

Annexure I

FORM A

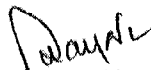
1. Name of the Company : Modi Naturals Limited
2. Annual financial statements for the year ended : March 31, 2014
3. Type of Audit observation : The Audit Report contains no qualification and no matter has been particularly emphasized.
4. Frequency of observation : N.A

For Modi Naturals Limited



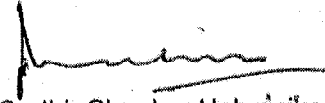
Anil Modi

Chairman & Managing Director



Pradeep Kapoor

Chief Financial Officer



Sudhir Shankar Halwasiya

Audit Committee Chairman

FOR K. K. JAIN & CO.,
Chartered Accountants,
Firm Registration No.002465N



Simmi Jain
(SIMMI JAIN)

Partner

M. No.86496



modi naturals limited
40th ANNUAL REPORT AND ACCOUNTS
2013-14

Board of Directors

Shri Anil Modi,
- Chairman and Managing Director
Shri Akshay Modi
- Executive Director
Shri Sudhir Shankar Halwasiya
Shri Alok Garg
Shri Sulabh Singal

Bankers

HDFC Bank, Pilibhit & New Delhi
State Bank of India, Pilibhit & New Delhi
Bank of Baroda, Pilibhit & New Delhi
Axis Bank, Pilibhit & Kaikuluru
ICICI Bank, New Delhi

**Company Secretary and
Compliance Officer**

Ms. Purva Satija

Auditors

M/s. K. K. Jain & Co.,
Chartered Accountants,
184-A, Garud Apartments,
Pocket –IV, Mayur Vihar, Phase-I
Delhi - 110091

Registered Office

405, Deepali Building
92, Nehru Place
New Delhi - 110019

Works

Bisalpur Road,
Pilibhit - 262001, Uttar Pradesh

Registrar & Transfer Agents

M/s Skyline Financial Services Pvt Ltd.
D-153A, Okhla Industrial Area, Phase - I,
New Delhi - 110020

MESSAGE TO SHAREHOLDERS

It gives me great pleasure to write to you as your Company celebrates its Fortieth anniversary this year.

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

The year 2013-2014 had been a demanding, but also a tremendously rewarding, time. We have had a challenging year marked by slow growth, persistent inflation, currency volatility and high interest rates. However your Company has fared well despite the challenges and continued to focus on achieving sustainable profitable growth. We believe that there is tremendous headroom for growth in the categories which we participate in.

Your Company's brand building efforts have helped create leadership brand with strong consumer franchises that yield healthy margins. The Company continues on its journey towards building a higher value added and a higher margin portfolio of brands. While we maintain confidence in the quality of our products, we try to do everything we can to ensure that Modi Naturals' emerges as an even stronger, trusted and respected Company. We want to continue to drive growth in the categories where we are leaders and have a competitive advantage, by providing our consumers with superior quality products.

In spite of the evolutionary changes, our Company has undertaken over the years to respond to those challenges, the one thing that has remained constant, since our inception, is our commitment to stewarding our Company in the best interests of our shareholders. We see this as a source of competitive advantage for the business now and in the years ahead.

I, thank you, dear shareholders for placing your faith in the Company. I also thank the very committed members of the Modi Naturals' team and the Company's business associates for their continued support. My team and I look forward to the challenges of delivering sustainable profitable growth in the years ahead with confidence.

I look forward to greater success for Modi Naturals' in the years to come.

Sincerely,

sd/-

Akshay Modi

Executive Director

NOTICE

Notice is hereby given that the 40th Annual General Meeting of the shareholders of Modi Naturals Limited will be held at Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019 on Tuesday, August 19, 2014 at 11.00 A.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended on March 31, 2014 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Anil Modi (DIN: 00187078), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Akshay Modi (DIN: 03341142), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration:

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

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, Messrs. K.K Jain & Co. (Firm Registration No. 002465N), Chartered Accountants, New Delhi be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 43rd Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting) and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration in consultation with them."

SPECIAL BUSINESS

5. APPOINTMENT OF SHRI SUDHIR SHANKAR HALWASIYA AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, the term of Shri Sudhir Shankar Halwasiya (DIN 00020000) as Independent Director of the Company, not liable to retire by rotation, be and is hereby fixed upto March 31, 2019, in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company."

6. APPOINTMENT OF SHRI ALOK GARG AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, the term of Shri Alok Garg (DIN 01394308) as Independent Director of the Company, not liable to retire by rotation, be and is hereby fixed up to March 31, 2019, in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company."

7. APPOINTMENT OF SHRI SULABH SINGAL HALWASIYA AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, the term of Shri Sulabh Singal (DIN 05270534) as Independent Director of the Company, not liable to retire by rotation, be and is hereby fixed up to March 31, 2019, in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company."

8. APPOINTMENT OF SHRI ANIL MODI AS MANAGING DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and of the Companies Act 2013 and other applicable provisions, if any, and the rules made thereunder read with Schedule V of the said Act (including any amendment, modification, variation or re-enactment thereof) and subject to approval of the Central Government, if any, the approval of the Company be and is hereby accorded to the re-appointment of Shri Anil Modi (DIN. 00187078) as the Managing Director of the Company for a period of five years effective from January 1, 2015 to December 31, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts things and deeds as may be necessary to give effect to the above resolution."

9. RATIFICATION OF APPOINTMENT & APPROVAL OF REMUNERATION OF COST AUDITORS

To consider and if thought fit, to pass, with or without modification(s), 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) and subject to the approval of Central Government as may be required, the Company hereby approves and ratifies the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus Service Tax and out of pocket expenses payable to Messrs Manisha & Associates (Firm Registration No.: 000321), Cost Accountants, appointed as Cost Auditors of the Company for the Financial Year 2014 – 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

sd/-

(Purva Satija)

Company Secretary

New Delhi
July 8, 2014

NOTES

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect of the Special Business set out in Item Nos. 5 to 9 of the accompanying Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF (ONLY ON A POLL) AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed on Tuesday, August 12, 2014 to Tuesday, August 19, 2014 (both days inclusive) for the purpose of AGM.
5. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested intimate such changes to the Company or the Registrar and Transfer Agent of the Company.
6. In case of joint holders attending the meeting, only such joint holder whose name is mentioned in the first place in the order of names will be entitled to vote.
7. Corporate members intending to send their Authorized Representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

8. Members wishing to claim Dividends, which remain unclaimed, are requested to correspond with the Company Secretary at the Registered Office of the Company or to the Registrar and Transfer Agent (RTA). Members are requested to note that Dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Provident Fund.
9. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the communications via email.
10. Copies of the Annual Report 2014 are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.
11. Members may also note that the Notice of the 40th AGM and the Annual Report 2014 will be available on the Company's website, www.modinaturals.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: investors@modinaturals.com.
12. Additional Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
14. All documents referred to in the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days up to the date of the AGM.

VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to Section 108 and corresponding Rules of Companies Act, 2013, the Company will provide e-voting facility to the members. All business to be transacted at the annual general meeting can be transacted through the electronic voting system.
2. The Notice of Annual general meeting will be sent to the members, whose names appear in the register of members/depositories as at closing hours of business, on Friday, July 18, 2014.
3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every Folio/ Client ID, irrespective of the number of joint holders.
4. The Company has appointed Mr. Deepak Bansal, Practicing Company Secretary, as the scrutinizer for conducting the e-voting process in the fair and transparent manner.
5. The scrutinizer will submit his final report to Chairman of the Company within three working days after the conclusion of e-voting period.
6. The results of annual general meeting shall be declared by the Chairman or his authorized representative or anyone Director of the Company on/ or after Annual General Meeting within the prescribed time limits.
7. The result of the e-voting will also be placed at the website of the Company viz. www.modinaturals.com and also on www.evoting.nsdl.com
8. The scrutinizer's decision on the validity of e-voting will be final.

Instructions of Voting through electronic mode

- i. Open email and open the attached PDF file therein. The said PDF file contains your User ID and Password for e-voting. Please note that the Password is an initial password.
- ii. Launch the internet browser by typing the following URL: <https://www.evoting.nsdl.com>. Click on "Shareholder Login".
- iii. Put User ID and Password as initial Password noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- iv. If you are logging in for the first time, Password change menu appears. Change the Password with new Password of your choice with minimum 8 digits/characters or combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. Home page of "e-voting" opens. Click on "e-Voting": Active Voting Cycles.
- vi. Select "EVEN (E-Voting Event Number)" of Modi Naturals Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end of voting period whichever is earlier.
- vii. Now you are ready for "e-voting" as "Cast Vote" page opens.
- viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- ix. Upon confirmation, the message "Vote cast successfully" will be displayed
- x. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to deepakbansal.fcs@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receiving the AGM notice by Post [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] may also vote electronically through the following procedure:

- (i) Initial password will be provided separately EVEN (E Voting Event Number) USER ID PASSWORD
 - (ii) Please follow all steps from Sl. No. 1A(ii) to Sl. No. 1A(x) above, to cast your vote.
- D. The voting period begins on 9.00 a.m., Monday, 11 August, 2014 and ends on 5.30 p.m., Wednesday, 13 August, 2014.
- During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 18, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com

Statement pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO. 5: Shri Sudhir Shankar Halwasiya is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in March, 1986. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the term of Shri Sudhir Shankar Halwasiya, as Independent Director is proposed to be fixed upto 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only) proposing the candidature of Shri Sudhir Shankar Halwasiya for the office of Independent Director of the company.

The Company has received from Shri Sudhir Shankar Halwasiya a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for fixing the term of Shri Sudhir Shankar Halwasiya as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Sudhir Shankar Halwasiya as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Shri Sudhir Shankar Halwasiya to whom the resolution relates, is interested or concerned financially or otherwise in the Resolution.

The Board recommends the Resolution No. 5 for the approval of the members.

