Under Protest		19,05,223.00		19,05,223.00
Income Tax Regular Assessment AY 2012-13		36,30,000.00		-
VAT Under Protest		95,93,500.00		-
Advance Tax		18,750.00		2,61,722.00
FSSAI Under Protest		-	-	50,000.00
Other - TDS, Service Tax, CST and Entry Tax		41,434.00		22,404.00
Total	92,32,780.00	2,54,35,554.00	84,19,784.00	79,44,210.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2020		As at March 31, 2019	
7. BANK BALANCES	Non - current	Current	Non - current	Current
Fixed Deposits with Banks against margin money		46,73,675.00		44,79,015.00
Total	-	46,73,675.00	-	44,79,015.00
8. OTHER ASSETS	Non - current	Current	Non - current	Current
Prepaid Expenses		34,25,952.00		26,14,975.00
Deferred Revenue Expenditures	3,24,18,570.00	2,20,96,525.00	5,45,15,096.00	2,94,11,754.00
Interest Receivables		5,78,104.00		4,75,770.00
Foreign gains receivables				
Balances with statutory authorities				
GST/VAT Receivable Capital Goods	-	-	10,70,608.00	3,59,618.00
GST/VAT Receivable Other than Capital Goods		5,18,70,775.00		4,48,09,999.00
Total	3,24,18,570.00	7,79,71,356.00	5,55,85,704.00	7,76,72,116.00

	As at March 31, 2020		As at March 31, 2019	
9. INVENTORIES				
Raw Materials		18,18,26,413.00		18,66,45,027.00
Stores & Spares		3,35,43,552.00		3,48,97,211.00
Work - in - progress		-		-
Finished goods - Produced		44,03,54,207.00		41,34,49,363.00
Finished goods - Trading		2,56,41,635.00		2,10,60,338.00
Others - Promotional Material		4,96,605.00		5,37,868.00
Total		68,18,62,412.00		65,65,89,807.00

9.1 Additional information as per Schedule III

Mode of valuation of inventories				
Raw Materials		At Weighted Average Cost		
Finished Goods		At Lower of Average Cost or Net Realisable Value		
Stores		At Weighted Average Cost		
Spares		At Cost on FIFO basis		
Value of goods in transit included in sub - heads above				
Raw materials		2,31,60,978.00		44,00,256.00
Work - in - progress		-		-
Finished goods		-		40,76,638.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2020		As at March 31, 2019	
10. CASH & CASH EQUIVALENTS	Non - current	Current	Non - current	Current
Balances with banks				
In Current Accounts		66,80,192.00		5,42,471.00
Cheques, drafts on hand		-		-
Cash on hand		37,38,239.00		13,32,294.00
Total	-	1,04,18,431.00	-	18,74,765.00

	As at March 31, 2020		As at March 31, 2019	
11. SHARE CAPITAL				
Authorised				
2,00,00,000 (Previous Year: 2,00,00,000) equity shares of Rs 10 each		20,00,00,000.00		20,00,00,000.00
Total		20,00,00,000.00		20,00,00,000.00
Issued Subscribed & Fully Paid up				
1,26,56,397 (Previous Year: 1,26,56,397) equity shares of Rs 10 each		12,65,63,970.00		12,65,63,970.00
Total		12,65,63,970.00		12,65,63,970.00

	As at March 31, 2020		As at March 31, 2019	
11.1. Additional information as per Schedule III				
11.1. Reconciliation of the number of shares	No of Shares	Amount (Rs)	No of Shares	Amount (Rs)
Equity Share Capital				
Number of shares at the beginning	1,26,56,397	12,65,63,970	1,11,17,934	11,11,79,340
Add: Shares issued during the year	-	-		
Conversion of Convertible warrants into Equity Shares	-	-	15,38,463	1,53,84,630
Number of shares at the end of the year	1,26,56,397	12,65,63,970	1,26,56,397	12,65,63,970

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:

