



modi naturals limited  
37th ANNUAL REPORT AND ACCOUNTS  
2010-2011



**Board of Directors**

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

**Bankers**

State Bank of India, Pilibhit  
Bank of Baroda, Pilibhit and New Delhi  
Axis Bank, Pilibhit

**Secretary**

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**

Pilibhit, Uttar Pradesh

**Registrar & Transfer Agents**

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

## LETTER TO THE SHAREHOLDERS

### Dear Shareholders,

It gives me great pleasure to welcome you to yet another fiscal of our Company through this Annual Report. Last year, we had indicated on becoming a 360 degree FMCG Company over the next 5 years. I am pleased to report that in the year under review, we have accelerated our growth momentum and have firmly stepped up in order to become one.

### Transforming Living

Our Company witnessed a wave of restructuring with the launch of Tarai Shudh and Tarai Tasty+, a premium edible mustard oil segment, in early 2010. Now, after over a year to this launch, we can proudly state the fact of Tarai gaining ground in the market, steadily and firmly.

With our constant endeavor to live by our motto "Healthy Living", this year we wish to leap forward by "**Going Beyond and bringing home the Mediterranean**" with **Oleev, a quality Olive Oil** in its three variants, being Extra Virgin, Extra Light and Pomace.

And we do not stop here! We further intend to "Go Beyond" by bringing to our customers, "**Oleev Active**", a premium blend of Rice Bran and Olive Oil, which shall be catering to the buoyant demand of the health oriented market.

### Positioned for significant growth

The year that went by experienced significant investment by Foreign Institutional Investors who opted to convert their Warrants into Equity, thereby placing their confidence in the growth capacity of our Company.

With our sound governance processes, internal controls, comprehensive product portfolio, high levels of competitiveness and innovation, we are confident of the sustainable growth that it promises to bring along.

### Looking Ahead

With a vision to nurture the country by providing healthy oils, we aim to:

- a) Adopt innovative business technologies to meet the desired results.
- b) Deliver products and brands of highest quality that earn the respect and loyalty of our customers.
- c) Live upto our responsibility towards society, by being an economic, intellectual, social asset for communities with which we interact.

As we move ahead in our journey, I would like to extend my heartfelt thanks to all our investors, employees and stakeholders for their tremendous support and to our Directors for the vision and wisdom with which they have conducted the deliberation of the Board.

I look forward to building upon the values that our Company represents, to harness our combined strength in talent & technique for achieving greater results in the years to come.

Thank You

sd/-

**Akshay Modi**  
Executive Director

Place : New Delhi  
Date : 03.09.2011

## NOTICE

Notice is hereby given that the 37<sup>th</sup> 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 Friday, 30<sup>th</sup> September, 2011 at 10.30 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2011 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 Sudhir Shankar Halwasiya, 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. M/s. 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 an ORDINARY RESOLUTION:

**RESOLVED THAT** Shri Akshay Modi who was appointed by the Board as an Additional Director with effect from 15<sup>th</sup> December, 2010 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company.

5. 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(s) 198, 269, 302, 309, 310 read with Schedule XIII and all other applicable provisions of Companies Act, 1956, if any, (including any statutory modification or re – enactment thereof) and such other approvals/sanctions as may be necessary, the Company hereby approves the appointment of Shri Akshay Modi as the Whole Time Director of the Company designated as the Executive Director for a period of three years with effect from 15<sup>th</sup> December, 2010 on the terms and conditions including as to remuneration, as recommended by the Remuneration Committee of the Board of Directors of the Company and as set out in the Explanatory Statement which shall deemed to form part thereof.

**RESOLVED FURTHER THAT** in the event of there being any loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Akshay Modi shall be the minimum payable to him in terms of the provisions of Schedule XIII of the Companies Act, 1956

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter, vary and/or revise the terms and conditions of the said appointment and/ or remuneration of Shri Akshay Modi, Executive Director so as to not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modification thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto.

**RESOLVED FURTHER THAT** in the event of any re-enactment or recodification of the Companies Act, 1956 or the Income Tax Act, 1961 or any 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 thereunder."

By order of the Board of Directors

Place : New Delhi  
Date : 03.09.2011

sd/-  
**(Purva Satija)**  
Company Secretary

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL NOT VOTE EXCEPT ON A POLL**
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting .
3. The Register of Members and Share Transfer Books of the Company will remain closed on Monday, 26/09/2011 to Friday, 30/09/2011 (both days inclusive).
4. In terms of Clause 49 of the Listing Agreement, a brief resume of Shri Sudhir Shankar Halwasiya forms part of the Notice. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business set out as above is annexed hereto.
5. All the documents referred in the accompanying Notice along with the Register of Directors Shareholding maintained under Section 307 of the Companies Act, 1956, shall be open for inspection for the members at the Annual General Meeting.
6. Members/Proxies are requested to bring their copy of Annual Report to the Meeting as extra copies will not be distributed.
7. 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 holding shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
8. 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.
9. 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.
10. Members desiring any information as regards accounts and operations are requested to forward their queries to the Company at its Registered Office atleast seven days prior to the date of the meeting so that the information is made available at the meeting.
11. The Members are requested to notify change, if any, in their addresses to the Registrar and Transfer Agent of the Company.
12. Annual Listing Fee for the year 2011-12 has been paid to the Bombay Stock Exchange Ltd. wherein shares of the Company are listed.
13. All the members are requested to fill in their e-mail addresses and their contact details in the form annexed hereto and send the same to the Company Secretary/ Registrar & Share Transfer Agent of the company.
14. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 37TH 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 : Shri Sudhir Shankar Halwasiya  
 Date of Birth : 03.10.1961  
 Qualification : B.Com  
 Experience : He is having rich managerial and administrative experience in running corporates and apart from being a business man of great repute, he is also a respected social worker.

### DIRECTORSHIP IN OTHER COMPANIES

- |   |  |
|---|--|
| 01) Ganeshdass Ramgopal Private Limited                   | 02) Halwasiya Properties Private Limited           |
| 03) Amrapalee Greens Apartments Private Limited           | 04) Halwasiya Financial Services Private Limited   |
| 05) Umatech Developers Private Limited                    | 06) Kumkum Greens Apartments Private Limited       |
| 07) Scolex Marketing Concept Private Limited              | 08) Umatech Real Estate Developers Private Limited |
| 09) Umatech Realtors Private Limited                      | 10) Umatech Township Private Limited               |
| 11) Target Trades Private Limited                         | 12) Gurujas Infrastructure Private Limited         |
| 13) Sri Harkrishan Colonisers & Promoters Private Limited | 14) Satya Nirman Private Limited                   |
| 15) Om Credit Pvt Ltd                                     | 16) Sheetla Vintrade Private Limited               |
| 17) Jaiganpati Infraprojects Private Limited              | 18) Gurkripa Infrabuild Private Limited            |
| 19) Richmond Marketing Private Limited                    | 20) Sky Bac Infotec Private Limited                |
| 21) Navyug Radiance School 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 BY SECTION 173(2) OF THE COMPANIES ACT, 1956

**Item No. 4 :** The appointment of Shri Akshay Modi as an Additional Director designated as Executive Director was made by the Board of Directors of the Company in its meeting held on 15<sup>th</sup> December, 2010 in accordance with the applicable provisions of the Companies Act, 1956 and Articles of Association of the Company. His appointment is being regularised as Director at the ensuing Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 with respect to his appointment.

The Board recommends passing of the Ordinary Resolution by the shareholders of the Company.

Except Shri Anil Modi and Shri Akshay Modi, no other Director of the Company is in any way concerned or interested in the proposed resolution.

**Item No. 5 :** The Remuneration Committee of the Company at its meeting held on 30<sup>th</sup> September, 2010 considered about the appointment of Shri Akshay Modi as the Whole Time Director of the Company in view of his excellent contribution to the Company's activities during his tenure as Chief Executive Officer of the Company. The Committee recommended to the Board of Directors of the company, the appointment of Shri Akshay Modi as Whole Time Director of the Company for a period of 3 years from 15<sup>th</sup> December, 2010 to 14<sup>th</sup> December, 2013 and also recommended the payment of ₹ 98,000/- as his overall remuneration per month.

