



Annual Report
2021-22

MODI NATURALS LIMITED

BOARD OF DIRECTORS

Mr. Anil Modi

Chairman & Managing Director

Mr. Akshay Modi

Jt. Managing Director

Mrs. Aditi Gupta

Whole Time Director

Mr. Sudhir Shankar Halwasiya

Independent Director

Mr. Sulabh Singal

Independent Director

Mr. Alok Garg

Independent Director

Chief Financial Officer

Mr. Pradeep Kapoor

Company Secretary

Mr. Ankit Agarwal

Auditors

Kashyap & Co.

Chartered Accountants

New Delhi

Registrars & Transfer Agents

Skyline Financial Services Pvt. Ltd.

D-153A, Okhla Industrial Area

Phase-I, New Delhi-110020

www.skylinertta.com

Registered Office

405, Deepali Building

92, Nehru Place, New Delhi-110019

Tel: 011-41889999

www.modinaturals.com

Corporate Office

D-185 / 1B & 1C,

2nd Floor, Okhla Phase-I

New Delhi-110020

Tel: 011-41889999

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Message to Shareholders

I would like to present to you the Annual Report FY 2021-22 of the Company.

The past few years have been very challenging for the whole world. The lives and livelihoods of millions got disrupted due to Covid-19 pandemic. Before I delve into how the business fared or the scenarios that played out and impacted our performance across product categories, I believe a huge debt of gratitude is owed to all those who helped us make it through.

While the Indian economy is still struggling to overcome the rippling effects of the COVID-19 pandemic, we have reported another year of steady revenue growth. In fact, we have recorded our highest ever revenue from operations in the fiscal 2022. During FY 21-22 we clocked sales of ₹ 47430.32 lakhs against ₹ 44269.62 in FY 20-21 registering an overall growth of 7.14%.

We launched new products PEANUT BUTTER and PASTA under the brand OLEEV KITCHEN. A fitness icon - former **Miss Universe** and actor, **Lara Dutta** has been engaged by the Company as the **brand ambassador** for their range of olive and multisource cooking oils. This defines a new era for the brand and reflects the brand positioning statement '**Behtar Kal Ki Shuruat, Aaj Se**'. We have an exciting pipeline of new products that will be launched in FY23.

We started supplies to CSD this year which is a new distribution channel for us. This will scale up substantially in FY23 with greater penetration and more products.

Our strong focus on quality, innovation, product differentiation and brand building has helped us stand out in a cluttered retail market, with Oleev becoming the No.1 "Goodness of Olive Oil" brand in India, with a fully backward-integrated portfolio of products.

We are heavily investing in digital marketing initiatives and expect to reap its rewards, in the years to come.

As a step towards sustainable growth, Modi Naturals has diversified into ethanol manufacturing, with a state-of-the-art greenfield Ethanol Plant being established in the state of Chhattisgarh under its 100% subsidiary, Modi Biotech Private Limited.



(Mr. Akshay Modi, Joint Managing Director, Modi Naturals Limited with Mr. Bhupesh Baghel, Chief Minister of Chhattisgarh at the signing of the MOU for the plant - Left to Right)

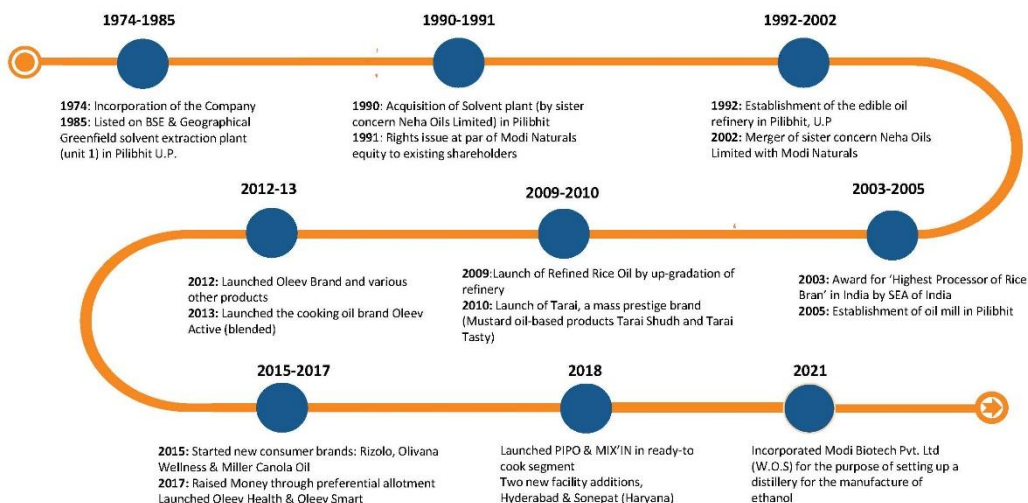
According to a report by the International Energy Agency (IEA), India will become the third largest market for ethanol in the world after the US and Brazil by 2026.

