

October 13, 2017

The Manager
(Department of Corporate Services)
BSE Limited
P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001

Dear Sir / Madam,

Scrip Code: 519003

Sub: Soft Copy of 43rd Annual Report – 2016-17

In compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we attach herewith the soft copy of 43rd Annual Report for Financial year 2016-17 as approved and adopted in the annual general meeting held on 29.09.2017.

This is for your kind information and records please.

Thanking you !

Yours Faithfully,
For **MODI NATURALS LIMITED**


Ankit Agarwal
Company Secretary
Memb. No. – ACS 23445



Encl ; A/a

43rd
ANNUAL REPORT
2016-2017


modi naturals limited

Corporate Information

Board of Directors

Mr. Anil Modi

Chairman and Managing Director

Mr. AkshayModi

Executive Director

Mr. S. S. Halwasiya

Director

Mr. Alok Garg

Director

Mr. Sulabh Singal

Director

Ms. Aditi Gupta

Director

Mr. Pradeep Kapoor

CFO

Mr. Ankit Agarwal

Company Secretary

Auditors

K. K. Jain & Co.

Chartered Accountants

Bankers

HDFC Bank

Yes Bank

Registered Office

Modi Naturals Limited

405, Deepali Building,

92, Nehru Place,

New Delhi-110019

Tel : 011-41889999

Website : www.modinaturals.com

Works

Bisalpur Road, Pilibhit - 262001

Uttar Pradesh

Registrar and Transfer Agents

Skyline Financial Services Pvt. Ltd.

D-153A, Okhla Industrial Area

Phase-I, New Delhi-110020

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Message to Shareholders

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

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

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

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

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

Sincerely,
sd/-
AkshayModi
Executive Director

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 43rd Annual General Meeting (AGM) of the Shareholders of Modi Naturals Limited will be held on Friday, 29 September, 2017 at 3.00 P.M at Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements as at 31st March, 2017 and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Aditi Gupta (DIN: 01786037), Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. **Appointment of Auditors and authorise the Board to fix remuneration**

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

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, Messrs. Kashyap & Co. (Firm Registration No. 011355C), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in place of Messrs. K. K. Jain & Co. (Firm Registration No. 002465N), Chartered Accountants, who shall hold office for a period of five years, from the conclusion of this annual general meeting till the conclusion of the 48th annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on such remuneration, as may mutually be agreed between the Auditors and the Board of Directors of the Company.”

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

SPECIAL BUSINESS

4. **Ratification of Payment of Remuneration of Cost Auditors**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of Central Government as may be required, the Company hereby approves and ratifies the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus Service Tax and out of pocket expenses, if any, payable to Messrs. Manisha & Associates (Firm Registration No.: 000321), Cost Accountants, appointed as Cost Auditors of the Company for the Financial Year 2017-18.

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

Registered Office:

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

For and on behalf of the Board

Sd/-
AkshayModi
Executive Director
DIN - 03341142

New Delhi, September 04, 2017

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect of the Special Business set out at Item No. 3 & 4 of the accompanying Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF (ONLY ON A POLL) AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT**

APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25 September, 2017 to Friday, 29 September, 2017 (both days inclusive) for the purpose of AGM.
7. Members are requested to intimate immediately the change of address or demise of any Member, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be to prevent frauds.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to the Company or the Registrar and Transfer Agent of the Company.
9. 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.
10. 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.
11. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the communications via email.
12. The Annual Report 2016-17, the Notice of 43rdAGM and Instructions of e-voting, along with Attendance Slip and Proxy Form are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
13. Members may also note that the Notice of the 43rdAGM and the Annual Report 2017 will be available on the Company's website, www.modinaturals.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: investors@modinaturals.com.
14. Additional Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
16. All documents referred to in the notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
17. Annual Listing Fee for the year 2017-18 has been paid to the BSE Ltd on which shares of the Company are listed.
18. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 43rdANNUAL GENERAL MEETING OF YOUR COMPANY.**

Voting through Electronic Means - Remote E-Voting

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the Members with a facility to exercise their right to vote for the 43rdAGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an

electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through Poll Paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poll Paper.
- III. Members who have cast their vote by remote e-voting prior to the AGM may also attend AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, 26 September 2017 (9:00 am) and ends on Thursday, 28 September, 2017 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23 September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.
- V. Any person who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 23 September, 2017 can obtain the login ID and password by sending a request at evoting@nsdl.co.in or investors@modinaturals.com However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com.
- VI. Members whose name appears in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23 September, 2017 only shall be entitled to avail the facility of remote e-voting and vote at the AGM through Poll Paper.

VII. The instructions for remote e-voting are as under:

- A. Members whose shareholding is in the dematerialization form and whose e-mail address are registered with the Company/ Depository Participants will receive an E-mail from NSDL informing user ID and Password:
 1. Open E-mail and open PDF file attached therein with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 3. Click on Shareholder – Login
 4. Put user ID and password as initial password/PIN noted in step (1) above. Click Login.
 5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 6. Home page of e-voting opens. Click on remote e-voting: Active Voting Cycles.
 7. Select "EVEN" of Modi Naturals Limited.
 8. Now you are ready for e-voting as Cast Vote page opens.
 9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 10. Upon confirmation, the message "Vote cast successfully" will be displayed.
 11. Once you have voted on the resolution, you will not be allowed to modify your vote.
 12. Institutional Members (i.e. other than individuals, HUF, NRI etc..) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to depakbansak.fcs@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. For members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy may also vote electronically through the following procedure:
 1. Initial password will be provided separately.
 2. Please follow the instructions from 1 to 12 as mentioned in S. No. VII.A above, to cast your vote.

VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the Downloads section of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

IX. Login to the remote e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot Password" option available on the site to reset the password.

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- X. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on www.evoting.nsdl.com.
- XI. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- XII. The voting rights of Members shall be in proportion to their shares of the paid up equity Share Capital of the Company as on the cut-off date i.e. 23 September, 2017.
- XIII. Mr. Deepak Bansal, Company Secretary in Practice (CP No. 7433) has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of poll paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall immediately after the conclusion of voting at the AGM will count the votes casted at the Meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 48 hours of conclusion of AGM, a consolidated Scrutinizer’s Report of the total votes casted in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the Company’s website: www.modinaturals.com and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The Results shall also be simultaneously forwarded to the concerned Stock Exchanges.
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Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 & 4 of the accompanying Notice:

Item No. 3 : The current auditors, viz K. K. Jain & Co., Chartered Accountants (Firm Registration No. 002465N) were last re-appointed by the members at their annual general meeting held on 19 August 2014 to hold the office of auditor from the conclusion of the 40th annual general meeting till the conclusion of this 43rd annual general meeting.

As per the provisions of section 139 of the Companies Act, 2013, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years from the commencement of the Act i.e. 1 April 2014. Hence, on their completing the transition period of three years provided under the Act, the term of the current auditors expires at the conclusion of the ensuing annual general meeting.

The Board of Directors at its meeting held on 11 August 2017, based on the recommendation of the Audit Committee has recommended the appointment of Kashyap & Co., Chartered Accountants (Firm Registration No. 011355C), as the statutory auditors of the Company for approval by the members.

Kashyap & Co, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors, in terms of section 143 of the Act.

Kashyap & Co, Chartered Accountants will be appointed as the statutory auditors of the Company from the conclusion of this annual general meeting till the conclusion of the 48th annual general meeting, subject to ratification of their appointment by the members at every intervening annual general meeting on a remuneration, out-of-pocket expenses etc., incurred in connection with the Audit as may be decided by the Board in consultation with the auditors from year to year.

Brief profile of the Auditors is as under:

Kashyap & Co., Chartered Accountants (Firm Registration No. 011355C), (“the Audit Firm”) was established in the year 2003. The Audit Firm is registered with the Institute of Chartered Accountants of India (ICAI) and holds a valid Peer Review certificate.

The firm specializes in audits of public and private sector companies, banks, financial institutions, capital market intermediaries etc.

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

Mr. Premjit S. Kashyap, the Senior Partner of the firm, an F.C.A., is in practice since August 1986. During his professional career of more than 30 years, he specializes in the field of Audit, Direct Taxes and Management Consultancy.

The second partner, Ms. Nupur Gupta, an F.C.A. is in practice since May 1994 and specializes in the field of Corporate Consultancy, Internal Audits, Bank Audits and Project Financing.

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

The Board commends the resolution set out at Item no.3 for approval by shareholders.

Item No. 4: The Board of Directors of the Company at their meeting held on 11 August, 2017 has, on recommendation by the Audit Committee, appointed M/s. Manisha & Associates (Firm Registration number: 000321), Cost Accountants as the Cost Auditors for the Financial Year 2017-18 at a remuneration of INR 60,000/- (Rupees Sixty Thousand only) plus tax and out of pocket expenses. As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

The Board considers the remuneration payable to the Cost Auditors is fair and recommends the resolution contained at Item no.4 for approval of the Members.

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

Registered Office:

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

For and on behalf of the Board

Sd/-
Akshay Modi
Executive Director
DIN - 03341142

New Delhi, September 04, 2017

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

Item No 2 of the Notice:

Ms. Aditi Gupta –Non Executive and Non Independent Director

Ms. Aditi Gupta, 30, is a Graduate in B.Sc. (Hons) from University of Nottingham and is having corporate experience of around 10 years. She is not holding any shareholding in the company.

She is also on the Board of Osain Incubex Private Limited and Health E-Cord Private Limited.

None of the directors/key managerial personnel/their relatives, except Mr. Anil Modi and Mr. Akshay Modi, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company, in the resolution set out in item no. 2 of the Notice.

The Board commends the ordinary resolution set out at Item no.2 for approval by shareholders.

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Forty-third Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

The summarised financial results for the year ended March 31, 2017 and for the previous year ended March 31, 2016 are as follows: -

Particulars	2016-17	2015-16
Revenue from Operations / Net Sales	29317.05	27173.44
Profit before interest, depreciation and tax	455.67	886.24
Profit before exceptional item and tax	17.95	419.23
Profit before tax	17.95	419.23
Tax expense		
-Current Tax	4.45	94.00
-Deferred Tax	11.26	128.34
Profit after tax	2.24	196.88
EPS (face value of Rs.10/- each)		
-Basic & Diluted	0.02	1.77

The Company achieved gross turnover of Rs 29,317.05 Lacs and posted net profit after tax of Rs.2.24 Lacs for the financial year ended on 31st March, 2017 as against gross turnover of Rs. 27,173.44 Lacs and posted net profit after tax of Rs.196.88 Lacs in the previous financial year.

2. STATE OF COMPANY AFFAIRS AND FUTURE OUTLOOK

In the current financial year, the company continues to focus on growth of its branded business and is confident that the consumer business will continue its steady growth, which is in line with our medium to long term strategy. The flagship brand where the company is seeing a growing leadership position is:

Oleev - olive oils and healthy oils

Other than that the Company developed the following value added products:

Rizolo- India's Finest - Rice Bran Oil

Miller - Canola Oil with low absorption technology

Olivana Wellness - massage oils.

Whilst Rizolo and Miller have a direct fit in the edible oil stable, Olivana Wellness is the company's foray into the personal care segment of FMCG. With the launch of the new brands of packaged edible oils, the focus is slowly tilting more towards enhancing value through well branded consumer focused products. The Company is also creating niche brands in edible oils and blended oils which have various health benefits and thereby commanding a premium in the marketplace.

By increasing its foothold across all major distribution platforms like wholesale, modern retail, ecommerce etc., the Company is poised to strengthen its brand presence across the country. The Company has launched its largest advertisement campaign until now to strengthen its brand presence and improving brand recall.

In the years to come, Modi Naturals visualizes itself as a major contributor to the Indian FMCG sector and primarily the branded edible oil industry.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

Your Company is engaged in the business of edible oils processing and fast moving consumer goods. There was no change in the nature of business of your company during the year.

However, in order to enlarge its area of operation and facilitate growth opportunities of new business proposals which have good future prospects and potentials to increase the shareholders' return, the Company has altered the main object

clause of its Memorandum of Association so as to enable it to inter-alia carry on the business of all types, descriptions, tastes, uses, and packs of consumer food items, their by-products, ingredients and derivatives.

These additional Objects may conveniently and advantageously be combined with the existing businesses of the Company.

Approval of shareholders was obtained through postal ballot on March 29, 2017 for above amendment in the main object clause of the Memorandum of Association.

4. DIVIDEND

No dividend is proposed for the financial year ended March 31, 2017.

5. TRANSFER TO RESERVES

No amount is proposed to be transferred to reserves.