The Board of Directors of the Company at its meeting held on 15<sup>th</sup> December, 2010 endorsed the recommendation made by the Remuneration Committee with respect to appointment and remuneration payable to Shri Akshay Modi. The details of remuneration payable to Shri Akshay Modi is as under

Basic Pay	₹ 50,000/- p.m
Rent free house	₹ 40,000/- p.m (from 15-12-2010 to 31-03-2011)
	₹ 48,000/- p.m (from 01-04-2011 to 14-12-2013)

Besides above, he would also be entitled to usual benefits as per the rules of the Company including reimbursement of telephone expenses as may be permissible to him.

The Explanatory Statement and the resolution at item no. 5 of the Notice may be treated as an abstract of the terms and memorandum of interest pursuant to the provisions of Section 302 of the Companies Act, 1956.

The Board recommend passing of the Ordinary Resolution by the shareholders of the Company.

None of the Directors of the Company except Shri Anil Modi and Shri Akshay Modi, is in any way concerned or interested in the resolution.

By order of the Board of Directors  
sd/-

Place : New Delhi  
Date : 03.09.2011

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 37<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2011.

### PERFORMANCE

The summarized financial results for the year ended 31<sup>st</sup> March, 2011 and for the previous year ended 31<sup>st</sup> March, 2010 are as follows:-

	((₹) in Lacs)	
	2010-11	2009-10
<b>Sales and Other Income</b>	<b>11357.85</b>	<b>12372.41</b>
<b>Profit before interest and depreciation</b>	<b>246.85</b>	<b>403.45</b>
Interest	126.20	136.74
<b>Profit before Depreciation and Tax</b>	<b>120.65</b>	<b>266.71</b>
Depreciation	118.02	107.22
Profit before Taxation	2.63	159.49
Provision for Taxation	1.86	49.39
Short provision for Taxes for earlier years	0.49	3.19
Provision for Deferred Tax	(3.63)	10.65
<b>Profit after Taxation</b>	<b>3.91</b>	<b>96.26</b>
Balance brought forward from previous year	583.84	487.58
Amount available for appropriation	587.75	583.84
<b>Appropriation</b>		
Surplus carried to Balance Sheet	587.75	583.84

### FOREIGN INSTITUTIONAL INVESTORS

Pursuant to Foreign Investment Promotion Board (FIPB) approval, 26,40,000 Optionally Convertible Warrants were issued by your company on preferential basis to three Foreign Institutional Investors. The Directors in their meeting held on 30<sup>th</sup> September, 2010 and 10<sup>th</sup> May, 2011 respectively have approved the conversion of these Warrants into Equity Shares. The paid up capital of your company on such conversion has become ₹ 11,11,79,340.

### 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 the compliance of conditions 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 Sudhir Shankar Halwasiya, retires by rotation, and, being eligible, offers himself for re-appointment. Your Directors recommend re-appointment of Shri Sudhir Shankar Halwasiya as Director on the Board.

Shri Akshay Modi was appointed as an Additional Director and designated as Executive Director by the Board of Directors at its meeting held on 15<sup>th</sup> December 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 93 of the Articles of Association of the company, he holds office as Director only up to the date of ensuing Annual General Meeting. The Board recommends that his appointment is regularised as Director and his appointment as Executive Director of the Company is also ratified at the ensuing Annual General Meeting of the Company.

During the year, Shri Deepak Bansal resigned as Director with effect from 1<sup>st</sup> October, 2010. The Board places on record its sincere appreciation for the services rendered by Shri. Deepak Bansal during his tenure as Director of the Company.

### DEPOSITS

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



## AUDITORS

The present Auditors M/s. 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 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.

## 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 Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. That the Directors had 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. That the Directors have prepared the annual accounts on a going concern basis.

## GREEN INITIATIVE

Your Company wishes to be a part of a green initiative of the Ministry of Corporate Affairs (MCA) so as to contribute towards a greener environment. Your Company proposes to send its annual report and other communications electronically to its shareholders and to enable your Company to do so, it is requested that shareholders may kindly fill in their e-mail ID details (in an enclosure annexed to this Annual Report) and send it back to the Company Secretary / Registrar and Share Transfer Agent of the Company.

The shareholders are also requested to alternatively post/ update their email id details on Company's website at [www.modinaturals.com](http://www.modinaturals.com).

## 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 are 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 : 03.09.2011

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. Green Initiative  
Your company has set up and commissioned a multi-fuel boiler for various agro fuels, thus increasing its usage of bio-fuels of its energy requirements. This helps reduce the company's carbon foot-print on the planet.
- b. Energy Conservation measures taken  
Your 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  
The Company has benefited from the investments earlier made in purchasing certain equipments which have contributed 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  
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 : 0.60 Lakhs

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At Modi Naturals 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 31.03.2011 is as under:

	Name of the Directors	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.	Shri Anil Modi	Chairman & Managing Director	9	Nil	Nil	Nil	Yes
2.	Shri S.S.Halwasiya	Non- Executive & Independent Director	9	Nil	Nil	Nil	Yes
3.	Shri Alok Garg	Non – Executive & Independent Director	9	Nil	Nil	Nil	No
4.	Shri Akshay Modi	Executive Director	2	Nil	Nil	Nil	Yes
5.	Shri Deepak Bansal @	Non Executive & Independent 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, Unlimited Companies, Foreign Companies and Alternate Directorships,

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

@ Shri Deepak Bansal resigned as Director with effect from 1st October, 2010

Nine Board Meetings were held during the period under review on 30/4/2010, 01/06/2010, 31/07/2010, 05/08/2010, 04/09/2010, 30/09/2010, 30/10/2010, 15/12/2010 and 31/01/2011.

### INFORMATION REGARDING RE-APPOINTMENT OF DIRECTORS

Shri Sudhir Shankar Halwasiya, 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 on 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

During the year Shri Deepak Bansal resigned on 1<sup>st</sup> October, 2010 as Director and consequently as Chairman of the Audit Committee of the Company. The Board of Directors of the Company at its meeting held on 30<sup>th</sup> October, 2010 reconstituted the Audit Committee comprising of three directors, out of which two are Independent and Non-Executive Directors.

Shri Sudhir Shankar Halwasiya, Independent and Non Executive Director is the Chairman of the Committee. Shri Anil Modi, Chairman and Managing Director and Shri Alok Garg, Independent and Non Executive Director 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<sup>th</sup> April, 2010, 31<sup>st</sup> July, 2010, 4<sup>th</sup> September, 2010, 30<sup>th</sup> October, 2010 and 31<sup>st</sup> January, 2011. Attendance in the above meetings is as follows:

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

## SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE

During the year Shri Deepak Bansal resigned on 1<sup>st</sup> October, 2010 as Director and consequently as member of the Shareholders/ Investors Grievance Committee of the company. The Board of Directors of the company at its meeting held on 30<sup>th</sup> October, 2010 reconstituted the Shareholders/ Investors Grievance Committee comprising of three directors, out of which two are Independent and Non-Executive Directors.

Shri Alok Garg, Independent and Non Executive Director is the Chairman of the Committee. Shri Anil Modi, Chairman and Managing Director and Shri Sudhir Shankar Halwasiya, Independent and Non Executive Director are its members. The Company Secretary of the Company acts as the Secretary of the Committee and is also the Compliance Officer of the Company.

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.

3 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 none remained outstanding at the end of the year under review.

## REMUNERATION COMMITTEE

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, the Remuneration Committee held its meeting on 30<sup>th</sup> September, 2010 and recommended the appointment as well as remuneration of Shri Akshay Modi as Executive Director of the Company .

### The details of remuneration paid to the Directors for the year ended 31<sup>st</sup> March,2011 are as under:-

							(in ₹)
Sl. NO.	Name Of the Director	Salary	Perquisites and other benefits	Commission	Others	Sitting Fee	Total
1.	Mr. Anil Modi	15,00,000	1,80,000	----	---	----	16,80,000
2.	Mr Akshay Modi	1,75,000	1,47,604	----	----	----	3,22,604

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

## ANNUAL GENERAL MEETING

Location and time of the last three Annual General Meetings of the Company:-

Year	Date	Location	Time	Special Resolution passed (Yes/ No)
2010	30/09/2010	Poorva Sanskrit Centre, 14, District Centre, Laxmi Nagar, Delhi-110092	10.30 A.M	Yes
2009	30/09/2009	Poorva Sanskrit Centre, 14, District Centre, Laxmi Nagar, Delhi-110092	10.30 A.M	Yes
2008	30/09/2008	Poorva Sanskrit Centre, 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 -10 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 Chairman and Managing Director 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 3rd September, 2011.