The plant's construction is in full swing. We hope to commission the plant in Dec-Jan FY23.

I would like to take this opportunity to thank the Board of Directors and our advisors for their continued guidance and trust. I would also like to thank our shareholders and customers for their unwavering support and faith in us and for making Modi Naturals, India's leading FMCG company. I look forward to your continued support while we remain committed to delivering quality and sustainable growth.

Akshay Modi
Jt. Managing Director
DIN: 03341142

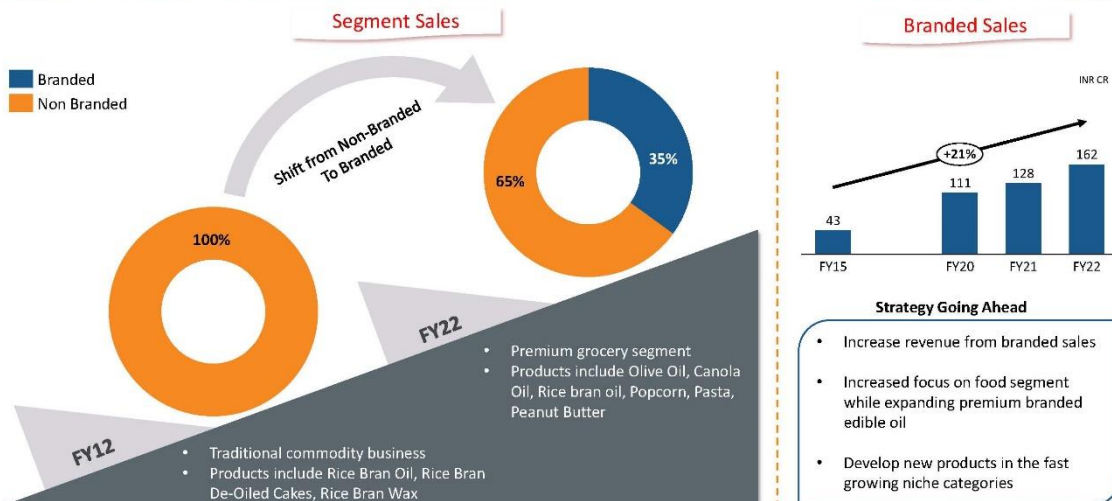
Our Journey



W.O.S – Wholly Owned Subsidiary

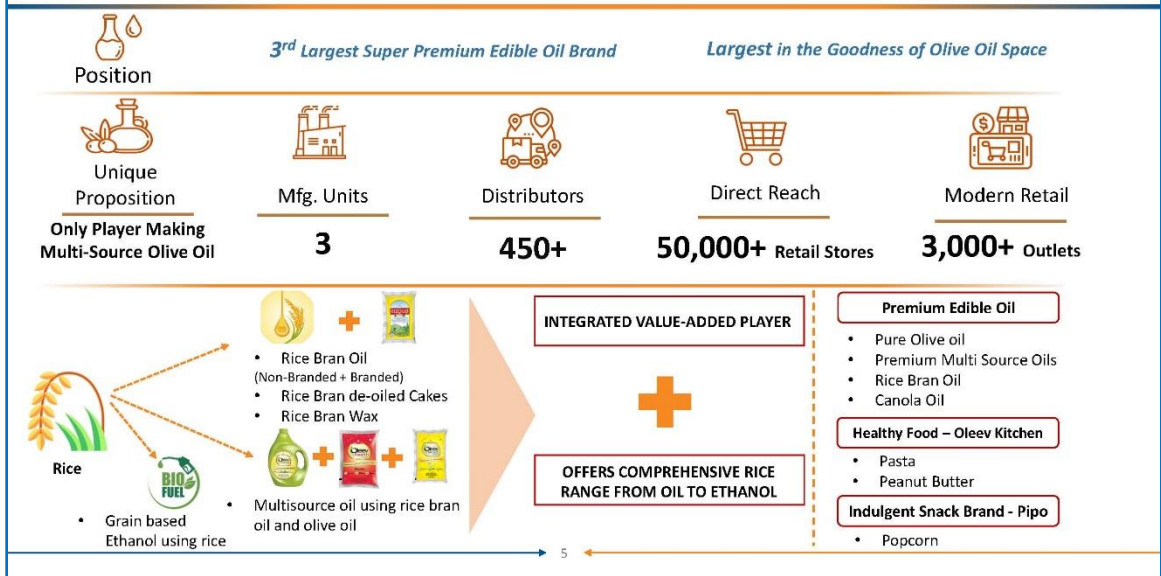
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Transforming Into A Multi Brand FMCG Company