ITEM NO. 6 : Shri Alok Garg is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in March, 2008. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the term of Shri Alok Garg, as Independent Director is proposed to be fixed upto 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only) proposing the candidature of Shri Alok Garg for the office of Independent Director of the company.

The Company has received from Shri Alok Garg a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Alok Garg as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Alok Garg as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Shri Alok Garg to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Resolution No. 6 for the approval of the members.

ITEM NO. 7 : Shri Sulabh Singal is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in July, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the term of Shri Sulabh Singal, as Independent Director is proposed to be fixed upto 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only) proposing the candidature of Shri Sulabh Singal for the office of Independent Director of the company.

The Company has received from Shri Sulabh Singal a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Sulabh Singal as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Sulabh Singal as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Shri Sulabh Singal to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Resolution No. 7 for the approval of the members.

ITEM NO. 8: At the Annual General Meeting of the Company held on September 30, 2009, the members had approved the terms of appointment and remuneration of Shri Anil Modi as Managing Director of the Company for a period of five years up to December 31, 2014.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Shri Anil Modi, the Board has recommended his appointment for a further period of five years from January 1, 2015 till December 31, 2020 and the Board has recommended his remuneration in the following manner:-

I. Salary :Rs. 2,00,000/- p.m (in the time scale of 2,00,000-25,000-3,00,000)

II. Perquisites

- a) The Company's contribution to Provident Fund and Superannuation Fund in accordance with the Rules and Regulations in force in the Company from time to time. Such contribution will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- b) Gratuity shall be paid at a rate not exceeding half month's salary for each completed year of service and this would not be considered as remuneration or perquisite for the purpose of computing commission or minimum remuneration.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act as amended from time to time All other existing terms and conditions relating to the appointment of Shri Anil Modi as approved by the members of the Company will remain unchanged.

The terms set out in the resolution and this Statement may be treated as an abstract of the terms of appointment and remuneration pursuant to Section 190 of the Companies Act, 1956.

A copy of the contract of service entered into by the Company with Shri Anil Modi is open to inspection by any member of the Company on any working day during business hours at the Registered Office of the Company.

Except Shri Anil Modi and Shri Akshay Modi and their relatives, no other Director, Key Managerial Personnel of the Company is concerned or interested, financially or otherwise in the Resolution.

The Board recommends the Resolution for approval by the members.

ITEM NO. 9: The Board of Directors of the Company at their meeting held on May 30, 2014 has, on recommendation by the Audit Committee, appointed M/s. Manisha & Associates (Firm Registration number: 000321), Cost Accountants as the Cost Auditors for the Financial Year 2014-15 at a remuneration of INR 60,000/- (Rupees Sixty Thousand only) plus Service Tax and out of pocket expenses. As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company.

The Board considers the remuneration payable to the cost auditor as fair and recommends the resolution contained in Item no. 9 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs are interested or concerned in the said resolution.

Details of the Directors Seeking Appointment/Re-Appointment at the Annual General Meeting (Pursuant to clause 49 of the listing agreement)

Shri Anil Modi – Chairman and Managing Director

Shri Anil Modi, 57, is one of the founding members of Modi Naturals Limited and is the guiding force behind Modi Naturals. He possesses over three decades of invaluable experience in the business; experience that strengthens decision making process of the Company and its future plans.

He is a member of your Company's Stakeholders Relationship Committee.

He is also on the Board of Halwasiya Properties Private Limited and Modi Infratech Private Limited. He also, holds the position of Treasurer in the Solvent Extractors Association of India, a Non Government Organisation (NGO) recognized by the Ministry of Agriculture, Government of India and a Trade Promotion Organisation (TPO) recognized by the Ministry of Commerce, Government of India.

To satisfy the requirements of the provisions of the Companies Act, 2013, Shri Anil Modi, Chairman & Managing Director of the Company is made liable to retire by rotation and if re-appointed, his existing terms and conditions of employment with the Company shall remain unchanged.

Shri Akshay Modi - Executive Director

Shri Akshay Modi, 28, is an Engineer from the University of Leeds, U.K. He is a visionary entrepreneur who has conceptualized the launch of Edible Oils in consumer packs under the brand names, 'Oleev' and 'Tarai'.

He is also on the Board of Modi Infratech Private Limited.

To satisfy the requirements of the provisions of the Companies Act, 2013, Shri Akshay Modi, Executive Director of the Company is made liable to retire by rotation and if re-appointed, his existing terms and conditions of employment with the Company shall remain unchanged.

Shri Sudhir Shankar Halwasiya – Independent and Non-Executive Director

Shri Sudhir Shankar halwasiya, 52, is a businessman of great repute and a respected social worker. He is an important member of your company's core strategic and management team. He is on the board of:

- 1) Ganeshdass Ramgopal Private Limited
- 2) Halwasiya Properties Private Limited
- 3) Sundaram Developers Private Limited
- 4) Amrapalee Greens Apartments Private Limited
- 5) Skybac Infotec Private Limited
- 6) Halwasiya Financial Services Private Limited
- 7) Umatech Developers Private Limited
- 8) Kumkum Greens Apartments Private Limited
- 9) Scolex Marketing Concept Private Limited
- 10) Navayug Radiance School Private Limited
- 11) Umatech Realtors Private Limited
- 12) Umatech Township Private Limited
- 13) Target Trades Pvt. Ltd.
- 14) Gurujas Infrastructure Private Limited
- 15) Om Credit Pvt Ltd
- 16) Sheetla Vintrade Private Limited
- 17) Jaiganpati Infraprojects Private Limited
- 18) Gurkripa Infrabuild Private Limited
- 19) K.L.Investment Pvt. Ltd.

He is a member of your Company's Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee.

Shri Alok Garg – Independent and Non-Executive Director

Shri Alok Garg, 41, is a graduate in Commerce (B.Com). He is also a reputed and known figure as a manufacturer and exporter of Heena in India and possesses a rich and varied managerial and administrative experience. He is on the Board of Jain Edibles Private Limited.

He is a member of your Company's Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee.

Shri Sulabh Singal – Non-Executive and Independent Director

Shri Sulabh Singal, 36, is an MBA in Marketing and Finance, & a Commerce graduate from Delhi University. He possesses more than 13 years of professional experience in various roles in retail banking and management consulting with organizations including Accenture Consulting, HSBC, Standard Chartered Bank, Citi Group, Bank Muscat and BNP Paribas.

He is on the Board of Varenaya Properties Private Limited.

He is a member of your Company's Audit Committee and Nomination & Remuneration Committee.

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the 40th Annual Report and Audited Accounts of the Company for the Financial Year ended on March 31, 2014.

PERFORMANCE

The summarized financial results for the year ended March 31, 2014 and for the previous year ended March 31, 2013 are as follows: -

(₹ in Lacs)

	2013-14	2012-13
Sales and Other Income	20982.52	19456.11
Profit before interest and depreciation	448.33	584.81
Interest	142.75	142.75
Profit before Depreciation and Tax	305.58	442.06
Depreciation	141.67	136.82
Profit before Taxation	163.91	305.24
Provision for Taxation	39.73	70.55
Short provision for Taxes for earlier years	5.31	0.73
Provision for Deferred Tax	36.60	30.65
Profit after Taxation	82.27	203.31
Balance brought forward from previous year	810.25	606.94
Amount available for appropriation	82.27	203.31
Appropriation		
Surplus carried to Balance Sheet	892.52	810.25

DIVIDEND

The Directors do not recommend any dividend for the year under review.

DIRECTORS

Shri Anil Modi, Chairman & Managing Director and Shri Akshay Modi, Executive Director retire by rotation at the ensuing Annual General Meeting, and, being eligible, offers himself for re-appointment.

The Board has recommended to fix the term of Shri Sudhir Shankar Halwasiya, Shri Alok Garg and Shri Sulabh Singal, the existing Independent Directors of the Company upto March 31, 2019. The Board has also recommended re-appointment of Shri Anil Modi as Managing Director for a further term of five years with effect from January 1, 2015. The particulars of Directors proposed to be appointed/re-appointed, as the case may be, are given in the Corporate Governance Report of this Annual Report.

DEPOSITS

There are no unclaimed deposits and the Company has not accepted any new deposits during the year under review.

AUDITORS

Messrs K. K. Jain & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Board of Directors recommend to the Members of the Company for the reappointment of Messrs. K. K. Jain & Co., Chartered Accountants, as Statutory Auditors of the Company to hold the office for a term of three years from the conclusion of ensuing 40th Annual General Meeting of the Company till the conclusion of 43rd Annual General Meeting of the Company.

ACCOUNTS AND AUDIT 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.

COST AUDITORS

Based on the Audit Committee recommendations at its meeting held on May 30, 2014 and subject to approval by Central Government, the Board recommends the appointment of M/s. Manisha Taiyal & Associates as the Cost Auditors of the Company for the year ended on March 31, 2015.

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

The particulars, as prescribed under sub-section 1(e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure which forms part of this report.

PARTICULARS OF EMPLOYEES

During the year, there were no employees who were in receipt of remuneration more than the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PERSONNEL

Identifying employees with high potential to grow and grooming them for competitive positions has been a constant effort of your Company. Your Company aims to be a preferred employer in the industry and remains committed to developing its employees to meet the current and future challenges of the business.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors of your Company hereby confirm that:

- a) the applicable Accounting Standards have been followed in the preparation of final accounts and that there are no material departures;
- b) such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2014 and of the profit of your Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- d) the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Your Company has complied with the requirements and disclosures that have to be made under the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the BSE Limited (BSE) (the "Stock Exchange"). As a listed company, necessary measures are taken to comply with the Listing Agreement with the Stock Exchange. A report on Corporate Governance, along with a certificate of compliance from the Statutory Auditors, forms part of this Annual Report. The Chairman & Managing Directors' declaration regarding compliance with 'Modi Naturals Limited Code of Conduct for Board Members and Senior Management' is attached to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is presented in a separate section, which forms part of the Annual Report.