### MEANS OF COMMUNICATION

Wide publicity is accorded to the Quarterly, Half-yearly and the Annual Results which are published in widely circulated national English and Hindi dailies as required under the Listing Agreement with the Stock Exchanges. The same are also faxed to the Bombay Stock Exchange Limited where the Company is listed.

The same are regularly posted at the Company's website, [www.modinaturals.com](http://www.modinaturals.com) under the section "Investor Relations".

The Company has its web site having updated details about the Company, shareholding pattern on quarterly basis and other statutory disclosures. The financial results are being regularly posted on the Company's web site, i.e. [www.modinaturals.com](http://www.modinaturals.com). The Company also has an exclusive e-mail ID i.e. [investors@modinaturals.com](mailto:investors@modinaturals.com) for investors to contact the Company in case of any information and grievances.

The shareholders are requested to kindly update their email id and changes in their other details on company's website under "Investor Relations". The shareholders are also having an option to fill in and send their updated details in the E-Communication registration form attached in this report to the Company Secretary / Registrar and Share Transfer Agent of the Company.

### GENERAL SHAREHOLDERS INFORMATION

37<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Friday, 30<sup>th</sup> September, 2011 at 10.30 A.M at Poorva Sanskrit Centre, 14, District Centre, Laxmi Nagar, Delhi-110092 as per the notice enclosed with the Annual Report.

## Financial Calendar

The Company follows the financial year from April to March. The Un-audited Financial Results for the first three quarters and the Audited Financial Results for the year ended 31st March, 2011, were taken on record and approved by the Board in its meeting(s) held on the following dates:

Quarter Ended	Date of Board Meeting
April-June, 2010	31 <sup>st</sup> July, 2010
July-September, 2010	30 <sup>th</sup> October, 2010
October-December, 2010	31 <sup>st</sup> January, 2011
Year Ended	
31st March, 2011	10 <sup>th</sup> May, 2011

**Book Closure:** Monday, 26/09/2011 to Friday, 30/09/2011 (both days inclusive)

## Listing on Stock Exchange

The company is listed on the following Stock Exchange:-

Stock Exchange	Stock Code
The Bombay Stock Exchange Limited	519003

The Company has paid the listing fees to BSE for the year 2011-2012.

## Market Price Data

Monthly High & Low quotes and Volume of Shares traded during the year are as follows:-

Month	High	Low	Volume
April,2010	14.91	12.10.	21900
May,2010	14.10	11.78	23600
June,2010	13.99	11.93	8700
July,2010	15.79	12.51	26900
August,2010	28.70	13.06	137900
September,2010	22.75	16.65	26200
October,2010	20.00	16.60	17300
November,2010	18.40	14.35	17900
December,2010	17.50	12.60	18600
January,2011	14.40	11.23	7800
February,2011	13.65	10.70	9300
March,2011	13.81	10.46	8000

## 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  
 Tel.: 011-30857573  
 Fax : 011-30857562

### 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 of the monitors the system.

### Distribution of Equity Shareholding of the company as on 31<sup>st</sup> March, 2011

Shareholding	Number of Shareholders	Number of Shares	% of total Shares
Upto 500	4146	1092540	10.36
501-1000	314	251970	2.39
1001-2000	201	351639	3.33
2001-3000	28	68060	0.65
3001-4000	19	68015	0.64
4001-5000	6	27410	0.26
5001-10000	11	76260	0.72
10000 and above	18	8614040	81.65
<b>Total</b>	<b>4743</b>	<b>10549934</b>	<b>100.00</b>

### 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.

41.63% of the Company's Paid up Equity Share Capital has been dematerialized upto 31<sup>st</sup> March, 2011.

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

26,40,000 Optionally Convertible Warrants were issued on preferential basis to three Foreign Institutional Investors on 5<sup>th</sup> August 2010. These warrants have been converted into equity shares as per their terms of issue. As on date, the paid up capital of the Company is ₹ 11,11,79,340.

### Location of Plant of the Company

#### Modi Naturals Limited

Bisalpur Road,  
Pilibhit - 262 001, Uttar Pradesh

### Address for Correspondence

All the queries of investors may be sent at the following address:

#### Modi Naturals Limited

405, Deepali Building  
92, Nehru Place  
New Delhi – 110019  
Tel.: 011-46597993  
Fax.: 011-46597994

These may also be e-mailed at [investors@modinaturals.com/](mailto:investors@modinaturals.com/) [purvasatija@modinaturals.com](mailto:purvasatija@modinaturals.com)

### 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 the prescribed Form 2B for this purpose.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

#### a. Global Scenario

During the global financial crisis, developing and emerging economies, mostly in Asia and Latin America stayed almost untouched. Instead they registered growth that was independent of the global financial turmoil. The decoupling theory floated by certain western economists is coming true – today emerging Asian countries like India, China, Indonesia and Malaysia have built robust domestic economies of their own. Over the past decade these countries have seen significant economic progress; today most of them have a young and productive population. Income generation avenues in these countries have improved and thus, aspiration led better standards of living are a reality.

Emerging markets, especially India, will see significant action from the international community in terms of investments and participation. Today, any global company cannot truly call itself international, without a significant presence in India. While China is seen as the world's manufacturing hub, the next decade will see India arrive on the world scene as the preferred destination for R&D, services and human talent.

Global commodity and crude oil prices have stabilized to realistic levels in the last year.

#### b. Indian Market Scenario

The Indian edible oil sector is, by and large, a price conscious and price sensitive market, as a substantial part of consumption takes place at the bottom end of the pyramid. The propensity to consume is correlated with the changes in prices of edible oil and the quantum of disposable income. With rising incomes, food remains an important item of expenditure to warrant large share of incremental spending. Edible oil is and will remain an important constituent of dietary plan despite varied eating habits and varied methods of cooking across the different states/regions in the country. Also, the growth of edible oil in packed form has far exceeded the industry wide growth rate. In the foreseeable future, it is envisaged that the overall quantum of edible oil consumption will continue to grow significantly in the packed segment, with the pattern of consumption shifting from unpacked to packed form due to factors, amongst others, rising incomes coupled with changes in household demographics, improving health consciousness, growing organized retail improving reach of the products across the country, visual advertisements etc.

Keeping in view the steady rate of GDP growth and Income growth expected in India, it is estimated that the domestic demand for edible oil in India, will also consequently rise. According to the industry estimates, the consumption of edible oil will increase from the current level of 15 million MT to over 20 million MT by the year 2015.

The Edible Oil industry is in consolidation phase. Enterprises having strong business capabilities in terms of integration, risk management, working capital management, efficiencies in procurement, logistics and distribution, manufacturing presence at strategic locations across the country and strong consumer focus, that have undertaken expansion of their market share through organic and inorganic route coupled with introduction of new and innovative products - including presence through branded products, will enjoy the gains in the times to come.

### 2. OPPORTUNITIES AND THREATS

#### a. Opportunities

Recent statistics and forecasts by analysts and experts show an interesting trend – domestic demand for edible oil in India will reach 30 million MT by 2020 from the current 15 million MT with an annual CAGR growth of 7%. The share of higher margin branded sales is expected to rise significantly from the current 25% to nearly 50-60% of market share by 2015.

To grab these opportunities, starting with the launch of Tarai, Company's first brand of Edible Oil in early 2010, the Company has gone beyond with Oleev and Oleev Active, this year. The Company has also ventured into the manufacturing of Rice Bran Wax.

#### 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., our Company is currently present in the Rice Bran, Sunflower and Mustard Oils segments.
- b. **Product :** The Product Portfolio of the Company encompasses:

#### OILS:

- **Rice Bran Oil:** Our Company has been at the forefront of the research and development of the best quality Rice oil. Keeping the nutritional qualities of brown rice intact, our rice bran oil is the ideal cooking medium that promises great health.
- **Tarai Shudh:** Tarai Shudh is pure Kacchi Ghaani Mustard Oil at its best, as it has 25% more flavour than the Agmark Grade 1 standard.
- **Tarai Tasty+:** A healthy blend of Mustard and Rice Bran Oil.
- **Sunflower Oil:** To ensure such high standards in quality we acquire the best sunflower seeds from the Himalayan Region and then process it under the most stringent quality standards.
- **Mustard Oil:** We make sure that the mustard oil we package is from the finest mustard producing regions of India. Following are our variants of Packaged Mustard Oil:
  - Kacchi Ghaani
  - Pakki Ghaani
  - Refined
- **Oleev:** Oleev brings you the magic of Mediterranean Olive Oils from the rich and fertile land of Andalucia in Spain.