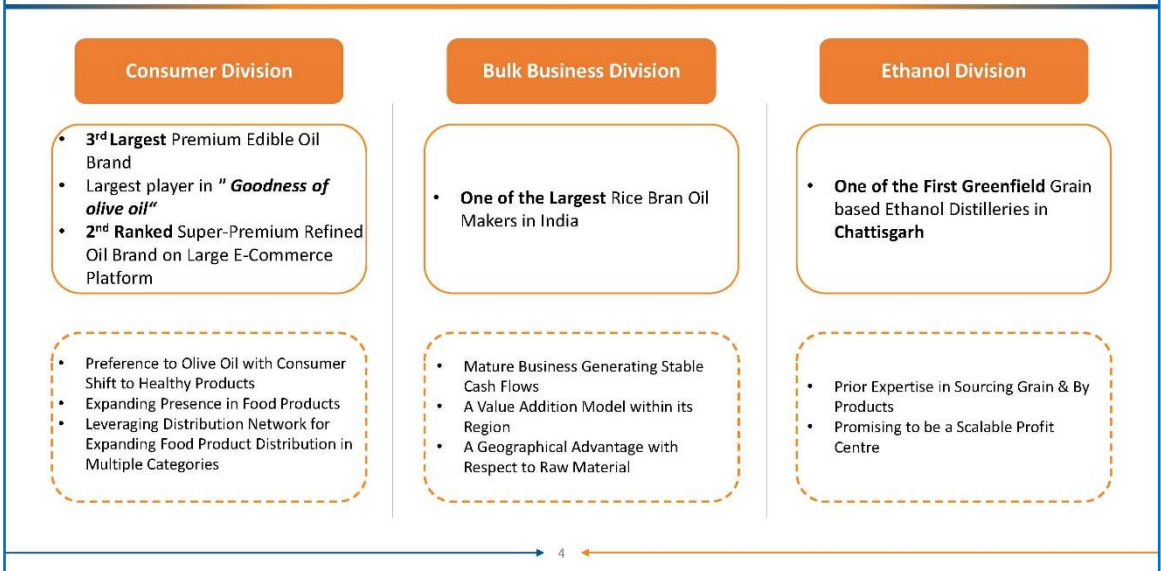


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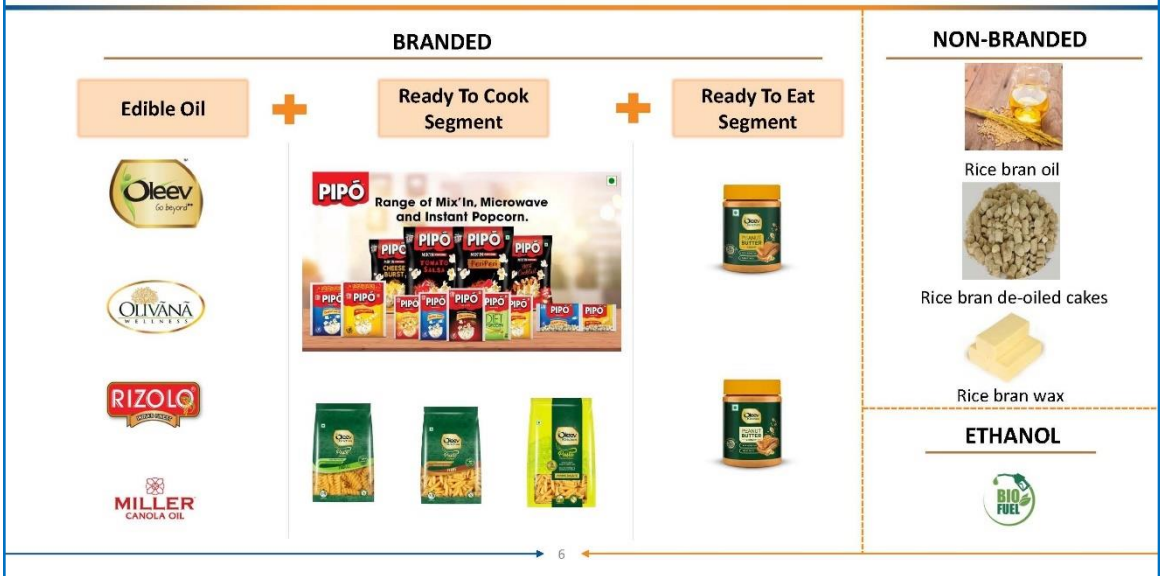
Modi Naturals - At A Glance