6. SHARE CAPITAL

The paid up Equity Share Capital of the Company as at March 31, 2017 stood Rs. 11,11,79,340. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

7. ALLOTMENT OF CONVERTIBLE WARRANTS

During the year on 19 January, 2017 the company, pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on 9 January, 2017, issued and allotted 15,38,463 warrants on preferential basis to persons other than promoters. The said warrants carry an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10/- each at a future date, not exceeding 18 (eighteen) months from the date of issue of such warrants at a price of Rs. 130/- which includes a premium of Rs. 120/- per share determined in accordance with Regulation 76 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

An amount equivalent to 50% of the price i.e. Rs.130/- per Warrant aggregating to 1000.00 Lakhs has been received on allotment of the Warrants and the balance amount of Rs. 1000.00 Lakh shall be payable by the Warrant Holders while exercising their options to subscribe for equity shares.

On full conversion, the number of Equity Shares will increase from 1,11,17,934 to 1,26,56,397. The Company has sufficient authorized capital to cover the allotment of these shares.

8. DEPOSITS FROM PUBLIC

During the year, your Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding amount of deposits at the end of the financial year.

9. ADOPTION OF NEW MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Ministry of Corporate Affairs (MCA) notified most of the sections of the Companies Act, 2013 (the 'Act') which replace the provisions of the Companies Act, 1956. The MCA also notified the rules pertaining to the further notified sections. In order to bring the Memorandum of Association (MOA) and Articles of Association (AOA) of the Company in line with the provisions of the Act, the Company recommended that the members adopt a comprehensive new set of the Memorandum and Articles of Association of the Company in substitution of, and to the exclusion of, the existing MOA and AOA. The resolutions to adopt the new MOA and AOA were passed by requisite majority by the members of the Company through a postal ballot on March 29, 2017.

10. EXTRACT OF ANNUAL RETURN

As provided under Sections 134(3) (a) and 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual Return in Form MGT-9 is appended as "Annexure-1" which forms part of this report.

11. NUMBER OF BOARD MEETINGS AND ITS COMMITTEES

Nine (9) meetings of the Board of Directors of the Company were conducted during the financial year. The details of board and its committees meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments made by the company during the year which are covered under Section 186 of the Companies Act, 2013 is provided in the Note no. 14 and 19 to the Financial Statements.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

There were no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. There are no transactions that are required to be reported in Form AOC-2 hence said form does not form part of this report. However, the details of related party transactions are provided in Note no. 35 to the Financial Statements in accordance with the Accounting Standards.

14. AUDITORS AND AUDITORS' REPORT

Statutory Auditors'

The current auditors, viz K. K. Jain & Co., Chartered Accountants (Firm Registration No. 002465N) were re-appointed by the members at their annual general meeting held on 19 August 2014 to hold the office of auditor from the conclusion of the 40th annual general meeting till the conclusion of this 43rd annual general meeting.

Under Section 139 of the Act and the rules framed thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Board of Directors at its meeting held on 11 August, 2017, based on the recommendation of the Audit Committee, has recommended the appointment of Kashyap & Co., Chartered Accountants (Firm Registration No. 011355C), as the statutory auditors of the Company in place of the existing statutory auditors, K. K. Jain & Co., Chartered Accountants whose terms expires at the ensuing annual general meeting, to hold office for a period of 5 (five) consecutive years from the conclusion of forthcoming 43rd Annual General Meeting of the Company scheduled to be held in the year 2017 till the conclusion of 48th Annual General Meeting to be held in the year 2022 subject to approval of the members of the company at the forthcoming 43rd annual general meeting.

Kashyap & Co, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors, in terms of section 143 of the Act.

The first year of audit will be of the financial statements for the year ending March 31, 2018.

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

Secretarial Auditors'

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Deepak Bansal & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2017. The Secretarial Audit Report is annexed herewith as "Annexure 2".

The Secretarial Audit Report has no qualification, reservation or adverse remarks and it is self-explanatory. Thus there is no need to give any further explanation or comment by the Board.

Cost Auditors'

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the Board at its meeting held on August 11, 2017, on the Audit Committee's recommendations and subject to approval by the Central Government, recommends the appointment of M/s. Manisha & Associates, Cost Auditors (Firm Registration Number-000321) to audit the cost accounts of the Company for the financial year ending March 31, 2018 at a remuneration of Rs. 60,000/- plus tax and out of pocket expenses. Resolution seeking Member's ratification for the remuneration payable to M/s. Manisha & Associates, Cost Auditor is included at Item No.4 of the Notice convening the Annual General Meeting.

The company is in process to file the Cost Audit Report for the financial year 2016-17 to the Central Government within the stipulated time. (i.e. within 180 days from the end of reporting year)

15. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes affecting the financial position of the Company.

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

The Particulars with regard to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are given below:

A. Conservation of energy:

- i) Steps taken or impact on conservation of energy:
- ii) The steps taken by the company for utilizing alternate sources of energy Your Company has taken adequate measures to ensure optimum use of all equipments so as to conserve energy.
- iii) Capital Investment on energy conservation equipments: Nil

B. Technology absorption, adaption and innovation:

The company strives continuously to upgrade its technology adopted in all its operations.

C. Foreign exchange earnings and outgo

- a) Earnings – Rs. 1,16,24,342
- b) Outgo – Rs. 5,12,104

17. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The Company does not have any Subsidiary/Joint Venture/Associate Company.

18. RISK MANAGEMENT

The Risk Management Policy of the company enables the company to proactively take care of the internal and external risks of the company and ensures smooth business operations.

The company's risk management policy ensures that all its material and compliance risk exposures are properly covered, and the company's business growth and financial stability is assured.

Necessary information is provided under Management Discussion and Analysis Report which forms part of the Annual Report.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review there was no change in Directors and Key Managerial Personnel of your company.

During the year, Mr. Akshay Modi was reappointed as Whole Time Director of the Company for a further period of 3 years effective from December 15, 2016 on the terms and conditions as approved by the members of the Company at their 42nd Annual General Meeting held on 29 September, 2016. Mr. Akshay Modi shall be liable to retire by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013.

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Ms. Aditi Gupta, Director of the Company retires by rotation at the ensuing Annual General Meeting, and being eligible, seeks reappointment. The Board has considered that the presence of Ms. Aditi Gupta as Directors on the Board would be of immense benefit to the Company and has decided to recommend her reappointment for the approval of members of the Company at the ensuing annual general meeting of the company.

A brief resume of the Directors being appointed/ re-appointed, are furnished below the notice of the ensuing AGM.

Key Managerial Personnel

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

20. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future. However, Members attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

21. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

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

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

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

22. FRAUD

Neither the Statutory Auditors nor the Secretarial Auditors have brought to the notice of the Audit Committee or the Board of Directors or the Central Government the occurrence or brewing of any fraud in the Company.

23. PREVENTION OF INSIDER TRADING

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

24. DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ETC.

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and such other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as "**Annexure-3**", and forms part of the Directors' Report.

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

25. PARTICULARS OF EMPLOYEES

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

26. PERSONNEL

Your Company aims to be a preferred employer in the industry and remains committed to developing its employees to meet the current and future challenges of the business.

27. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel in the course of day to day business operations of the Company. The Code has been posted on the Company's website (www.modinaturals.com).

The Chairman & Managing Directors' declaration regarding compliance with 'Modi Naturals' Code of Conduct for Board Members and Senior Management' is attached to the Corporate Governance Report.

28. CORPORATE GOVERNANCE

Your Company has complied with the requirements and disclosures that have to be made under the Code of Corporate Governance as required under Regulation 27(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed Uniform Listing Agreement(s) with the Stock Exchange(s).

As a listed company, your company is required to comply with the Listing Agreement entered into with the Stock Exchange. A report on Corporate Governance, along with a certificate of compliance from the Statutory Auditors, forms part of this Annual Report.

29. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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

30. ANNUAL EVALUATION OF BOARD, COMMITTEES & DIRECTORS' PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was reviewed, taking into account the views of executive directors and non-executive directors of the company.

Declaration from Independent Directors

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 that he meets the criteria of independence laid down in Section 149(6) of the Act and regulation 25 of the Listing Regulations.

31. REMUNERATION POLICY

The Nomination and Remuneration Committee recommends the appointment of Directors, based on their qualifications, professional experience, positive attributes, viewpoints, skills and area of expertise and independence. The Company follows a policy on remuneration of Directors and Senior Management employees, details of the same are given in the Corporate Governance Report. The Remuneration Policy has been posted on the Company's website (www.modinaturals.com).

32. WHISTLE BLOWER POLICY (VIGILMECHANISM)

Your Company has established a whistle blower policy/vigil mechanism for the Directors, employees of the company, to report genuine concerns, calling the attention of the Audit Committee to some wrong doing occurring within an organization. Your Company has also provided adequate safeguards against victimization of whistleblowers who express their concerns against such wrongdoings occurring in the organization. The Company has also provided direct access to the chairman of the Audit Committee, in exceptional circumstances.

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

33. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE, (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your company did not come across any complaints by any employee during the year under review relating to the sexual harassment.

34. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis;
- v. the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

**Sd/-
Anil Modi
Chairman and Managing Director
DIN No.:00187078**

New Delhi, 04 September, 2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 (As on financial year ended on 31.03.2017)

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	L15142DL1974PLC007349
2. Registration Date	06.07.1974
3. Name of the Company	MODI NATURALS LIMITED
4. Category/Sub-category of the Company	Company limited by shares Indian Non-Government Company
5. Address of the Registered office & contact details	405, Deepali Building, 92, Nehru Place, New Delhi-110019 Phone No-011-41889999 Website- www.modinaturals.com
6. Whether listed company	Listed
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited Address : D-153A, Okhla Industrial Area, Phase-I, New Delhi – 110020 Facsimile: 011 - 26812682 Email: admin@skylinerta.com Website: www.skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company	
			2016-17	2015-16
1.	Edible oil	10402	70.82	67.84
2.	De-oiled rice bran	10406	28.44	31.59

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]			No. of Shares held at the end of the year [As on 31-March-2017]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/HUF	7559616	-	7559616	7559966	-	7559966	68.00
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corp.	646000	-	646000	646000	-	646000	5.81
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	8205616	-	8205616	8205966	-	8205966	73.81
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FI	-	200	200	-	200	200	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIs	721000	-	721000	711184	-	711184	6.40
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
Sub-total (B)(1):-	721000	200	721200	711184	200	711384	6.40
2. Non-Institutions							
a) Bodies Corp.	187489	16450	203939	216385	16450	232835	2.09
i) Indian	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	576324	1083069	1659393	595781	1042569	1638350	14.74
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	260487	-	260487	253161	-	253161	2.28
c) Others (specify)	70299	-	70299	76238	-	76238	0.69
Non Resident Indians	25837	-	25837	25119	-	25119	0.23
Hindu Undivided Families	40080	-	40080	47237	-	47237	0.42
Trusts	800	-	800	800	-	800	0.01
Clearing Members	3582	-	3582	3082	-	3082	0.03
Sub-total (B)(2):-	1094599	219118	1971	2200584	19.71	2911968	26.19
Total Public Shareholding (B)=(B)(1)+(B)(2)	1815599	1096719	2912318	1852749	1059219	2911968	26.19
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-
Grand Total (A+B+C)	10021215	1096719	11117934	10058715	1059219	11117934	100

B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	NehaModi	1,82,500	1.64	-	1,82,500	1.64	-	-
2	D D Modi HUF	40,858	0.37	-	40,858	0.37	-	-
3	Anil Modi HUF	2,65,750	2.39	-	2,65,750	2.39	-	-
4	Anil Modi	45,45,922	40.89	-	45,45,922	40.89	-	-
5	Satya Modi	4,38,850	3.95	-	4,38,850	3.95	-	-
6	Akshay Modi	4,55,236	4.09	-	4,55,236	4.09	-	-
7	Nita Modi	16,30,500	14.67	-	16,30,850	14.67	-	0.003
8	Das Investments Pvt Ltd	6,46,000	5.81	-	6,46,000	5.81	-	-

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

Sr. No.	Name of Shareholders	No of Shares At the Beginning of Year 01/04/2016 and End of The Year 31/03/2017	% To the Total Shares	Transaction Date	Increase / Decrease	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2016 and 31/03/2017	% of Total Shares of the Company
1	Das Investments Private Limited	646000	5.81					
		646000	5.81		Nil			
2	Akshay Modi	455236	4.09					
		455236	4.09		Nil			
3	Satya Modi	438850	3.95					
		438850	3.95			Nil		
4	D D Modi-HUF	40858	0.37					
		40858	0.37			Nil		
5	Neha Modi	182500	1.64					
		182500	1.64			Nil		
6	Nita Modi	1630500	14.67	17/03/2017	9	Purchase	1630509	14.67
				24/03/2017	100	Purchase	1630609	14.67
				31/03/2017	241	Purchase	1630850	14.67
		1630850	14.67					
7	Anil Modi	4545922	40.89	Nil				
		4545922	40.89					
8	Anil Modi - HUF	265750	2.39	Nil				
		265750	2.39					