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to thank all its Shareholders, valued customers, banks, Government and Statutory Authorities, Investors and the Stock Exchange for their continued support to the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued Shareholders and the Promoters of the Company.

On behalf of the Board of Directors

New Delhi
July 8, 2014

sd/-
(Anil Modi)
Chairman & Managing Director

ANNEXURE TO DIRECTORS REPORT

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given below:-

A. CONSERVATION OF ENERGY

- a) Green Initiative
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.
- b) Energy Conservation measures taken
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.
- c) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy
Investments earlier made in purchasing certain equipments by the Company have been contributing towards reduction in the consumption of energy.
- d) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods

The measures taken in (a) and (b) above have resulted in reduction in cost of production.

- e) Total Energy Consumption and energy consumption per unit of production as per prescribed Form -A
Not given as the Company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION

1. Research & Development (R&D)
 - a) Specific areas in which R&D carried out by the company : NIL
 - b) Benefits derived as a result of above R&D : NIL
 - c) Future plan of action : The Company will continue to strive to develop new products to serve customers better.
 - d) Expenditure on R&D : NIL
2. Technology Absorption, Adaptation and Innovation : 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.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of the Foreign Exchange Earnings and Outgo are as under:

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Rs. 0.45 Lakhs

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

a. Global Economic Condition

The global environment continues to be marked by political uncertainty and economic volatility. Several emerging economies are grappling with slowing growth, inflation, currency devaluations and high deficits. The impact of this slowdown is being felt on consumer sentiment and FMCG growth across entire India.

b. Overview of Indian Economy and Industrial Outlook

The last couple of years have not been very good for the Indian economy. Growth rates, which were as high as 9.3% in fiscal year 2011, have more than halved over the last three years. Stubbornly high consumer price inflation, which continues to remain around the 10% mark. In the last three years, the Reserve Bank of India (RBI) has increased interest rates several times to combat inflation. Unfortunately, the impact of rate hikes has also been felt in lowered capital investment, stalled manufacturing growth and slower growth in the service sectors due to higher credit cost.

2. Threats and Opportunities

a. Threats

Over the last year, the FMCG industry has witnessed a significant slowdown. This trend has been more pronounced across India and other emerging markets. The lag effect of deceleration in GDP growth and high food inflation has negatively impacted consumer sentiment in India. Consequently, consumption has taken a hit as consumers have been reducing their frequency of purchase.

b. Opportunities

We are confident that this is just a cyclical phenomenon. The fundamentals still remain positive, as there is still a lot of headroom for growth given the low penetration and consumption rates for many FMCG categories in India. With the new government coming in, we are hopeful that the economic environment will improve, consumer sentiment will turn positive and the industry will see better growth. We also expect new initiatives to be launched, which will boost foreign investment.

3. Segment, Product wise Performance

Segment & Products: Your Company is currently present in only one segment comprising of the following products:

Oleev Olive Oil: Oleev Active Oil, Oleev Extra Virgin Olive Oil, Oleev Extra Light Olive Oil and Oleev Pomace Olive Oil

Rice Bran Oil

Mustard Oil: Tarai Shudh, Tarai Tasty+

Sunflower Oil

Waxes: Refined Rice Bran Wax

4. Internal Control Systems and its adequacy

Your Company, in a rapidly changing business environment under which it operates, identifies and assesses risks; prepares response to the same and monitors them on continuous basis through a structured organisation reporting, delegation of authority, development of personnel, risk mitigation, management style and ethical values. The Company has a well-established governance process of regular meetings, review of its actual and planned performance, potential risks assessment of its various functions which aid in establishing competitive advantage. The Company has a focused approach towards risk and Internal Controls covering all aspects of its businesses.

5. Financial and Operational Performance

The Turnover of the Company has increased from Rs. 194.56 crores to Rs. 209.82 crores and the Profit after Tax for the year ended on March 31, 2014 was Rs. 82.27 Lacs.

6. Human Resource Development

Your Company continues to work to ensure that we have a highly engaged and highly productive organization. Industrial relations remained cordial at all locations.

The total employee strength of the Company was 1177 as on March 31, 2014.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is a reflection of our policies, culture and relationship with shareholders, employees, customers, suppliers and diverse stakeholders. The Company's corporate governance principles consists mainly of transparency, equity, integrity, accountability and environmental duty that conform and adheres to all the relevant and applicable law, rules and regulations. The Company pursues the process of Corporate Governance in compliance with Clause 49 of the Listing Agreement with Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and practices followed by the Company.

BOARD OF DIRECTORS

A. Composition of the Board

The present strength of the Board of Directors is five (5). Of the total five Directors, three are Non-Executive and Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that at least half of the Board should consist of Non-Executive Directors and in case the Chairman is a Non- Executive Independent Director, at least one-third of the Board should comprise of Independent Directors.

B. Attendance of Directors at the Board Meetings, last Annual General Meeting and their Directorships and Committee positions

Details of the Attendance of Directors at the Board Meetings, last Annual General Meeting and their Directorships and Committee positions during the financial year under report is as under:

Sl. No.	Name of the Director	Category	No. of Board Meetings Attended	No. of outside Directorships of public companies held (*)	Committee memberships (excluding Modi Naturals Ltd.) (**)	Committee Chairman ships (excluding Modi Naturals Ltd.) (**)	Attendance at last AGM
1.	Shri Anil Modi	Chairman & Managing Director	6	Nil	Nil	Nil	Yes
2.	Shri S.S. Halwasiya	Non-Executive & Independent Director	6	Nil	Nil	Nil	Yes
3.	Shri Alok Garg	Non-Executive & Independent Director	6	Nil	Nil	Nil	No
4.	Shri Akshay Modi	Executive Director	6	Nil	Nil	Nil	Yes

(*) Directorship in Companies registered under the Companies Act, 1956 excluding Directorships in Private Limited Companies, Companies under Section 25 of the Companies Act, 1956 Unlimited Companies, Foreign Companies and Alternate Directorships,

(**) Includes only Specified Committees i.e. Audit Committee and Shareholders Grievance Committee

As mandated by the Clause 49 of the Listing Agreement, none of the Directors is a member of more than ten Board-level committees of public limited Indian companies; nor are they Chairperson of more than five committees in which they are members.

C. Number of Board Meetings

During the financial year ended March 31, 2014, the Company had seven (6) Board meetings on - May, 30, 2013, August 30, 2013, November 11, 2013, December 16, 2013, February 10, 2013 and March 31, 2014.

D. Code of Conduct and Ethics

In line with Clause 49 of the Listing Agreement, the Company's Board of Directors has laid down a 'Code of Conduct and Ethics 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.

All Directors and senior Management have affirmed compliance with the Code for the financial year ended March 31, 2014.

E. Remuneration to Directors

Details of remuneration to Directors, both executive and non-executive, during the financial year ended March 31, 2014 are as under:

Sl. NO.	Name Of the Director	Salary	Perquisites and other benefits	Commission	Others	Sitting Fee	Total
1.	Shri Anil Modi (Chairman & Managing Director)	21,00,000	----	----	----	---	21,00,000
2.	Shri Akshay Modi (Executive Director)	13,13,393	2,88,000	----	----	---	16,01,393
3.	Shri Sudhir Shankar Halwasiya (Non-Executive and Independent Director)	----	----	----	----	----	----
4.	Shri Alok Garg (Non-Executive and Independent Director)	----	----	----	----	----	----
5.	Shri Sulabh Singal (Non-Executive and Independent Director)	----	----	----	----	----	----

The Company has not given any Stock Options to any Director.

F. Shareholding of Directors

Sl. NO.	Name Of the Director	Number of Shares held	Percentage of Shareholding
1.	Shri Anil Modi (Chairman & Managing Director)	38,65,296 Equity Shares	34.77
2.	Shri Akshay Modi (Executive Director)	4,55,236 Equity Shares	4.09
3.	Shri Sudhir Shankar Halwasiya (Non-Executive and Independent Director)	910 Equity Shares	0.01
4.	Shri Alok Garg (Non-Executive and Independent Director)	14,000 Equity Shares	0.13
5.	Shri Sulabh Singal (Non-Executive and Independent Director)	----	----

The Company has not given any Stock Options to any Director.

COMMITTEES OF THE BOARD OF DIRECTORS

A. AUDIT COMMITTEE

Shri Sudhir Shankar Halwasiya, Independent and Non Executive Director was the Chairman of the Committee and Shri Anil Modi, Chairman and Managing Director and Shri Alok Garg, Independent and Non Executive Director were its members for the year ended on March 31, 2014. The Company Secretary of the Company acts as the Secretary of the Audit Committee. Shri Pradeep Kapoor, Chief Financial Officer and a representative of M/s K.K. Jain & Co, Statutory Auditors and M/s. Manisha Taiyal & Associates, Cost Auditors are permanent invitees to the Audit Committee.

Four Meetings of the Audit Committee were held during the year under review on May, 30, 2013, July 30, 2013, November 11, 2013 and February 10, 2014. Attendance in the above meetings was as follows:

Name of Director	No. of Meetings Attended
Shri Sudhir Shankar Halwasiya	Four
Shri Anil Modi	Four
Shri Alok Garg	Four

The Audit Committee has been reconstituted in accordance with the provisions of Section 177 of the Companies Act, 2013. Shri Sudhir Shankar Halwasiya, Independent and Non Executive Director shall be its Chairman. Shri Alok Garg, Independent and Non Executive Director and Shri Sulabh Singal, Independent and Non - Executive Director shall be its members. The Key Managerial Personnel (Shri Anil Modi, Chairman & Managing Director, Shri Pradeep Kapoor, Chief Financial Officer and Ms. Purva Satija, Company Secretary & Compliance Officer), Shri Akshay Modi, Executive Director, a representative of M/s. K. K. Jain & CO., Chartered Accountants and M/s. Manisha Taiyal & Associates, Cost Auditors shall be permanent invitees to the Audit Committee. Pursuant to Section 177(7) of the Companies Act, 2013, w.e.f April 1, 2014; the Auditors and the Key Managerial Personnel (Shri Anil Modi, Chairman & Managing Director, Shri Pradeep Kapoor, Chief Financial Officer and Ms. Purva Satija, Company Secretary & Compliance Officer) shall have a right to be heard in the Audit Committee meetings but not have the right to vote at such meetings.