#### WAXES:

- **Refined Rice Bran Wax:** Vegetable Wax extracted from the bran oil of rice used in paper coating, textiles, fruit & vegetable coatings, pharmaceuticals, candles etc.

### 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.
- In addition to the ISO 9001:2008 and AGMARK certifications, the Company has received the HACCP certification, the global standard for food safety.

### 5. FINANCIAL AND OPERATIONAL PERFORMANCE

The Turnover of the company has decreased from ₹ 115.81 crores to ₹ 110.33 crores, owing to increased stock of finished goods and declining global commodity prices.

### 6. HUMAN RESOURCE DEVELOPMENT

- The Company considers its Human Resource as important asset and is proud to have highly engaged, committed and loyal employees, which we believe, differentiate the way we conduct business as part of its endeavor to foster an enabling culture.
- Management is keen on following the best practices for attracting, retaining and enhancing human resources of the Company. All dues are paid in time, leaving no scope for labour unrest.

## CEO/CFO CERTIFICATION

To  
The Board of Directors  
Modi Naturals Limited

Dear Sirs,

**Sub:** CEO/CFO Certificate  
(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

On the basis of the review of the Financial Statements and Cash Flow Statement for the Financial year ended 31st March, 2011, 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, 2011 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.

Yours Sincerely,

Place : New Delhi  
Date : 03.09.2011

sd/-  
( Pradeep Kapoor )  
Chief Financial Officer

sd/-  
( Anil Modi )  
Chairman & Managing Director

---

---

**AUDITOR'S CERTIFICATE  
ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

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, 2011 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, 2011, that three complaints were received and no complaint was 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

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

Place : New Delhi  
Date : 03.09.2011

## AUDITORS' REPORT TO THE MEMBERS OF MODI NATURALS LIMITED

We have audited the attached Balance Sheet of MODI NATURALS LIMITED as at 31<sup>st</sup> March, 2011 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 31.03.2011, 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 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<sup>st</sup> March, 2011, 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 and on behalf of  
**K. K. Jain & Co.**  
Chartered Accountants,  
Firm's Registration No. 002465N

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

Place : New Delhi  
Date : 03.09.2011

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MODI NATURALS LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011**

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 three parties covered in the register mentioned under section 301 of the Companies Act 1956. The maximum amount involved during the year was ₹ 2,34,88,403/- and the year-end balance of loan taken from such parties was ₹ 2,33,21,132/-.  
(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. 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) 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 ₹ 7,000/- on a/c of PF and ₹16,113/- in respect of Service Tax which were deposited late.

- (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<sup>st</sup> March, 2011 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<sup>st</sup> March, 2011 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 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 and on behalf of  
**K. K. Jain & Co.**  
Chartered Accountants,  
Firm's Registration No. 002465N

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

Place : New Delhi  
Date : 03.09.2011

**BALANCE SHEET**  
**AS AT 31ST MARCH, 2011**

	SCHEDULE	AS AT 31.03.2011 (in ₹)	AS AT 31.03.2010 (in ₹)
<b>1. SOURCES OF FUNDS</b>			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	105,499,340	84,779,340
b. Optional Convertible Warrants	1a	8,520,000	-
c. Reserves and Surplus	2	<u>141,777,239</u>	<u>99,945,860</u>
		<u>255,796,579</u>	<u>184,725,200</u>
2. LOAN FUNDS			
a. Secured Loans	3	133,788,211	145,931,305
b. Unsecured Loans	4	<u>54,027,394</u>	<u>48,157,120</u>
		<u>187,815,605</u>	<u>194,088,425</u>
3. Deferred Tax Liability (Net)		<u>20,716,170</u>	<u>21,079,519</u>
	TOTAL	<u>464,328,354</u>	<u>399,893,144</u>
<b>2. APPLICATION OF FUNDS</b>			
1. FIXED ASSETS			
a. Gross Block	5	303,463,532	249,399,974
b. Less Depreciation		<u>(99,219,682)</u>	<u>(87,948,289)</u>
c. Net Block		204,243,850	161,451,685
d. Capital Work-in-Progress		72,133	19,375,459
		<u>204,315,983</u>	<u>180,827,144</u>
2. CURRENT ASSETS, LOANS AND ADVANCES			
a. Inventories	6	215,134,270	188,393,221
b. Sundry Debtors	7	30,767,278	23,379,586
c. Cash and Bank Balances	8	11,183,416	15,330,778
d. Other Current Assets	9	7,974,026	10,462,165
e. Loans and Advances	10	<u>21,614,038</u>	<u>28,779,445</u>
		<u>286,673,028</u>	<u>266,345,195</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities	11	(27,363,555)	(29,474,868)
b. Provisions		<u>(3,318,399)</u>	<u>(18,007,026)</u>
Net Current Assets		255,991,074	218,863,301
3. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
	12	<u>4,021,297</u>	<u>202,699</u>
	TOTAL	<u>464,328,354</u>	<u>399,893,144</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**  
 Managing Director

sd/-  
**AKSHAY MODI**  
 Whole-time Director

sd/-  
**PRADEEP KAPOOR**  
 Chief Financial Officer

sd/-  
**(R. K. MITTAL)**  
 Partner  
 M.No.95459  
 21

Place : New Delhi  
 Date : 03.09.2011

sd/-  
**PURVA SATIJA**  
 Company Secretary

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH, 2011**

	<b>SCHEDULE</b>	<b>THIS YEAR</b> (in ₹)	<b>PREVIOUS YEAR</b> (in ₹)
1.	<b>INCOME</b>		
	Turnover	1,103,294,123	1,158,085,819
	Other Income and Receipts	5,750,075	9,897,960
	Increase/(Decrease) in stocks	<u>26,741,049</u>	<u>69,257,385</u>
		<u>1,135,785,247</u>	<u>1,237,241,164</u>
2.	<b>EXPENDITURE</b>		
	Purchases	978,144,703	1,078,526,355
	Power and Fuel	62,489,458	59,142,956
	Personnel	33,067,536	26,616,933
	Repairs and Maintenance	9,256,692	10,517,306
	Administrative and Miscellaneous	10,449,566	8,708,214
	Selling Expenses	15,187,290	11,987,124
	Levies and Taxes	418,653	307,624
	Financing Expenses	14,369,204	14,656,531
	Loss on sale of assets	85,638	5,416
	Settlement Loss	150,435	-
	Depreciation	11,801,961	10,721,820
	Amalgamation Expenses Written off	101,349	101,349
	Profit for the year	<u>262,762</u>	<u>15,949,536</u>
		<u>1,135,785,247</u>	<u>1,237,241,164</u>
	Profit before tax	262,762	15,949,536
	Provision for Taxes	(185,986)	(4,939,000)
	Short Provision for Taxes	(48,746)	(319,132)
	Deferred Tax	363,349	(1,064,666)
	Profit after Tax	391,379	9,626,738
	Balance brought forward	58,383,894	91,146,826
	Less: Utilised for issue of bonus shares	-	(42,389,670)
	Surplus carried to Balance Sheet	<u>58,775,273</u>	<u>58,383,894</u>
	Earning Per Share at face value of ₹ 10/- each		
	Basic	0.04	1.59
	Diluted	0.04	1.59
	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**  
 Managing Director