	No of Shares	% age	No of Shares	% age
Mr. Anil Modi	46,50,216	36.74	45,86,008	36.23
Ms. Nita Modi	16,50,134	13.04	16,50,034	13.04
Mr. Akshay Modi	10,76,586	8.51	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 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	Reserves and Surplus				Other items of other comprehensive income	Total
	Capital reserve	Securities premium account	Profit & Loss	General Reserve	Remeasurement of the Net Defined Benefit Plan	
As at 01.04.2019	89,81,650.00	25,12,62,040.00	11,88,98,806.00	1,87,33,836.00	22,69,380.00	40,01,45,712.00
Changes in accounting policy						
Prior period errors						
Restated balance as at 01.04.2018	89,81,650.00	25,12,62,040.00	11,88,98,806.00	1,87,33,836.00	22,69,380.00	40,01,45,712.00
Other comprehensive income					4,77,875.00	4,77,875.00
Dividends						
Additions during the period			- 4,62,57,376.00			4,62,57,376.00
Transfer to retained earnings						
Transfer to OCI						
Due to business combination						
Deletion during the period						
As at 31.03.2020	89,81,650.00	25,12,62,040.00	16,51,56,182.00	1,87,33,836.00	27,47,255.00	44,68,80,963.00

	As at March 31, 2020		As at March 31, 2019	
13. BORROWINGS	Non - Current	Current	Non - Current	Current
Term Loan from banks				
Secured		-		-
From Bank	76,606.00		60,71,498.00	
Vehicle Loans	19,95,103.00		35,53,906.00	
Vehicle Loan from other parties	-		-	
Secured	-	-	-	-
Remeasured	-		-	
Working capital loan from banks repayable on demand				
Secured		28,99,18,606.00		28,36,95,821.00
Unsecured Loans repayable on demand				
From Directors	-	2,66,96,144.00	-	1,37,66,863.00
From Companies				
Total	20,71,709.00	31,66,14,750.00	96,25,404.00	29,74,62,684.00

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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, all securities 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 are as follows:

Loan From	As at 31.03.2020			As at 31.03.2019		
	ROI*	No. of Instalments Left	Year of Maturity	ROI*	No. of Instalments Left	Year of Maturity
Term Loan from Banks - HDFC	9.60%	13	2021	9.80%	25	2021
Term Loan from Banks - Yes Bank						
Vehicle Loan from Others Skoda						
Vehicle Loan from Bank Ford Eco Sport						
Vehicle Loan from Bank Toyota Corolla	9.50%	13	2021	9.50%	25	2021
Vehicle Loan from Bank Toyota Corolla	8.50%	5	2020	8.50%	17	2020
Vehicle Loan from Bank Toyota Camri	8.90%	36	2023	8.90%	48	2023
Working Capital Loan - HDFC	9.35%	Payable on Demand		9.35%	Payable on Demand	
Working Capital Loan - Yes Bank	9.05%	Payable on Demand		8.80%	Payable on Demand	
Loan from Directors	9.00%	Payable on Demand		9.00%	Payable on Demand	
Loan from Companies	-	-				

	As at March 31, 2020	As at March 31, 2019
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14. TRADE PAYABLES	Non - current	Current	Non - current	Current
Due to parties registered under MSMED Act	-	-	-	-
Due to other parties	27,91,074.00	7,20,47,639.00	2,49,464.00	6,79,60,009.00
Due to related parties	-	-	-	-
Total	27,91,074.00	7,20,47,639.00	2,49,464.00	6,79,60,009.00

14.1 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 and disclosure in accordance with section 22 of the MSMED Act is as under:

Principal amount remaining unpaid	-
Principal amount remaining unpaid above 45 days	-
Interest due on above	-
Total of above	-
Interest paid in terms of section 16	-
Interest due and payable for the period of delay in payment	-
Interest accrued and remaining unpaid	-
Interest due and payable even in succeeding years	-

