



modi naturals limited
(formerly Anil Modi Oil Industries Limited)
36th ANNUAL REPORT AND ACCOUNTS
2009-2010

Board of Directors	Shri Anil Modi, Managing Director Shri Sudhir Shankar Halwasiya Shri Deepak Bansal Shri Alok Garg
Bankers	State Bank of India, Pilibhit Bank of Baroda, Pilibhit Punjab National Bank, Pilibhit Axis Bank, Pilibhit
Secretary	Smt. Kavita Shivraj
Auditors	Messrs. 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	Pilibhit, Uttar Pradesh
Registrar & Transfer Agents	M/s Skyline Financial Services Pvt Ltd. D-153A, Okhla Industrial Area, Phase - I, New Delhi 110 020

CEO Message

Dear stakeholders,

It is a pleasure for me to be a part of Modi Naturals and it is my endeavour to take the company to new heights over the years to come. Whilst addressing you for the first time, I will take you through some of the highlights of the past year and share with you some plans that we have, going forward.

It has been an eventful year in many ways. We have fundamentally reorganised our business to better address market opportunities. The high growth of the Indian economy has opened up new opportunities, rendered investment accessible and created a business climate favourable for expansion and growth.

As you may be aware, until now our focus was only on bulk supply of Rice Bran and Sunflower oils. I will be pleased to inform you **that our focus is now on becoming a 360 degree FMCG company over the next 5 years, with innovative brands and products serving consumers in different demographic segments.**

Business Restructuring

We have structured our operations into three divisions Branded Business, Bulk Commodities and Value Added Products. The new structure will refocus our efforts, unlock embedded value and result in accelerated growth on all fronts.

Branded Business

In the branded business, **Mr Narendra Ambwani, Ex MD Johnson & Johnson India** joined us as a **strategic advisor**. He brings to Modi Naturals his vast experience in the FMCG sector and will help us achieve success from the word go.

Tarai

We launched our first brand of edible oil - Tarai, in the mass prestige category in March with two variants Tarai Shudh and Tarai Tasty+.

Whilst our sales volumes are growing exponentially, our primary focus is on developing a strong distribution network across North India for this brand. By the end of the current fiscal, we will be present in 9 States including UP, Punjab, J&K, Himachal Pradesh, Bihar, Jharkhand, Delhi, Uttarakhand and West Bengal. The idea is to make Tarai a mass, household brand name and leverage our distribution strength to supply more and more products, including non-oil products in the future. This fiscal we are all set to launch another variant of Tarai - Tarai Sun-lite Advance sunflower oil under the same brand umbrella.

In the current fiscal, you will also see the launch of a new brand, which will mark the companies foray into the **health and wellness category** of the FMCG segment serving the higher SECs.

Bulk Commodities

We continue to leverage our strength in bulk commodities by increasing our portfolio of products. By the end of this year we will have started dealing in some imported oils as well.

Value Added Products

This year, we intend to add significant value to one of our by-products. This will help us further strengthen the manufacturing base and help bring down the average inputs costs.

I would like to sincerely thank members of our Board for diligently representing the interests of our shareholders. I also take this opportunity to express my appreciation to all our shareholders for their trust in us.

We work with the attitude to maximise returns on the investments you have made in Modi Naturals Limited. In a world that is hungry for optimism and good news, I am proud to state that we are indeed making a positive difference.

The various growth engines that we have put into motion will gather momentum and deliver returns at a pace we have not witnessed in the past. This will enable us to create wealth and enhance shareholder value exponentially.

Place: New Delhi
Dated : 04.09.2010

Best Regards,
sd/-
Akshay Modi
Chief Executive Officer

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the shareholders of Modi Naturals Limited will be held at Poorva Sanskritik Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi-110092 on Thursday, 30th September, 2010 at 10.30 A.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Alok Garg, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and authorise the Board of Directors to fix their remuneration. Messrs. K. K. Jain & Co., Chartered Accountants, Delhi, retire and are eligible for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of section 314(1B) and other applicable provisions if any of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to the approval of the Central Government , the company hereby gives consent to Shri Akshay Modi., who was appointed as Chief Executive Officer of the company with effect from 1st October, 2008 to draw the following salary, allowances and perquisites with effect from 1st October, 2010 :

- (a) Basic salary : Rs. 50,000 p.m. (in the time scale of 50,000-10,000 - 1,00,000)
- (b) House Rent Allowance : 50% of the basic salary
- (c) Gratuity As per provision of Gratuity Act
- (d) During his tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT the remuneration payable to Shri Akshay Modi as aforesaid shall be subject to such modification as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the company and which may be acceptable to Shri Akshay Modi.

RESOLVED FURTHER THAT Shri Akshay Modi shall be in the exclusive employment of the company and will not hold a place of profit in any other company during the period of his tenure.

RESOLVED FURTHER THAT Shri Anil Modi , Managing Director and/ or Shri Deepak Bansal, Director and/ or the Company Secretary of the company be and is hereby severally authorised to submit an application to the Central Government alongwith all the necessary enclosures and give any statement , declaration, undertaking and do all such acts, deeds and things as are necessary to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT in the event of any re-enactment or recodification of the Companies Act, 1956 or the Income Tax Act, 1961 or the Amendment thereto, this Resolution shall continue to remain in force and the reference to various provisions of the Companies Act, 1956, or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.”

By order of the Board of Directors

Place: New Delhi
Date: 04.09.2010

sd/-
(Kavita Shivraj)
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES MUST BE LODGED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
2. Members desiring any information as regards accounts and operations are required to write to the Company at its Registered Office one week before the date of the meeting so that the information is made available at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 27/09/2009 to Thursday, 30/09/2010 (both days inclusive).
4. The relevant Explanatory Statement pursuant to Clause 49 of the Listing Agreement and Section 173 (2) of the Companies Act, 1956, in respect of re-appointment(s) of Directors and the Special Business set out above is mentioned below.
5. Members/Proxies are requested to bring their copy of Annual Report to the Meeting as extra copies will not be distributed.
6. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. 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.
9. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Compliance Officer at least 7 days before the Annual General Meeting.
10. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 36TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Director who is proposed to be re-appointed is given below:-

Name	Alok Garg
Date of Birth	21.12.1972
Qualifications	B.Com
Experience	He is a reputed and known figure as a manufacturer and exporter of Heena in India and is having rich managerial and administrative experience.
Outside Directorship	Jain Edibles Private Limited
Membership/ Chairmanship of the Board Committees of the Companies	Nil
No. of shares held (both own or held by/ for other persons on a beneficial basis) in the company	Nil

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Board of Directors at its meeting held on 2nd September, 2008 considered and appointed Shri Akshay Modi s/o of Shri Anil Modi, Chairman cum Managing Director of the company as the Chief Executive Officer of the company with effect from 1st October, 2008 on the basis of recommendation of the Selection Committee set up by the company under provisions of Director's Relatives (Office or Place of Profit) Rules, 2003

Shri Akshay Modi is professionally qualified as Engineer and your company has immensely benefitted from his leadership and dynamism. In view of his wholehearted contribution in the affairs of the company, the Directors are of the view that he may accordingly be compensated for the same. The Selection Committee constituted under Director's Relatives (Office or place of profit) Rules, 2003 has approved his appointment on increased remuneration as given at item no.4 of the accompanying notice. At the Board Meeting of the company held on 4th September, 2010, the Directors have also approved his appointment on increased remuneration.

As per the provisions of Section 314 (1B) of the Companies Act, 1956, the appointment of relative of a Director drawing a monthly remuneration of Rs 50,000/- (Rupees Fifty Thousand only) or more shall not be made except with the approval of shareholders by a special resolution passed at the General Meeting of the Company and approval of the Central Government.

Your Directors commend the special resolution for your approval.

Except Shri Anil Modi, none of other Directors of your company is concerned or interested in this resolution.

By order of the Board of Directors

Place: New Delhi
Date: 04.09.2010

sd/-
(Kavita Shivraj)
Company Secretary

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 36th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2010.