sd/-  
**AKSHAY MODI**  
 Whole-time Director

sd/-  
**PRADEEP KAPOOR**  
 Chief Financial Officer

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

sd/-  
**PURVA SATIJA**  
 Company Secretary

Place : New Delhi  
 Date : 03.09.2011



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

### (A) CASH FROM OPERATING ACTIVITIES

	<b>This Year</b>	<b>Previous Year</b>	
	(in ₹)	(in ₹)	
Profit before Taxation	2,62,762	1,59,49,536	
Adjustments for:			
Depreciation	1,18,01,961	1,07,21,820	
Foreign exchange	-	-	
Deferred revenue expenses incurred	(39,19,947)	-	
Deferred revenue expenses written off	1,01,349	1,01,349	
Provision for Gratuity	4,74,387	89,477	
Profit(-)/loss on sale of assets (net)	82,389	5,416	
Interest expenses	1,26,19,986	2,11,60,125	1,36,73,895
	<u>2,14,22,887</u>	<u>4,05,41,493</u>	
Operating profit before working Capital changes	-	-	
Adjustments for:			
Trade and other receivable	(1,16,88,216)	(99,89,788)	
Inventories	(2,67,41,048)	(6,92,57,385)	
Trade payables	(22,24,039)	(4,06,53,303)	1,23,36,156
		<u>(6,69,11,017)</u>	
Cash generated from operations	(1,92,30,416)	(2,63,69,524)	
Interest paid	(1,25,07,261)	(1,35,61,170)	
Direct taxes paid (Net of Refund)	(14,43,677)	(75,05,062)	
Cash flow before extra ordinary items	(3,31,81,354)	(4,74,35,756)	
Extra ordinary items (net)	-	-	
Net cash from operating activities (A)	<u>(3,31,81,354)</u>	<u>(4,74,35,756)</u>	

### (B) CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of fixed assets	(3,56,01,081)	(3,99,60,585)	
Sale of fixed assets	2,27,893	16,000	
(Purchase)/Sale of investments		-	
Dividend received		-	
Net cash used in investing activities (B)	<u>(3,53,73,188)</u>	<u>(3,99,44,585)</u>	

### (C) CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds from issue of share capital (including Share Warrants)	7,06,80,000	-	
Proceeds from borrowings	(62,72,820)	9,02,92,620	
Repayments of borrowings	-	(1,80,28,993)	
Repayment of finance lease liabilities	-	-	
Dividend paid	-	-	
Net Cash used in financing activities (C)	<u>6,44,07,180</u>	<u>7,22,63,627</u>	
Net increase (decrease) in cash and Cash equivalents (A+B+C)	(41,47,362)	(1,51,16,714)	
Cash and cash equivalents opening	1,53,30,778	3,04,47,492	
Cash and cash equivalents closing	1,11,83,416	1,53,30,778	
Net increase/decrease(-) as disclosed above	<u>(41,47,362)</u>	<u>(1,51,16,714)</u>	

As per our report of date, attached,

sd/-

**For K. K. JAIN & CO.,**

Chartered Accountants,

Firm's Registration No.002465N

sd/-

**ANIL MODI**

Managing Director

sd/-

**AKSHAY MODI**

Whole-time Director

sd/-

**PRADEEP KAPOOR**

Chief Financial Officer

sd/-

**PURVA SATIJA**

Company Secretary

sd/-

**(R. K. MITTAL)**

Partner

M.No.95459

Place : New Delhi

Date : 03.09.2011

## SCHEDULES TO BALANCE SHEET

	<b>AS AT</b> <b>31.03.2011</b> (in ₹)	<b>AS AT</b> <b>31.03.2010</b> (in ₹)
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
Authorised 1,20,00,000 (Previous year 75,50,000) Equity Shares of ₹ 10/- each (Pursuant to Amalgamation)	120,000,000	120,000,000
Issued, Subscribed and Paid up: 1,05,49,934 (Previous year 84,77,934) Equity Shares of ₹ 10/- each fully paid up (Includes (1) 20,26,592 Equity Shares (Previous Year 20,26,592) of ₹ 10/- Each Fully Paid Issued Pursuant To Scheme Of Amalgamations of J.P. Management Systems P. Ltd. with the Company and (2) 4238967 equity shares (previous year 4238967) issued as Bonus shares by way of capitalisation of Profits) (3) 2072000 (Previous Year Nil) Equity Shares issued by way of conversion of Optional Convertible Warrants)	<u>105,499,340</u>	<u>84,779,340</u>
<b>SCHEDULE 1(a) : OPTIONAL CONVERTIBLE WARRANTS</b>		
568000 (Previous Year Nil) Optional convertible Warrants of Rs 30/-each partly paid up Rs 15/- each	<u>8,520,000</u> 8,520,000	- -
<b>SCHEDULE 2: RESERVES &amp; SURPLUS</b>		
Capital Reserve	8,981,650	8,981,650
General Reserve	18,733,836	18,733,836
Share Premium		
Opening balance	13,846,480	13,846,480
Add : Addition during the year	41,440,000	-
Surplus Balance in Profit and Loss Account		
Opening Balance	58,383,894	91,146,826
Less: Utilised for issue of Bonus shares	-	42,389,670
Add: Current year profit	<u>391,379</u>	<u>9,626,738</u>
	<u>141,777,239</u>	<u>99,945,860</u>
<b>SCHEDULE 3: SECURED LOANS</b>		
<b>TERM LOAN</b>		
Bank of Baroda, Pilibhit -against equitable mortgage of Factory Land & Building and Hypothecation of Plant & Machinery of all the units at Bisalpur Road and Bareilly Road, Stock and Book Debts, Personal guarantees of Mr. Anil Modi and Mrs. Nita Modi and corporate guarantee of Das Investments Pvt. Ltd.	<u>20,587,649</u> <u>20,587,649</u>	<u>26,675,930</u> <u>26,675,930</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 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 Investments Pvt. Ltd.

	113,200,562	119,255,375
	<u>113,200,562</u>	<u>119,255,375</u>
	<u>133,788,211</u>	<u>145,931,305</u>

## SCHEDULE 4: UNSECURED LOANS

Fixed Deposits	2,700,000	2,700,000
From Companies (including interest thereon)	20,621,132	41,407,120
From Banks - Axis Bank against Personal Guarantee of Sh Anil Modi, Managing Director (Due within one year Rs 3,00,00,000)	30,000,000	-
Bank of baroda - Car Loan (Due within one year Rs 2,68,762)	706,262	-
Security Deposits from Dealers	-	4,050,000
	<u>54,027,394</u>	<u>48,157,120</u>

## SCHEDULE 5: FIXED ASSETS

ITEM	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	COST AS AT 31.03.2010	ADDITIONS DURING THE YEAR	SALE & ADJ. DURING THE YEAR	COST AS AT 31.03.2011	UP TO 31.03.2010	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
<b>TANGIBLE ASSETS (A)</b>								
FREE HOLD LAND	9,356,663	424,410		9,781,073	-	-	9,781,073	9,356,663
BUILDING & FLAT	25,334,192	10,730,612		36,064,804	6,784,689	7,467,936	28,596,868	18,549,503
PLANT & MACHINERY	198,414,308	41,704,906		240,119,214	74,682,749	84,525,927	155,593,287	123,731,559
FURNITURE & FIXTURES	1,424,241			1,424,241	815,052	866,158	558,083	609,189
ELECTRICAL EQUIPMENTS	563,258	403,039		966,297	260,203	285,996	680,301	303,055
OFFICE EQUIPMENTS	2,388,551	194,420		2,582,971	1,403,351	1,605,854	977,117	985,200
VEHICLES	10,078,084	1,158,482	840,850	10,395,716	3,710,805	4,057,050	6,338,666	6,367,279
LAB EQUIPMENTS	1,474,324	129,707		1,604,031	191,768	259,231	1,344,800	1,282,556
<b>SUB TOTAL A</b>	<b>249,033,621</b>	<b>54,745,576</b>	<b>840,850</b>	<b>302,938,347</b>	<b>87,848,617</b>	<b>99,068,152</b>	<b>203,870,195</b>	<b>161,185,004</b>
<b>INTANGIBLE ASSETS (B)</b>								
COMPUTER SOFTWARES	163,401		-	163,401	88,663	104,343	59,058	74,738
WEBSITE DEVELOPMENT	202,952	158,832		361,784	11,009	47,187	314,597	191,943
<b>TOTAL (A+B)</b>	<b>249,399,974</b>	<b>54,904,408</b>	<b>840,850</b>	<b>303,463,532</b>	<b>87,948,289</b>	<b>99,219,682</b>	<b>204,243,849</b>	<b>161,451,685</b>
PREVIOUS YEAR	227,608,860	21,837,079	45,965	249,399,974	77,251,018	87,948,289	161,451,685	150,357,842
Note : Addition includes borrowing cost capitalised during the year aggregating to ₹ 28,10,862.00 (Previous Year ₹ 11,66,796.00)								