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company had a Share Transfer and Shareholders / Investors Grievance Committee for the year ending on March 31, 2014. It was chaired by Shri Alok Garg, Independent and Non - Executive Director and Shri Sudhir Shankar Halwasiya, Independent and Non - Executive Director & Shri Anil Modi, Chairman & Managing Director were its members.

The Board of Directors have constituted a "Stakeholders' Committee" in place of the earlier "Share Transfer and Shareholders/ Investors Grievance Committee" in accordance with the provisions of Section 178 of the Companies Act, 2013. The Committee is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and resolving the grievances of the shareholders, if any.

The composition of the Stakeholders Committee w.e.f.01.04.2014 is as under:

Shri Alok Garg - Chairman

Shri Sudhir Shankar Halwasiya - Member

Shri Anil Modi - Member

The Company has appointed the Company Secretary as the 'Compliance Officer', who may be contacted for any matter relating to share transfers/ transmissions, non-receipt of Annual Reports, Dividend, Non-receipt of Bonus Shares etc. During the financial year ended March 31, 2014, the Company did not receive any complaint from any of its shareholders.

C. NOMINATION AND REMUNERATION COMMITTEE

In the Financial Year 2013 - 2014, the Board of Directors of the Company had constituted the Remuneration Committee for revising the terms of remuneration of Shri Anil Modi, Chairman & Managing Director and Shri Akshay Modi, Executive Director. During the Financial Year 2013-2014 at its meeting held on August 30, 2013 had recommended the re-appointment & revision in remuneration of Shri Akshay Modi, Executive Director and revision in remuneration of Shri Anil Modi, Chairman & Managing Director.

The Board of Directors have constituted a "Nomination and Remuneration Committee" in place of the earlier "Remuneration Committee" in accordance with the provisions of Section 178 of the Companies Act, 2013. The composition of the Stakeholders Committee w.e.f.01.04.2014 is as under:

Shri Sulabh Singal - Chairman

Shri Sudhir Shankar Halwasiya - Member

Shri Alok Garg - Member

The Nomination & Remuneration Committee has recommended to the Board, the re-appointment and remuneration of Shri Anil Modi on for a period of five years from January 1, 2015 to December 31, 2020.

GENERAL BODY MEETINGS

Resolutions by Postal Ballot

None of the resolutions was required to be passed through Postal Ballot during the year under Report.

Details of Special Resolutions passed at AGM

Year	Date	Venue	Time	Details of Special Resolutions passed at AGM
Annual General Meetings				
2013	September 24, 2013	Hotel Chirag Residency, B18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019	10.30 A.M	1) Alteration of Articles of Association of the Company; 2) Revision in terms of Remuneration of Shri Anil Modi, Managing Director; 3) Revision in terms of Remuneration of Shri Akshay Modi, Executive Director; 4) Re-appointment of Shri Akshay Modi as Executive Director
2012	September 29, 2012	Poorva Sanskrit Centre, 14, District Centre, Laxmi Nagar, Delhi-110092	10.30 A.M	N.A
2011	September 30, 2011	Poorva Sanskrit Centre, 14, District Centre, Laxmi Nagar, Delhi-110092	10.30 A.M	N.A

DISCLOSURES:

Materially significant related party transactions

During the year under review, the Company had no materially significant related party transactions as envisaged under the Corporate Governance Code that may have potential conflict with the interests of the company at large. However, the related party transactions during the year under review are mentioned in Note 34 to the "Notes to Accounts".

Details of non-compliance

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during the last three years.

Compliance with Clause 49

The Company has complied with all the applicable mandatory requirements of the Clause 49. The Company has adopted non-mandatory requirements wherever necessary.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the SEBI Prevention of Insider Trading Regulations, the Company has adopted a 'Code of Conduct' for its Directors, management and staff. The Code lays down guidelines which advise management and staff on procedures to be followed and disclosures to be made while dealing with Securities of the Company, and cautions them of the consequences of violations.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis report forms part of the Directors' Report.

CEO/ CFO Certification

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Chairman & Managing Director, Shri Anil Modi and the Chief Financial Officer, Shri Pradeep Kapoor have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2014 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with. The CEO and CFO certification of the financial statements for the year under report is given at the end of the Report.

MEANS OF COMMUNICATION

Financial Results:

The Company intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in The Financial Express (English) and Haribhoomi (Hindi) in Delhi. The Financial Results are also displayed on the Company's website www.modinaturals.com/investor.htm. The same are also faxed to the BSE where the company is listed.

Website:

The website www.modinaturals.com/investor.htm contains a separate dedicated section for the Company's 'Investor Relations' where shareholders' information is available. 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 any information and grievances.

UNCLAIMED DIVIDEND

The amount of Dividends lying unclaimed for a period of seven years in the Unpaid Dividend Accounts of the Company will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956.

Financial Year	Date of Declaration of Dividend (Date of Annual General Meeting)	Due date to Transfer to IEPF
2006-2007	September 29, 2007	November 3, 2014

GENERAL SHAREHOLDERS INFORMATION

A.	Annual General Meeting (AGM)		
	Date	Tuesday, August 19, 2014	
	Time	11.00 A.M	
	Venue	Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019	
B.	Financial Calendar		April to following March
	Announcement of Financial Results for		
	Quarter ending June 30, 2014	Upto August 14, 2014	
	Quarter ending September 30, 2014	Upto November 14, 2014	
	Quarter ending December 31, 2014	Upto February 14, 2015	
	Financial Year ending on March 31, 2015 and for the fourth quarter ending on that date	Upto May 30, 2015	
C.	Dates of Book Closure		From Tuesday, August 12, 2014 to Tuesday, August 19, 2014 (both days inclusive)
D.	Dividend Payment Date		No Dividend is declared for the Financial Year 2013-2014
E.	Listing on stock Exchanges		BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
F.	Listing Fee		Annual Listing Fee for the year 2014-2015, as applicable has been paid to the Stock Exchange
G.	Stock Code / Symbol		
	BSE Limited	519003; MODINATUR	
	ISIN Number for NSDL and CDSL	INE537F01012	
H.	Company Identification Number		L15142DL1974PLC007349
I.	Market Price Data (Source: www.bseindia.com)		
Month	Modi Naturals Limited Share prices on BSE		BSE SENSEX
	High (Rs.)	Low (Rs.)	Volume (No. of shares traded)
April'13	9.00	7.46	1804
May'13	8.24	8.00	550
June'13	7.61	6.37	4160
July'13	-	-	-
August'13	7.81	6.85	3700
September'13	7.89	6.20	537361
October'13	8.69	7.57	2245
November'13	8.73	8.30	325
December'13	7.89	7.89	200
January'14	11.11	6.86	2036
February'14	14.87	11.66	15569
March'14	16.60	15.00	11144
J.	Shareholding Pattern as on March 31, 2014		
Category	Number of Equity Shares held	Percentage (%)	
Indian Promoters	7379990	66.38	
Financial Institutions and Banks	200	0.01	
Foreign Institutional Investors	1564000	14.07	
Bodies Corporate	42205	0.37	
General Public	2106590	18.94	
N.R.I (Repat & Non- Repat)	3580	0.03	
Public Trusts	800	0.01	
Hindu Undivided Family	20469	0.18	

Clearing Members / House		100	0.01
Total		11117934	100
K.	Distribution of Holdings as on March 31, 2014		
Category	Number of Shareholders	Percentage (%)	Number of Shares
1-500	3979	87.49	1028232
501-1000	302	6.64	240808
1001-2000	187	4.11	326389
2001-3000	30	0.66	73049
3001-4000	15	0.33	53990
4001-5000	4	0.09	17710
5001-10000	12	0.26	86125
10000 & Above	19	0.42	9291631
Total	4548	100.00	11117934
L.	Registrar and Share Transfer Agents	M/s Skyline Financial Services Pvt. Ltd. D-153A, Okhla Industrial Area, Phase - I, New Delhi 110 020 Tel. No.: 011-26812682 E-mail: admin@skylinerta.com	
M.	Share Transfer System		
<p>The Company, in compliance of SEBI circular no. 15/2002 dated December 27, 2002, has appointed M/s Skyline Financial Services Pvt. Ltd., (Category – I SEBI registered Registrar and Share Transfer Agents) as Share Transfer Agent who follows the Share Transfer System as prescribed by the Securities and Exchange Board of India (SEBI). The Share Transfer requests in physical form sent by shareholders are manually checked. If the transfer deed and enclosures are valid, the shares are transferred within 15 days with the approval of the Share Transfer Committee, otherwise objection memo is sent to the transferor with necessary advice to take the required steps. The process is done within 15 days of receipt of request. The Company Secretary monitors the system.</p> <p>Investor correspondence should be addressed to the Registrars and Share Transfer Agents or the Company, as per contact details as given at the end of the Report.</p>			
N.	Dematerialisation of shares and liquidity		
<p>To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through the Company's Registrars, Skyline Financial Services Pvt. Ltd. As at March 31, 2014, a total of 99,32,425 Equity Shares of the Company, constituting 89.34% of the paid-up share capital, stand dematerialised.</p>			
O.	Share Capital Reconciliation Report		
<p>As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and 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 dematerialised shares and those in the physical mode.</p>			
P.	Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on Equity		
<p>The Company does not have any outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments.</p>			
Q.	Plant Location		
Bisalpur Road, Pilibhit - 262001, Uttar Pradesh			
R.	Address for Correspondence / Investor Complaints		
Registrar and Share Transfer Agents			
M/s Skyline Financial Services Pvt. Ltd. D-153A, Okhla Industrial Area, Phase - I, New Delhi 110 020 Tel. No.: 011-26812682 E-mail: admin@skylinerta.com			
Company			
Registered Office: 405, Deepali Building, 92, Nehru Place, New Delhi – 110019 www.modinaturals.com		Contact Person: Company Secretary Tel No.: 011-41889999, Fax No.: 011-46597994 investors@modinaturals.com	
S.	Nomination Facility		
<p>Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company their request in the prescribed Form 2B for this purpose.</p>			

CEO/CFO CERTIFICATION

The Board of Directors

Modi Naturals Limited

Sub.: Financial Statements for the period ended 31 March 2014: Certification by CEO and CFO.