15. PROVISIONS	Non - current	Current	Non - current	Current
Provision for employee benefits				
Gratuity	1,20,42,613.00	73,39,032.00	1,19,65,062.00	64,57,951.00
Others				
Provision for Expenses	-	1,67,260.00	-	1,67,260.00
Total	1,20,42,613.00	75,06,292.00	1,19,65,062.00	66,25,211.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at March 31, 2020	As at March 31, 2019
16. DEFERRED TAX ASSETS / LIABILITIES (NET)			
Deferred tax liabilities	Note	3,66,36,445.00	5,35,10,522.00
Net deferred tax liabilities	31	3,66,36,445.00	5,35,10,522.00

		As at March 31, 2020		As at March 31, 2019	
17. OTHER LIABILITIES		Non - current	Current	Non - current	Current
Security Deposits			73,00,000.00		91,00,000.00
Statutory Payables					
Sales Tax/GST payables			20,50,511.00		6,43,751.00
PF & ESI payables			14,39,610.00		12,45,596.00
TDS/TCS payables			35,53,207.00		32,81,849.00
Service Tax Payable					
Other Liabilities for expenses			12,81,51,729.00		11,66,79,232.00
Statutory Payables			-		12,029.00
Interest Accrued but not due			24,82,494.00		16,03,729.00
Current maturities of long-term debt		-	76,09,222.00	-	73,14,830.00
Book Overdraft		-	2,400.00		13,15,400.00
Advance Received from Customers		-	1,78,27,041.00	-	1,32,13,469.00
Total		-	17,04,16,214.00	-	15,44,09,885.00

		As at March 31, 2020	As at March 31, 2019
18. CURRENT TAX LIABILITY (NET)		Current	Current
Provision for Income Tax		41,48,034.00	56,29,438.00
Total		41,48,034.00	56,29,438.00

		For the year ended March 31, 2020	For the year ended March 31, 2019
19. REVENUE FROM OPERATIONS			
A. Sale of Goods	Note 40.1	3,87,26,62,699.00	2,94,84,53,696.00
Total		3,87,26,62,699.00	2,94,84,53,696.00