## SCHEDULE 6: INVENTORIES

(as taken, valued and certified by the management)

Raw materials and Stores	63,603,310	57,467,206
Finished Goods	150,880,036	130,820,557
Traded Goods	650,924	105,458
	<u>215,134,270</u>	<u>188,393,221</u>

## SCHEDULE 7: SUNDRY DEBTORS

(Considered good)

Fully Secured :-

Outstanding for more than six months	547,858	-
Others	-	6,029,208
Unsecured:-		
Outstanding for more than six months	109,691	5,900
Others	30,109,729	17,344,478
	<u>30,767,278</u>	<u>23,379,586</u>

**SCHEDULE 8: CASH AND BANK BALANCES**

Cash in hand (including imprest)	1,161,546	542,246
Balances with Scheduled Banks in Current Accounts	9,985,249	14,737,532
Cheques/Drafts in hand	36,621	51,000
	<u>11,183,416</u>	<u>15,330,778</u>

**SCHEDULE 9: OTHER CURRENT ASSETS**

Subsidy Receivable	2,500,000	2,500,000
Interest Receivable	181,324	337,305
Insurance Claim Receivable	1,866	3,323,566
VAT Receivable	5,290,836	4,301,294
	<u>7,974,026</u>	<u>10,462,165</u>

**SCHEDULE 10: LOANS AND ADVANCES**

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	18,364,390	11,377,428
Advance Tax (Pending adjustment)	50,466	14,004,535
Security Deposits	3,199,182	3,397,482
	<u>21,614,038</u>	<u>28,779,445</u>

**SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS**
**A. CURRENT LIABILITIES**

Sundry Creditors:-

- Total outstanding dues of Micro Enterprises & Small Enterprises	12,161	-
- Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	21,131,325	22,714,236
Advances	1,278,953	1,922,418
Tax Deducted at Source	801,394	879,132
Expenses Payable	3,587,252	3,239,722
Taxes and Cess Payable	72,563	239,453
Dividend Payable	367,182	367,182
Interest accrued but not due	112,725	112,725
	<u>27,363,555</u>	<u>29,474,868</u>

**B. PROVISIONS**

For Taxes	185,986	15,349,000
For Gratuity	3,132,413	2,658,026
	<u>3,318,399</u>	<u>18,007,026</u>
	<u>30,681,954</u>	<u>47,481,894</u>

**SCHEDULE 12: MISCELLANEOUS EXPENDITURE**

(To the extent not Written off or adjusted)

Deferred Revenue Expenditures	3,919,947	
Amalgamation Expenses	202,699	304,048
Less:- Written off	(101,349)	(101,349)
	<u>4,021,297</u>	<u>202,699</u>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT**

	<b>AS AT</b> <b>31.03.2011</b> (in ₹)	<b>AS AT</b> <b>31.03.2010</b> (in ₹)
<b>SCHEDULE 13: TURNOVER</b>		
Sales (net of returns)	1,103,650,194	1,158,100,873
Less: Rebates	<u>(356,071)</u>	<u>(15,054)</u>
	<u>1,103,294,123</u>	<u>1,158,085,819</u>
<b>SCHEDULE 14: OTHER INCOME &amp; RECEIPTS</b>		
Interest (TDS ₹50466 Previous Year 3172)	668,815	103,382
Foreign Exchange fluctuation	13,565	
Profit on Sale of Fixed Assets	3,249	-
Miscellaneous Income	4,651,911	9,765,890
Sundry Balances Written back	<u>412,535</u>	<u>28,688</u>
	<u>5,750,075</u>	<u>9,897,960</u>
<b>SCHEDULE 15: INCREASE/(DECREASE) IN STOCKS</b>		
<b>OPENING STOCK</b>		
Raw Materials and Stores	57,467,206	28,620,921
Finished Goods	130,820,557	90,358,533
Trading Goods	105,458	156,382
	<u>188,393,221</u>	<u>119,135,836</u>
<b>CLOSING STOCK</b>		
Raw Materials and Stores	63,603,310	57,467,206
Finished Goods	150,880,036	130,820,557
Traded Goods	650,924	105,458
	<u>215,134,270</u>	<u>188,393,221</u>
Increase/(Decrease) in Stocks	<u>26,741,049</u>	<u>69,257,385</u>
<b>SCHEDULE 16: PURCHASES</b>		
Cost of materials	962,201,653	1,058,769,956
Freight & Transportation charges	14,797,285	17,768,485
Brokerage	1,145,765	1,987,914
	<u>978,144,703</u>	<u>1,078,526,355</u>
<b>SCHEDULE 17: PERSONNEL</b>		
Salaries, Wages, Allowances and Bonus	29,381,156	23,816,393
Managerial Remuneration	1,675,000	1,257,000
Contribution to PF and Other Funds	1,318,866	1,152,019
Training Expenses	-	6,400
Workmen and Staff Welfare Expenses	126,723	68,402
Gratuity	530,450	266,274
Medical	35,341	50,445
	<u>33,067,536</u>	<u>26,616,933</u>
<b>SCHEDULE 18: REPAIRS AND MAINTENANCE</b>		
Plant and Machineries	6,861,432	9,133,959
Civil	54,195	338,758
Others	<u>2,341,065</u>	<u>1,044,589</u>
	<u>9,256,692</u>	<u>10,517,306</u>

**SCHEDULE 19: ADMINISTRATIVE AND MISCELLANEOUS**

Insurance	716,908	635,472
Rates and Taxes	966,368	921,585
Rent	500,500	65,000
Other Expenses	<u>8,265,790</u>	<u>7,086,157</u>
	<u>10,449,566</u>	<u>8,708,214</u>

**SCHEDULE 20: SELLING EXPENSES**

Brokerage and Commission	3,132,665	2,544,000
Freight Outward	11,067,456	8,755,477
Laboratory Expenses	298,220	209,136
Other Selling Expenses	<u>688,949</u>	<u>478,511</u>
	<u>15,187,290</u>	<u>11,987,124</u>

**SCHEDULE 21: LEVIES AND TAXES**

Sales Tax/Trade Tax	4,592	26,339
Excise Duty and Service Tax	<u>414,061</u>	<u>281,285</u>
	<u>418,653</u>	<u>307,624</u>

**SCHEDULE 22: FINANCING EXPENSES**

Interest : Term Loans	2,717,251	2,620,816
Banks	5,713,161	5,779,904
Others	4,189,574	5,273,175
Bank Charges	440,165	266,250
Other Financial Charges	<u>1,309,053</u>	<u>716,386</u>
	<u>14,369,204</u>	<u>14,656,531</u>

## SCHEDULE 23: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

<b>1.</b>	<b>GENERAL</b>	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.
<b>2.</b>	<b>Inventory Valuation</b>	
	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.
<b>3.</b>	<b>Fixed, Intangible Assets and Depreciation</b>	
	a. Fixed Assets	At cost (including expenditure on installation where applicable) less accumulated depreciation.
	b. 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.
	c. 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.
<b>4.</b>	<b>Research &amp; Development</b>	Revenue expenditure on Research and Development is charged to Revenue. Capital expenditure on Research and Development is included as part of fixed assets cost.
<b>5.</b>	<b>Borrowing Cost</b>	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.
<b>6.</b>	<b>Bonus</b>	As per the provisions of the Payment of Bonus Act, 1965 to employees covered under that Act.
<b>7.</b>	<b>Employee Benefits</b>	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 year. c) Gratuity: Liability in respect of Gratuity to employees has been determined and accounted on the basis of actuarial valuation.
<b>8.</b>	<b>Revenue Recognition</b>	a) Sales are recognised on delivery. b) Interest : on accrual. c) Other Miscellaneous Revenues are recognized when the amounts are actually received or the realisability is certain.
<b>9.</b>	<b>Exchange Rate Fluctuation</b>	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/losses 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
<b>10.</b>	<b>Amortisation of expenses for Amalgamation</b>	Amortised over a period of five years.
<b>11.</b>	<b>Taxation</b>	(a) Income Tax: Provision for Income Tax liability has been computed after taking into account allowable deduction under provisions of Income Tax Act, 1961. (b) 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.
<b>12.</b>	<b>Impairment of Assets</b>	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.
<b>13.</b>	<b>Provisions, Contingent Liabilities and Contingent Assets</b>	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.
<b>14.</b>	<b>Earnings per share</b>	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.
<b>15.</b>	<b>Leases</b>	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.
<b>16.</b>	<b>Events occurring after the balance sheet date</b>	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.
<b>17.</b>	<b>Deferred Revenue Expenditure</b>	Expenditure is accounted on accrual basis except in specific cases of expenditure incurred against which a definite benefit is expected to flow in future periods. Such sums are treated as Deferred Revenue Expenditure and charged to Revenue Account over the expected duration of benefits.
<b>18.</b>	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 (in ₹)	Previous Year (in ₹)
a. Claims not accepted	38,30,142	38,30,142
b. Entry Tax	-	38,30,142
2. Capital commitment (Net of advances)	58,61,828	-
3. An Investment Incentive of ₹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.		
4. Current Assets, Loans and Advances include Security Deposits:		