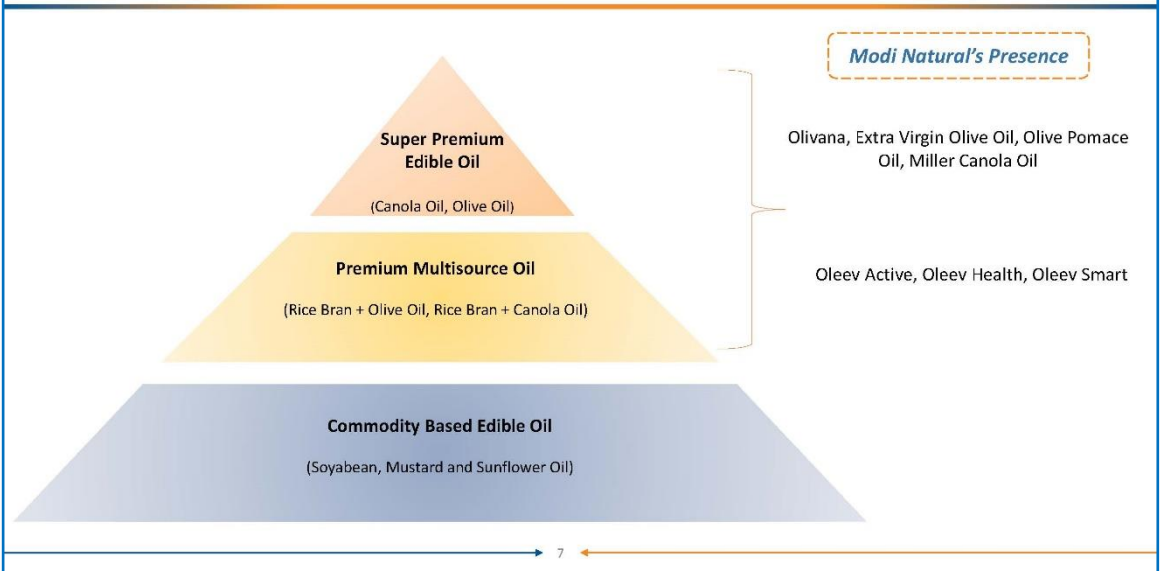
Business Verticals



Product Portfolio



Consumer Business



De-coding the Ethanol Business

Ethanol made from surplus and damaged food grain such as broken or surplus rice instead of molasses. Rice as a product is best understood due to the traditional rice bran oil business

Husk is used as a fuel for the plant, saving power and fuel cost

Plant is located in Chhattisgarh which is the only state that gets 3 crops in a year

Close proximity to procurement of raw materials saves transport costs and enhances margins

- Received an approval for 210 KLD distillery
- The investment over the next 2 years is expected to be ~Rs 250 cr, with the 1st phase of 110 KLD being completed within a year with an investment of Rs 160 cr
- Aims to commission the plant in Q3FY23