We, Anil Modi, Managing Director and Pradeep Kapoor, Chief Financial Officer, certify that:

- a) We have reviewed the financial statements and cash flow statement for the financial year ended on March 31, 2014 and to the best of our knowledge and belief:
 - (I) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control systems, if any, of which we are aware and the steps we have taken or propose to be take, to rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
 - (I) there has not been any significant change in internal control over Financial Reporting during the financial year ended on March 31, 2014;
 - (ii) there has not been any significant change in accounting policies during the financial year ended on March 31, 2014 requiring disclosure in the notes to the Financial Statements; and
 - (iii) we are not aware of any instance of significant fraud during the financial year ended on March 31, 2014 with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

sd/-

New Delhi
May 30, 2014

Anil Modi

Chairman & Managing Director

sd/-

Pradeep Kapoor

Chief Financial Officer

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the BSE Limited, I, Anil Modi, Managing Director of the Company, hereby declare that the Board members and the Senior Management Personnel have affirmed compliance with the "Code of Conduct and Ethics for Directors and Senior Executives" for the financial year ended on March 31, 2014.

For Modi Naturals Limited

sd/-

Anil Modi

Chairman and Managing Director

New Delhi
May 30, 2014

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Modi Naturals Limited

We have examined the compliance of conditions of Corporate Governance by Modi Naturals Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on 'Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement)', issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material respects.

We 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 and on behalf of

K.K. Jain & Co.

Chartered Accountants

Firm's Registration No. 002465N

(Simmi Jain)

Partner

M. No. 86496

New Delhi

July 8, 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODI NATURALS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of Modi Naturals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- (c) In the case of the cash flow statement of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For K. K. JAIN & CO.,
Chartered Accountants,
Firm Registration No.002465N

sd/-

(SIMMI JAIN)

Partner

M. No. 86496

New Delhi
May 30, 2014

Annexure referred to in our Report of even date to the Members of MODI NATURALS LIMITED on the accounts as at and for the year ended 31st March, 2014

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory were noticed in respect of the assets physically verified.
(c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. (a) Inventories have been physically verified by the management at reasonable intervals during the year.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of records of inventory produced to us, in our opinion, the company has maintained proper records of inventories. No material discrepancies were noticed on physical verification of inventory as compared to the book record.
3. (a) The company has not granted any loans, secured or unsecured, to any party covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The company has taken unsecured loan from three parties covered in the register mentioned under section 301 of the Companies Act 1956. The maximum amount involved during the year and the year-end balance of loan taken from such parties was Rs. 2,10,92,288/-.
(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
(d) In respect of loan taken by the company, the interest payment and principal amount repayable are regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. (a) The company has entered all the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956 in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us the transactions with parties with whom transactions exceeding the value of Rupees five Lacs have been entered into during the financial year, are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposit accepted from the public. No order has been passed by the Company Law Board in this regard.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to material, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we 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 such records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company amount deducted/accrued in the books of account in respect of undisputed statutory dues including Income Tax, Provident Fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities, except Rs. 6,52,898/- on account of Employees State Insurance which was deposited late.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including Income Tax, Provident Fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable.
- (c) According to the record of the company and information and explanation given to us, there were no disputed dues outstanding as at 31st March, 2014 in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess.
10. The company has no accumulated losses as at 31st March, 2014 nor has it incurred any cash loss in the current and immediately preceding financial year.
 11. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, bank or debenture holder.
 12. According to the information and explanations given to us and based on the documents and records produced to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 15. According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from bank or financial institution.
 16. In our opinion the term loan was applied for the purpose for which they were raised.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that no funds raised on short-term basis have been used for long term investments.
 18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
 19. No secured debentures were issued by the company. Therefore, no securities have been created.
 20. The company has not raised any money by a public issue during the year.
 21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For K. K. JAIN & CO.,
Chartered Accountants,
Firm Registration No.002465N

sd/-

(SIMMI JAIN)

Partner

M. No. 86496

New Delhi
May 30, 2014

BALANCE SHEET
AS AT 31.03.2014

Amount in ₹

PARTICULARS	Note No.	As At 31.03.2014	As At 31.03.2013
I. EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share Capital	3	111,179,340	111,179,340
(b) Reserves and Surplus	4	183,614,026	175,387,707
		294,793,366	286,567,047
2 Non- current liabilities			
(a) Long-term borrowings	5	2,500,914	5,461,751
(b) Deferred Tax liabilities (Net)	6	29,355,779	25,695,533
(c) Other Long term liabilities	7	712,941	657,999
(d) Long-term Provisions	8	5,120,112	4,046,441
		37,689,746	35,861,724
3 Current Liabilities			
(a) Short term borrowings	9	213,457,553	169,269,085
(b) Trade payables	10	143,916,322	93,136,873
(c) Other current liabilities	11	52,816,434	33,750,294
(d) Short term provisions	12	7,620,650	7,693,679
		417,810,959	303,849,932
TOTAL		750,294,071	626,278,703
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	188,853,910	198,730,377
(ii) Intangible assets		639,569	514,112
(iii) Capital work-in-progress		1,677,831	-
(b) Long-term loans and advances	14	5,304,564	3,691,624
(c) Other non-current assets	15	17,568,736	5,785,111
		214,044,610	208,721,224
2. Current assets			
(a) Inventories	16	401,592,404	304,423,306
(b) Trade receivables	17	105,574,892	61,391,709
(c) Cash and Cash equivalents	18	19,183,942	33,413,151
(d) Short-term loans and advances	19	5,033,935	11,768,260
(e) Other current assets	20	4,864,288	6,561,053
		536,249,461	417,557,479
TOTAL		750,294,071	626,278,703

Significant accounting policies 2

The notes referred above form an integral part of these financial statements.

 As per our report of even date, attached,
 For K. K. Jain & Co.
 Chartered Accountants
 Registration No.: 002465N

For and on behalf of the Board of Directors

 sd/-
Simmi Jain
 Partner
 Membership No.: 86496

 sd/-
Pradeep Kapoor
 Chief Financial Officer

 sd/-
Purva Satija
 Company Secretary

 sd/-
Anil Modi
 Chairman &
 Managing Director

 sd/-
Akshay Modi
 Executive
 Director

 New Delhi
 May 30, 2014

STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED 31.03.2014

PARTICULARS	Note No.	Amount in ₹	
		For the year ended 31.03.2014	For the year ended 31.03.2013
I Income			
Revenue from Operation	21	2,098,252,293	1,945,611,062
Total Income		<u>2,098,252,293</u>	<u>1,945,611,062</u>
II Expenses			
Cost of Materials Consumed	22	1,697,766,942	1,668,314,603
Purchases of Stock in Trade	23	54,026,443	78,464,322
Changes in inventories of finished goods and Stock-in-trade	24	(14,331,561)	(72,276,228)
Employee benefits expense	25	106,772,560	44,807,005
Finance Costs	26	15,663,402	17,866,901
Depreciation and amortization expense	13	14,167,059	13,682,218
Selling and Distribution Expenses	27	67,403,927	37,237,297
Other expense	28	140,392,365	126,990,710
Total Expense		<u>2,081,861,137</u>	<u>1,915,086,827</u>
III Profit before tax (I-II)		16,391,156	30,524,234
IV Tax expense:			
(1) Current tax		3,972,942	7,054,845
(2) Taxes for earlier year		531,651	73,344
(3) Deferred tax		3,660,245	3,064,800
V Profit after Tax		8,226,318	20,331,245
VI Earnings per equity share (face value of Rs.10/- each)	29		
(1) Basic		0.74	1.83
(2) Diluted		0.74	1.83

See accompanying notes to the financial statements

The notes referred above form an integral part of these financial statements.

As per our report of even date, attached,
 For K. K. Jain & Co.
 Chartered Accountants
 Registration No.: 002465N

For and on behalf of the Board of Directors

sd/-
Simmi Jain
 Partner
 Membership No.: 86496

sd/-
Pradeep Kapoor
 Chief Financial Officer

sd/-
Purva Satija
 Company Secretary

sd/-
Anil Modi
 Chairman &
 Managing Director

sd/-
Akshay Modi
 Executive
 Director

New Delhi
 May 30, 2014

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 ST MARCH, 2014

PARTICULARS	For the year ended 31.03.2014 (in ₹)	For the year ended 31.03.2013 (in ₹)
(A) CASH FROM OPERATING ACTIVITIES :		
Profit before Taxation		
Adjustments for:	16,391,156	30,524,234
Depreciation	14,167,059	13,682,218
Foreign exchange fluctuation	8,970,183	9,663,854
Deferred revenue expenses incurred	(16,108,836)	-
Deferred revenue expenses written off	2,235,949	1,033,975
Provision for Gratuity	2,014,862	962,308
Profit(-)/loss on sale of assets (net)	577,932	(132,646)
Interest expenses	14,274,690	26,131,839
Operating profit before working Capital changes	42,522,995	14,275,113
Adjustments for:		39,484,822
Trade and other receivable	(42,368,197)	27,725,388
Inventories	(97,169,098)	(100,148,625)
Trade payables	62,422,555	(77,114,740)
Cash generated from operations	(34,591,745)	70,540,136
Interest paid	(14,161,965)	(1,883,101)
Direct taxes paid (Net of Refund)	(494,070)	68,125,955
Cash flow before extra ordinary items	(49,247,780)	(14,162,151)
Extra ordinary items (net)	-	(8,316,341)
Net cash from operating activities (A)	(49,247,780)	45,647,463
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(7,410,860)	(11,532,011)
Sale of fixed assets	739,048	152,281
Net cash used in investing activities (B)	(6,671,812)	(11,379,730)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	44,188,468	78,869,295
Repayments of borrowings	(2,498,085)	(124,470,465)
Net Cash used in financing activities (C)	41,690,383	(45,601,170)
Net increase (decrease) in cash and Cash equivalents (A+B+C)	(14,229,209)	(11,333,437)
Cash and cash equivalents opening	33,413,151	44,746,588
Cash and cash equivalents closing	19,183,942	33,413,151
Net increase/decrease(-) as disclosed above	(14,229,209)	(11,333,437)

As per our report of even date, attached,
 For K. K. Jain & Co.
 Chartered Accountants
 Registration No.: 002465N

For and on behalf of the Board of Directors

sd/-
Simmi Jain
 Partner
 Membership No.: 86496

sd/-
Pradeep Kapoor
 Chief Financial Officer

sd/-
Purva Satija
 Company Secretary

sd/-
Anil Modi
 Chairman &
 Managing Director

sd/-
Akshay Modi
 Executive
 Director

New Delhi
 May 30, 2014

Notes to financial statements for the year ended March 31, 2014

1. Corporate Information

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

2. Summary of significant accounting policies

A. Basis of accounting

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub section (1)(a) of Section 642 and the relevant provisions of the Companies Act, 1956.