	This Year (in ₹)	Previous Year (in ₹)
- 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

5. 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.
6. Income tax assessments for and upto assessment year 2008-09 have been made.
7. The Company has provided for Minimum Alternate tax in the Profit & Loss Account of the year as per section 115JB of the Income Tax Act, 1961. Any credit available in subsequent year against this tax shall be adjusted against the Income Tax payable for these years.
8. The Board in its meeting held on 09.02.2010 approved to create, offer, issue and allot 26,40,000 (Twenty Six Lacs Forty Thousand) Optionally Convertible Warrants on a Preferential basis entitling the Warrant holder (s) thereof to apply for allotment of One Equity Share of ₹ 10/- each at a premium of ₹ 20/- each, of the Company on full payment, per warrant, at a price stated herein below, in one or more tranches, within 18 months from the date of allotment of Warrants, to:
- India Max Investment Fund Ltd. – 10,36,000 Warrants;
  - Prime India Investment Fund Ltd. – 10,36,000 Warrants; and
  - Rahn and Bodmer Co. – 5,68,000 Warrants.

subject to the approval of the shareholders in the General Meeting and the approval of the appropriate authorities.

The Company by way of Special Resolution passed at Extra Ordinary General Meeting dated 05.03.2010 approved issue of the said Warrants, at a price of ₹ 30/- per Warrant at such terms and conditions, as placed before them in the meeting

Thereafter, In-principle approval for the issue of the said Warrants was obtained from the Bombay Stock Exchange Limited (BSE) on 22.03.2010 and the Foreign Investment Promotion Board (FIPB) approval was obtained on 02.08.2010.

Afterwards, the Company issued Warrant Certificates to the aforesaid FII's in its Board Meeting held on 05.08.2010.

Upon request from the FIIs, the Board in its meeting held on 30.09.2010 and 10.05.2011, approved the conversion of 20,72,000 Convertible Warrants of India Max Investment Fund Ltd. and Prime India Investment Fund Ltd. , and 5,68,000 Convertible warrants, respectively into Equity Shares.

The Company has also obtained the Trading Notice from the BSE in respect of the aforesaid shares and is in the process of reporting the same to the Reserve Bank of India (RBI) in Form FC-GPR (Part-A). However, subject to the terms and conditions stipulated on these Equity Shares at the time of their issue as well as conversion, they are under a Lock in for trading, in the following manner:

S. No.	Name of the Financial Institutional Investor (FII)	Number of Equity Shares	Date up to which under Lock In (dd/mm/yyyy)
1	India Max Investment Fund Ltd.	10,36,000	29/09/2011
2	Prime India Investment Fund Ltd.	10,36,000	29/09/2011
3	Rahn and Bodmer Co.	5,68,000	09/05/2012

9. 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:-

		As at 31 March, 2011	As at 31 March, 2010
a)	Principal amount payable to suppliers as at year-end	12,161	-
b)	Interest due thereon as at year-end	-	-
c)	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act	-	-
d)	Amount of delayed payments actually made to suppliers during the year	-	-
e)	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.	-	-
f)	Interest accrued and remaining unpaid at the end of year	-	-

10. 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, Whole time Director from 15.12.2010
  - (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
<b>Expenses:</b>						
Remuneration	22,90,604	3,84,000	-	17,76,840	3,39,450	-
Interest Paid	88,000	-	2,09,000	88,000	39,992	2,09,000
<b>Finance:</b>						
Fixed Deposit Repaid (Net)	-	-	-	-	7,00,000	-
<b>Outstanding Payables:</b>						
Remuneration	1,10,000	34,500	-	1,54,000	34,250	-
Fixed Deposit	8,00,000	-	19,00,000	8,00,000	-	19,00,000
Interest	30,161	-	82,564	30,161	-	82,564
Recoverable	459515	-	-	-	-	-

## 11. Defined Benefit Plans as per Actuarial Valuations as on March 31, 2011 and recognised in the financial statements in respect of Employee Benefit Schemes:

		This Year Gratuity Unfunded	Previous year Gratuity Unfunded
I	Change in Present Value of Obligation		
	Present value of the obligation at the beginning of the year	2658926	2568549
	Current Service Cost	378482	393688
	Interest Cost	212645	192641
	Actuarial (Gain)/Loss on Obligation	(645323)	(320055)
	Benefits Paid	(56063)	(176797)
	Past Service Cost	584646	-
	Present value of the obligation at the end of the year	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	31,32,413	26,58,026
	Fair value of Plan Assets at the end of the year		
	Net Asset/(liability) recognized in balance sheet	(31,32,413)	(26,58,026)
IV	Amounts Recognised in the statement of Profit and Loss		
	Current Service Cost	3,78,482	3,93,688
	Interest cost on Obligation	2,12,645	1,92,641
	Expected return on Plan Assets	-	-
	Past Service Cost	5,84,646	-
	Net Actuarial (Gain)/Loss recognised in the year	(6,45,323)	(3,20,055)
	Net Cost included in Personnel Expenses	5,30,450	2,66,274
V	Actuarial Assumptions		
	Discount Rate	8%	7.5%
	Expected Rate of Return on Plan Assets	-	-
	Salary Escalation Rate	5%	7%
	Employee Turnover		
	Upto 30 years	3%	3%
	Upto 44 years	2%	2%
	Above 44 years	1%	1%
	Mortality	LIC (1994-96)	duly modified

## 12. 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	84,77,934	42,38,967
	- Shares issued during the year	20,72,000	42,38,967
	-Total Number of equity shares outstanding at the end of the year	1,05,49,934	84,77,934
	- Weighted average number of equity shares	95,16,772	60,50,690
(b)	Net Profit (Loss) after tax available for shareholders	3,91,379	96,26,738
(c)	Basic and diluted Earning (in Rupees) per share	0.04	1.59

## 13. Deferred Tax Liability (Net)

	Deferred Tax Asset/ (Liability) as at 01.04.2010	Current Year (Charge)/Credit	Deferred Tax Asset/ (Liability) as at 31.3.2011
Difference of Depreciation between Provision in Books and claimed in Tax Return	(2,19,99,169)	(2,39,2,919)	(2,43,92,088)
Benefits to Employees	10,34,750	1,75,484	12,10,234
Taxes, Cess etc.	(1,15,100)	1,45,866	30,766
Carry Forward Losses – Income Tax	-	24,34,918	24,34,918
<b>Total</b>	<b>(2,10,79,519)</b>	<b>3,63,349</b>	<b>(2,07,16,170)</b>

14. The company's sole business segment is manufacture, Process 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.

15. 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.
- The lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- The company cannot 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 ₹ 1,40,000/- (Net of recovery) Previous year ₹ Nil.

16. Loan & Advances include the debit balance at the year end in respect of :

	This Year (in ₹)	Previous Year (in ₹)
Mr. Akshay Modi, Whole Time Director	Dr. 4,59,515	NIL
Maximum debit balance outstanding at any time during the year was ₹ 4,59,515/-		

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

Remuneration to the Managing Director and Whole Time Director

	This Year (in ₹)	Previous Year (in ₹)
- Salary	16,75,000	12,57,000
- P.F. & Other Funds	1,80,000	1,50,840
- Other Perquisites	1,47,604	-
	<u>20,02,604</u>	<u>14,07,840</u>

**Note 1:** Remuneration excludes provision for gratuity determined on actuarial basis as these are determined for the company as a whole.