OPERATING RESULTS

The summarized financial results for the year ended 31st March, 2010 and for the previous year ended 31st March, 2009 are as follows: -

	(in Rupees)	
	2009-10	2008-09
Turnover	11580.85	12091.47
Profit before interest and depreciation	403.45	595.69
Interest	136.73	105.96
Depreciation	107.21	78.13
Profit for the year	159.49	411.60

The turnover of the company has gone down from Rs 120.91 crores to Rs 115.81 crores. However, the company's Rice Bran processing has gone up by 12% i.e. from 70857 tons to 79224 tons. The decrease in turnover is actually on account of increase in stock of Finished Goods (from Rs 9.04 crores to Rs 13.08 crores) and fall in Indian edible oil commodity prices. The main reason for a fall in edible oil prices is excessive dumping of vegetable oil market by cheap imported oils - mainly crude palm oil. This has also resulted in decrease of Net Realizable Value of Refined Rice Bran oil by 13% over last year.

On the other hand, the prices of raw materials i.e. mainly Rice Bran have not gone down as significantly as oil prices, resulting in decrease in Gross Profit margin.

OPERATIONS

In the last 2 years, the company has invested over Rs 10 crores for upgrading its production facilities and also setting up new packaging lines. As a result of this there is an increase in financing (from Rs 1.17 crores to Rs 1.47 crores) and depreciation costs (from Rs 0.78 crores to Rs 1.07 crores). The company's new business division called Branded Business has resulted in increase in personnel (from Rs 2.17 crores to Rs 2.66 crores) & administrative expenses (from Rs 0.49 crores to Rs 0.87 crores) of the company. As a result, the company's profit has gone down in current year. However, the benefits of these investments shall occur in coming years.

FOREIGN INSTITUTIONAL INVESTORS

Pursuant to Foreign Investment Promotion Board (FIPB) approval, 26,40,000 optionally convertible warrants have been issued on preferential basis to three FIIs on 5th August 2010. After the conversion of these warrants into equity shares, the paid up capital of the company shall become Rs 11,11,79,340.

GOING FORWARD

The company has structured its operations into three divisions – Branded Business, Bulk Commodities and Value Added Products. The new structure will refocus your company's efforts, unlock embedded value and result in accelerated growth on all fronts. A detailed report on this is given in the CEO's message.

DIVIDEND

In order to conserve the resources for the growth of the company, the Directors do not recommend any dividend for the year under review.

CORPORATE GOVERNANCE

Report on the Corporate Governance along with the certificate of the Auditors, confirming compliance of condition of corporate governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Annual Report.

DIRECTORS

Out of the present Directors, Shri Alok Garg, retires by rotation, and, being eligible, offers himself for re-appointment. Your Directors recommend re-appointment of Shri Alok Garg on the Board.

DEPOSITS

The company has not accepted any fresh deposits during the year. There were no overdue deposits.

AUDITORS

The present Auditors Messrs K. K. Jain & Co., Chartered Accountants retire at the conclusion of the Annual General Meeting. They have furnished a certificate u/s 224(1B) of the Companies Act, 1956 and are eligible for re-appointment. Your Directors recommend re-appointment of M/s K.K.Jain & Co., as auditors of the Company at the ensuing Annual General Meeting.

ACCOUNTS AND AUDIT REPORT

The Auditors comment in their Auditors Report at para 3 (vi) along with the management reply is as follows:-

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account read with the Schedules and Notes thereon and subject to the consequential impact on the result for the year of Note No. B6 of Schedule 23 regarding non-disclosure of additional information required under clause 22 of Chapter V of Micro, Small and Medium Enterprises Development Act, 2006 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

The company has not been able to provide disclosure of additional information as required under clause 22 of Chapter V of Micro, Small and Medium Enterprises Development Act, 2006 due to non receipt of any intimation from its suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence the following information required under the said Act could not be provided by the company :-

- a) Delayed payments due as at the end of each accounting year on account of principal and interest thereon.
- b) Total interest paid on all delayed payments during the year under the provisions of the Act.
- c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under the act.
- d) Interest accrued but not due.
- e) Total interest due but not paid.

It may be noted that the company generally makes payment to all its suppliers with in the agreed credit period (less than 45 days) and thus the management is confident that liability of interest under this Act, if any, would not be material.

In response to a Auditor's observation at point No. 6 of the Annexure to the Auditor's Report, it may be noted that due to inadvertent omission, the return of deposits of the company for the year ended 31 March, 2010 could not be deposited within the stipulated time period. However, the same is being deposited with the Registrar of Companies and Reserve Bank of India.

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

Information required to be furnished in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & outgo is annexed herewith & forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Sec. 217(2AA) of the Companies Act, 1956, the Directors state that:-

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

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

PERSONNEL

The relations with the employees of the Company continued to be cordial. Your Directors wish to place on record their appreciation for the excellent work done by the employees at all levels.

ACKNOWLEDGEMENTS

Your Directors express their sincere gratitude and deep appreciation for the co-operation and assistance given by the financial institutions, banks, suppliers and customers of the Company during the year under report and look forward to their continued support. Your Director's also thankfully acknowledge the trust and confidence reposed by you in the company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 04.09.2010

sd/-
Anil Modi
Chairman

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) Energy Conservation measures taken

Your Company has taken adequate measures to ensure optimum use of all equipments so as conserve energy.

- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy

The Company has benefited from the investments earlier made in purchasing certain equipments which have contributed towards reduction in the consumption of energy.

- c) 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.

- d) 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

Continuous efforts are being made for quality improvement of its products.

- d) Expenditure on R&D

----- NIL -----

2. Technology Absorption, Adaptation and innovation

Continuous efforts are being made for product improvement and cost reduction. The company has not made any import of technology so far.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your company has not exported any of its products and the details of the Foreign Exchange Earnings and Outgo are as under:

Foreign Exchange Earnings : Nil
Foreign Exchange Outgo : Nil

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At Modi Naturals Limited (formerly Anil Modi Oil Industries Limited) , corporate governance is an integral part of the company's values, ethics, business practices and norms. Towards this, the company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of the basic tenets of the corporate governance.

BOARD OF DIRECTORS

Composition of the Board of Directors and other details as on 31.03.2010 is as under:

	Name of the	Category of Director	No. of Board Meetings Attended	No. Of Other Directorships held (*)	Committee memberships (excluding Modi Naturals Ltd.) (**)	Committee Chairmanships (**) (excluding Modi Naturals Ltd.) (**)	Attendance at Last AGM
1.	Mr. Anil Modi	Chairman & Managing Director	6	Nil	Nil	Nil	Yes
2.	Mr. S.S.Halwasiya	Non- Executive & Independent Director	6	Nil	Nil	Nil	No
3.	Mr. Deepak Bansal	Non - Executive & Independent Director	6	Nil	Nil	Nil	Yes
4.	Mr. Alok Garg	Non - Executive & Independent Director	6	Nil	Nil	Nil	No

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

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

Six Board Meetings were held during the period under review on 30.04.2009, 31.07.2009, 02.09.2009, 27.10.2009, 31.10.2009 and 30.01.2010.

INFORMATION REGARDING RE-APPOINTMENT OF DIRECTORS

Mr. Alok Garg, Director of the Company retires by rotation and being eligible offers himself for re-appointment. He does not hold any shares in the Company.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has adopted a Code of Conduct for the members of the Board and Senior Management of the Company which is intended to focus the areas of ethical risk, provide guidance mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

AUDIT COMMITTEE

The Company has an Audit Committee comprising of three directors, all of whom are Independent and Non-Executive Directors. Shri Deepak Bansal is the Chairman of the Committee and Shri S.S. Halwasiya and Shri Alok Garg are its members. The Company Secretary of the Company acts as the Secretary of the Audit Committee. The Chief Financial Officer and a representative of M/s K.K. Jain & Co, Statutory Auditors are permanent invitees to the Audit Committee.

Five Meetings of the Audit Committee were held during the year under review on 30.04.2009, 31.07.2009, 02.09.2009, 31.10.2009 and 30.01.2010. Attendance in the above meetings is as follows:

Name of Director	No. of Meetings Attended
Shri Deepak Bansal	Five
Shri S. S. Halwasiya	Five
Shri Alok Garg	Five

SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

The Shareholders' Grievance Redressal Committee comprises of 3 Directors, Shri Alok Garg, Non Executive Director is the Chairman and Shri Deepak Bansal and Shri S. S. Halwasiya as its members. The Company Secretary of the Company is the Compliance Officer of the Committee.