B. Inventory Valuation

i. Raw Materials, Consumables, Packing Material, Baggase and Paddy Husk

At weighted average cost

ii. Finished Goods

At lower of average cost or net realisable value.

iii. Stores & Spares

At cost on FIFO basis.

C. Fixed, Intangible Assets and Depreciation

i. Fixed Assets

At cost (including expenditure on installation where applicable) less accumulated depreciation.

ii. Intangible Assets

Computer Software and Website which are expected to provide future enduring economic benefits are capitalised as Intangible Asset and are stated at cost of acquisition less accumulated depreciation.

iii. Depreciation/Amortisation

Pro-rata on Straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Computer Software is amortised over 5 years on straight line method.

Website development expenses are amortised over 10 years on straight line method.

D. Research & Development

Revenue expenditure on Research and Development is charged to Revenue.

Capital expenditure on Research and Development is included as part of fixed assets cost.

E. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

F. Bonus

As per the provisions of the Payment of Bonus Act, 1965 to employees covered under that Act.

G. Employee Benefits

i) Provident Fund : On accrual. The company makes regular contributions to Provident & Other Funds which are charged to Revenue.

ii) Leave Encashment: Retirement benefits in respect of Leave encashment are not applicable since the company pays leave encashment to employees every year.

iii) Gratuity : Liability in respect of Gratuity to employees has been determined and accounted on the basis of actuarial valuation.

H. Revenue Recognition

i) Sales are recognised on delivery.

ii) Interest : on accrual.

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

I. Exchange Rate Fluctuation

Transactions in Foreign Currency are recognised at rates prevailing on the date of transactions.

Monetary foreign currency assets & liabilities remaining unsettled at the balance sheet date are translated at exchange rate prevailing on that date. Gain/loss arising on account of realization/settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Profit & loss account

J. Amortisation of expenses for Amalgamation

Amortised over a period of five years.

K. Taxation

(i) Income Tax : Provision for Income Tax liability has been computed after taking into account allowable deduction under provisions of Income Tax Act, 1961.

(ii) Deferred Tax: Based on business prudence, is recognised, on timing difference, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period.

L. Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment losses recognised for the asset no longer exists or has decreased.

M. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

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

N. Earnings per share

Basic earnings per share are computed by dividing the net profit/(loss) for the year attributable to the equity shareholders with the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

O. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating leases. Lease rents under operating leases are recognized in the Profit and Loss Account.

P. Events occurring after the balance sheet date

Adjustment to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amount of assets and liabilities relating to condition existing at the balance sheet date.

Q. 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.

R. Salaries and wages on repairs & maintenance of Fixed Assets, where carried out internally, are charged to salaries and wages account. Such expenses in respect of Capital Work have, however, been allocated and capitalised.

Amount in ₹

PARTICULARS	As At 31.03.2014	As At 31.03.2013
NOTE NO. 3 : SHARE CAPITAL		
Equity Share Capital		
Authorised		
200,00,000 (Previous year 120,00,000)		
Equity Shares of Rs.10/- each	200,000,000	120,000,000
Issued, Subscribed and Paid up		
11117934 (Previous Year 11117934) Shares of Rs.10/- each fully called up	111,179,340	111,179,340
	111,179,340	111,179,340

3.1. Reconciliation of the number of shares

	As At 31.03.2014		As At 31.03.2013	
	No of Shares	Amount (Rs)	No of Shares	Amount (₹)
Equity Share Capital				
Number of shares at the beginning	111,179,340	1,111,793,400	111,179,340	1,111,793,400
Add : Shares issued during the year	-	-	-	-
At the end of the year	111,179,340	1,111,793,400	111,179,340	1,111,793,400

3.2 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.

3.3 Shares In the company held by each shareholder holding more than 5% shares are as under:

	As At 31.03.2014		As At 31.03.2013	
	No of Shares	% age	No of Shares	% age
Mr. Anil Modi	3,865,296	34.77	3,329,446	29.95
Ms. Nita Modi	1,630,500	14.67	1,630,500	14.67
Das Investments Private Limited	646,000	5.81	646,000	5.81
Prime India Investment Fund Limited, Apex Fund Services	1,036,000	9.32	1,036,000	9.32
Silverstreak Asset Management Company Limited	32,000	0.29	568,000	5.11
A/c Grovsnor Investment Fund Limited				

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

- (i) 2026592 Shares (Previous Year 2026592) of Rs 10 each fully paid up allotted in the last five years to Share holders of M/s J.P. Management Systems P Ltd pursuant to the scheme of amalgamation with the Company, for consideration other than cash
- (ii) 4238967 shares (Previous Year 4238967) allotted as Bonus Shares by way of Capitalisation of Profits
- (iii) 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.

4 : RESERVE & SURPLUS

Capital Reserve

As per Last Balance Sheet	8,981,650	8,981,650
Additions/Deductions/Appropriations during the year	-	-
Closing Balance	8,981,650	8,981,650

Profit & Loss Account

As per Last Balance Sheet	81,025,742	60,694,497
Additions/Deductions/Appropriations during the year	8,226,318	20,331,245
Net Surplus in the Profit & Loss	89,252,060	81,025,742

Securities Premium Reserve

As per Last Balance Sheet	66,646,480	66,646,480
Additions/Deductions/Appropriations during the year	-	-
Closing Balance	66,646,480	66,646,480

General Reserve

As per Last Balance Sheet	18,733,836	18,733,836
Additions/Deduction/Appropriations during the year	-	-
Closing Balance	18,733,836	18,733,836
	183,614,026	175,387,707

5 : LONG TERM BORROWINGS

Secured

Term Loans :

Term Loans from Banks	3,535,425	5,356,914
Vehicle Loan - from Others	2,407,715	3,084,312
	5,943,140	8,441,226

Less :

Amount Disclosed under Current maturities of Long term debt (refer to note 11)	3,442,226	2,979,475
Net Amount	2,500,914	5,461,751

Security

(a) 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 Shri Anil Modi, Shri Akshay Modi and Mrs. Nita Modi.

(b) Vehicle Loans are secured against hypothecation of respective Vehicles

(C) Term of repayment and interest are as follows:-

Loan From	ROI*	No. of Instalments Left	Year of Maturity
Term Loan from Banks	11.20%	20	2015
Vehicle Loan I	11.515%	11	2015
Vehicle Loan II	10.895%	22	2016
Vehicle Loan III	10.466%	33	2016

* Applicable Rate of Interest as on 31.03.2014

6 : Deferred Tax Liability (Net)

	Deferred Tax Asset/(Liability) as at 01.04.2013	Current Year (Charge)/Credit	Deferred Tax Asset/(Liability) as at 31.3.2014
Liabilities :			
Related to fixed assets	(26,638,593)	(214,399)	(26,852,992)
Taxes, Cess, PF under protest	(551,174)	(4,210)	(555,384)
Assets :			
Benefits to Employees	1,447,750	622,592	2,070,342
Others	-	(4,064,229)	(4,064,229)
Carry forward losses under Income Tax	46,484	-	46,484
Total	(25,695,533)	(3,660,246)	(29,355,779)

7 : OTHER LONG TERM LIABILITIES

Trade Payables	712,941	657,999
	712,941	657,999

8 : LONG TERM PROVISIONS

Provisions for Employee Benefits	5,120,112	4,046,441
	5,120,112	4,046,441

9 : SHORT TERM BORROWINGS
Secured

From Banks :

Working Capital Facility

192,365,265 157,990,989

Unsecured

From Companies

18,392,288 8,578,096

Deposits

2,700,000 2,700,000

213,457,553 169,269,085

9.1 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 Shri Anil Modi, Shri Akshay Modi and Mrs. Nita Modi.