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

Sr. No.	Name of Shareholders	No of Shares At the Beginning of Year 01/04/2016 and End of The Year 31/03/2017	% To the Total Shares	Transaction Date	Increase / Decrease	Reason	Cumulative Shareholding during the Period Between 01/04/2016 and 31/03/2017	% of Total Shares of the Company
1	Prime India Investment Fund Ltd	721000	6.49	08/04/2016	-20406	Sale	700594	6.3
		700594	6.3					
2	Mukul Agrawal	134683	1.21			Nil		
		134683	1.21					
3	MarytimeTrimpeX Private Limited	100000	0.9			Nil		
		100000	0.9					
4	Shivaz Rai	79773	0.72	08/04/2016	-4773	Sale	75000	0.67
				26/08/2016	-28190	Sale	46810	0.42
				09/09/2016	28190	Purchase	75000	0.67
				10/02/2017	-5273	Sale	69727	0.63
				17/02/2017	-2859	Sale	66868	0.6
				03/03/2017	-3055	Sale	63813	0.57
				10/03/2017	-840	Sale	62973	0.57
				17/03/2017	-245	Sale	62728	0.56
				24/03/2017	-4250	Sale	58478	0.53
			58478	0.53				
5	Alok Garg	46031	0.41	08/04/2016	1500	Purchase	47531	0.43
				28/10/2016	-19441	Sale	28090	0.25
				04/11/2016	19441	Purchase	47531	0.43
				06/01/2017	-30	Sale	47501	0.43
				13/01/2017	-10251	Sale	37250	0.34
				27/01/2017	-15394	Sale	21856	0.2
				03/02/2017	-10246	Sale	11610	0.1
				17/02/2017	-2620	Sale	8990	0.08
				24/02/2017	-2161	Sale	6829	0.06
	6829	0.06						
6	Narpat kumar Kewalch and Chopra Huf.	23467	0.21			Nil		
		23467	0.21					
7	M/S. Bela Properties Private Ltd	22900	0.21	08/04/2016	2100	Purchase	25000	0.22
				25/11/2016	-2651	Sale	22349	0.2
				09/12/2016	-3500	Sale	18849	0.17
				16/12/2016	-8849	Sale	10000	0.09
				23/12/2016	-2655	Sale	7345	0.07
				30/12/2016	3899	Purchase	11244	0.1
	11244	0.1						
8	Devrath Bakebihari Choursiya	20000	0.18	23/09/2016	-3000	Sale	17000	0.15
				30/09/2016	-2150	Sale	14850	0.13
		14850	0.13					

Sr. No.	Name of Shareholders	No of Shares At the Beginning of Year 01/04/2016 and End of The Year 31/03/2017	% To the Total Shares	Transaction Date	Increase / Decrease	Reason	Cumulative Shareholding during the Period Between 01/04/2016 and 31/03/2017	% of Total Shares of the Company
9	Skunk Agents Private Limited	17250	0.16			Nil		
		17250	0.16					
10	Rupal Ramesh Goradia	13000	0.12	01/04/2016	-500	Sale	12500	0.11
				08/04/2016	-1000	Sale	11500	0.1
				15/04/2016	2373	Purchase	13873	0.12
				22/04/2016	127	Purchase	14000	0.13
				29/04/2016	1000	Purchase	15000	0.13
				13/05/2016	500	Purchase	15500	0.14
				27/05/2016	156	Purchase	15656	0.14
				03/06/2016	844	Purchase	16500	0.15
				23/09/2016	-3000	Sale	13500	0.12
				30/09/2016	-1050	Sale	12450	0.11
				28/10/2016	-450	Sale	12000	0.11
				16/12/2016	-3000	Sale	9000	0.08
				23/12/2016	-2000	Sale	7000	0.06
				06/01/2017	-2000	Sale	5000	0.04
				13/01/2017	-2000	Sale	3000	0.03
		20/01/2017	-1000	Sale	2000	0.02		
		27/01/2017	-2000	Sale	0	0		
		0	0					
11	Ashok Banwarilal Singhania	12595	0.11			Nil		
		12595	0.11					
12	Aleykutty Dominic	0	0	12/08/2016	2000	Purchase	2000	0.02
				19/08/2016	1000	Purchase	3000	0.03
				07/10/2016	2550	Purchase	5550	0.05
				14/10/2016	50	Purchase	5600	0.05
				28/10/2016	30	Purchase	5630	0.05
				04/11/2016	370	Purchase	6000	0.05
				18/11/2016	4147	Purchase	10147	0.09
				23/12/2016	150	Purchase	10297	0.09
				03/01/2017	581	Purchase	10878	0.1
				13/01/2017	1000	Purchase	11878	0.11
				20/01/2017	1575	Purchase	13453	0.12
				03/02/2017	135	Purchase	13588	0.12
				17/02/2017	1068	Purchase	14656	0.13
		24/02/2017	79	Purchase	14735	0.13		
		03/03/2017	265	Purchase	15000	0.13		
		15000	0.13					
13	Kaikhushru Minocher Kavarana	0	0	27/01/2017	21246	Purchase	21246	0.19
				03/02/2017	15034	Purchase	36280	0.33
				10/02/2017	21720	Purchase	58000	0.52
				17/02/2017	2000	Purchase	60000	0.54
		60000	0.54					

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and Key Managerial Personnel	No of Shares At the Beginning of Year 01/04/2016 and End of The Year 31/03/2017	% To the Total Shares	Transaction Date	Increase / Decrease	Reason	Cumulative Shareholding during the Period Between 01/04/2016 and 31/03/2017	% of Total Shares of the Company
1	AkshayModi (Director & KMP)	455236	4.09			Nil		
		455236	4.09					
2	Anil Modi (Director & KMP)	4545922	40.89	Nil				
		4545922	40.89					
3	S. S. Halwasiya (Director)	910	0.01	Nil				
		910	0.01					
4	Alok Garg (Director)	46031	0.41	08/04/2016	1500	Purchase	47531	0.43
				28/10/2016	-19441	Sale	28090	0.25
				04/11/2016	19441	Purchase	47531	0.43
				06/01/2017	-30	Sale	47501	0.43
				13/01/2017	-10251	Sale	37250	0.34
				27/01/2017	-15394	Sale	21856	0.2
				03/02/2017	-10246	Sale	11610	0.1
				17/02/2017	-2620	Sale	8990	0.08
				24/02/2017	-2161	Sale	6829	0.06
		6829	0.06					
5	Sulabh Singal (Director)	0	0.00	Nil				
		0	0.00					
6	Aditi Gupta (Director)	0	0.00	Nil				
		0	0.00					
7	Pradeep Kapoor (KMP-CFO)	0	0.00	Nil				
		0	0.00					
8	Ankit Agarwal (KMP-CS)	0	0.00	Nil				
		0	0.00					

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	342433932	8928723	0	351362655
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due @	454215	1661442		2115657
Total (i+ii+iii)	342888147	10590165	0	353478312
Change in Indebtedness during the financial year				
* Addition	3294277282	2176125		3296453407
* Reduction	3288212924	3483875		3291696799
Net Change	6064358	-1307750	0	4756608

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	348952505	9282415	0	358234920
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	0	0		0
Total (i+ii+iii)	348952505	9282415	0	358234920

@ This amount is included in Expenses Payable (Schedule 11 - Other Current liabilities)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Anil Modi (MD)	AkshayModi (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2775000.00	1980000.00	4755000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission • as % of profit • others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2775000.00	1980000.00	4755000.00
	Ceiling as per the Act	Remuneration paid is in accordance with the approval of members of the company accorded through Postal Ballot held on March 29, 2017, mandated by the provisions of Section 197 of the Act read with Schedule V thereof.)		

B. Remuneration to Other Directors: NIL

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD (Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
		NA	Ankit Agarwal	Pradeep Kapoor	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	904904.00	867675.00	1772579.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	904904.00	867675.00	1772579.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Form No. MR-3
**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

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

To,
The Members,
M/s Modi Naturals Limited
405, Deepali Building,
92, Nehru Place,
New Delhi-110 019

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2017** (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not Applicable to the Company during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the audit period)**

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

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

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

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

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

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in few instances, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, the Company has passed the following special resolutions

- a) for issue of 15,38,463 convertible warrants on preferential basis at Extra Ordinary General Meeting held on 9th January, 2017
- b) for altering the main objects of the Memorandum of Association through Postal Ballot on 29th March, 2017
- c) for substitution of existing Memorandum of Association through Postal Ballot on 29th March, 2017
- d) for substitution of existing Alteration of Association through Postal Ballot on 29th March, 2017

**For Deepak Bansal & Associates
Company Secretaries**

Sd/-

(Deepak Bansal)

Prop.

FCS 3736; CP 7433

Place: New Delhi

Date: 04th September, 2017

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

'ANNEXURE A'

To,
The Members,
Modi Naturals Limited
405, Deepali Building,
92, Nehru Place,
New Delhi-110 019

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

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

**For Deepak Bansal & Associates
Company Secretaries**

Sd/-

(Deepak Bansal)

Prop.

FCS 3736; CP 7433

Place: New Delhi

Date: 04th September, 2017

Details Pertaining to Remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Ratio : Managing Director and Employees	2.50 : 0.24
		Ratio : Director and Employees	1.65 : 0.24
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Basis: Calculated on the basis of total Salary Drawn in FY 2016-17 as compared to Salary Drawn in FY 2015-16.	
		Name	Designation
			% increase/ (decrease) in remuneration
		Mr. Anil Modi	Managing Director
		Mr. Akshay Modi	Director
	Mr. Pradeep Kapoor	CFO	12.12
	Mr. Ankit Agarwal	Company Secretary	22.01
(iii)	The percentage increase in the median remuneration of employees in the financial year;	10 % approx.	
(iv)	The number of permanent employees on the rolls of company;	The number of permanent employees on the rolls of the company as of 31.03.2017 was 579.	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in salaries of employees was about 10% and average increase in remuneration of Key Managerial Personnel was 12.52%. And there is no exceptional increase in managerial remuneration.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.	

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

a. Global Economic Condition

The global economy continues to face challenges such as declining commodity prices, subdued growth, volatile financial markets and fluctuating exchange rates. Several emerging economies are grappling with slowing growth, inflation, currency devaluations and high deficits. However, India seems to be the most stable growth market amongst emerging markets and hence in the medium to long term, will see a lot of foreign investment.

b. Overview of Indian Economy and Industrial Outlook

The new government has brought in a renewed focus on growth and is determined to make suitable reforms. Major reforms are taking time, but the India story is intact and growth is back at over 7%. With global commodity prices at a historical low, India, a huge importer of commodities is at a good position. The Reserve Bank of India (RBI) has reduced interest rates to supplement the government's growth initiatives and to identify new avenues of growth.

Due to moderated level of inflation, reduced current account deficit and fiscal consolidation, the Country is currently characterized as a stable macroeconomic situation. Furthermore, increased industrial production complimented by various government leading initiatives could further prove to be an impetus to the economy.

Rising incomes and growing youth population have been key growth drivers of the FMCG sector. Brand consciousness has also aided demand. Low penetration levels in rural market offers room for growth.

2. Threats and Opportunities

The Indian edible oil market continues to be underpenetrated and thereby holds immense business opportunities. Vegetable oil consumption has increased due to rise in overall household income, surging retail sector, increasing health awareness, growing population and increasing demand.

Provided the positive macro and demographic fundamentals, the edible oil market has a favorable demand growth outlook over the medium-to-long term. The Indian edible oil market is expected to witness robust expansion in the near future. However, rising edible oil prices and lower priced competitors are expected to be the challenges for this sector.

3. Segment, Product wise Performance

Your Company's sole business segment is manufacturing and marketing of Edible Oils and de-oiled cakes and geographical segment is India.

Since 2010, the company has slowly transitioned its business from the commoditized non-branded manufacturing and marketing of edible oils to making unique branded edible oils and also becoming India's third largest Blended Oil Brand.

Your company has created a niche market segment for itself through its high quality Olive oil products and strong distribution network. "OLEEV" brand is positioned strongly in minds of customers and it caters to the premium segment of the market. With the advent of GST, your company intends to expand its geographical reach by developing strong distribution network outside the existing markets. Your company plans to invest purposefully on focused marketing activities in existing as well as new markets to further strengthen the brand positioning and recall. Your company has invested in development of new product packaging with improved functionality in terms of convenience to customers and cost optimization in freight. Your Company is further looking to increase its competitiveness by making investment in modernizing the refinery complex to achieve greater operational efficiency and capability to produce varied products.

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

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

In FY'17 the Company's brand 'Oleev Active' has attained a significant market share of the premium 'healthy edible oil' segment, in organised retail and in few of the major chains. Your Company continues to support our flagship Oleev Active in this Category with adequate level of investments to ensure that our position in this category remains healthy and profitable while delivering the highest returns to our shareholders.

4. Outlook

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

We expect to be able to continue to deliver strong growth and take advantage of the significant capital investments we have recently completed behind products with clear competitive advantage.