The functioning and terms of reference of the Committee is as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to transfer, dematerialization, complaints of shareholders etc.

27 shareholders'/ investors' complaints, received directly from them or through SEBI/ Stock Exchanges and other authorities, were replied and redressed by the company to the satisfaction of the shareholders and two remained outstanding at the end of the year under review.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three Non-Executive Directors two third of whom are Independent Directors. Shri Deepak Bansal is the Chairman and Shri S. S. Halwasiya and Shri Alok Garg are its members.

The Remuneration Committee has the power to determine and recommend to the Board the remuneration and other related matters of Executive Director.

The Company does not pay any remuneration to the Non-Executive Directors.

During the year under review, there was no eventuality which warranted holding of meeting of Remuneration Committee.

The details of remuneration paid to the Directors for the year ended 31st March,2010 are as under:-

(figures in rupees)

Name of the Director	Salary	Perquisites and other benefits	Commission	Others	Sitting Fee	Total
Shri Anil Modi	12,57,000	1,50,840	-----	-----	-----	14,07,840

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

ANNUAL GENERAL MEETING

Location and time of the last three Annual General Meetings:

YEAR	Date	Location	Time	Special Resolution Passed (Yes/No)
2009	30.09 2009	Poorva Sanskritik Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi- 110092	10.30 a.m.	Yes
2008	30.09 2008	Poorva Sanskritik Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi- 110092	10.30 a.m.	No
2007	29.09 2007	Poorva Sanskritik Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi- 110092	10.30 a.m.	No

No special resolution has been passed through postal ballot

DISCLOSURES:

- 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 B -7 to the "Notes to Accounts".

- There has been no non-compliance, penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the year under review.
- At present, the company does not have any Whistle Blower Policy.

MANAGEMENT DISCUSSION AND ANALYSIS IS REPORTED IN THIS ANNUAL REPORT

CEO/ CFO CERTIFICATION ON THE FINANCIAL STATEMENT

Pursuant to Clause 49 of the Listing Agreement, the Chief Executive Officer and the Chief Financial Officer have submitted the desired Certificate to the Board of Directors and the same has been taken on record by the Board of Directors in their meeting held on 4th September, 2010.

MEANS OF COMMUNICATION:

Wide publicity is accorded to the Quarterly, Half-yearly and the Annual Results which are published in widely circulated English daily (The Pioneer) and a Hindi daily (Haribhoomi) as is required under the Listing Agreement with the Stock Exchanges. The same are also faxed to the Stock Exchanges where the company is listed.

The Company has not yet started sending the half yearly report to each household but if the shareholder seeks any information, the same is provided by the Company.

GENERAL SHAREHOLDERS INFORMATION

36th Annual General Meeting of the company is scheduled to be held on Thursday, 30th September, 2010 at 10.30 A.M at Poorva Sanskritik Kendra, 14, District Centre, Laxmi Nagar, Delhi-110092 as per the notice enclosed with the Annual Report.

Financial Calendar:

- | | |
|--|--|
| 1. Quarter ended 31.03.2010 : 30th April, 2010 | 2. Quarter ended 30.06.2009: 31st July, 2010 |
| 3. Quarter ended 30.09.2010 : 31st Oct, 2010 | 4. Quarter ended 31.12.2010 : 30th Jan, 2011 |

Book Closure : Monday, 27/09/2010 to Thursday, 30/09/2010 (both days inclusive)

Listing on stock Exchanges:

The company is listed on the following Stock Exchange:-

Stock Exchange	Stock Code
Bombay Stock Exchange Association Limited	519003

The company has paid the listing fees to BSE for the year 2009-2010.

Market Price Data:

Monthly High & Low quotes and Volume of Shares traded since are as follows:-

Month	High	Low	Volume
April,2009	11.26	10.45.	1400
May,2009	11.62	10.03	1500
June,2009	17.86	12.14	11400
July,2009	19.65	14.80	4500
August,2009	19.40	14.77	3100
September,2009	41.25	20.30	58700
October,2009	49.05	18.30	29000
November,2009	19.95	14.80	20100
December,2009	19.15	15.15	28600
January,2010	19.30	14.10	22800
February,2010	15.76	11.21	11500
March,2010	15.00	11.31	22800

Registrar and Transfer Agents:

The physical transfer of Equity Shares and Electronic Connectivity for the Depository mode for NSDL and CDSL is being provided by M/s Skyline Financial Services Pvt. Ltd. whose address is given below:

M/s Skyline Financial Services Pvt. Ltd.
D-153A, Okhla Industrial Area, Phase - I,
New Delhi 110 020

Share Transfer System:

The Company, in compliance of SEBI circular no. 15/2002 dated 27th December 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 a month 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 a month of receipt of request. The Company Secretary monitors the system.

Distribution of Equity Shareholding of the company as on 31st March, 2010

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 500	4168	1134295	13.38
501-1000	332	267610	3.16
1001-2000	213	368644	4.35
2001-3000	35	85450	1.01
3001-4000	19	69525	0.82
4001-5000	6	27310	0.32
5001-10000	14	101160	1.19
10000 and above	13	6423940	75.77
Total	4800	8477934	100.00

Dematerialisation of Shares

The Equity Shares of the company are available for Dematerialisation. The International Securities Identification No. (ISIN) of the Company is INE537FO1012. The Equity Shares are now tradable only in dematerialized mode.

9.94% of the Company's Paid up Equity Share Capital has been dematerialized upto 31st March, 2010

Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has issued 26,40,000 optionally convertible warrants on 5th August, 2010 on preferential basis with a lock in period of 12 months. After the conversion of these warrants into equity shares, the paid up capital of the company shall become Rs 11,11,79,340.

Location of Plants of the Company

Pilibhit, Uttar Pradesh

Address for Correspondence

All the queries of investors regarding the Company's shares may be sent at the following address:

Modi Naturals Limited
405, Deepali Building, 92, Nehru Place, New Delhi - 110019

Nomination Facility:

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 prescribed Form 2B for this purpose:

Management Discussion and Analysis

1. Industry Structure and Development

a. Global Commodities Scenario

- ? This as we all know was a very difficult year for the edible oil industry the world over. With the entire world economy sinking and the end no where in sight, the total thought process was directionless. Prices were crashing, demand was dropping, payments were at risk but business had to go on. On top of all this, inflation in general was very high so the Government of India removed all import duties on vegetable oil, thereby creating a worse situation for the Edible Oil Industry in India.
- ? Till last year the entire world was talking of Bio-diesel and when the price of petroleum crashed from 150 USD per barrel to 40 USD (now about 70 USD), there is suddenly no talk of Bio-diesel at all and its no more a viable proposition. Fortunately, your company stayed out of it.

b. Indian Market Scenario

- ? India accounts for 5.8% of the world's vegetable oil production, 7.4% of the world's oil seed output, 6.1% of the world's oil meal production, 3.9% of the world's oil meal export, 11.2% of vegetable oil import and 9.3% of edible oil consumption.
- ? India's demand for edible oils is likely to increase from 13 million tonnes in 2008 to 21 million tonnes in 2015. The Compounded Annual Growth Rate (CAGR) for the period 2008-2015 is estimated to be around 7% whereas the CAGR for period 200-2008 stood at ~3%. This growth is largely driven by increase in population and a substantial increase in per capita consumption. The per capita consumption of edible oil in India is expected to rise from 11.5kg in 2008 to 16.9kg in 2015, mainly due to rising disposable income. However, this is still considerably lower than the global average of 23.5kg per year and is expected to grow further in the following years.
- ? A salient feature of this growth is the consumption of branded edible oils, which is expected to grow at an astounding 25-30% over the next few years. Again, this is mainly due to increase in income levels, urbanization, literacy and quality consciousness brought in by the younger demographics.

2. Opportunities and Threats

a. Opportunities

- ? Going by the tremendous anticipated growth in the branded edible oil segment, the company's largest opportunity lies in entering that segment with multiple brands and segments.
- ? Therefore, there have been significant developments on this front, with the company rolling out its first brand of edible oil in February 2010.

b. Threats

- ? There does not seem to be any threat to the domestic vegetable oil Industry whatsoever, as about 50% of India's needs is met through imports and the import duty is at its lowest levels. With this scenario, there can only be opportunities. The Government and also the Industry Associations are trying its best to increase the domestic crop so as to be less dependent on imports. As the crop increases, the capacity utilization will increase, therefore improving profitability.