20. OTHER OPERATING INCOME			
Interest income		7,39,944.00	10,41,619.00
Sundry Balance/Excess Provision written back		11,98,569.00	33,38,497.00
Foreign Exchange Fluctuation		-	18,22,626.00
Net Gain on sale of fixed assets		-	1,76,425.00
Misc. Income		11,32,801.00	5,85,238.00
Sale of Packing Material & Other		1,06,42,572.00	73,02,459.00
Total		1,37,13,886.00	1,42,66,864.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the year ended March 31, 2020	For the year ended March 31, 2019
21. COST OF MATERIALS CONSUMED			
	Note		
Raw material	40.3	3,01,41,98,511.00	2,20,54,53,747.00
Packing Material		7,12,89,673.00	8,67,58,203.00
Chemicals	40.3	4,63,97,382.00	3,12,48,645.00
Total		3,13,18,85,566.00	2,32,34,60,595.00
22. PURCHASES OF STOCK - IN - TRADE			
	Note		
Imported	40.4	2,87,49,331.00	2,38,66,089.00
Indigenous	40.4	26,28,496.00	-
Total		3,13,77,827.00	2,38,66,089.00
23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN- TRADE & WORK - IN - PROGRESS			
Inventories at the end of the year			
	Note		
Finished Goods	40.2	44,03,54,207.00	41,34,49,363.00
Stock in trade	40.2	2,56,41,635.00	2,10,60,338.00
Inventory at the beginning of the year			
Finished Goods		41,34,49,363.00	39,40,58,280.00
Stock in trade		2,10,60,338.00	1,56,55,902.00
Total		(3,14,86,141.00)	(2,47,95,519.00)
24. EMPLOYEE BENEFITS EXPENSES			
Salary & Wages & Bonus		18,27,94,369.00	16,42,93,832.00
Contribution to provident & other funds		89,33,293.00	79,73,254.00
Recruitment Expenses		8,95,496.00	9,11,819.00
Workman and staff welfare		8,03,076.00	6,91,145.00
Gratuity		25,01,895.00	25,18,391.00
Total		19,59,28,129.00	17,63,88,441.00
25. FINANCE COSTS			
Interest Expense			
On Short Term Borrowings		2,28,44,591.00	1,39,75,637.00
On Long Term Borrowings		13,04,004.00	17,21,920.00
On Gratuity		14,11,203.00	12,63,651.00
Other Financial Charges		14,14,134.00	4,81,524.00
Total		2,69,73,932.00	1,74,42,732.00
26. DEPRECIATION AND AMORTIZATION EXPENSE			
Depreciation of tangible assets		1,36,74,808.00	1,27,21,137.00
Amortization of intangible assets		95,620.00	1,58,172.00
Total		1,37,70,428.00	1,28,79,309.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the year ended March 31, 2020	For the year ended March 31, 2019
27. OTHER EXPENSE	Note		
Consumption of stores & spare parts		1,17,20,778.00	99,48,617.00
Job work costs		42,42,935.00	10,72,819.00
Power & fuel		10,55,59,337.00	9,37,65,715.00
Repairs & maintenance			
Building		3,47,174.00	15,35,262.00
Plant and Machinery		9,93,934.00	16,13,757.00
Others		21,84,776.00	15,93,044.00
Insurance		21,53,619.00	24,33,542.00
Rent	39 (b)	1,21,04,955.00	99,68,526.00
Rates & Taxes		20,19,489.00	17,26,518.00
Payment to Auditors	38	4,50,000.00	4,50,000.00
Bank Charges		13,32,695.00	17,53,554.00
Freight & Forwarding		8,31,18,412.00	8,63,58,169.00
Commission		1,32,78,074.00	1,14,93,647.00
Other selling expenses		17,33,67,331.00	12,05,82,110.00
Foreign Exchange Fluctuation		3,17,103.00	-
Service Tax/Entry Tax Paid		16,94,260.00	2,22,491.00
Loss on sale of fixed assets		48,675.00	86,265.00
Deferred Revenue Expenditures Written off		2,94,11,755.00	2,98,43,974.00
Other expenses		3,75,05,601.00	3,40,56,512.00
Total		48,18,50,903.00	40,85,04,522.00
28. TAX EXPENSE			
Current tax		64,00,000.00	57,65,000.00
Taxes for Earlier Years		2,92,643.20	28,316.00
Deferred tax		(1,68,74,077.00)	1,02,42,647.00
Total		(1,01,81,433.80)	1,60,35,963.00
29. Items that will be reclassified to profit or loss			
Other Comprehensive Income (Remeasurement of the Net Defined Benefit Plan)		4,77,875.00	12,24,658.00
Total		4,77,875.00	12,24,658.00
30. EARNINGS PER SHARE			
Continuing operations			
Net profit for as per Statement of Profit & Loss (calculation of basic EPS)		4,67,35,249.80	1,01,63,086.00
Net profit as above		4,67,35,249.80	1,01,63,086.00
Net profit for calculation of diluted EPS		4,67,35,249.80	1,01,63,086.00
Weighted average number of equity shares in calculating basic EPS		1,26,56,397.00	1,21,96,966.00
Effect of dilution:			
Convertible Warrants		-	-
Weighted average number of equity shares in calculating diluted EPS		1,26,56,397.00	1,21,96,966.00
Basic earning per share		3.69	0.83
Diluted earning per share		3.69	0.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
31. DEFERRED TAXATION		
Deferred Tax Liability		
Depreciation	2,59,50,128	3,39,70,760
Other Deductions	1,41,73,924	2,59,33,395
Deduction u/s 43B	18,62,914	-
Sub Total – A	4,19,86,966	5,99,04,155
Deferred Tax Assets		
Business Loss / Unabsorbed Dep.	-	-
Deduction u/s 43B	-	6,35,115
Disallowance 40(A)(7)	53,50,521	57,58,518
Sub Total – B	53,50,521	63,93,633
Net Deferred Tax Assets/(Liability) {B-A}	(3,66,36,445)	(5,35,10,522)
32. CONTINGENT LIABILITIES		
i) Provident Fund	54,62,669	54,62,669
ii) Income Tax	1,81,49,880	-
iii) VAT	1,91,86,782	-
iv) Employee Dues	3,50,000	-
v) Sales tax against pending forms	2,96,202	7,72,517
vi) FSSAI	1,75,000	1,75,000

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.