5. Risk Management

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

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

6. Internal Control Systems and its adequacy

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

7. Financial and Operational Performance

During fiscal 2017, your Company recorded revenue from operations of Rs. 29317.05 Lacs, a growth of 7.89% over previous year due to slump in demand due to demonetisation.

The Company's EBIDTA fell by 48.6% to Rs. 455.66 Lacs. Consequently, our EBIDTA margins declined to 1.47% from 3.1% in the previous year due to increase in raw material cost. This, in turn, led to profit after tax declining 95.7% and PAT margin falling to 0.01% from 0.74% in the previous year.

The year 2016-17 witnessed new product launches as well as a revamp of some of our existing products.

8. Human Resource and Industrial Relations

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

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

9. Cautionary Statement

Estimates and expectations stated in this Management Discussion and Analysis Report may be "forward-looking statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, and other statutes and incidental factors.

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The Composition of the Board of Directors and other details as on March 31, 2017 is as under:

During the financial year ended March 31, 2017, the Company had nine (9) Board meetings held on May 30, 2016, August 08, 2016, September 21, 2016, October 13, 2016, November 14, 2016, December 15, 2016, January 19, 2017, February 13, 2017, and March 28, 2017 respectively.

Sl. No.	Name of the Director	Category	Designation	No. of Board Meeting Attended	No. of Directorships of other companies held [@]	No. of Chairmanship and memberships in Committees of the Board of other Companies [#]	Attendance at Last AGM held on 29.9.2016
1.	Mr. Anil Modi (DIN-00187078)	Promoter, Executive	Chairman & Managing Director	8	Nil	Nil	Yes
2.	Mr. Akshay Modi (DIN-03341142)	Promoter, Executive	Whole time Director	9	Nil	Nil	Yes
3.	Ms. Aditi Gupta (DIN-01786037)	Non-Independent Non-Executive	Director	5	Nil	Nil	No
4.	Mr. S.S. Halwasiya (DIN-00020000)	Independent, Non-Executive	Director	5	Nil	Nil	Yes
5.	Mr. Alok Garg (DIN-01394308)	Independent Non-Executive	Director	6	Nil	Nil	No
6.	Mr. Sulabh Singal (DIN-05270534)	Independent Non-Executive	Director	4	Nil	Nil	No

Notes:

- @ Excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
- # Committees viz. the Audit Committee and the Stakeholders Relationship Committee are considered.
- Mr. Anil Modi, Mr. Akshay Modi and Ms. Aditi Gupta are relatives of each other in terms of the definition of 'Relative' given under the Companies Act, 2013 read with the Rules made thereunder. None of other Directors is related to any other Director on the Board.
- None of the Non-Executive Directors, except Mr. Alok Garg and Mr. S. S. Halwasiya, who holds 6829 and 910 shares respectively, hold any shares or convertible instruments in the Company.
- The details of the familiarisation programme of the Independent Directors are uploaded on the website and can be accessed on (http://www.modinaturals.com/corporate_governance.html)

3. MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors met during the year under review, inter alia, to discuss review of the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the company, taking into account the views of the Executive Directors and Non- Executive Directors, assess the quality, quantity and timeliness of

flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

4. CODE OF CONDUCT FOR THE BOARD MEMBERS AND SENIOR MANAGEMENT

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

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

As required under Chapter IV of the SEBI Listing Regulations, all Directors and senior management have affirmed compliance with the Code for the financial year ended March 31, 2017. A declaration to the effect, signed by the Chairman and Managing Director, is annexed to and forms part of this Annual Report.

5. COMMITTEES OF THE BOARD OF DIRECTORS

A. AUDIT COMMITTEE

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

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

Five (5) Meetings of the Audit Committee were held during the year under review on 30.05.2016, 08.08.2016, 21.09.2016, 14.11.2016 and 13.02.2017 respectively. The composition of the Audit committee and the details of meetings attended by its members are given below:

Name of Director	Category	Position held in the Committee	Number of meetings during the financial year 2016-17	
			Held	Attended
Mr. S. S. Halwasiya	Independent, Non-Executive	Chairperson	5	4
Mr. Alok Garg	Independent, Non-Executive	Member	5	4
Mr. Anil Modi	Non-Independent, Executive	Member	5	5

B. NOMINATION AND REMUNERATION COMMITTEE

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

Three (3) Meetings of the Nomination and Remuneration Committee were held during the year under review on 30.05.2016, 08.08.2016 and 11.02.2017 respectively. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of Director	Category	Position held in the Committee	Number of meetings during the financial year 2016-17	
			Held	Attended
Mr. Sulabh Singal	Independent, Non-Executive	Chairperson	3	3
Mr. S. S. Halwasiya	Independent, Non-Executive	Member	3	2
Mr. Alok Garg	Independent, Non-Executive	Member	3	3

• Remuneration Policy

The Board upon recommendation of the Nomination and Remuneration Committee has adopted following Policies/ Framework in line with the SEBI Listing Regulations and the Companies Act, 2013.

- i. Remuneration Policy relating to remuneration of Directors, Key Managerial Personnel and other employees.
- ii. Framework for evaluation of the Board, its Committees and individual Board Members including Independent Directors.
- iii. Framework for determining qualifications, positive attributes and independence of a director
- iv. Framework for the appointment of directors and senior management personnel.

• Non-Executive Directors (including Independent Directors)

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

• Executive Directors

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

The evaluation criteria of the Board, its Committees and individual Board Members including Independent Directors have been disclosed in the Director's Report which forms part of the Annual Report. The formal Remuneration policy of the Company is available on the Company's website at the following link-http://www.modinaturals.com/corporate_governance.htm

• Remuneration to Directors

Details of remuneration paid to Directors for the Financial Year 2016-17 is as under:- **(In Rupees except Share data)**

Name of Directors	Salary	Perquisites / Allowances	Commission	Sitting Fee	Total	Service Contract	No of Equity Share held
Mr. Anil Modi	2775000.00	-	-	-	2775000.00	•	4545922
Mr. AkshayModi	1980000.00	-	-	-	1980000.00	#	455236
Mr. S. S. Halwasiya	-	-	-	-	-	\$	910
Mr. AlokGarg	-	-	-	-	-	\$	6829
Mr. SulabhSingal	-	-	-	-	-	\$	-
Ms. Aditi Gupta	-	-	-	-	-	@	-

- The term of appointment is for 5 years commencing from 01st January, 2015, as approved by Shareholders in the 40th AGM held on 19.8.2014 and through Postal Ballot on 29.03.2017. Mr. Anil Modi is liable to retire by rotation.
- # The term of appointment is for 3 years commencing from 15th December, 2016, as approved by Shareholders in the 42nd AGM held on 29.9.2016 and through Postal Ballot on 29.03.2017. Mr. Akshay Modi is liable to retire by rotation.
- \$ The term of appointment is for 5 consecutive years commencing from 01st August, 2014, as approved in the 40th AGM held on 19.8.2014.
- @ Rotational director
- Services of the Managing Director and Executive Director may be terminated by either party, giving the other party one month' notice or the Company paying one month' salary in lieu thereof. There is no separate provision for payment of severance fees.

The Company does not have any Stock Option Scheme and Pension Scheme.

The Company did not have any material pecuniary relationship or transactions with Non-Executive Directors during the year.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

Four (4) meetings of the stakeholders' relationship committee were held during the year on 30.05.2016, 08.08.2016, 14.11.2016 and 11.02.2017 respectively. The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

Name of Director	Category	Position held in the Committee	Number of meetings during the financial year 2016-17	
			Held	Attended
Mr. Alok Garg	Independent, Non-Executive	Chairperson	4	4
Mr. S. S. Halwasiya	Independent, Non-Executive	Member	4	3
Mr. Anil Modi	Non-Independent, Executive	Member	4	4

Mr. Ankit Agarwal, Company Secretary and Compliance Officer may be contacted for any matter relating to share transfers/transmissions, non-receipt of Annual Reports, Dividend, etc.

Details of investor complaints received and redressed during the financial year 2016-17:

Pending as on 1 April, 2016	NIL
Received during the year	3
Resolved during the year	3
Pending as on 31 March, 2017	NIL

6. GENERAL BODY MEETINGS

Location, date and time of Annual General Meetings (AGM) held during the last 3 years and special resolutions passed:

Financial Year	Date	Venue	Time	Special Resolutions Passed
2015-16	September 29, 2016	Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower New Delhi-110019	3:00 P.M.	1
2014-15	September 30, 2015		12:15 P.M.	None
2013-14	August 19, 2014		11:00 A.M.	5

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders.

One Extraordinary General Meeting was held on 9 January, 2017 to consider and pass the special resolution to issue and allot 1538463 Convertible warrants on preferential basis to non-promoter group entities.

POSTAL BALLOT

No resolution is proposed to be conducted through postal ballot at the ensuing AGM to be held on September 29, 2017. During the year, 5 (Five) special resolutions were passed through Postal Ballot including e-voting on 29 March, 2017. The Notice of the Postal Ballot dated 13 February, 2017 was sent to all the shareholders of the Company along with a self-addressed postage prepaid business reply envelope to the Members whose email id is not registered with the Company/Depository Participant and also sent the respective Notice of Postal Ballots through email along with the details of Login ID & Password to the Members whose email id is registered with the Company/Depository Participant. Mr. Deepak Bansal, a Practicing Company Secretary was appointed as the Scrutinizer, who submitted his respective reports to the Director of the Company. The details of the Postal Ballot conducted during the year results of which were announced are provided herein below:

Date of Postal Ballot Notice: February 13, 2017

Voting Period: 28 Feb'17 – 29 Mar'17

Date of declaration of results: March 31, 2017

Date of Approval: March 29, 2017

Sr. No.	Item	Type of Resolution	Total no of valid votes polled	No of votes in favor %	No of votes % against
1.	Add new object in Main object clause of the Memorandum of Association	Special	8206420	100.00%	-
2.	To adopt new set of Memorandum of Association in conformity of the Companies Act, 2013	Special	8206420	100.00%	-
3.	To adopt new set of Articles of Association in conformity with the Companies Act, 2013	Special	8206420	100.00%	-
4.	Revision in terms of remuneration of Mr. Anil Modi, Managing Director	Special	804	100.00%	-
5.	Revision in remuneration of Mr. Akshay Modi, Whole Time Director	Special	804	100.00%	-

7. OTHER DISCLOSURES:

- **Materially significant related party transactions**

During the year, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, their subsidiaries, the Directors, the KMP, the management or relatives, or other designated persons, that may have a potential conflict with the interests of the Company at large.

All related party transactions entered into during the year were on arms' length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and Listing Regulations. The related party transactions during the year under review are mentioned in Note 35 to the "Notes to Accounts". The Company has adopted a Related Party Transactions Policy and the same is displayed on the Company's website at the following weblink: http://www.modinaturals.com/corporate_governance.htm

- **Disclosure of Accounting Treatment**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards. The Management reviews the accounting treatments adopted and wherever deviations noted, will be presented in the Financial Statements. A detailed report on significant accounting policies is provided elsewhere in the Annual Report.

- **Details of non-compliance**

The Company has complied with the requirements of the Stock Exchanges, SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.

- **Whistle Blower Policy / Vigil Mechanism**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. This said policy has been also put up on the website of the Company at the following link- http://www.modinaturals.com/corporate_governance.htm

- **Compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the applicable mandatory requirements of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted any non-mandatory requirements.

A compliance certificate from the statutory auditors regarding compliance of conditions of corporate governance as required by Schedule V of the SEBI Listing Regulations is given as an annexure to this report.

- **Subsidiary Companies**

The Company do not have any subsidiary companies.

- **Web link**

As required by the SEBI Listing Regulations, the Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents, which are disclosed on its website at the following link- http://www.modinaturals.com/corporate_governance.htm

- **Code of Conduct for Prevention of Insider Trading**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted a 'Code of Conduct to regulate, monitor and report trading by insiders and 'Code of practices and procedures for fair disclosure of unpublished price sensitive information' for its Directors, management and staff and other connected persons defined therein. These Codes lay down guidelines which advise management and staff on procedures to be followed and disclosures to be made while dealing with Securities of the Company, and cautions them of the consequences of violations. The Code of Conduct is posted on the Company's website – www.modinaturals.com/investors.htm

- **Legal Compliance Reporting**

The Board of Directors reviews quarterly report of compliance with respect to all laws and regulations applicable to the Company. The Company has devised a Legal Compliance reporting mechanism, wherein the Company Secretary shall obtain the Compliance status reports from the respective person who is responsible for compliance within the Company, and submit periodically a comprehensive compliance report to the Executive Director(s) of the Company. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

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

- **CEO/ CFO Certification**

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8), read with Part B of Schedule II to the SEBI Listing Regulations, 2015, for the financial year ended March 31, 2017.

8. MEANS OF COMMUNICATION

• Financial Results

The Company intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in The Financial Express (English) and Haribhoomi (Hindi) in Delhi. The financial results are also displayed on the Company's website - www.modinaturals.com/investor.htm. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchange(s) are filed through BSE Listing Centre, for dissemination on its website.