3. Segment, Product wise Performance

- a. Segment: Of various oil bearing materials such as mustard, soyabean, groundnut etc., your Company is currently is present in the Rice Bran, Sunflower and Mustard Oils segments.

b. Product :

- ? The first brand to be rolled out is Tarai, with two variants Tarai Shudh (Kacchi Ghaani Mustard Oil) and Tarai Tasty+ (blend of KG Mustard and Refined Rice Bran oils).
- ? The highlight of the year was the installation of a new packaging section to meet the requirements of these two products in the first phase of the launch.
- ? Another highlight is the identification of the opportunity of installing a multi-fuel boiler for our energy requirements. As a cost cutting measure, the company has ordered this multi-fuel boiler by which the company expects to reduce its dependence on one fuel type and be able to switch over to any other cost effective agro fuel available round the year. This measure is expected to reduce company's fuel bill substantially.

4. Internal Control Systems and its adequacy.

- ? The company has adopted a stringent quality policy, whereby we ensure that the product reaching the consumer is of utmost quality.
- ? The company has attained the ISO 9001:2008 certification. This exercise in itself has made your company incorporate some new methods of controls, especially on the quality front.
- ? The company has also received AGMARK certification for its products.

5. Financial and Operational Performance

- ? The turnover of the company has gone down from Rs 120.91 crores to Rs 115.81 crores. However, the company's Rice Bran processing has gone up by 12% i.e. from 70857 tons to 79224 tons. The decrease in turnover is actually on account of increase in stock of Finished Goods (from Rs 9.04 crores to Rs 13.08 crores) and fall in Indian edible oil commodity prices.

6. Human Resource and Industrial Relations

- ? Shri Akshay Modi has been appointed as the CEO of the company. In addition to that, the company is looking at investing significantly in human capital, including strategic advisors and executives. A detailed report is given in CEO's message.
- ? There has been no exodus of employees of the company and the company maintains very healthy relations with all its employees. All dues are paid in time, leaving no scope for labour unrest. The Company is fully satisfied with the loyalty and dedication of all its employees at every level.

AUDITOR'S CERTIFICATE

To
The Members of
Modi Naturals Limited

We have examined to compliance of conditions of Corporate Governance by Modi Naturals Limited, for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state in respect of the Investor Grievances received during the year ended 31st March, 2010, that twenty seven complaints were received and two complaints were pending as per records maintained and presented to the Shareholders Grievance Committee of the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency and 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

Place : New Delhi
Date : 04.09.2010

sd/-
(R. K. Mittal)
Partner
M. No.95459

CERTIFICATION BY MANAGING DIRECTOR OF MODI NATURALS LIMITED

On the basis of the review of the Financial Statements and Cash Flow Statement for the Financial year ended 31st March, 2010, we hereby certify that to the best of our knowledge and belief:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2010 which are fraudulent or illegal or violative of the Company's code of conduct;
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. 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 those deficiencies, of which we are aware; in the design or operation of such Internal Control Systems and that we have taken the required steps to rectify these deficiencies;
5. We further certify that
 - (a) there has not been any significant changes in Internal Control over financial reporting during the year under reference;
 - (b) there has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements and
 - (c) there has not been any instance of significant fraud with the involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.
6. We affirm that we have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any)
7. We further declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the current year.

Place: New Delhi
Dated : 04.09.2010

sd/-
L.R.Sharma
Chief Financial Officer

sd/-
Anil Modi
Chairman & Managing Director

AUDITORS' REPORT TO THE MEMBERS OF MODI NATURALS LIMITED (Formerly ANIL MODI OIL INDUSTRIES LIMITED)

We have audited the attached Balance Sheet of MODI NATURALS LIMITED (Formerly ANIL MODI OIL INDUSTRIES LIMITED) as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements, based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies Auditor's Report Order, 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Orders.
3. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by Law, have been kept by the Company so far as appears from our examination of the books of the Company.
 - iii. The Balance Sheet and the Profit & Loss Account, dealt with by this Report, are in agreement with the books of account of the Company.
 - iv. In our opinion, the Balance Sheet and the Profit & Loss Account comply with the applicable Accounting Standards, referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. Based on the declaration made by the directors of the company and the information and explanations given to us, none of the Directors is, as at 31.03.2010, prima-facie disqualified from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account read with the Schedules and Notes thereon and subject to the consequential impact on the result for the year of Note No. B6 of Schedule 23 regarding non-disclosure of additional information required under clause 22 of Chapter V of Micro, Small and Medium Enterprises Development Act, 2006 give the information required by the Companies Act, 1956 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 31.03.2010, and
 - (b) In the case of the Profit & Loss Account of the profit for the year ended on that date.
 - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

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

sd/-
R. K. Mittal
Partner
M. N.o. 95459

Place : New Delhi
Date : 04.09.2010

Annexure referred to in paragraph 2 of our Report of even date to the Members of MODI NATURALS LIMITED (Formerly ANIL MODI OIL INDUSTRIES LIMITED) on the accounts as at and for the year ended 31st March, 2010

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 procedure 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. There were no material discrepancies 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 four parties covered in the register mentioned under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs.91,50,535/- and the year-end balance of loan taken from such parties was Rs.84,50,535/-.
(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 system 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 Lakhs 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 except that the Return of Deposits for the year ended 31.03.2010 has not been filed with the Registrar of Companies nor the Reserve Bank of India. 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. The Central Government has not prescribed for maintenance of cost records under section 209(1)(d) of the Companies Act 1956.
9. (i) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess have been regularly deposited with the appropriate authorities.

- (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom 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.
- (iii) According to the record of the company and information and explanation given to us, there were no disputed dues outstanding as at 31.03.2010 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 31.03.2010 nor it has 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 debenture 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's Registration No. 002465N

sd/-
R. K. Mittal
Partner
M. N.o. 95459

Place : New Delhi
Date : 04.09.2010

BALANCE SHEET

AS AT 31ST MARCH, 2010

	SCHEDULE	(in Rupees) AS AT 31.03.2010	(in Rupees) AS AT 31.03.2009
1. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	84,779,340	42,389,670
b. Reserves and Surplus	2	99,945,860	132,708,792
		<u>184,725,200</u>	<u>175,098,462</u>
2. LOANFUNDS			
a. Secured Loans	3	145,931,305	59,688,685
b. Unsecured Loans	4	48,157,120	62,136,113
		<u>194,088,425</u>	<u>121,824,798</u>
3. Deferred Tax Liability (Net)		<u>21,079,519</u>	<u>20,014,853</u>
	TOTAL	<u><u>399,893,144</u></u>	<u><u>316,938,113</u></u>
2. APPLICATION OF FUNDS			
1. FIXEDASSETS			
a. Gross Block	5	<u>249,399,974</u>	<u>227,608,859</u>
b. Less Depreciation		<u>(87,948,289)</u>	<u>(77,251,017)</u>
c. Net Block		161,451,685	150,357,842
d. Capital Work-in-Progress		<u>19,375,459</u>	<u>1,251,953</u>
		180,827,144	151,609,795
2. CURRENT ASSETS, LOANS AND ADVANCES			
a. Inventories	6	188,393,221	119,135,836
b. Sundry Debtors	7	23,379,586	18,584,597
c. Cash and Bank Balances	8	15,330,778	30,447,492
d. Other Current Assets	9	10,462,165	5,712,053
e. Loans and Advances	10	<u>28,779,445</u>	<u>28,054,945</u>
		<u>266,345,195</u>	<u>201,934,923</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities	11	<u>(29,474,868)</u>	<u>(17,025,987)</u>
b. Provisions		<u>(18,007,026)</u>	<u>(19,884,666)</u>
Net Current Assets		218,863,301	165,024,270
3. MISCELLANEOUS EXPENDITURE	12	202,699	304,048
(to the extent not written off or adjusted)	TOTAL	<u><u>399,893,144</u></u>	<u><u>316,938,113</u></u>
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23		