Key Advantages

High Margin Product

Government Incentives

Low Cost of Production



Large Demand Supply gap

Proximity to Petroleum Depot

Environment Friendly

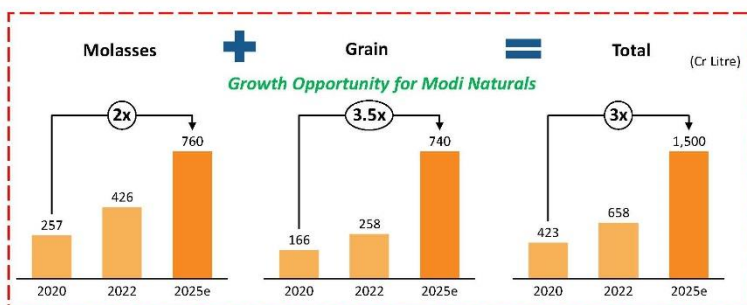
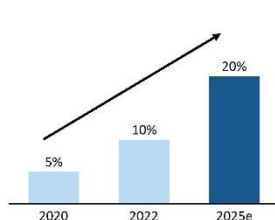
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Ethanol – a step Towards “Growth.....!”

Increasing Blending Rate

has led to

Increased Production Capacity



The above requires grain capacity to treble over the next 3 years as molasses-based ethanol is relatively limited without large scale diversion of sugar which will hamper food security

ADVANTAGES

Environment Friendly

Supports sugarcane, maize & rice farmers

Cuts Oil Import Bills

Increases investment & job creation in rural areas

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Lara Dutta- Brand Ambassador for Oleev Brand

- Oleev has appointed former Miss Universe and actor, Lara Dutta as the brand ambassador for their range of olive and multisource cooking oils
- In the latest brand campaign released in Dec 2021, campaign has featured Lara Dutta's proactive approach to a healthy lifestyle while portraying multiple roles
- She is shown juggling between her professional and personal responsibilities and playing the most pivotal role of maintaining her family's health by being mindful of her cooking choices
- This defines a new era for the brand and reflects the brand positioning statement *'Behtar Kal Ki Shuruaat, Aaj Se'*



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Performance Highlights



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Notice

Notice is hereby given that the 48th Annual General Meeting of the Shareholders of Modi Naturals Limited will be held on **Friday, September 30, 2022, at 2:30 P.M.**, through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited standalone financial statements of the Company for the financial year ended 31st March 2022 and the reports of the Board of Directors and Auditors thereon and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March 2022 and the reports of the Auditors thereon, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

- a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31st March 2022, and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."
- b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31st March 2022, and the reports of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To appoint Mrs. Aditi Gupta, who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Aditi Gupta (DIN: 01786037), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

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. K. K. Jain & Co. (Firm Registration No. 002465N), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in place of Messrs. Kashyap & Co. (Firm Registration No. 011355C), 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 53rd annual general meeting of the Company, 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. **Re-appointment of Mr. Anil Modi (DIN-00187078) as Chairman & Managing Director of the Company.**

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and in accordance with the provision of Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Anil Modi (DIN: 01187078) as the Chairman cum Managing Director of the Company for the period of three years from 1st January, 2023 to 31st December 2025, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof and as may be agreed to between the Board of Directors and Mr. Anil Modi.

"RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

5. Re-appointment of Mr. Akshay Modi (DIN-03341142) as Joint Managing Director of the Company.

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and in accordance with the provision of Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Akshay Modi (DIN: 03341142) as the Joint Managing Director of the Company for the period of three years from 15th December 2022 to 14th December 2025, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof and as may be agreed to between the Board of Directors and Mr. Akshay Modi.

"RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

6. Re-appointment of Mrs. Aditi Gupta (DIN-01786037) as Whole Time Director of the Company.

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

"RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from

time to time, and in accordance with the provision of Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mrs. Aditi Gupta (DIN-01786037) as the Whole Time Director of the Company for the period of three years from 14th August 2022 to 13th August 2025, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment), with liberty to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof and as may be agreed to between the Board of Directors and Mrs. Aditi Gupta.

"RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

7. Ratification of remuneration payable to Cost Auditors

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

"RESOLVED that the remuneration of 70,000/- (₹ Seventy Thousand only) plus Goods and Service Tax and out of pocket expenses, if any, payable to Messrs. Manisha & Associates (Firm Registration No.: 000321), Cost Accountants, who was appointed as the Cost Auditors of the Company for the Financial Year 2022-23 as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, be and is hereby ratified."

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

14th August 2022, New Delhi

for and on behalf of the Board

Sd/-
Anil Modi
Chairman & Managing Director
DIN – 00187078