• Website

The website www.modinaturals.com.investor.htm contains a separate dedicated section for the Company's 'Investor Relations' where shareholders' information is available. The full Annual Report, Shareholding Pattern and all Financial Reports are available in the 'Investor Relations' sections on the website of the Company. The Company also has an exclusive e-mail ID i.e. investors@modinaturals.com for investors to contact the Company in case of seeking any information and redressal of their grievances.

9. GENERAL SHAREHOLDERS INFORMATION

A. Annual General Meeting (AGM) for FY 2016-17

Date	September 29, 2017
Time	3.00 P.M
Venue	Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi-110019

B. Financial Calendar

Financial Year Tentative Schedule for declaration of financial results during the financial year 2017-2018 -First Quarter ending 30.06.2017 -Second Quarter ending 30.09.2017 -Third Quarter ending 31.12.2017 -Annual and fourth quarter ending 31.03.2018	April 1 – March 31 August 11, 2017 Upto November 14, 2017 Upto February 14, 2018 Upto May 30, 2018
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C. Dates of Book Closure

	From Monday, September 25, 2017 to Friday, September 29, 2017 (both days inclusive)
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D. Dividend Payment Date

	No Dividend is declared for the Financial Year 2016-17
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E. Listing on stock Exchanges

	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
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F. Listing Fee

	Annual Listing Fee for the year 2017-18 as applicable has been paid to the Stock Exchange.
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G. Stock Code / Symbol

BSE Limited ISIN Number for NSDL and CDSL	519003; MODINATUR INE537F01012
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H. Company Identification Number (CIN)

	L15142DL1974PLC007349
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I. Market Price Data

Monthly's High and Low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on BSE (Source: www.bseindia.com)

Month	BSE		
	High (Rs.)	Low (Rs.)	Volume (No. of shares traded)
April – 2016	188.8	135.1	100926
May – 2016	154.9	125.55	63777
June – 2016	129.75	103.55	37569
July – 2016	128.8	103	15876
August – 2016	123.9	76.65	39601
September – 2016	147.4	90	81340
October – 2016	142	105.7	27938
November – 2016	135.75	95	26788
December – 2016	157.4	108.2	98277
January – 2017	178.95	140.1	130809
February – 2017	179	143.25	75437
March – 2017	153.9	130.2	50473

J. Shareholding Pattern as on March 31, 2017

Sl. No.	Category of Shareholders	No. of Shares held	No. of Shares in De-mat Form	% Shareholding
A.	Promoters and Promoters Group Shareholding			
1.	Indian			
a.	Individuals / HUF	7559966	7559966	68.00
b.	Bodies Corporate	646000	646000	5.81
2.	Foreign	0	0	0.00
	Total - (A)	8205966	8205966	73.81
B.	Public Shareholding:			
1.	Institutions:			
a.	Mutual Funds	0	0	0
b.	Financial Institutions /Banks	200	0	0.00
c.	Foreign Institutional Investors	711184	711184	6.40
	Sub-Total – B(1)	711384	711184	6.40
2.	Non-Institutions:			
a.	Bodies Corporate	232835	216385	2.09
b.	Individuals	1891511	848942	17.02
c.	Any Other specify:			
i.	Non Resident Indians	25119	25119	0.23
ii.	Resident Indian HUF	47237	47237	0.42
iii.	Trusts	800	800	0.01
iv.	Clearing Member/House	3082	3082	0.03
	Sub-Total – B (2)	2200584	1141565	19.80
	Total – B = B(1)+B(2)	2911968	1852749	26.20
	Grand Total (A + B)	11117934	10058715	100.00

K. Distribution of Holdings as on March 31, 2017

Category	Number of Shareholders	% to Total Numbers	Share Holding Amount	% to Total Amount
Up to 5,000	3858	87.86	9252880	8.32
5,001 to 10,000	258	5.88	2073720	1.87
10,001 to 20,000	182	4.14	3153830	2.84
20,001 to 30,000	25	0.57	623360	0.56
30,001 to 40,000	12	0.27	421060	0.38
40,001 to 50,000	15	0.34	688570	0.62
50,001 to 1,00,000	20	0.46	1318750	1.19
1,00,000 and Above	20	0.48	93647170	84.23
Total	4390	100	111179340	100

L. Registrar and Share Transfer Agents

33 The Company has appointed M/s Skyline Financial Services Pvt. Ltd. as its Registrar and Transfer Agent for handling the share registry work relating to shares held both in physical and electronic form at a single point. The shareholders may address their communications and any grievances or queries pertaining to share transfer/demat including physical transfer requests and demat requisition forms, to the Registrar & Transfer Agent of the Company at the following address: **Skyline Financial Services Pvt. Ltd.** D-153A, Okhla Industrial Area, Phase - I, New Delhi-110 020, **Tel:** 011-26812682, **E-mail:** admin@skylinerta.com

M. Share Transfer System

To expedite the process and disposal of share transfers in physical form, the Board of Directors has delegated the power of share transfer, transmission, split /consolidation of share certificates, to the Registrar and Transfer Agent (RTA) of the Company viz. M/s Skyline Financial Services Pvt. Ltd. Transfers in physical form are registered by the Registrar and Share Transfer Agent immediately on receipt of completed documents and certificates are issued within 15 days of date of lodgement of transfer. Invalid share transfers are returned within 15 days of receipt. A periodic report of transfer/transmission/demat/re-mat etc. of securities of the Company so approved by RTA is placed at every subsequent Board meeting / Stakeholders' Relationship Committee meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges. The Company Secretary monitors the system. All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

N. SCORES (SEBI Complaints Redressal System)

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

O. Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form on and BSE and are available for trading on both the depositories, viz. NSDL and CDSL. The connectivity has been established through the Company's Registrars, Skyline Financial Services Pvt. Ltd. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE537F01012. As at March 31, 2017, a total of 1,00,58,715 Equity Shares of the Company, constituting 90.47% of the paid-up share capital, stands dematerialised. To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their email address and bank accounts with the respective depository participants.

P. Share Capital Reconciliation Report

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

Q. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (“IEPF”)

There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2017.

R. Commodity price risk or foreign exchange risk and hedging activities

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

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

During the year, the company issued and allotted 15,38,463 convertible warrants on 19.01.2017 to non-promoter entities on preferential basis as per SEBI (ICDR) Regulation, 2009, which carried an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10/- each at a future date, not exceeding 18 (eighteen) months from the date of allotment of such warrants at a price of Rs. 130/- which includes a premium of Rs. 120/- per share. On exercise of full conversion option by the Warrant holders, the number of Equity Shares will increase from 11117934 to 12656397. The Company did not have any other outstanding convertible instruments/ADRs/GDRs/warrants as on 31 March 2017.

T. Plant Location

Bisalpur Road, Pilibhit - 262001, Uttar Pradesh

U. Address for Correspondence

• **Registrar and Share Transfer Agents**

Skyline Financial Services Pvt. Ltd.
D-153A, Okhla Industrial Area, Phase - I,
New Delhi-110 020
Tel.: 011-26812682
E-mail: admin@skylinerta.com

• **Company**

Registered Office:
405, Deepali Building 92, Nehru Place, New Delhi – 110019
www.modinaturals.com

Contact Person:
Company Secretary
Tel: 011-41889999
E-mail: investors@modinaturals.com

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MODI NATURALS LIMITED

We, K.K. Jain & Co., Chartered Accountants, the Statutory Auditors of Modi Naturals Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

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

For K.K. Jain & Co.
Chartered Accountants
Firm's Registration No. 002465N

Sd/-
(Simmi Jain)
Partner
M. No. 86496

Place : New Delhi,
Date : 30 May, 2017

TO THE MEMBERS OF MODI NATURALS LIMITED

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

I, Anil Modi, Chairman & Managing Director of Modi Naturals Limited hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the "Code of Conduct and Ethics" of the Company for the financial year ended 31st March, 2017.

(Anil Modi)
Chairman & Managing Director
DIN No. : 00187078

Place : New Delhi,
Date : 30 May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Modi Naturals Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Modi Naturals Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standardsspecified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. Further to our comments in annexure A, as required by Section143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c. the financial statements dealt with by this report are in agreement with the books of account ;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2017 and taken on record by

the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. in our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in note 30.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 40 to the financial statements.

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

Sd/-
(Simmi Jain)
Partner
M. No.86496

Place: Delhi
Date: 30.05.2017

Annexure A referred to in paragraph 7 of our Report of even date to the members of Modi Naturals Limited on the accounts of the company for the year ended 31st March, 2017

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 or Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

Statement of Disputed Dues

Name of the Statute	Nature of Dues	Amount	Period to which amount relates	Forum where dispute is pending	Remark
Central Excise	Excise Duty	2,64,63,303	1-4-08 to 30-09-13	Additional Commissioner Central Excise Meerut II Uttar Pradesh	Demand Stayed Vide order No. SO/54452-54453/2014-Ex(DB) dated 28/11/2014 by The Hon'ble CESTAT
Central Excise	Excise Duty	58,30,856	1-10-13 to 31-03-15	Additional Commissioner Central Excise Meerut II Uttar Pradesh	Show Cause Notice was Issued and the Company relying on the order passed by the Hon'ble CESTAT has filed its reply.
Central Excise	Excise Duty	21,27,081	1-04-15 to 31-08-16	Assistant Commissioner Central Excise Bareilly Uttar Pradesh	Show Cause Notice was Issued and the Company relying on the order passed by the Hon'ble CESTAT has filed its reply.

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

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

Sd/-
(Simmi Jain)
Partner
M. No.86496

Place: Delhi
Date: 30.05.2017

Annexure - B to the Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s Modi Naturals Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
(Simmi Jain)
Partner
M. No.86496

Place: Delhi
Date: 30.05.2017

BALANCE SHEET as at 31.03.2017

(Amount in Rs.)

PARTICULARS	Note No.	As At 31.03.2017	As At 31.03.2016
I. EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share Capital	3	111,179,340	111,179,340
(b) Reserves and Surplus	4	204,786,519	204,563,077
(c) Money received against share warrants (Refer Note 34)		100,000,095	
		415,965,954	315,742,417
2 Non- current liabilities			
(a) Long-term borrowings	5	17,901,959	8,546,372
(b) Deferred Tax liabilities (Net)	6	42,432,287	41,306,195
(c) Other Long term liabilities	7	146,979	385,875
(d) Long-term Provisions	8	9,418,044	7,802,130
		69,899,269	58,040,572
3 Current Liabilities			
(a) Short term borrowings	9	334,300,012	341,919,930
(b) Trade payables	10	36,072,968	59,986,905
(c) Other current liabilities	11	130,945,388	79,885,894
(d) Short term provisions	12	4,271,209	13,878,679
		505,589,577	495,671,408
TOTAL		991,454,800	869,454,397
II ASSETS			
1. Non-current assets			
(a) Fixed assets	13		
(i) Property, Plant & Equipment	13A	195,393,414	182,610,389
(ii) Intangible assets	13B	436,991	507,307
(iii) Capital work-in-progress		-	3,526,630
(b) Long-term loans and advances	14	8,552,131	8,573,139
(c) Other non-current assets	15	41,636,836	60,623,019
		246,019,372	255,840,484
2. Current assets			
(a) Current investments			
(b) Inventories	16	575,316,222	436,986,339
(c) Trade receivables	17	98,438,994	126,323,018
(d) Cash and Cash equivalents	18	18,565,105	8,987,284
(e) Short-term loans and advances	19	20,318,813	10,046,016
(f) Other current assets	20	32,796,294	31,271,256
		745,435,428	613,613,913
TOTAL		991,454,800	869,454,397

Significant accounting policies

2

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

As per our report of even date, attached,

For and on behalf of the Board of Directors
For K. K. Jain & Co.

 Chartered Accountants
 Registration No.: 002465N

Sd/-

Akshay Modi
 W. T. Director
 DIN: 03341142

Sd/-

Anil Modi
 Chairman & M. Director
 DIN: 00187078

Sd/-

Simmi Jain
 Partner
 Membership No.: 86496

Sd/-

Ankit Agarwal
 Company Secretary

Sd/-

Pradeep Kapoor
 Chief Financial Officer

 Place : New Delhi
 Date : 30.05.2017

STATEMENT OF PROFIT AND LOSS For Year Ended 31.03.2017

(Amount in Rs.)