As per our report of date, attached,
For K. K. JAIN & CO.,
Chartered Accountants,
Firm's Registration No. 002465N

sd/-
ANIL MODI
Chairman & Managing Director

sd/-
DEEPAK BANSAL
Director

sd/-
L. R. SHARMA
Chief Financial Officer

sd/-
KAVITA SHIVRAJ
Company Secretary

Place: New Delhi
Dated : 04.09.2010

sd/-
(R.K. MITTAL)
Partner
M.No.95459

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010

		(in Rupees)	(in Rupees)
	SCHEDULE	THIS YEAR	PREVIOUS YEAR
1. INCOME			
Turnover	13	1,158,085,819	1,209,147,493
Other Income and Receipts	14	9,897,960	20,330,710
Increase/(Decrease) in stocks	15	69,257,385	(58,467,899)
		<u>1,237,241,164</u>	<u>1,171,010,304</u>
2. EXPENDITURE			
Purchases	16	1,078,526,355	1,002,780,720
Power and Fuel		59,142,956	56,859,934
Personnel	17	26,616,933	21,741,459
Repairs and Maintenance	18	10,517,306	9,685,020
Administrative and Miscellaneous	19	8,708,214	4,869,908
Selling Expenses	20	11,987,124	11,453,930
Levies and Taxes	21	307,624	407,512
Financing Expenses	22	14,656,531	11,694,780
Loss on sale of assets		5,416	250,855
Settlement Loss		-	2,192,115
Depreciation		10,721,820	7,813,059
Amalgamation Expenses Written off		101,349	101,349
Profit for the year		15,949,536	41,159,663
		<u>1,237,241,164</u>	<u>1,171,010,304</u>
Profit before tax		15,949,536	41,159,663
Provision for Fringe Benefit Tax		-	(210,000)
Provision for Taxes		(4,939,000)	(10,280,000)
Excess Provision for Taxes Written Back		(319,132)	6,975
Deferred Tax		(1,064,666)	146,454
Profit after Tax		9,626,738	30,823,092
Balance brought forward		91,146,826	60,323,734
Less : Utilised for Issue of bonus shares		(42,389,670)	-
Surplus carried to Balance Sheet		<u>58,383,670</u>	<u>91,146,826</u>
Earning per share - basic and diluted (Rs.)		1.59	7.27
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23		

As per our report of date, attached,
For K. K. JAIN & CO.,
Chartered Accountants,
Firm's Registration No. 002465N

sd/-
ANIL MODI
Chairman & Managing Director

sd/-
DEEPAK BANSAL
Director

sd/-
L. R. SHARMA
Chief Financial Officer

sd/-
KAVITA SHIVRAJ
Company Secretary

Place: New Delhi
Dated : 04.09.2010

sd/-
(R.K. MITTAL)
Partner
M.No.95459

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(A) CASH FROM OPERATING ACTIVITIES

	This Year (Rs.)		Previous Year (Rs.)
Profit before Taxation	1,59,49,536		4,11,59,663
Adjustments for: Depreciation	1,07,21,820	78,13,059	
Foreign exchange	-	-	
Deferred revenue expenses incurred	-	-	
Deferred revenue expenses written off	1,01,349	1,01,349	
Provision for Gratuity	89,477	7,69,301	
Dividend income	-	-	
Profit(-)/loss on sale of assets (net)	5,416	(1,31,22,765)	
Interest expenses	1,36,73,895	2,45,91,957	1,05,96,261
	<u>4,05,41,493</u>		<u>4,73,16,868</u>
Operating profit before working Capital changes	-	-	-
Adjustments for:			
Trade and other receivable	(99,89,788)	(1,00,96,480)	
Inventories	(6,92,57,385)	5,84,67,899	
Trade payables	1,23,36,156	(6,69,11,017)	4,61,92,930
Cash generated from operations	(2,63,69,524)		9,35,09,798
Interest paid	(1,35,61,170)		(1,04,56,342)
Direct taxes paid (Net of Refund)	(75,05,062)		(99,70,769)
Cash flow before extra ordinary items	(4,74,35,756)		7,30,82,687
Extra ordinary items (net)	-		-
Net cash from operating activities	(A) <u>(4,74,35,756)</u>		<u>7,30,82,687</u>

(B) CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of fixed assets	(3,99,60,585)		(5,51,34,319)
Sale of fixed assets	16,000		2,33,98,500
(Purchase)/Sale of investments	-		-
Dividend received	-		-
Net cash used in investing activities	(B) <u>(3,99,44,585)</u>		<u>(3,17,35,819)</u>

(C) CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds from issue of share capital	-		-
Proceeds from borrowings	9,02,92,620		3,29,95,805
Repayments of borrowings	(1,80,28,993)		(5,59,47,920)
Repayment of finance lease liabilities	-		-
Dividend paid	-		-
Net Cash used in financing activities	(C) <u>7,22,63,627</u>		<u>(2,29,52,115)</u>
Net increase (decrease) in cash and Cash equivalents (A+B+C)	(1,51,16,714)		1,83,94,753
Cash and cash equivalents opening	3,04,47,492		1,20,52,739
Cash and cash equivalents closing	1,53,30,778		3,04,47,492
Net increase/decrease(-) as disclosed above	<u>(1,51,16,714)</u>		<u>1,83,94,753</u>

As per our report of date, attached,
For K. K. JAIN & CO.,
Chartered Accountants,
Firm's Registration No. 002465N

sd/-
ANIL MODI
Chairman & Managing Director

sd/-
DEEPAK BANSAL
Director

sd/-
(R.K. MITTAL)
Partner
M.No.95459

sd/-
L. R. SHARMA
Chief Financial Officer

Place: New Delhi
Dated : 04.09.2010

sd/-
KAVITA SHIVRAJ
Company Secretary

SCHEDULES TO BALANCE SHEET

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised 1,20,00,000 (Previous Year 75,50,000) Equity Shares of Rs.10/- each (Pursuant to Amalgamation)	<u>120,000,000</u>	<u>75,500,000</u>
Issued, Subscribed and Paid up: 84,77,934 (Previous year 42,38,967) Equity Shares of Rs.10/- each fully paid up includes (1) 20,26,592 Equity Shares (Previous Year 20,26,592) of Rs. 10/- Each Fully Paid Issued Pursuant To Scheme Of Amalgamations of J.P. Management Systems P. Ltd. with the Company	<u>84,779,340</u>	<u>42,389,670</u>
SCHEDULE 2: RESERVES & SURPLUS		
Capital Reserve	8,981,650	8,981,650
Share Premium on Amalgamation	13,846,480	13,846,480
General Reserve	18,733,836	18,733,836
Surplus Balance in Profit and Loss Account		
Opening Balance	91,146,826	60,323,734
Less : Utilised for issue of Bonus shares	42,389,670	-
Add : Current year profit	<u>9,626,738</u>	<u>30,823,092</u>
	<u>99,945,860</u>	<u>132,708,792</u>
SCHEDULE 3: SECURED LOANS		
TERM LOAN		
Bank of Baroda - against Factory Land & Building and Hypothecation of Plant & Machinery of all the units at Bisalpur Road and Bareilly Road Stock and Book Debts, Personal guarantees of Mr. Anil Modi and Mrs. Nita Modi and corporate guarantee of Das Investment Pvt. Ltd.	<u>26,675,930</u>	<u>-</u>
	<u>26,675,930</u>	<u>-</u>
OTHER LOANS (including interest accrued and due thereon)		
Bank of Baroda, Pilibhit - Cash Credit against hypothecation of raw materials, semi finished goods, finished goods, consumable stores, book debts, all securities and Motor Lorry receipts of units at Bisalpur Road and Bareilly Road, Pilibhit and personal guarantees of Mr. Anil Modi and Mrs. Nita Modi and corporate guarantee of Das Investment Pvt. Ltd.	119,255,375	59,688,685
	<u>145,931,305</u>	<u>59,688,685</u>
	<u>145,931,305</u>	<u>59,688,685</u>
SCHEDULE 4: UNSECURED LOANS		
Fixed Deposits	2,700,000	3,400,000
From Companies (including interest thereon)	41,407,120	58,736,113
Security Deposite from Dealers	<u>4,050,000</u>	<u>-</u>
	<u>48,157,120</u>	<u>62,136,113</u>