**Note 2:** Remuneration amounting to ₹ 3,22,604/- paid to Shri Akshay Modi (appointed Whole Time Director from 15.12.2010) is subject to the approval of share holders by a Ordinary Resolution to be passed at the general meeting of company.

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)		2,62,762	1,59,49,536
<b>Add:-</b>			
(a)	Depreciation provided in the Accounts	1,18,01,916	1,07,21,820
(b)	Director's Remuneration	20,02,604	14,07,840
(c)	Loss on sale of Fixed Assets	85,638	5,416
		1,38,90,158	2,80,84,612
<b>Less:-</b>			
(a)	Depreciation as per section 350 of the Companies Act, 1956	1,18,01,916	1,07,21,820
(b)	Profit on sale of Fixed Assets	3,249	-
Profit(Loss) u/s 349/350		23,47,755	1,73,62,792

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

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

	This Year	Previous Year
As Audit Fee	2,25,000	1,75,000
For Tax Audit	75,000	75,000
For Taxation Work	25,000	25,000
Service Tax	33,475	28,325
	<u>3,58,475</u>	<u>3,03,325</u>

19. 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)**

#### I. CAPACITY

	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		120000	120000
REFINERY UNIT				
(On the Basis of 300 working days)	NOT REQUIRED		30000	30000
Oil Mill (on 100 Working Days)			22500	22500
Blending (On 300 working days)			21600	15000
Packing Capacity (On 300 working days)			21600	15000

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

#### II. ACTUAL PRODUCTION

(including for Captive Consumption)

	ACTUAL PRODUCTION (including for Captive Consumption)	THIS YEAR (QTY.)	PREVIOUS YEAR (QTY.)
a.	Rice Bran Oil	22364.980	26396.24

b.	Other Oils	3596.073	3631.455
c.	De-oiled Rice Bran Cake	62835.114	65684.784
d.	Other Cakes	1829.187	6178.276
e.	Fatty	1279.205	1340.22
f.	Others	2579.655	3122.13

### III. QUANTITATIVE DETAILS OF GOODS PRODUCED

I.	OPENING STOCK OF GOODS PRODUCED	Qty.	Value	Qty.	Value
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	35.690	6.52	166.77	30.114
d.	Others	147.64	6.86	267.875	5.228
e.	Sunflower DOC	-	-	-	-
f.	Other Oils	134.76	69.41	-	-

II.	CLOSING STOCK OF GOODS PRODUCED	Qty.	Value	Qty.	Value
a.	Rice Bran Oil	1716.823	831.435	2098.579	824.52
b.	De-oiled Rice Bran	8973.056	533.413	8036.907	400.895
c.	Fatty	105.395	24.362	35.69	6.520
d.	Other	297.64	12.994	147.64	6.860
e.	Other Oils	191.545	106.596	134.76	69.410

III. TURNOVER (Excluding Loss in Transit & Inter Unit Transfer)					
a.	Rice Bran Oil	10674.795	5140.498	15991.92	6614.762
b.	Other Oils	2945.565	1634.665	1773.145	796.119
c.	De-oiled Rice Bran	61898.965	3784.513	63497.107	3506.614
d.	Fatty	1209.500	289.775	1471.300	276.490
e.	Others	2429.655	72.422	3242.36	81.523
f.	Sunflower DOC	830.831	99.488	2760.281	305.247

### IV. QUANTITATIVE DETAILS OF TRADED GOODS

#### (i) OPENING STOCK

a.	OIL	-	-	-	-
b.	Certified Sunflower Seed	2.63	1.05	3.9	1.56

#### (ii) PURCHASES

a.	OIL	38.198	20.60	-	-
b.	Certified Sunflower Seed	-	-	-	-

#### (iii) TURNOVER

a.	OIL	28.078	15.14	-	-
b.	Certified Sunflower Seed	-	-	1.27	.25

**(iv) CLOSING STOCK**

a.	Oil	10.120	5.46	-	-
b.	Certified Sunflower Seed	2.63	1.05	2.63	1.05

**V. RAW MATERIALS CONSUMED (including own Productions)**

(i)	<u>Indigenous:</u>				
a.	Rice Bran	76455.657	7014.131	79224.225	5962.225
b.	Rice Bran Oil				
	-Purchases	3329.450	1448.795	8694.575	2976.720
	-Captive use	10612.420	-	9552.86	-
c.	Sunflower Seed	1474.956	253.826	4725.06	869.455
d.	Sunflower Cake				
	- Purchase	-	-	30.19	3.323
	- Captive use	998.356	-	3417.995	-
e.	Sunflower Oil Captive	569.245	-	1723.55	-
f.	Other Oil				
	Purchase	824.364	429.392	251.204	125.653
	Captive	1673.059	-	72.286	-
g.	Hexane (In Litres)	243901	102.739	198442	78.451
	Total	339838.507	9237.233	306133.945	10015.827
	Percentage	100%	100%	100%	100%

VI	Remittance on account of dividend to non-resident shareholders	-	-
<b>VII</b>	Value of import on CIF basis of raw material	14.47	-
<b>VIII</b>	Expenditure in foreign currency	0.60	-
IX	Earning in foreign currency	-	-
X	Value of Export of F.O.B. basis	-	-

20. 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**  
 Managing Director

sd/-  
**AKSHAY MODI**  
 Whole-time Director

sd/-  
**PRADEEP KAPOOR**  
 Chief Financial Officer

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

sd/-  
**PURVA SATIJA**  
 Company Secretary

Place : New Delhi  
 Date : 03.09.2011

**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

Optional Convertible Warrants

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

Total Liabilities       Total Assets

Sources of Funds

Paid-up Capital

Optional Convertible Warrants

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Loss

Reserve & Surplus

Deffered Tax (Net)

Unsecured Loans

Investments

Misc. Expenditure

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

Turnover

Profit/Loss before tax

Total Expenditure

Profit/Loss after tax

(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.

(ITC Code)

Product

Description

Item Code No.

(ITC Code)

Product

Description

For and on behalf of the Board

 Place : New Delhi  
 Date : 03.09.2011

 sd/-  
**ANIL MODI**  
 Managing Director



Dear Shareholder,

**Sub: Green initiative in Corporate Governance.**

The Ministry of Corporate Affairs ( MCA) has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by Companies through electronic mode. In accordance with the recent Circular No. 17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011 issued by the MCA, Companies can now send various notices and documents, including Annual Report through electronic mode also to their shareholders at their registered e-mail addresses.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and this will allow the Company and shareholders to contribute towards a Greener Environment. **It will also ensure prompt receipt of communication and avoid loss in postal transit.**

**We therefore invite all our shareholders to contribute to the cause by agreeing to receive e- communications by filling up the form given below. It is requested that the filled up form may kindly be sent back to the Company Secretary of the Company. Alternatively an e-mail to [investors@modinaturals.com](mailto:investors@modinaturals.com) may be sent quoting your folio number/DP ID & Client ID. The shareholders can also download the attached registration form from our website [www.modinaturals.com](http://www.modinaturals.com).**

**Let’s be a part of this “Green Initiative”!**

Please note that as a shareholder of the Company, you will be entitled to receive all such communication in physical form upon request.

Best Regards,  
**Modi Naturals Limited**

sd/-  
**Purva Satija**  
Company Secretary

---

## E-Communication Registration Form

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

Name of 1st Registered Holder: .....

Name of Joint Holder(s): .....

Registered Address: .....

E-mail ID (to be registered): .....

I/We shareholder(s) of Modi Naturals Limited agree to receive communication from the company in electronic mode. Please register my above e-mail ID in your records for sending communication through e-mail.

Date: .....

Signature: .....  
(First Holder)

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in their e-mail address.





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 37<sup>th</sup> Annual General Meeting of the Company on Friday, 30<sup>th</sup> September, 2011 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.



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 ..... in the district of ..... being a Member/Members of the above named Company, hereby appoint ..... of ..... in the district of ..... or failing him/her ..... of ..... in the district of ..... as my/

our proxy to attend and vote for me/us on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 30<sup>th</sup> September, 2011 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 ..... 2011.

Revenue  
stamp

- 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**

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