PARTICULARS	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
I Income			
Revenue from Operation	21	2,931,704,800	2,717,344,452
Total Income		<u>2,931,704,800</u>	<u>2,717,344,452</u>
II Expenses			
Cost of Materials Consumed	22	2,466,881,484	2,187,935,978
Purchases of Stock in Trade	23	35,453,838	31,391,962
Changes in inventories of finished goods and Stock-in- trade	24	(150,548,426)	(50,235,403)
Employee benefits expense	25	158,957,754	131,206,759
Finance Costs	26	31,481,194	34,944,072
Depreciation and amortization expense	13	12,291,315	11,757,544
Selling and Distribution Expenses	27	223,090,121	167,176,933
Other expense	28	152,303,078	161,244,076
Total Expense		<u>2,929,910,358</u>	<u>2,675,421,921</u>
III Profit before tax (I-II)		1,794,442	41,922,532
IV Tax expense:			
(1) Current tax		480,000	9,400,000
(2) Taxes for earlier year		(35,092)	-
(3) Deferred tax		1,126,092	12,834,916
V Profit after Tax		223,442	19,687,616
VI Earnings per equity share (face value of Rs.10/- each)			
(1) Basic	29	0.02	1.77
(2) Diluted		0.02	1.77

See accompanying notes to the financial statements

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

As per our report of even date, attached,

For and on behalf of the Board of Directors
For K. K. Jain & Co.
 Chartered Accountants
 Registration No.: 002465N

 Sd/-
Akshay Modi
 W. T. Director
 DIN: 03341142

 Sd/-
Anil Modi
 Chairman & M. Director
 DIN: 00187078

 Sd/-
Simmi Jain
 Partner
 Membership No.: 86496

 Sd/-
Ankit Agarwal
 Company Secretary

 Sd/-
Pradeep Kapoor
 Chief Financial Officer

 Place : New Delhi
 Date : 30.05.2017

CASH FLOW STATEMENT For The Year Ended 31ST MARCH, 2017
(Amount in Rs.)

PARTICULARS	For the year ended 31.03.2017	For the year ended 31.03.2016
(A) CASH FROM OPERATING ACTIVITIES:		
Profit before Taxation	1,794,442	41,922,532
Adjustments for:		
Depreciation	12,291,315	11,757,544
Foreign exchange fluctuation	(4,027,554)	2,911,932
Deferred revenue expenses incurred		(52,213,789)
Deferred revenue expenses written off	19,395,002	13,999,494
Provision for Gratuity	2,558,368	2,601,164
Profit(-)/loss on sale of assets (net)	(2,384,933)	(18,388,771)
Interest expenses	28,673,253	31,093,869
	<u>56,505,451</u>	<u>(8,238,557)</u>
Operating profit before working Capital changes	58,299,893	33,683,975
Adjustments for:		
Trade and other receivable	16,382,338	(13,659,304)
Inventories	(138,329,883)	(40,957,945)
Trade payables	25,820,926	(16,825,856)
	<u>(96,126,619)</u>	<u>(71,443,105)</u>
Cash generated from operations	(37,826,726)	(37,759,130)
Interest paid	(28,665,044)	(31,077,586)
Direct taxes paid (Net of Refund)	(10,048,870)	(5,135,629)
	<u>(76,540,640)</u>	<u>(73,972,345)</u>
Cash flow before extra ordinary items	(76,540,640)	(73,972,345)
Extra ordinary items (net)	-	-
Net cash from operating activities (A)	(76,540,640)	(73,972,345)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(23,127,703)	(18,622,806)
Sale of fixed assets	4,035,246	20,385,714
	<u>(19,092,457)</u>	<u>1,762,908</u>
Net cash used in investing activities (B)	(19,092,457)	1,762,908
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital (including Share Warrants)	100,000,095	-
Proceeds from borrowings	5,210,823	69,422,241
Repayments of borrowings	-	-
	<u>105,210,918</u>	<u>69,422,241</u>
Net Cash used in financing activities (C)	105,210,918	69,422,241
Net increase (decrease) in cash and Cash equivalents (A+B+C)	9,577,821	(2,787,196)
Cash and cash equivalents opening	8,987,284	11,774,480
Cash and cash equivalents closing	18,565,105	8,987,284
Net increase/decrease(-) as disclosed above	9,577,821	(2,787,196)

As per our report of even date, attached,

For and on behalf of the Board of Directors

For K. K. Jain & Co.
 Chartered Accountants
 Registration No.: 002465N

 Sd/-
Akshay Modi
 W. T. Director
 DIN: 03341142

 Sd/-
Anil Modi
 Chairman & M. Director
 DIN: 00187078

 Sd/-
Simmi Jain
 Partner
 Membership No.: 86496

 Sd/-
Ankit Agarwal
 Company Secretary

 Sd/-
Pradeep Kapoor
 Chief Financial Officer

 Place : New Delhi
 Date : 30.05.2017

Notes to financial statements for the year ended March 31, 2017

1. Corporate Information

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

2. Summary of significant accounting policies

A. Basis of accounting

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards notified under relevant provisions of the Companies Act, 2013.

B. Inventory Valuation

- | | |
|---|---|
| i. Raw Materials, Consumables, Packing Material, Baggase and Paddy Husk | At weighted average cost |
| ii. Finished Goods | At lower of average cost or net realisable value. |
| iii. Stores & Spares | At cost on FIFO basis. |

C. Fixed Assets and Depreciation

(i) Property, plant and equipment :

Property, plant and equipment are initially recognised at cost. The initial cost comprises purchase price including import duties and non –refundable purchase taxes, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. Subsequent to initial recognition, Property Plant and equipment are stated at cost less accumulated depreciation (other than land, which are stated at cost) and impairment losses, if any. Depreciation on property, plant and equipment for the year is provided, to the extent of depreciable amount, on the straight line method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

De-recognition:

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

ii. Other Intangible Assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses). The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset	Useful Life
Computer software	5 Years
Website Development	10 Years

D. Research & Development

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

E. Borrowing Cost

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

F. Bonus	As per the provisions of the Payment of Bonus Act, 1965 to employees covered under that Act.
G. Employee Benefits	<ul style="list-style-type: none"> i) Provident Fund: On accrual. The company makes regular contributions to Provident & Other Funds which are charged to Revenue. ii) Leave Encashment: Retirement benefits in respect of Leave encashment are not applicable since the company pays leave encashment to employees every year. iii) Gratuity: Liability in respect of Gratuity to employees has been determined and accounted on the basis of actuarial valuation
H. Revenue Recognition	<ul style="list-style-type: none"> i) Sales are recognised on delivery. ii) Interest: on accrual. iii) Other Miscellaneous Revenues are recognized when the amounts are actually received or the realisability is certain.
I. Exchange Rate Fluctuation	Transactions in Foreign Currency are recognised at rates prevailing on the date of transactions. Monetary foreign currency assets & liabilities remaining unsettled at the balance sheet date are translated at exchange rate prevailing on that date. Gain/loss arising on account of realization/settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Profit & loss account.
J. Amortisation of expenses for Amalgamation	Amortised over a period of five years.
K. Taxation	<ul style="list-style-type: none"> (i) Income Tax: Provision for Income Tax liability has been computed after taking into account allowable deduction under provisions of Income Tax Act, 1961. (ii) Deferred Tax: Based on business prudence, is recognised, on timing difference, being difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period.
L. Impairment of Assets	The carrying amounts of assets are reviewed at each Balance Sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment losses recognised for the asset no longer exists or has decreased.
M. Provisions, Contingent Liabilities and Contingent Assets	Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed, while Contingent Assets are neither recognised nor disclosed, in the financial statements.
N. Earnings per share	Basic earnings per share are computed by dividing the net profit/(loss) for the year attributable to the equity shareholders with the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.
O. Leases	Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating leases. Lease rents under operating leases are recognized in the Profit and Loss Account.
P. Events occurring after the balance sheet date	Adjustment to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amount of assets and liabilities relating to condition existing at the balance sheet date.
Q. Deferred Revenue Expenditure	Expenditure is accounted on accrual basis except in specific cases of expenditure incurred against which a definite benefit is expected to flow in to future periods. Such sums are treated as Deferred Revenue Expenditure and charged to Revenue Account over the expected duration of benefits.
R. Salaries and wages on repairs & maintenance of Fixed Assets, where carried out internally, are charged to salaries and wages account. Such expenses in respect of Capital Work have, however, been allocated and capitalised.	

PARTICULARS	(Amount in Rs.)	
	As At 31.03.2017	As At 31.03.2016
NOTE NO. 3 : SHARE CAPITAL		
Equity Share Capital		
Authorised		
200,00,000 (Previous year 200,00,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
Issued, Subscribed and Paid up		
11117934 (Previous Year 11117934) Shares of Rs.10/- each fully called up	111,179,340	111,179,340
	111,179,340	111,179,340

3.1. Reconciliation of the number of shares	As At 31.03.2017		As At 31.03.2016	
	No of Shares	Amount(Rs)	No of Shares	Amount(Rs)
Equity Share Capital				
Number of shares at the beginning	11,117,934	111,179,340	11,117,934	111,179,340
Add : Shares issued during the year				
Conversion of Convertible warrants in to Equity Shares	0	0	0	0
At the end of the year	11,117,934	111,179,340	11,117,934	111,179,340

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

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

	As At 31.03.2017		As At 31.03.2016	
	No of Shares	% age	No of Shares	% age
Mr. Anil Modi	4,545,922	40.89	4,545,922	40.89
Ms. Nita Modi	1,630,850	14.67	1,630,500	14.67
Das Investments Private Limited	646,000	5.81	646,000	5.81
Prime India Investment Fund Limited	700,594	6.30	700,594	6.30

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

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

NOTE NO. 4 : RESERVE & SURPLUS

Capital Reserve		
As per Last Balance Sheet	8,981,650	8,981,650
Additions/Deductios/ Appropriations during the year	-	-
Closing Balance	8,981,650	8,981,650
Profit & Loss Account		
As per Last Balance Sheet	110,201,111	90,513,495
Additions/Deductios/ Appropriations during the year	223,442	19,687,616
Net Surplus in the Profit & Loss	110,424,553	110,201,111
Securities Premium Reserve		
As per Last Balance Sheet	66,646,480	66,646,480
Additions/Deductios/ Appropriations during the year	-	-
Closing Balance	66,646,480	66,646,480
General Reserve		
As per Last Balance Sheet	18,733,836	18,733,836
Additions/Deductios/ Appropriations during the year	-	-
Closing Balance	18,733,836	18,733,836
	204,786,519	204,563,077

NOTE NO. 5 : LONG TERM BORROWINGS
Secured

Term Loans :		
Term Loans from Banks	21,092,677	8,547,445
Vehicle Loan - from Bank	1,908,927	704,191
- from Others	933,304	1,852,531
	23,934,908	11,104,167
Less :		
Amount Disclosed under Current maturities of Long term debt (refer to note 11)	6,032,949	2,557,795
Net Amount	17,901,959	8,546,372

Security

- (a) Term Loan from banks is secured by way of equitable mortgage of Factory Land & Building and Hypothecation of Plant & Machinery of all the units at Bisalpur Road and Bareilly Road, Stock and Book Debts, Personal guarantees of Mr. Anil Modi, Mrs. Nita Modi and Sh. Akshay Modi.
- (b) Vehicle Loans are secured against hypothecation of respective Vehicles
- (c) Term of repayment and interest are as follows:-

Loan From	ROI*	No. of Instalments Left	Year of Maturity
Term Loan from Banks	10.25%	48	2021
Term Loan from Banks	10.25%	48	2021
Vehicle Loan from Others Skoda	10.55%	13	2018
Vehicle Loan from Bank Ford Eco Sport	10.10%	18	2018
Vehicle Loan from Bank Toyota Corolla	9.50%	49	2021

* Applicable Rate of Interest as on 31.03.2017

Note No. 6 : Deferred Tax Liability (Net)

	Deferred Tax Asset/(Liability) as at 01.04.2016	Current Year (Charge)/ Credit	Deferred Tax Asset/(Liability) as at 31.3.2017
Liabilities :			
Related to fixed assets	(28,026,874)	(1,687,391)	(29,714,265)
Taxes, Cess, PF under protest	(586,097)	1,326,176	740,079
Others	(22,749,016)	5,363,756	(17,385,260)
Assets : -			
Benefits to Employees	3,136,623	790,536	3,927,159
Carry forward losses under Income Tax	6,919,169	(6,919,169)	-
Total	(41,306,195)	(1,126,092)	(42,432,287)

NOTE NO. 7 : OTHER LONG TERM LIABILITIES

Trade Payables	146,979	385,875
	146,979	385,875

NOTE NO. 8 : LONG TERM PROVISIONS

Provisions for Employee Benefits	9,418,044	7,802,130
	9,418,044	7,802,130

NOTE NO. 9 : SHORT TERM BORROWINGS
Secured

From Banks :

Working Capital Facility	250,017,597	281,329,765
Term Loan	75,000,000	50,000,000

Unsecured

From Companies	-	2,898,255
Loan from Directors	9,282,415	7,691,910
Deposits		

334,300,012	341,919,930
--------------------	--------------------

9.1 Working Capital facility comprises cash credit from bank and is secured against hypothecation of raw materials, semi finished goods, finished goods, consumable stores, book debts, all securities of units at Bialpur Road and Bareilly Road, Pilibhit and personal guarantees of Mr. Anil Modi, Mrs. Nita Modi and Mr. Akshay Modi.