SCHEDULE 5: FIXED ASSETS

ITEM	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	COST AS AT 31.03.2009	ADDITIONS DURING THE YEAR	SALE & ADJ. DURING THE YEAR	COST AS AT 31.03.2010	UP TO 31.03.2009	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
TANGIBLE ASSETS (A)								
FREE HOLD LAND	7,647,943	1,708,720	-	9,356,663	-	-	9,356,663	7,647,943
BUILDING & FLAT	20,772,424	4,561,768	-	25,334,192	6,210,413	6,784,689	18,549,503	14,562,011
PLANT & MACHINERY	186,104,530	12,309,778	-	198,414,308	65,740,247	74,682,749	123,731,559	120,364,283
FURNITURE & FIXTURES	886,430	537,811	-	1,424,241	688,374	815,052	609,189	198,056
ELECTRICAL EQUIPMENTS	284,322	278,936	-	563,258	247,744	260,203	303,055	36,578
OFFICE EQUIPMENTS	1,871,078	517,473	-	2,388,551	1,242,785	1,403,351	985,200	628,293
VEHICLES	9,751,219	372,830	45,965	10,078,084	2,901,187	3,710,805	6,367,279	6,850,032
LAB EQUIPMENTS	205,914	1,268,410	-	1,474,324	152,268	191,768	1,282,556	53,646
SUB TOTAL A	227,523,860	21,555,726	45,965	249,033,621	77,183,018	87,848,617	161,185,004	150,340,842
INTANGIBLE ASSETS (B)								
COMPUTER SOFTWARES	85,000	78,401	-	163,401	68,000	88,663	74,738	17,000
WEBSITE DEVELOPMENT	-	202,952	-	202,952	-	11,009	191,943	-
TOTAL (A+B)	227,608,860	21,837,079	45,965	249,399,974	77,251,018	87,948,289	161,451,685	150,357,842
PREVIOUS YEAR	196,246,443	54,549,558	23,187,141	227,608,860	82,349,365	77,251,018	150,357,842	113,897,078

SCHEDULE 6: INVENTORIES

(as taken, valued and certified by the management)

Raw materials and Stores	57,467,206	28,620,921
Finished Goods	130,820,557	90,358,533
Traded Goods	105,458	156,382
	<u>188,393,221</u>	<u>119,135,836</u>

SCHEDULE 7: SUNDRY DEBTORS

(Considered good)

Fully Secured :-

Others	6,029,208	-
Unsecured :-		
Outstanding for more than six months	5,900	20,485
Others	17,344,478	18,564,112
	<u>23,379,586</u>	<u>18,584,597</u>

SCHEDULE 8: CASH AND BANK BALANCES

Cash on hand (including imprest)	542,246	3,095,836
Balances with Scheduled Banks on Current Accounts	14,373,532	27,296,735
Cheques/Drafts on hand	51,000	54,921
	<u>15,330,778</u>	<u>30,447,492</u>

SCHEDULE 9: OTHER CURRENT ASSETS

Subsidy Receivable	2,500,000	2,500,000
Interest Receivable	337,305	381,965
Insurance Claim Receivable	3,323,566	-
VAT Receivable	4,301,294	2,830,088
	<u>10,462,165</u>	<u>5,712,053</u>

SCHEDULE 10: LOANS AND ADVANCES

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received

Advance Tax (Pending adjustment)	11,377,428	11,828,156
Security Deposits	14,004,535	13,724,722
	<u>3,397,482</u>	<u>2,502,067</u>
	<u>28,779,445</u>	<u>28,054,945</u>

SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS
A. CURRENT LIABILITIES

Sundry Creditors:-	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	22,714,236	12,388,453
Advances	1,922,418	416,032

Tax Deducted at Source	879,132	1,045,520
Expenses Payable	3,239,722	2,456,196
Taxes and Cess Payable	239,453	136,292
Dividend Payable	367,182	443,575
Interest Accrued but not due	112,725	139,919
	<u>29,474,868</u>	<u>17,025,987</u>
B. PROVISIONS		
For Taxes	15,349,000	17,316,117
For Gratuity	2,658,026	2,568,549
	<u>18,007,026</u>	<u>19,884,666.00</u>
	<u>47,481,894</u>	<u>36,910,653</u>
SCHEDULE 12: MISCELLANEOUS EXPENDITURE		
(To the extent not Written off or adjusted)		
Amalgamation Expenses	304,048	405,397
Less :- Written off	(101,349)	(101,349)
	<u>202,699</u>	<u>304,048</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	THIS YEAR	PREVIOUS YEAR
SCHEDULE 13: TURNOVER		
Sales (net of returns)	1,158,100,873	1,209,478,050
Less: Rebates	(15,054)	(330,557)
	<u>1,158,085,819</u>	<u>1,209,147,493</u>
SCHEDULE 14: OTHER INCOME & RECEIPTS		
Interest (TDS Rs.3172 (Previous Year 22544))	103,382	402,172
Profit on Sale of Fixed Assets	-	13,373,620
Miscellaneous Income	9,765,890	6,544,624
Sundry Balances Written back	28,688	10,294
	<u>9,897,960</u>	<u>20,330,710</u>
SCHEDULE 15: INCREASE/(DECREASE) IN STOCKS		
OPENING STOCK		
Raw Materials and Stores	28,620,921	58,986,022
Finished Goods	90,358,533	118,617,713
Trading Goods	156,382	-
	<u>119,135,836</u>	<u>177,603,735</u>
CLOSING STOCK		
Raw Materials and Stores	57,467,206	28,620,921
Finished Goods	130,820,557	90,358,533
Traded Goods	105,458	156,382
	<u>188,393,221</u>	<u>119,135,836</u>
Increase/(Decrease) in Stocks	<u>69,257,385</u>	<u>(58,467,899)</u>
SCHEDULE 16: PURCHASES		
Cost of materials	1,058,769,956	983,336,5305
Freight & Transportation charges	17,768,485	17,292,094
Brokerage	1,987,914	2,152,096
	<u>1,078,526,355</u>	<u>1,002,780,720</u>
SCHEDULE 17: PERSONNEL		
Salaries, Wages, Allowances and Bonus	23,816,393	18,299,972
Managerial Remuneration	1,257,000	1,408,856
Contribution to PF and Other Funds	1,152,019	951,142
Training Expenses	6,400	9,967
Workmen and Staff Welfare Expenses	68,402	55,001
Gratuity	2,66,274	976,042
Medical	50,445	40,479
	<u>26,616,933</u>	<u>21,741,459</u>
SCHEDULE 18: REPAIRS AND MAINTENANCE		
Plant and Machineries	9,133,959	8,416,730
Civil	3,38,758	231,869
Others	1,044,589	1,036,421
	<u>10,517,306</u>	<u>9,685,020</u>

SCHEDULE 19: ADMINISTRATIVE AND MISCELLANEOUS

Insurance	635,472	618,575
Rates and Taxes	921,585	531,012
Rent Paid	65,000	-
Other Expenses	7,086,157	3,720,321
	<u>8,708,214</u>	<u>4,869,908</u>

SCHEDULE 20: SELLING EXPENSES

Brokerage and Commission	2,544,000	2,267,009
Freight Outward	8,755,477	8,470,385
Laboratory Expenses	209,136	101,327
Other Selling Expenses	478,511	615,209
	<u>11,987,124</u>	<u>11,453,930</u>

SCHEDULE 21: LEVIES AND TAXES

Sales Tax/Trade Tax	26,339	55,583
Excise Duty and Service Tax	281,285	351,929
	<u>307,624</u>	<u>407,512</u>

SCHEDULE 22: FINANCING EXPENSES

Interest :		
Term Loans	2,620,816	127,858
Banks	5,779,904	6,747,262
Others	5,273,175	3,721,141
Bank Charges	266,250	548,223
Other Financial Charges	716,386	550,296
	<u>14,656,531</u>	<u>11,694,780</u>

SCHEDULE 23: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

The accounts have been prepared under the historical cost convention as a going concern and are in accordance with applicable accounting standards. Revenue is recognised and expenses accounted for on accrual basis.
2. Inventory Valuation
 - a. Raw Materials, Consumables, Packing Material, Baggase and Paddy Husk

At weighted average cost
 - b. Finished Goods

At lower of average cost or net realisable value.
 - c. Stores & Spares

At cost on FIFO basis.
3. Fixed Assets and Depreciation
 - a. Fixed Assets

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

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.
 - b. 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.
4. 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.
5. 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.
7. Employee Benefits
 - a) Provident Fund : On accrual. The company makes regular contributions to Provident & Other Funds which are charged to Revenue.
 - b) Leave Encashment: Retirement benefits in respect of Leave Encashment are not applicable since the company pays leave encashment to employees every six months.
 - c) Gratuity : Liability in respect of Gratuity to employees has been determined and accounted on the basis of actuarial valuation.
8. Revenue Recognition
 - a) Sales are recognised on delivery and include that of Trading Goods.
 - b) Rent and Interest : on accrual.