33. COMMITMENT

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
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	As at March 31, 2020	As at March 31, 2019
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34. EMPLOYEE BENEFITS
A Defined Benefit plans

Gratuity Recognised in financial statements as per Actuarial Valuations as on March 31, 2020

Assumptions	As at March 31, 2020	As at March 31, 2019
Economic Assumptions		
Discount rate	6.79%	7.66%
Salary escalation	4.00%	5.50%
Demographic Assumptions		
Retirement Age	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2006-08)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
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

	As at March 31, 2020	As at March 31, 2019
Movements in present value of the defined benefit obligation	As at March 31, 2020	As at March 31, 2019
Present value of obligation as at the beginning of the period	1,84,23,013.00	1,63,89,773.00
Interest cost	14,11,203.00	12,63,651.00
Current service cost	25,01,895.00	25,18,391.00
Past Service Cost including curtailment Gains/Losses	-	-
Benefit paid	(24,76,591.00)	(5,24,144.00)
Actuarial (Gain)/Loss on obligation	(4,77,875.00)	(12,24,658.00)
Actuarial (Gain)/Loss on arising from Experience Adjustment		
Liability at the end of the year	1,93,81,645.00	1,84,23,013.00
Movements in the fair value of plan assets	As at March 31, 2020	As at March 31, 2019
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	-	-
Fair value of the plan assets at the end of the period / year	-	-
Amount recognized in the Balance Sheet	As at March 31, 2020	As at March 31, 2019
Present Value of the obligation at end	1,93,81,645.00	1,84,23,013.00
Fair value of plan assets at the end of the period /year	-	-
Unfunded Liabilities recognized in the Balance Sheet	(1,93,81,645.00)	(1,84,23,013.00)
Expenses recognized in the Statement of Profit and Loss	As at March 31, 2020	As at March 31, 2019
Current service cost	25,01,895.00	25,18,391.00
Past Service Cost	-	-
Net Interest cost	14,11,203.00	12,63,651.00
Net actuarial (gain)/loss recognized in the period	(4,77,875.00)	(12,24,658.00)
Expense recognized in the Statement of Profit and Loss	34,35,223.00	25,57,384.00
Other Comprehensive Income	As at March 31, 2020	As at March 31, 2019
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	-	-
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	-	-
Description of plan assets:		
Major categories of plan assets	As at March 31, 2020	As at March 31, 2019
Insurer managed fund	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
Change in Net benefit Obligations	As at March 31, 2020	As at March 31, 2019
Net defined benefit liability at the start of the period	1,84,23,013.00	1,63,89,773.00
Acquisition adjustment	-	-
Total Service Cost	25,01,895.00	25,18,391.00
Net Interest cost (Income)	14,11,203.00	12,63,651.00
Actuarial (gain)/loss on obligation	(4,77,875.00)	(12,24,658.00)
Contribution paid to the Fund	-	-
Benefit paid directly by the enterprise	(24,76,591.00)	(5,24,144.00)
Net defined benefit liability at the end of the period	1,93,81,645.00	1,84,23,013.00
Bifurcation of PBO at the end of year in current and Non-Current.	As at March 31, 2020	As at March 31, 2019
Current liability (Amount due within one year)	73,39,032.00	64,57,951.00
Non-Current liability (Amount due over one year)	1,20,42,613.00	1,19,65,062.00
Total PBO at the end of year	1,93,81,645.00	1,84,23,013.00
Sensitivity Analysis of the defined benefit obligation	As at March 31, 2020	
a) Impact of the change in discount rate		
Impact due to increase of 0.50 %	(5,70,584.00)	
Impact due to decrease of 0.50 %	6,18,859.00	
b) Impact of the change in salary increase		
Impact due to increase of 0.50 %	5,85,560.00	
Impact due to decrease of 0.50 %	(5,44,738.00)	

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. 40,03,117.00.