NOTE NO. 10 : TRADE PAYABLES

Micro, Small and Medium Enterprises	-	-
Others	36,072,968	59,986,905
	<u>36,072,968</u>	<u>59,986,905</u>

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

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

NOTE NO. 11 : OTHER CURRENT LIABILITIES

Current maturities of long term debt (refer to note 5)	6,032,949	2,557,795
Interest accrued but not due on borrowings	8,209	16,283
Unpaid Dividends	-	-
Book Overdraft	-	-
Expenses Payable	101,638,106	58,447,098
Statutory Dues Payable	5,503,428	5,554,430
Security Received	7,600,000	7,000,000
Advance From Customers	10,162,696	6,310,288
	<u>130,945,388</u>	<u>79,885,894</u>

NOTE NO. 12 : SHORT TERM PROVISIONS

Provisions for Employee Benefits	3,291,209	2,348,755
Provision for Expenses	500,000	2,129,925
Provision for Taxes	480,000	9,400,000
	<u>4,271,209</u>	<u>13,878,680</u>

NOTE 13 : FIXED ASSETS

ITEM	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT		
	Cost as at 01.04.2016	Addition during the year	Sale/ D/ During The Year	Cost as at 31.03.2017	Up to 01.04.2016	For Adjustment The Year	Up to 31.03.2017	As At 31.03.2017	As at 31.03.2016
13 A: PROPERTY, PLANT & EQUIPMENT									
Land	9447930.00	2470800.00	0.00	11918730.00	-	-	0.00	11918730.00	9447930.00
Building	37905218.00	1632522.00	296612.00	39241128.00	12924494.00	1194273.00	13895288.00	25345840.00	24980724.00
Plant & Machinery	262274015.00	21552809.00	1875510.00	281951314.00	130680788.00	7950167.00	137912751.00	1440385663.00	131593247.00
Electrical Equipment	4076732.00	6303.00	0.00	4083035.00	1407072.00	401069.00	1808141.00	2274894.00	2669660.00
Furniture & Fixture	2142417.00	10406.00	0.00	2152823.00	1417215.00	118878.00	0.00	616730.00	725202.00
Laboratory Equipment	1856726.00	0.00	0.00	1856726.00	901485.00	207928.00	0.00	747313.00	955241.00
Office Equipment	1087080.00	167150.00	0.00	1254230.00	921244.00	71394.00	0.00	261592.00	165836.00
Computers	3863599.00	644995.00	64450.00	4444144.00	2860145.00	472765.00	38435.00	1149669.00	1003454.00
Vehicles	18489744.00	54848.00	1100316.00	17444276.00	7420648.00	1690025.00	8404193.00	9040083.00	11069096.00
TOTAL	341143461.00	26539833.00	3336888.00	364346406.00	158533071.00	12106499.00	1686578.00	195393414.00	182610390.00
Previous Year	328302570.00	16228844.00	3387953.00	341143461.00	148334196.00	11589885.00	1391010.00	182610390.00	179968375.00
13 B: INTANGIBLE ASSETS									
Computer Softwares	882954.00	114500.00	0.00	997454.00	512694.00	150356.00	0.00	334404.00	370260.00
Intangible Assets	361784.00	0.00	0.00	361784.00	224737.00	34460.00	0.00	102587.00	137047.00
TOTAL	1244738.00	114500.00	0.00	1359238.00	737431.00	184816.00	0.00	436991.00	507307.00
Previous Year	1244738.00			1244738.00	569772.00	167659.00		507307.00	674966.00

NOTE NO. 14: LONG TERM LOANS AND ADVANCES

Unsecured considered good

Capital Advances	20,000	1,925,600
Security Deposits	8,170,085	6,246,420
Other loans and advances	362,046	401,119
	<u>8,552,131</u>	<u>8,573,139</u>

NOTE NO. 15: OTHER NON CURRENT ASSETS

Unsecured considered good

Trade Receivables	3,710,400	3,650,745
Vat Receivable	151,815	209,296
Deferred Revenue Expenditures	37,774,621	56,762,978
	<u>41,636,836</u>	<u>60,623,019</u>

NOTE NO. 16: INVENTORIES

Raw Materials and stores	160,365,878	173,124,617
Finished Goods	400,167,259	253,365,936
Trading Goods - Indigenous	1,800	1,800
Trading Goods - Imported	14,241,089	10,493,986
Promotional Material	540,196	-
	<u>575,316,222</u>	<u>436,986,339</u>

NOTE NO. 17: TRADE RECEIVABLES

Secured considered good

- Over Six Months	-	-
-------------------	---	---

Unsecured considered good

- Over Six Months	227,033	5,163,656
- Others	98,211,961	121,159,362
	<u>98,438,994</u>	<u>126,323,018</u>

NOTE NO. 18: CASH AND CASH EQUIVALENTS

Balances with banks	6,832,020	3,288,670
Cheques/Draft on hand	-	25,000
Cash in hand/including Imprest	2,170,017	3,121,069
Fixed deposits with banks against margin money* :	-	-
- with maturity period of more than 3 months but less than 12 months	9,563,068	2,552,544
- with maturity period of less than 3 months	-	-
	<u>18,565,105</u>	<u>8,987,284</u>

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

NOTE NO. 19: SHORT TERM LOANS AND ADVANCES

Unsecured considered good

Advance recoverable in cash or in kind or for value to be received	14,701,382	5,112,546
Advance Tax	5,617,431	4,933,469
	<u>20,318,813</u>	<u>10,046,016</u>

NOTE NO. 20: OTHER CURRENT ASSETS

Capital goods Vat Receivable	129,137	144,480
Deferred Revenue Expenditures	18,988,357	19,395,002
Interest Receivable	395,159	311,058
Other	13,283,641	11,420,716
	<u>32,796,294</u>	<u>31,271,256</u>

NOTE NO. 21: REVENUE FROM OPERATIONS

Sale of Products (Net of Rebate)	2,915,195,109	2,693,915,388
Less: Provision for Discount	-	879,761
Net sales (refer note 41)	2,915,195,109	2,693,035,627

Other operating income:

Interest Income	824,964	617,876
Profit on Sale of Fixed Assets	2,441,938	18,396,421
Foreign Exchange Fluctuation	4,027,554	-
Miscellaneous Income	9,125,174	4,000,541
Sundry Balances W/back/ Excess Provision W/ Back	90,061	1,293,987
	<u>2,931,704,800</u>	<u>2,717,344,452</u>

NOTE NO. 22: COST OF MATERIAL CONSUMED

(Refer Note 43)

Raw Material	2,348,849,195	2,085,937,380
Packing Material	81,940,929	65,165,804
Chemicals	36,091,360	36,832,794
	<u>2,466,881,484</u>	<u>2,187,935,978</u>

NOTE NO. 23: PURCHASE OF TRADED GOODS

(refer note 44)

Imported	19,354,273	20,930,522
Indigenous	16,099,565	10,461,440
	<u>35,453,838</u>	<u>31,391,962</u>

NOTE NO. 24 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

INVENTORIES (at commencement) :

Finished Goods	253,365,936	208,038,141
Stock In Trade	10,495,786	5,588,179
	<u>263,861,722</u>	<u>213,626,319</u>

INVENTORIES (at close) : (refer note 42)

Finished Goods	400,167,259	253,365,936
Stock In Trade	14,242,889	10,495,786
	<u>414,410,148</u>	<u>263,861,722</u>
	<u>(150,548,426)</u>	<u>(50,235,403)</u>

NOTE NO. 25: EMPLOYEE BENEFITS EXPENSE

Salaries, wages, allowances and bonus	147,132,424	120,454,749
Contributions to provident and other funds	7,759,349	6,684,248
Recruitment Expenses	330,886	900,801
Staff Welfare Expenses	910,881	426,066
Gratuity	2,824,214	2,740,895
	<u>158,957,754</u>	<u>131,206,759</u>

NOTE NO. 26: FINANCE COSTS

Interest expense on :

- Short term borrowings	25,832,421	30,678,526
- Long term liabilities	2,840,833	415,342
Bank Charges	1,637,380	3,073,855
Other Financial Charges	1,170,560	776,348
	<u>31,481,194</u>	<u>34,944,072</u>

NOTE NO. 27: SELLING AND DISTRIBUTION EXPENSES

Brokerage and Commission	11,808,265	11,033,747
Freight Outward	55,994,169	57,773,490
Laboratory Expenses	252,158	183,104
Other Selling Expenses	155,575,725	97,550,968
Add : Opening Stock of Promotional Material	-	635,624
Less Closing Stock of Promotional Material	(540,196)	-
	<u>223,090,121</u>	<u>167,176,933</u>

NOTE NO. 28: OTHER EXPENSES

Consumption of stores and spare parts	8,800,815	11,804,516
Power and fuel	63,556,475	77,833,369
Repairs :		
- Buildings	553,110	703,178
- Machinery	1,246,759	1,530,553
- Others	1,402,248	1,909,493
Insurance	2,093,595	2,379,086
Rates and taxes excluding taxes on income	1,815,378	1,651,025
Rent	9,091,954	7,584,873
Payment to Auditors (refer note 39)	517,500	515,250
Loss on Sale of Fixed Assets	57,005	7,650
Foreign Exchange Fluctuation	-	2,911,932
Service Tax/Entry Tax Paid	4,047,654	3,445,709
Deferred Revenue expenditures written off	19,395,002	13,999,494
Other Expenses	39,725,583	34,967,948
	152,303,078	161,244,076

NOTE NO. 29: EARNING PER SHARE

(a) Calculation of Weighted Average Number of Equity Shares of Rs 10/- each		
- Number of equity share at the beginning of the year	11,117,934	11,117,934
- Shares issued during the year	-	-
- Total Number of equity shares outstanding at the end of the year	11,117,934	11,117,934
- Weighted average number of equity shares	11,117,934	11,117,934
(b) Net Profit (Loss) after tax available for shareholders	223,442	19,687,616
(c) Basic and diluted Earning (in Rupees) per share	0.02	1.77

30. CONTINGENT LIABILITIES (not provided for)

	This Year (Rs.)	Previous Year (Rs.)
i. Claim against the company not acknowledge as debts :		
- Sales Tax	-	-
- Provident Fund	54,62,669	54,62,669
- Excise Duty	3,44,21,240	3,27,06,216
ii. Sales Tax Liability against pending forms	18,58,838	45,49,026
iii. Capital commitment	62,941	80,39,675
31. Security Deposits under Note 14 Long Term Loan and Advances includes:		
- In Post Office Saving Bank Account, pledged with: RFC	-	5,000
- National Saving Certificates, pledged with: Sales Tax Department	1,000	1,000
- National Saving Certificates, pledged with: RFC	4,000	5,000
- National Saving Certificates, pledged with: Senior Marketing Inspector, Pilibhit	5,000	5,000
- National Saving Certificate pledged with DSO, Pilibhit	22,000	22,000
- National Saving Certificate pledged with Krishi Utpadan Mandi Samiti	7,000	7,000
32. Sales/Trade Tax, Excise Duty, CENVAT and Service Tax have been accounted for as per deposit/book records, the liability/refunds of such taxes being accounted for on finalisation of assessment/demand.		
33. Income tax assessments for and upto assessment year 2014-2015 have been made.		

34. During the current year, the Board of Directors of the Company in its meeting held on 15 December, 2016 approved to create, offer, issue and allot upto 1538463 (Fifteen Lakh Thirty Eight Thousand Four Hundred and Sixty Three) Warrants, entitling the holder (s) thereof to apply for and be allotted one fully paid up equity share of face value of Rs.10 each at a price of Rs.130/- (including a premium of Rs.120/-each), in one or more tranches, within 18 months from the date of allotment of Warrants, on preferential basis to non-promoters group entities as under:

Sr. No.	Name of the Warrant holders	Category	No of Warrants Allotted
1	Mr. Charandeep Singh	Individual, Non-promoter	365385
2	M/s Pentagon Builders Private Limited	Corporate, Non-promoter	365385
3	Mr. Shreans Daga	Individual, Non-promoter	365385
4	Mr. Varun Daga	Individual, Non-promoter	365385
5	Mrs. Vrinda Suhrid Deorah	Individual, Non-promoter	76923
Total			1538463

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 9 January, 2017 approved issue of the said Warrants, at a price of Rs. 130/- per Warrant on 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 11 January, 2017.

Afterwards, the Company issued and allotted 1538463 (Fifteen Lakh Thirty Eight Thousand Four Hundred and Sixty Three) Warrant in its Board Meeting held on 19 January, 2017.

The Company has received Rs.10000095.00 being 50% of the allotment amount as advance toward the issue of said Warrants and same is shown in shareholders fund after the capital of the Company. The funds raised have been used for the purposes for which the funds were raised and there is no unutilised amount of proceeds of issue of said Warrants.

The Warrants may be converted into equivalent number of fully paid up equity shares on payment of balance amount at any time, not exceeding 18 (eighteen) months from the date of allotment of such warrants.