- c) Other Miscellaneous Revenue are recognized when the amounts are actually received or the realisability is certain.
9. Exchange Rate Fluctuation
Transactions in Foreign Currency are recognised at rates prevailing at the time at which transactions have taken place.
Year-end balances are translated at the T.T. buying rate of exchange in case of Receivables and T.T. Selling rate for Payables as at the date of Balance Sheet.
Exchange differences on revenue account are dealt with in the Profit & Loss Account and those on Capital account are capitalised till such time as the asset is ready for its intended use.
10. Amortisation of expenses for Amalgamation
Amortised over a period of five years.
11. Deferred Taxation
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.
12. Impairment of Assets
The carrying amount of assets are reviewed at each Balance Sheet date. If there is an indication of impairment based on the internal and external factors.
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.
13. Provisions, Contingent
Provisions involving substantial degree of estimation in Liabilities and Contingent Assets 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.
14. 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.

B. NOTES ON ACCOUNTS:

1. CONTINGENT LIABILITIES (not provided for)

	This Year (Rs.)	Previous Year (Rs.)
a. Claims not accepted	38,30,142	38,30,142
b. Entry Tax	1,88,521	-

1. An Investment Incentive of Rs.50,00,000/- had been sanctioned to the company during 2007-08 in respect of its Pilibhit Unit, which had been capitalised by transfer to Capital Reserve.

2. Current Assets, Loans and Advances include Security Deposits:

- 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
3. 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.
 4. Income tax assessments for and upto assessment year 2008-09 have been made.
 5. Provision for Income Tax liability has been computed after taking into account allowable deduction under provisions of Income Tax Act, 1961 and is considered adequate.
 6. The company has, during the year, not received any intimation from its suppliers regarding their status under the The Micro, Small and Medium Enterprises Development Act, 2006 and hence the following information required under the said Act have not been given:-
 - a) Delayed payments due as at the end of each accounting year on account of principal and interest thereon.
 - b) Total interest paid on all delayed payments during the year under the provisions of the Act.
 - c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under the Act.
 - d) Interest accrued but not due.
 - e) Total interest due but not paid.

The company generally makes payment to all its suppliers within the agreed credit period (less than 45 days) and thus the management is confident that liability of interest under this Act, if any, would not be material.

7. 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, CEO
 - (B) Relatives of Key Management Personnel.
Smt. Satya Modi
Neha Modi
Nita Modi
 - (C) Enterprises over which key Management personnel, or his relative, has significant influence.
Anil Modi (HUF)
D.D. Modi (HUF)

- Note :
1. 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	17,76,840	3,39,450	-	15,42,416	2,13,300	-
Interest Paid	88,000	39,992	2,09,000	-	2,45,009	2,08,681
Finance:						
Fixed Deposit Repaid (Net)	-	7,00,000	-	-	27,00,000	-
Outstanding Payables:						
Remuneration	1,54,000	34,250	-	2,95,856	-	-
Fixed Deposit	8,00,000	-	19,00,000	-	1,50,00,000	19,00,000
Interest	30,161	-	82,564	-	58,575	81,344

8. Defined Benefit Plans as per Actuarial Valuations as on March 31, 2010 and recognised in the financial statements in respect of Employee Benefit Schemes:

	This Year	Previous year
	Gratuity	Gratuity
	Unfunded	Unfunded
I		
Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	2568549	1799248
Current Service Cost	393688	425254
Interest Cost	192641	125947
Actuarial (Gain)/Loss on Obligation	(320055)	414859
Benefits Paid	(176797)	(196759)
Present value of the obligation at the end of the year	2658026	2568549
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	26,58,026	25,68,549
Fair value of Plan Assets at the end of the year	-	-
Net Asset/(liability) recognized in balance sheet	(26,58,026)	(25,68,549)
IV		
Amounts Recognised in the statement of Profit and Loss		
Current Service Cost	3,93,688	4,25,254
Interest cost on Obligation	1,92,641	1,25,947
Expected return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognised in the year	(3,20,055)	41,4,859
Net Cost included in Personnel Expenses	2,66,274	9,66,060*

*Does not include gratuity of year amounting to Rs.9,982/- paid in respect of resigned, retired and terminated employees before 31.3.2009.

V			
Actuarial Assumptions			
Discount Rate		7.5%	7%
Expected Rate of Return on Plan Assets		-	-
Salary Escalation Rate		7.00	6.5
Employee Turnover	Upto 30 years	3%	3%
	Upto 44 years	2%	2%
	Above 44 years	1%	1%
Mortality		LIC (1994-96) duly modified	

9. Earning Per Share (EPS):

(a)	Calculation of Weighted Average Number of Equity Shares of (?)10/- each	- Number of equity share at the
	beginning of the year	beginning of the year
	- Shares issued during the year	42,38,967
	- Total Number of equity shares outstanding at the end of the year	42,38,967
	- Weighted average number of equity shares	60,50,690
(b)	Net Profit (Loss) after tax available for shareholders	96,26,738
(c)	Basic and diluted Earning (in Rupees) per share	1.59
		7.27

10. Deferred Tax Liability (Net)

	Deferred Tax Asset/ (Liability) as at 01.04.2009	Current Year (Charge) /Credit	Deferred Tax Asset/ (Liability) as at 31.3.2010
Difference of Depreciation between Provision in Books and claimed in Tax Return	(2,10,86,802)	(9,12,367)	(2,19,99,169)
Benefits to Employees	12,15,725	(1,80,975)	10,34,750
Taxes, Cess etc.	(1,43,776)	28,676	(1,15,100)
Total	(2,00,14,853)	(10,64,666)	(2,10,79,519)

13. The company's sole business segment is manufacture and sale 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.

14. Directors have been paid remuneration in terms of special resolution and in accordance with Schedule XIII to the Companies Act, 1956, as under:

	THIS YEAR	PREVIOUS YEAR
- Salary	12,57,000	1,11,30,00
- P.F. & Other Funds	1,50,840	1,33,560
- Commission	-	2,95,856
	14,07,840	15,42,416

Computation of Profit in accordance with Section 349 and 350 of the Companies Act, 1956 for the purpose of Section 198 of the said Act is as under:-

	THIS YEAR	PREVIOUS YEAR
Profit (Loss) for the year before taxation (as per Profit & Loss Account)	1,59,49,536	4,11,65,963
Add:- (a) Depreciation provided in the Accounts	1,07,21,820	78,13,059
(b) Director's Remuneration	14,07,840	15,42,416
(c) Loss on sale of Fixed Assets	5,416	2,50,855
Less:- (a) Depreciation as per section 350 of the Companies Act, 1956	2,80,84,612	5,07,72,293
(b) Profit on sale of Fixed Assets	1,07,21,820	78,13,056
Profit(Loss) u/s 349/350	<u>1,73,62,792</u>	<u>2,95,85,617</u>

Shri Anil Modi, Chairman & Managing Director has not been paid any commission during the current year due to inadequate profits.