10 : TRADE PAYABLES

Micro, Small and Medium Enterprises

- -

Others

143,916,322 93,136,873

143,916,322 93,136,873

10.1 The company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 2 October 2006. Based on the confirmations received till date, the disclosure as required by section 22 of the MSMED Act are given below:-

Principal amount payable to suppliers as at year-end	-	-
Interest due thereon as at year-end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act	-	-
Amount of delayed payments actually made to suppliers during the year	-	-
Amount of interest due and payable for the year of delay in making payment (which has been paid, but beyond the appointed day during the year) but without adding interest specified under the MSMED Act.	-	-
Interest accrued and remaining unpaid at the end of year	-	-

11 : OTHER CURRENT LIABILITIES

Current maturities of long term debt (refer to note 5)	3,442,226	2,979,475
Interest accrued but not due on borrowings	112,725	112,962
Unpaid Dividends	363,732	363,732
Expenses Payable	38,573,948	20,939,229
Statutory Dues Payable	4,287,583	2,627,036
Advance From Customers	6,036,220	6,727,860
	52,816,434	33,750,294

12 : SHORT TERM PROVISIONS

Provisions for Employee Benefits	1,580,025	638,834
Provision for Expenses	2,067,683	-
Provision for Taxes	3,972,942	7,054,845
	7,620,650	7,693,679

13 : FIXED ASSETS

ITEM	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 31.03.2013	ADDITION DURING THE YEAR	SALE & ADJ. DURING THE YEAR	COST AS AT 31.03.2014	UP TO 31.03.2013	FOR THE YEAR	ADJUSTMENT FOR SALE DURING THE YEAR	UP TO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
TANGIBLE ASSETS (A)										
FREE HOLD LAND	11075093.00	-	-	11075093.00	-	-	-	-	11075093.00	11075093.00
BUILDING	37641186.00	88,540.00	-	37729726.00	9509412.00	1042238.00	-	10,551,650.00	27178076.00	28131774.00
PLANT & MACHINERY	249220962.00	2775355.00	628,286.00	251368031.00	105593075.00	11104577.00	269,389.00	116,428,263.00	134939768.00	143627887.00
FURNITURE & FIXTURES	1595632.00	505273.00	-	2100905.00	1067917.00	84888.00	-	1,152,805.00	948100.00	527715.00
ELECTRICAL EQUIPMENTS	4074532.00	2200.00	-	4076732.00	413811.00	182862.00	-	596,673.00	3480059.00	3660721.00
OFFICE EQUIPMENTS	3434462.00	480789.00	-	3915251.00	2102228.00	298205.00	-	2,400,433.00	1514818.00	1332234.00
VEHICLES	15093809.00	1564692.00	3028247.00	13630254.00	5966363.00	1253400.00	2070164.00	5,149,599.00	8480655.00	9127446.00
LABORATORY EQUIPMENTS	1653859.00	67828.00	-	1721687.00	406352.00	77994.00	-	484,346.00	1237341.00	1247507.00
SUB TOTAL (A)	323789535.00	5484677.00	3656533.00	325617679.00	125059158.00	14044164.00	2339553.00	136763769.00	188853910.00	198730377.00
PREVIOUS YEAR	313730921.00	11316011.00	1,257,397.00	323789535.00	112708326.00	13588594.00	1237762.00	125,059,158.00	198730377.00	201022595.00
INTANGIBLE ASSETS (B)										
COMPUTER SOFTWARES	453,651.00	248352.00	-	702003.00	181,778.00	86,716.00	-	268,494.00	433509.00	271,873.00
WEBSITE DEVELOPMENT	361784.00	-	-	361784.00	119545.00	36179.00	-	155,724.00	206060.00	242239.00
SUB TOTAL (B)	815435.00	248352.00	-	1063787.00	301323.00	122895.00	-	424218.00	639569.00	514112.00
PREVIOUS YEAR	599435.00	216000.00	-	815435.00	207699.00	93624.00	-	301,323.00	514112.00	391,736.00

14: LONG TERM LOANS AND ADVANCES
Unsecured considered good

Security Deposits	5,088,405	3,545,946
Other loans and advances	216,159	145,678
	5,304,564	3,691,624

15: OTHER NON CURRENT ASSETS
Unsecured considered good

Trade Receivables	3,876,865	2,631,642
Vat Receivable	95,657	51,542
Deferred Revenue Expenditures	13,596,214	3,101,927
	17,568,736	5,785,111

16: INVENTORIES

Raw Materials and stores (Includes Goods in Transit of Rs 52185676/-)	195,951,472	113,966,994
Finished Goods	189,200,308	167,925,103
Trading Goods - Indigenous	1,800	547,266
Trading Goods - Imported	15,585,764	21,983,943
Promotional Material	853,060	-
	401,592,404	304,423,306

17: TRADE RECEIVABLES
Secured considered good

- Over Six Months	-	-
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Unsecured considered good

- Over Six Months	60,568	2,034,834
- Others	105,514,324	59,356,875
	105,574,892	61,391,709

18: CASH AND CASH EQUIVALENTS

Balances with banks	10,292,268	27,696,903
Unpaid Dividend Account with bank	347,051	347,051
Cheques/Draft on hand	69,108	64,220
Cash in hand/including Imprest	3,014,814	5,304,977
Fixed deposits with banks against margin money* :		
- with maturity period of more than 3 months but less than 12 months	3,337,808	-
- with maturity period of less than 3 months	2,122,893	-
	19,183,942	33,413,151

*Against guarantee issued by the bank on behalf of the Company and are not available for use by the company

19: SHORT TERM LOANS AND ADVANCES
Unsecured considered good

Advance recoverable in cash or in kind or for value to be received	4,953,250	4,595,149
Advance Tax	80,685	7,173,111
	5,033,935	11,768,260

20: OTHER CURRENT ASSETS

Capital goods Vat Receivable	73,358	195,800
Deferred Revenue Expenditures	4,412,575	1,033,975
Interest Receivable	327,158	746,003
Other	51,197	4,585,275
	4,864,288	6,561,053

21: REVENUE FROM OPERATIONS

Sale of Products (Net of Rebate) (refer note39)	2,086,285,374	1,938,076,792
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Other operating income:

Interest Income	2,764,235	752,464
Profit on Sale of Fixed Assets	128,909	140,000
Miscellaneous Income	4,956,742	6,579,536
Sundry Balances W/back/ Excess Provision W/ Back	4,117,033	62,270
	2,098,252,293	1,945,611,062

22: COST OF MATERIAL CONSUMED

(Refer Note 41)

Raw Material	1,630,487,122	1,601,287,467
Packing Material	32,057,792	29,430,755
Chemicals	35,222,028	37,596,380
	1,697,766,942	1,668,314,603

23: PURCHASE OF TRADED GOODS

(refer note 42)

Imported	49,327,888	63,927,214
Indigenous	4,698,555	14,537,108
	54,026,443	78,464,322

24 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE
INVENTORIES (at commencement) :

Finished Goods	167,925,103	109,542,898
Stock In Trade	22,531,208	8,637,186
	190,456,311	118,180,084

INVENTORIES (at close) : (refer note 40)

Finished Goods	189,200,308	167,925,103
Stock In Trade	15,587,564	22,531,209
	204,787,872	190,456,312

	(14,331,561)	(72,276,228)
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25: EMPLOYEE BENEFITS EXPENSE

Salaries, wages, allowances and bonus	100,771,989	41,089,929
Contributions to provident and other funds	2,920,676	1,741,348
Recruitment Expenses	755,899	736,498
Staff Welfare Expenses	271,000	167,998
Gratuity	2,052,996	1,071,232
	106,772,560	44,807,005

26: FINANCE COSTS
Interest expense on :

- Short term borrowings	13,473,255	12,832,594
-Long term liabilities	801,435	1,442,519
Bank Charges	674,331	2,115,802
Other Financial Charges	714,381	1,475,987
	15,663,402	17,866,901

27: SELLING AND DISTRIBUTION EXPENSES

Brokerage and Commission	6,746,590	4,090,239
Freight Outward	40,137,397	18,519,379
Laboratory Expenses	150,167	178,116
Other Selling Expenses	21,222,833	14,449,562
Less : Stock of Promotional Materials	(853,060)	-
	67,403,927	37,237,297

28: OTHER EXPENSES

Consumption of stores and spare parts	8,697,518	9,469,683
Power and fuel	85,052,936	80,945,843
Repairs :		
- Buildings	1,078,523	177,887
- Machinery	1,738,875	1,517,803
- Others	1,531,197	1,309,350
Insurance	2,180,060	1,520,378
Rates and taxes excluding taxes on income	1,646,217	1,037,455
Rent	3,220,845	2,033,783
Payment to Auditors (refer note 38)	449,440	449,440
Loss on Sale of Fixed Assets	706,841	7,354
Foreign Exchange Fluctuation	8,970,183	9,663,854
Service Tax/Entry Tax Paid	1,299,156	991,328
Deferred Revenue expenditures written off	2,235,949	1,033,975
Other Expenses	21,584,625	16,832,577
	140,392,365	126,990,710

29: EARNING PER SHARE

(a) Calculation of Weighted Average Number of Equity Shares of Rs 10/- each		
- Number of equity share at the beginning of the year	11,117,934	11,117,934
- Shares issued during the year	-	-
- Total Number of equity shares outstanding at the end of the year	11,117,934	11,117,934
- Weighted average number of equity shares	11,117,934	11,117,934
(b) Net Profit (Loss) after tax available for shareholders	8,226,318	20,331,245
(c) Basic and diluted Earning (in Rupees) per share	0.74	1.83

30. CONTINGENT LIABILITIES
(not provided for)

	This Year (₹)	Previous Year (₹)
i. Claim against the company not acknowledge as debts :		
Sales Tax	93,399	93,399
Provident Fund	54,62,669	38,12,063
Excise Duty	2,64,63,303	NIL
ii. Sales Tax Liability against pending forms	32,52,216	38,53,093
31. Security Deposits under Note 14 Long Term Loan and Advances includes:-		
- In Post Office Saving Bank Account, pledged with: RFC	5,000	5,000
- National Saving Certificates, pledged with: Sales Tax Department	1,000	1,000
- National Saving Certificates, pledged with: RFC	5,000	5,000
- National Saving Certificates, pledged with:		
Senior Marketing Inspector, Pilibhit	5,000	5,000
- National Saving Certificate pledged with DSO, Pilibhit	22,000	22,000
National Saving Certificate pledged with Krishi Utpadan Mandi Samiti	7,000	7,000
32. Sales/Trade Tax, Excise Duty, CENVAT and Service Tax have been accounted for as per deposit/book records, the liability/refunds of such taxes being accounted for on finalisation of assessment/demand.		
33. Income tax assessments for and upto assessment year 2011-2012 have been made.		
34. Related Parties Disclosures as required by Accounting Standard (AS 18) are as under:-		
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, Executive Director		
(B) Relatives of Key Management Personnel.		
Nita Modi		
(C) Enterprises over which key Management personnel, or his relative, has significant influence.		
Anil Modi (HUF)		