Further, the said Warrants, subject to the terms and conditions stipulated at the time of their issue, are under a lock-in upto 18 July, 2018.

35. Related Parties Disclosures as required by Accounting Standard (AS 18) are as under:-

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

(A) Key Management Personnel

- Mr. Anil Modi, Managing Director
- Mr. Akshay Modi, Executive Director

(B) Relatives of Key Management Personnel.

- Nita Modi

(C) Enterprises over which key Management personnel, or his relative, has significant influence.

- Anil Modi (HUF)

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

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

Nature of Transaction	THIS YEAR			PREVIOUS YEAR		
	Referred in 1(A) above	Referred in 1(B) above	Referred in 1(C) above	Referred in 1(A) above	Referred in 1(B) above	Referred in 1(C) above
Expenses:						
Remuneration	47,55,000	5,22,000	-	42,85,968	5,22,000	-
Perquisites	-	-	-	-	-	-
Company's Contribution to Provident Fund	3,33,000	-	-	2,97,000	-	-
Interest Paid	8,28,014	-	-	4,91,011	-	-
Loan Taken	19,44,096	-	-	1,95,50,000	-	-
Loan Repaid	3,53,591	-	-	1,23,00,000	-	-
Outstanding Payables:						
Loan (Inc Interest) Payable	92,82,415	-	-	76,91,910	-	-
	11,23,716	-	-	13,10,689	-	-

36. Defined Benefit Plans as per Actuarial Valuations as on March 31, 2017 and recognised in the financial statements in respect of Employee Benefit Schemes:

	As on 31.03.2017	As on 31.03.2016	As on 31.03.2015	As on 31.03.2014	As on 31.03.2013
	Gratuity Unfunded	Gratuity Unfunded	Gratuity Unfunded	Gratuity Unfunded	Gratuity Unfunded
I Change in Present Value of Obligation					
Present value of the obligation at the beginning of the year	10043145	7471259	6630906	4639306	3722967
Current Service Cost	2443664	1987351	1323621	1396520	654801
Interest Cost	803452	579023	530472	371144	297837
Actuarial (Gain)/Loss on Obligation	(422902)	174521	(911191)	262070	72625
Benefits Paid*	(223644)*	(169009)*	(102549)*	(38134)	(108924)
Past Service Cost	-	-	-	-	-
Present value of the obligation at the end of the year	12643715	10043145	7471259	6630906	4639306
*Includes Rs 65,538/- (Previous Year Rs.1,07,740/-) payable to resigned, retired, deceased and terminate employees.					
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	12643715	10043145	7471259	6630906	4639306
Fair value of Plan Assets at the end of the year					
Net Asset/(liability) recognized in balance sheet	(12643715)**	(10043145)**	(7471259)	(6630906)	(4639306)
**Does not include gratuity of Rs 65,538/- (Previous Year Rs.1,07,740/-) payable to resigned, retired, deceased and terminated employee.					
IV Amounts Recognised in the statement of Profit and Loss					
Current Service Cost	2443664	1987351	1323621	1396520	654801
Interest cost on Obligation	803452	579023	530472	371144	297837
Expected return on Plan Assets	-	-	-	-	-
Past Service Cost	-	-	-	-	-
Net Actuarial (Gain)/Loss recognised in the year	(422902)	174521	(911191)	262070	72625
Net Cost included in Personnel Expenses	2824214	2740895	942902	2029734	1025263
V Actuarial Assumptions					
Discount Rate	7.54%	8%	7.75%	8%	8%
Expected Rate of Return on Plan Assets	-	-	-	-	-
Salary Escalation Rate	5.50%	6%	5.25%	6%	5.50%
Employee Turnover					
Upto 30 years	3%	3%	3%	3%	3%
Upto 44 years	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%
Mortality					

LIC(1994-96) duly Modified

37. The company's sole business segment is manufacturing and marketing of Oils & De-oiled Cakes and the geographical segment is India. Consequently no separate disclosure, as required under Accounting Standard 17 - Segment Reporting, is considered relevant.
38. Disclosure in respect of operating leases under Accounting Standard (AS) – 19 "Leases" prescribed by the Companies (Accounting Standards) Rules, 2006.
- (a) General description of the Company's operating lease arrangements:
The Company enters into operating lease arrangements for leasing area offices, factory building, equipments and residential premises for its employees.
Some of the significant terms and conditions of the arrangements are:
- Agreements for most of the premises may generally be terminated by the lessee or either party by serving two to three month's notice or by paying the notice period rent in lieu thereof.
 - The lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
 - The company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.
- (b) Lease rent charged to the Profit and Loss Account on account of Minimum lease rentals Rs.90,91,954/- (Previous year Rs. 75,84,873/-)

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

	This Year	Previous Year
As Audit Fee	3,25,000	3,25,000
For Tax Audit	1,00,000	1,00,000
For Taxation Work	25,000	25,000
Service Tax	67,500	62,250
	5,17,500	5,15,250

40. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	91500.00	2341999.00	2433499.00
(+) Permitted receipts		7633236.00	7633236.00
(-) Permitted payments		7861211.00	7861211.00
(-) Amount deposited in Banks	91500.00	-	91500.00
Closing cash in hand as on 30.12.2016		2114024.00	2114024.00

* For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

41. Sales of Products comprises of:	(Amount in Rs.)	
	2016-17	2015-16
Manufactured Goods		
Oils	2017571369	1799559192
Deoiled Rice Bran	823693474	842750284
Fatty	11284480	10238800
Others	10209378	5208395
Total – Sale of Manufactured Goods	2862758701	2657756671
Trading Goods:		
Other Oil	46950146	28151267
DORB	5486262	8007450
Total – Sale of Traded Goods	52436408	36158717
Total Sales	2915195109	2693915388
42. Closing Stock of Finished Goods		
Manufactured Goods		
Oils	300329160	197939584
Deoiled Rice Bran	96964836	54349401
Others	2275375	840141
Fatty	597888	236810
Total	400167259	253365936
Trading Goods:		
Other Oil	14241089	10493986
Certified Sunflower Seed	1800	1800
Total	14242889	10495786
43. Material Consumed		
Raw Material		
Rice Bran	1422530512	1361396242
Oils	926318683	724541138
Others	-	-
Total	2348849195	2085937380
Chemical		
Hexane	10014617	11112743
Activated Earth	12674843	15115481
Others	13401901	10604570
Total	36091360	36832794
44. Purchase of Stock in Trade		
Oils	29872071	25136069
Deoiled Rice Bran	5581767	6255893
Total	35453838	31391962

45. Value of import on CIF basis of –		
(1) Raw material (includes Goods in Transit of Rs NIL (Previous Year Rs 2,63,29,544/-))	82612798	113775304
(2) Capital Goods	8843500	-
46. Expenditure in Foreign Currency		
- Travelling Expenses	512104	486105
47. Remittance in Foreign Currencies for Dividend	-	-
48. Earning in foreign currency		
- Value of Export of F.O.B. basis	1,16,24,342	-
49. Value of imported and indigenous raw materials, stores, components and spare parts consumed:		

	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Amount	%	Amount	%
(i) Raw Material				
a. Imported	158820924	6.76	154449123	7.40
b. Indigenous	2190028271	93.24	1931488257	92.60
Total	2348849195	100.00	2085937380	100.00
(ii) Packing Material				
a. Imported	629571	0.77	1014792	1.56
b. Indigenous	81311358	99.23	64151012	98.44
Total	81940929	100.00	65165804	100.00
(iii) Chemicals				
a. Imported	-	-	-	-
b. Indigenous	36091360	100.00	36832794	100.00
G. Total	2466881484		2187935978	

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

As per our report of even date, attached,

For K. K. Jain & Co.
Chartered Accountants
Registration No.: 002465N

Sd/-
Simmi Jain
Partner
Membership No.: 86496

Place : New Delhi
Date : 30.05.2017

For and on behalf of the Board of Directors

Sd/-
Akshay Modi
W. T. Director
DIN: 03341142

Sd/-
Ankit Agarwal
Company Secretary

Sd/-
Anil Modi
Chairman & M. Director
DIN: 00187078

Sd/-
Pradeep Kapoor
Chief Financial Officer

FORM NO.: MGT – 11: PROXY FORM

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

43rd Annual General Meeting

CIN : L15142DL1974PLC007349
Name of the Company : Modi Naturals Limited
Registered Office : 405, Deepali Building, 92, Nehru Place, New Delhi-110019
Website : www.modinaturals.com

Name of the Member(s): _____ (IN BLOCK LETTERS)
Registered Address: _____
E-mail ID: _____
Folio No / Client ID /DP ID: _____

I/We, being the member(s) of Shares of the above named company, hereby appoint:

1. Name:.....

Address:.....

E-mail ID:

Signature:.....or failing him

2. Name:.....

Address:.....

E-mail ID:

Signature:.....or failing him

3. Name:.....

Address:.....

E-mail ID:

Signature:.....or failing him

As my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 43rd Annual General Meeting of the company, to be held on Friday, 29 September, 2017 at 3.00 P.M at Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi - 110019. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-

Resolution No.	Description of Resolutions	For	Against
Ordinary Business			
1.	Adoption of the Audited Financial Statements of the Company for the year ended 31st March, 2017 together with the reports of the Directors' and Auditors' thereon.		
2.	Appoint a Director in place of Mrs. Aditi Gupta (DIN: 01786037), Director, who retires by rotation and being eligible, offers herself for re-appointment		
3.	Appointment of Kashyap & Co., Chartered Accountants, as Auditors in place of retiring auditors K. K. Jain & Co., Chartered Accountants.		
Special Business			
4.	Ratification of Payment of Remuneration of Cost Auditors for FY 2017-18		

Signed thisday of 2017.



.....
Signature of shareholder(s)

.....
Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/ Depository Participant.
3. A Proxy need not be a Member.
4. **This is only optional. Please put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
5. As provided under Regulation 44 of the SEBI Listing Regulations, 2015, a shareholder may vote either for or against each resolution.

MODI NATURALS LIMITED
CIN: L15142DL1974PLC007349
Reg. Office: 405, Deepali Building, 92, Nehru Place, New Delhi-110019

ATTENDANCE SLIP
43rd Annual General Meeting on Friday, 29 September, 2017

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

No. of Share(s) held:.....

Name of the Member / Proxy:.....

Address of the Member:.....

.....

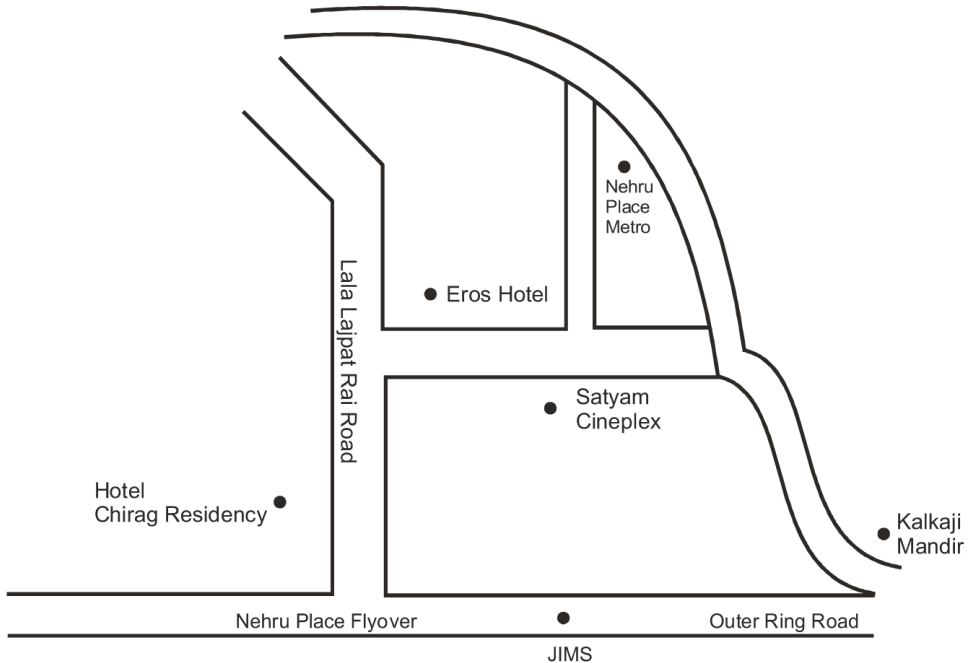
I/ We hereby record my/our presence at the 43rd Annual General Meeting of Modi Naturals Limited held on Friday, 29 September, 2017 at 3.00 P.M. at Hotel Chirag Residency, B-18, Chirag Enclave, Nehru Place, Opp. Devika Tower, New Delhi – 110019.

.....
Signature of Member/ Proxy

Notes:

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

The route map of the venue of the AGM is given herein below. The prominent landmark near the venue is Eros Hotel



COURIER

If undelivered, please return to:



modi naturals limited

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