15. Amount paid/payable to Auditors:
(included under Other Expenses)

	This Year	Previous Year
As Audit Fee	1,75,000	1,75,000
For Tax Audit	75,000	75,000
For Taxation Work	25,000	25,000
Service Tax	28,325	28,325
	<u>3,03,325</u>	<u>3,03,325</u>

16. Information pursuant to para 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable):

(QUANTITY IN METRIC TONNES & VALUE IN LAKHS)

	LICENSED		INSTALLED	
	THIS YEAR	PREVIOUS YEAR	THIS YEAR	PREVIOUS YEAR
SOLVENT UNITS - Rice Bran and other minor oil seed and cake (On the Basis of 240 working days)		NOT REQUIRED	1,20,000	1,20,000
REFINERY UNIT (On the Basis of 300 working days)		NOT REQUIRED	30000	30000
Oil Mill (on 100 Working Days)			22,500	22,500
Blending (On 300 working days)			15,000	-

The installed capacities, being technical matter, have been certified by the management.

II. ACTUAL PRODUCTION
(including for Captive Consumption)

	THIS YEAR (QTY.)	PREVIOUS YEAR (QTY.)
a. Rice Bran Oil	26396.24	26425.22
b. Other Oils	3631.455	3102.22
c. De-oiled Rice Bran Cake	65684.784	58145.952
d. Other Cakes	6178.276	6192.91
e. Fatty	1340.22	1127.495
f. Others	3122.13	3293.84

III. QUANTITATIVE DETAILS OF GOODS PRODUCED

(i) OPENING STOCK OF GOODS PRODUCED

	Qty.	Value	Qty.	Value
a. Rice Bran Oil	1634.485	635.578	1665.595	669.225
b. De-oiled Rice Bran	5849.230	232.665	12298.244	447.120
c. Fatty	166.77	30.114	203.375	67.30
d. Others	267.875	5.228	185.705	2.007
e. Sunflower DOC	-	-	8.748	0.53

(ii) CLOSING STOCK OF GOODS PRODUCED

a. Rice Bran Oil	2098.579	824.52	1634.485	635.578
b. De-oiled Rice Bran	8036.907	400.895	5849.230	232.665
c. Fatty	35.69	6.520	166.77	30.114
d. Other	147.64	6.860	267.875	5.228
e. Other Oils	134.76	69.410	-	-

(iii) TURNOVER (Excluding Loss in Transit & Inter Unit Transfer)

a. Rice Bran Oil	15991.92	6614.762	18005.33	7945.004
b. Other Oils	1773.145	796.119	1651.03	935.971
c. De-oiled Rice Bran	63497.107	3506.614	63879.797	2696.382
d. Fatty	1471.300	276.490	1164.10	233.290
e. Others	3242.36	81.523	3211.6	46.503
f. Sunflower DOC	2760.281	305.247	2756.858	226.014

IV. QUANTITATIVE DETAILS OF TRADED GOODS

(i) OPENING STOCK

a. DORB	-	-	-	-
b. Certified Sunflower Seed	3.9	1.56	-	-

(ii) PURCHASES

a. DORB	-	-	1807.15	10.57
b. Certified Sunflower Seed	-	-	5.1	1.96

(iii) TURNOVER

a. DORB	-	-	1807.15	11.11
b. Certified Sunflower Seed	1.27	.25	1.2	.50

(iv) CLOSING STOCK					
a. Certified Sunflower Seed	2.63	1.05	3.9	1.56	
V. RAW MATERIALS CONSUMED (including own Productions)					
(i) Indigenous:					
a. Rice Bran	79224.225	5962.225	70857.372	4477.27	
b. Rice Bran Oil					
-Purchases	8694.575	2976.720	10951.78	4125.46	
-Captive use	9552.86	-	8500.92	-	
c. Sunflower Seed	4725.06	869.455	4851.945	1087.72	
d. Sunflower Cake					
- Purchase	30.19	3.323	-	-	
- Captive use	3417.995	-	3444.8	-	
e. Sunflower Oil Captive	1723.55	-	1451.19	-	
f. Other Oil					
- Purchase	251.204	125.653	-	-	
- Captive	72.286	-	-	-	
g. Hexane (In Litres)	198442	78.451	215551	81.76	
	Total	306133.945	10015.827	315609.007	9772.22
	Percentage	100%	100%	100 %	100%
VI Remittance on account of dividend to non-resident shareholders			-	-	
VII Value of import on CIF basis of raw material			-	-	
VIII Expenditure in foreign currency			-	-	
IX Earning in foreign currency			-	-	
X Value of Export of F.O.B. basis			-	-	

17. 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 date, attached,
For K. K. JAIN & CO.,
Chartered Accountants,
Firm's Registration No. 002465N

sd/-
ANIL MODI
Chairman & Managing Director

sd/-
DEEPAK BANSAL
Director

sd/-
L. R. SHARMA
Chief Financial Officer

sd/-
KAVITA SHIVRAJ
Company Secretary

Place: New Delhi
Dated : 04.09.2010

s/d-
(R.K. MITTAL)
Partner
M.No.95459

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details
 Registration No. State Code
 Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)
 Public Issue Right Issue
 Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (amount in Rs. Thousand)

Total Liabilities	<input type="text" value="399893"/>	Total Assets	<input type="text" value="399893"/>
Sources of Funds			
Paid-up Capital	<input type="text" value="84779"/>	Reserve & Surplus	<input type="text" value="99946"/>
		Deffered Tax (Net)	<input type="text" value="21080"/>
Secured Loans	<input type="text" value="145931"/>	Unsecured Loans	<input type="text" value="48157"/>
Application of Funds			
Net Fixed Assets	<input type="text" value="180827"/>	Investments	<input type="text" value="NIL"/>
Net Current Assets	<input type="text" value="218863"/>	Misc. Expenditure	<input type="text" value="203"/>
Accumulated Loss	<input type="text" value="NIL"/>		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text" value="1237241"/>	Total Expenditure	<input type="text" value="1221292"/>
Profit/Loss before tax	<input type="text" value="+15949"/>	Profit/Loss after tax	<input type="text" value="9627"/>

(Please tick Appropriate box + for Profit, - for Loss)

Earning per Share in Rs. Dividend Rate %

V. Generic Names of Three Principal Products/Services of Company (as Per monetary terms)

Item Code No.	<input type="text" value="NOT KNOWN"/>
(ITC Code)	
Product Description	<input type="text" value="SOLVENT/UPGRADED VEGETABLE OILS"/>
Item Code No.	<input type="text" value="NOT KNOWN"/>
(ITC Code)	
Product Description	<input type="text" value="DEOILED CAKES"/>

For and on behalf of the Board

Place : New Delhi
 Date : 04.09.2010

sd/-
ANIL MODI
 Chairman & Managing Director

 modi naturals limited
(formerly Anil Modi Oil Industries Limited)
Regd. Office: 405 Deepali Building, 92, Nehru Place, New Delhi-110019

Attendance Slip

Regd. Folio No./Client ID :
Name & Address :
of First/Sole Shareholder :
No. of Shares held :

I hereby record my presence at the 36th Annual General Meeting of the Company on Thursday, 30th September, 2010 at 10.30 AM at Poorva Sanskritik Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi-110092.

Signature of Member/Proxy

Note : Member/Proxy wish to attend the meeting must bring this Attendance Slip to the meeting and handover at the entrance duly signed.

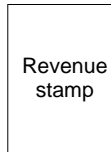
 modi naturals limited
(formerly Anil Modi Oil Industries Limited)
Regd. Office: 405 Deepali Building, 92, Nehru Place, New Delhi-110019

PROXY FORM

Regd. Folio No./Client ID :
No. of Shares held :

I/We
of being a Member/Members of the above named Company, hereby
appoint of or ailing him/her
..... as may/our proxy to attend and vote for me/us on my/our behalf at
the 36th Annual General Meeting of the Company on Thursday, 30th September, 2010 at 10.30 AM at Poorva Sanskritik
Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi-110092 and at any adjournment thereof.

Signed this day of 2010.



Note : a) **PROXY NEED NOT BE A MEMBER.**
b) **THE PROXY FORM DULY SIGNED BY THE MEMBER(S) ACROSS A REVENUE STAMP SHOULD REACH THE COMPANY'S REGISTERED OFFICE - MODI NATURALS LIMITED, 405 DEEPALI BUILDING, 92, NEHRU PLACE, NEW DELHI-110019 AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

BOOK POST

To

If undelivered, please return to :



modi naturals limited
(formerly Anil Modi Oil Industries Limited)

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