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. 89,33,293 (As on 31 March,2019: Rs. 79,73,254) in statement of profit and loss as Company's contribution to provident fund and ESI.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. 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
Ms. Aditi Gupta

(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			PREVIOUS YEAR		
	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
Expenses:						
Remuneration	74,59,806	11,21,532	-	63,75,000	5,22,000	-
Perquisites						
Company's Contribution to Provident Fund	4,50,000	-	-	4,05,000	-	-
Interest Paid	20,29,176	-	-	10,57,168	-	-
Loan Taken	2,00,42,830	-	-	78,00,000	-	-
Loan Repaid	80,65,000			99,00,000		
Outstanding Payables:						
Loan (Inc Interest)	2,85,22,402	-	-	1,47,18,314	-	-
Payable	6,11,336	82,950	-	7,12,770	43,500	-

36. FINANCIAL INSTRUMENTS

Capital Management

The Company manages its capital to ensure that the entities in the Company will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 13 offset by cash and bank balances as detailed in note 7 & 10) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
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36.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Debt (See note 'i' below)	32,62,95,681	31,44,02,918
Cash and bank balances	1,50,92,106	63,53,780
Net debt	31,12,03,575	30,80,49,138
Total equity	57,34,44,933	52,67,09,682
Net Debt to Equity ratio (%)	54.27%	58.49%

Note:

- i. Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in note 13 and note 17 (amount shown as "Current Maturities of long-term Debts").
- ii. 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.

	As at March 31, 2020	As at March 31, 2019
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36.2 Categories of financial instruments

Financial assets		
Measured at amortized cost		
Other financial assets (non-current)	-	-
Trade receivables	16,21,18,752	12,55,90,588
Cash and cash equivalents	1,04,18,431	18,74,765
Bank Balances other than Cash and cash equivalents	46,73,675	44,79,015
Other financial assets (current)	-	-
Loans and Advances	3,46,68,334	1,63,63,994
Measured at fair value through Profit & Loss		
Investments	-	-
Financial liabilities		
Measured at amortized cost		
Borrowings (non-current)	20,71,709	96,25,404
Borrowings (current)	32,42,23,972	30,47,77,514
Trade payables	7,48,38,713	6,82,09,473
Other financial liabilities (non-current)	-	-
Other financial liabilities (current)	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36.3 Fair value measurements

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis financial assets and financial liabilities

	Fair value as at		Fair value hierarchy Level
	31-03-2020	31-03-2019	
Other Financials assets (non-current)	-	-	-
borrowings	32,62,95,681	31,44,02,918	2

36.4 Financial risk management

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.

36.5 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 and interest rates

36.6 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, balances with banks, investments and security deposits. The credit risk on bank balances is limited because the counter parties are banks with good credit ratings.

36.6.1 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.

36.6.2 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.

36.7 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 31.03.2020	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	20,71,709	20,71,709
Current borrowings (includes amount shown in Note 17 as ("Current Maturities of long-term Debts").	32,42,23,972	-	32,42,23,972
Trade payables	7,20,47,639	27,91,074	7,48,38,713
Other financial liabilities	-	-	-

As at 31.03.2019	Less than 1 year	1 to 5 years	Total
Non-Current borrowings	-	96,25,404	96,25,404
Current borrowings (includes amount shown in Note 17 as ("Current Maturities of long-term Debts").	30,47,77,514	-	30,47,77,514
Trade payables	6,79,60,009	2,49,464	6,82,09,473
Other financial liabilities	-	-	-

36.8 Fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

37. 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.