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	34,13,393	4,92,000	-	22,80,000	4,56,000	-
Perquisites	2,88,000	-	-	5,76,000		
Interest Paid	88,000	-	2,09,000	88,000	-	2,09,000
Outstanding Payables:						
Remuneration	-	-	-	-	-	-
Fixed Deposit	8,00,000	-	19,00,000	8,00,000	-	19,00,000
Interest	30,161	-	82,564	30,161	-	82,564
Recoverable	-	-	-	-	-	-
Payable	3,55,654	-	-	2,44,186	-	-

35. Defined Benefit Plans as per Actuarial Valuations as on March 31, 2014 and recognised in the financial statements in respect of Employee Benefit Schemes:

	Ason 31.03.2014 Gratuity Unfunded	Ason 31.03.2013 Gratuity Unfunded	Ason 31.03.2012 Gratuity Unfunded	Ason 31.03.2011 Gratuity Unfunded	Ason 31.03.2010 Gratuity Unfunded
I Change in Present Value of Obligation					
Present value of the obligation at the beginning of the year	4639306	3722967	3132413	2658926	2568549
Current Service Cost	1396520	654801	437117	378482	393688
Interest Cost	371144	297837	266255	212645	192641
Actuarial (Gain)/Loss on Obligation	262070	72625	124195	(645323)	(320055)
Benefits Paid	(38134)	(108924)	(237013)	(56063)	(176797)
Past Service Cost	-	-	-	584646	-
Present value of the obligation at the end of the year	6630906	4639306	3722967	3132413	2658026
II Change in Plan Assets					
Fair value of Plan Assets at the beginning of the year	-	-	-	-	-
Expected return on Plan Assets	-	-	-	-	-
Actuarial Gain/(Loss) on Plan Assets	-	-	-	-	-
Contributions by the Employer	-	-	-	-	-
Benefits Paid	-	-	-	-	-
Fair value of Plan Assets at the end of the year	-	-	-	-	-

III Amounts Recognised in the Balance Sheet					
Present value of Obligation at the end of the year	6630906	4639306	3722967	3132413	2658026
Fair value of Plan Assets at the end of the year					
Net Asset/(liability) recognized in balance sheet	(6630906)	(4639306)	(3722967)	(3132413)	(2658026)
IV Amounts Recognised in the statement of Profit and Loss					
Current Service Cost	1396520	654801	437117	378482	393688
Interest cost on Obligation	371144	297837	266255	212645	192641
Expected return on Plan Assets	-	-	-	-	-
Past Service Cost	-	-	-	584646	-
Net Actuarial (Gain)/Loss recognised in the year	262070	72625	124195	(645323)	(320055)
Net Cost included in Personnel Expenses	2029734	1025263	827567	530450	266274
V Actuarial Assumptions					
Discount Rate	8%	8%	8.50%	8%	7.50%
Expected Rate of Return on Plan Assets	-	-	-	-	-
Salary Escalation Rate	6%	5.50%	6%	5%	7%
Employee Turnover					
Upto 30 years	3%	3%	3%	3%	3%
Upto 44 years	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%
Mortality	LIC(1994-96) duly Modified				

36. 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 Accounting Standard 17 - Segment Reporting, is considered relevant.
37. Disclosure in respect of operating leases under Accounting Standard (AS) – 19 “Leases” prescribed by the Companies (Accounting Standards) Rules, 2006.
- (a) General description of the Company's operating lease arrangements:
- The Company enters into operating lease arrangements for leasing area offices, factory building, equipments and residential premises for its employees.
- Some of the significant terms and conditions of the arrangements are:
- Agreements for most of the premises may generally be terminated by the lessee or either party by serving two to three month's 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.29,89,845/- (Previous year Rs.19,82,783/-)

38. Amount paid/payable to Auditors:

Amount in ₹

	2013-14	2012-13
(included under Other Expenses)		
As Audit Fee	2,75,000	2,75,000
For Tax Audit	1,00,000	1,00,000
For Taxation Work	25,000	25,000
Service Tax	49,440	49,440
	4,49,440	4,49,440

39. Sales of Products comprises of:

Manufactured Goods

Oils	1197764044	1224411392
Neem DOC	5684871	289800
Deoiled Rice Bran	758533206	570142129
Fatty	29704475	43859675
Others	10600522	16324035
Total – Sale of Manufactured Goods	2002287118	1855027031

Trading Goods:

Other Oil	78306041	81492685
DORB	5692215	-
Mustard Cake	-	1557076
Total – Sale of Traded Goods	83998256	83049761
Total Sales	2086285374	1938076792

40. Closing Stock of Finished Goods

Manufactured Goods

Oils	135748559	107231391
Deoiled Rice Bran	48339964	46505134
Fatty	2841871	3127451
Others	2269914	11061127
Total	189200308	167925103

Trading Goods:

Other Oil	15585764	22529409
Certified Sunflower Seed	1800	1800
Total	15587564	22531209

41. Material Consumed

A. Raw Material

Rice Bran	1150253453	1010464889
Oils	370067585	482901285
Others	110166084	107921293
Total	1630487122	1601287467

Amount in ₹

	2013-14	2012-13
B. Chemical		
Hexane	12814234	12895027
Activated Earth	12734556	10918462
Others	9673238	13782891
Total	35222028	37596380
42. Purchase of Stock in Trade		
Oils	49327888	63927214
Others	4698555	14537108
Total	54026443	78464322
43. Value of import on CIF basis of raw material (includes Goods in Transit of Rs 5,05,53,134.00)	126093002	54836173
44. Expenditure in Foreign Currency		
Travelling Expenses	45034	315510
45. Remittance in Foreign Currencies for Dividend	-	-
46. Earning in foreign currency	-	-
47. Value of imported and indigenous raw materials, stores, components and spare parts consumed:		

	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Amount	%	Amount	%
(i) Raw Material				
a. Imported	98788164	6.06	36190048	2.26
b. Indigenous	1531698958	93.94	1565097419	97.74
Total	1630487122	100.00	1601287467	100.00
(ii) Packing Material				
a. Imported	-	-	-	-
b. Indigenous	32057792	100.00	29430756	100.00
(iii) Chemicals				
a. Imported	-	-	-	-
b. Indigenous	35222028	100.00	37596380	100.00
Total	1697766942		1668314603	

48. Figures have been rounded off to the nearest rupee and previous year figures have been updated/ regrouped/rearranged wherever necessary.

As per our report of even date, attached,

For and on behalf of the Board of Directors

For K. K. Jain & Co.

Chartered Accountants

Registration No.: 002465N

sd/-

Simmi Jain

Partner

Membership No.: 86496

sd/-

Pradeep Kapoor

Chief Financial Officer

sd/-

Purva Satija

Company Secretary

sd/-

Anil Modi

Chairman &

Managing Director

sd/-

Akshay Modi

Executive

Director

New Delhi

May 30, 2014

Proxy Form – MGT – 11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

40th Annual General Meeting

Tuesday, August 19, 2014

CIN: L15142DL1974PLC007349

Name of the Company: Modi Naturals Limited

Registered Office: 405, Deepali Building, 92, Nehru Place – 110019

Website: www.modinaturals.com

Name of the member(s): (IN BLOCK LETTERS)

Registered Address:

.....

.....

E-mail ID:

Folio No. / DP ID-Client ID No.:

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name:

Address:

.....

E-mail ID:

Signature:....., or failing him / her

2. Name:

Address:

.....

E-mail ID:

Signature:....., or failing him / her

3. Name:

Address:

.....

E-mail ID:

Signature:....., or failing him / her

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Fortieth Annual General Meeting of the Company, to be held at Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019 on Tuesday, August 19, 2014 at 11.00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution
1	Adoption of the Financial Statements of the Company for the year ended 31 March, 2014 together with the reports of the Directors' and Auditors' thereon
2	Re-appointment of Shri Akshay Modi as a Director, liable to retirement by rotation
3	Appointment of K K Jain & Co., Chartered Accountants as Statutory Auditors of the Company
4	Appointment of Shri Sudhir Shankar Halwasiya as an Independent Director upto March 31, 2019
5	Appointment of Shri Alok Garg as an Independent Director upto March 31, 2019
6	Appointment of Shri Sulabh Singal as an Independent Director upto March 31, 2019
7	Appointment of Shri Anil Modi as Managing Director
8	Ratification of appointment & remuneration of INR 60,000/- plus applicable taxes and out of pocket expenses payable to M/s. Manisha & Associates, Cost Accountants as Cost Auditors for the Financial Year 2014-15

Signed this day of 2014.

Signature of shareholder(s) Signature of Proxy holder(s)

Notes:

- i. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
- ii. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/ Depository Participant.
- iii. A Proxy need not be a Member.

Affix
Revenue Stamp

Modi Naturals Limited
Regd. Office: 405, Deepali Building, 92, Nehru Place, New Delhi-110019
CIN: L15142DL1974PLC007349

Attendance Slip
40th Annual General Meeting
Tuesday, August 19, 2014

DP ID- Client ID No./ Folio No.

No. of Share(s) held:

Name of the Member / Proxy: (IN BLOCK LETTERS)

Address of the Member:

I/We hereby record my/our presence at the Fortieth Annual General Meeting of Modi Naturals Limited on Tuesday, August 19, 2014 at 11.00 A.M., at Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019.

.....
Signature of Member/ Proxy

Notes:

- i. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
- ii. Members are informed that no duplicate slips will be issued at the venue of the meeting and are requested to bring this slip for the Meeting.

TO

If undelivered, please return to:



modi naturals limited

Regd. Off : 405 Deepali Building
92, Nehru Place, New Delhi-110019