38. AMOUNT PAID/PAYABLE TO AUDITORS

(included under Other Expenses)

	This Year	Previous Year
As Audit Fee	3,25,000	3,25,000
For Tax Audit	1,00,000	1,00,000
For Taxation Work	25,000	25,000
Service Tax	-	-
TOTAL	4,50,000	4,50,000

39. OTHER DISCLOSURES

Disclosure in respect of operating leases.

- (a) General description of the Company's operating lease arrangements:
The Company enters into operating lease arrangements for leasing office/residential premises.

Some of the significant terms and conditions of the arrangements are:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Agreements for most of the premises may generally be terminated by the lessee or either party by serving two to three months' notice or by paying the notice period rent in lieu thereof.
- The lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- The company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

(b) Lease rent charged to the Profit and Loss Account on account of Minimum lease rentals Rs.1,21,04,955/- (Previous year Rs. 99,68,526/-)

	For the year ended March 31, 2020	For the year ended March 31, 2019
40. Additional information:		
40.1 Sales of Products comprises of:		
Manufactured Goods		
Oils	2546783588	2198109278
Deoiled Rice Bran	1243051068	687485534
Fatty	15325617	14626700
Others	15342708	16888334
Total – Sale of Manufactured Goods	3820502981	2917109846
Trading Goods:		
Other Oil	52159718	31343850
DORB	-	-
Total – Sale of Traded Goods	52159718	31343850
Total Sales	3872662699	2948453696
40.2 Closing Stock of Finished Goods		
Manufactured Goods		
Oils	321029730	347341391
Deoiled Rice Bran	111813938	59986671
Others	7214150	4479156
Fatty	296389	1642145
Total	440354207	413449363
Trading Goods:		
Other Oil	25641635	21060338
Certified Sunflower Seed	-	-
Total	25641635	21060338
40.3 Material Consumed		
A. Raw Material		
Rice Bran	1900664814	1222584028
Oils	1110791476	978457488
Others	2742221	4412231
Total	3014198511	2205453747
B. Chemical		
Hexane	11392396	8924289
Activated Earth	20758890	13730672
Others	14246096	8593684
Total	46397382	31248645

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the year ended March 31, 2020	For the year ended March 31, 2019		
40.4 Purchase of Stock in Trade				
Oils	31372922	23866089		
Others	4905	-		
Total	31377827	23866089		
40.5 Value of import on CIF / F.O.B basis of –				
Raw material	74227007	79546083		
Capital Goods	-	-		
40.6 Expenditure in Foreign Currency				
Travelling Expenses	1175760	986535		
Other Expenses (Commission)	-	45374		
40.7 Earning in foreign currency				
Value of Export of F.O.B. basis	12051256	3707171		
40.8 Value of imported and indigenous raw materials, stores, components and spare parts consumed:				
	Amount	%	Amount	%
(j) Raw Material				
a. Imported	118077486	3.92	96826841	4.39
b. Indigenous	2896121025	96.08	2108626906	95.61
Total	3014198511	100.00	2205453747	100.00
(k) Packing Material				
a. Imported	620789	0.87	442103	0.51
b. Indigenous	70668884	99.13	86316100	99.49
Total	71289673	100.00	86758203	100.00
(l) Chemicals				
a. Imported	-	-	-	-
b. Indigenous	46397382	100.00	31248645	100.00
Grand Total (i)+(ii)+(iii)	3131885566		2323460595	

41. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March, 2020 were approved by the Board of Directors and authorize for issue on 16th July, 2020.

As per our report of even date attached

for Kashyap & Co

Chartered Accountants

Registration No.: 011355C

Sd/-

Nupur Gupta

Partner

Membership No.: 075983

New Delhi, 16th July, 2020

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, 16th July, 2020

NOTES

Registered Office:

Modi Naturals Limited
405, Deepali Building,
92, Nehru Place, New Delhi-110020
Tel: 011-41889999

Corporate Office:

Modi Naturals Limited
D-185 /1B & 1C, 2nd Floor
Okhla Phase-I, New Delhi-110020
Tel: 011-41889999

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).