

November 15, 2022

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

Through BSE Listing Centre
Scrip Code: 519003

Dear Sir / Madam,

Q2 & H1FY23 Results Release

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed the Investor/Press Release on the Unaudited Financial Results of the Company for the quarter and half year ended 30th September 2022.

This is for your information and dissemination.

Thanking you !

Yours Faithfully,
for **MODI NATURALS LIMITED**

Ankit Agarwal
Company Secretary
A23445

Encl: A/a



Investor Release

Modi Naturals Limited Q2 & H1FY23 Results Release

H1FY23 Consolidated Performance Highlights:

- H1FY23 revenue stood at Rs 193.5 cr
 - Revenue reduced on account of seasonality and reduction in oil prices in Q1 which got extended into Q2 in the bulk oil business leading to a soft performance for H1FY23. Q1 & Q2 are typically lean quarters seasonally. This was coupled with the stock limits imposed by the government earlier this year to cool oil prices.
- EBITDA for H1FY23 was Rs 6.5 cr
- PAT for H1FY23 was Rs 3.4 cr
 - Profitability in Q2 was affected due to stock inventory valuation loss of Rs 1.96 cr owing to the sudden reduction in oil prices in Q2 as Indonesia re-opened their export causing a temporary glut
 - Prices have risen again to the earlier levels in Q3FY23, and this should be reflected positively going forward

Recent Developments

Consumer Division

- **Oil Category**
 - Earlier this year, to cool the prices, the government, imposed stock limits for retailers and wholesalers due to extreme inflation in edible oil following the geopolitical situation
 - This resulted in channel de-stocking which affected the top line for oil in both bulk and consumer division. This continued in Q2 as well
 - Finally, large retailers and wholesalers have been exempted from these limits starting November
 - We should see the partial impact of this positive decision in Q3FY23 and full impact in Q4FY23
- **Food Business**
 - Food business has grown by 82% YoY in H1FY23, 21% QoQ and it is still scaling up with distribution expansion every quarter
 - Recently, started food business with a few more large retail players like **Spencer's** which will reflect in numbers in the coming quarters
 - Profitable at the operating level for all food segments
 - Extending the range of ready-to-cook pasta and introducing new shapes, such as macaroni and spaghetti
 - With a commitment to food innovation, launching a one-of-its-kind multi-grain pasta with the goodness of four grains in the premium category
 - Under PIPO brand, we are extending our product portfolio and getting into the ready-to-eat space with our line of flavoured roasted peanuts
 - These ready-to-eat peanuts will be available in five flavours, including peri-peri, BBQ, heeng-jeera, and others
 - Taste bomb, PIPO's sub-brand, is being separately launched in the instant masala/seasoning category, with six varieties including Magic masala, pasta masala, peri peri, Oregano, Italian herbs, and Tandoori

- In Peanut Butter, we are creating a vertical segmentation wherein we are launching a product specifically targeted for children in the age bracket of 4-13 years.
 - Additionally, a peanut butter in chocolate flavour will be made available under the brand Oleev Junior
- **Ethanol Business**
 - Construction of the distillery in full swing
 - Most of the plant and machinery has arrived on-site and erection work is in progress
 - Commissioning pushed back to Q4 FY23 due to late monsoon rain
 - Expenditure at the end of Q2 on the project is Rs 55.3 cr



Current Status of Ethanol distillery

Commenting on the performance, Mr. Akshay Modi, Joint Managing Director, Modi Naturals, said,

“The performance for this quarter and half-year ended FY23 was relatively soft owing to several macro-economic factors impacting level of operations, mainly attributable to the reduction of oil prices in our bulk oil business and the stock limits imposed by the government. However, the effect of these temporary disruptions is now waning with recent positive developments. Q1 and Q2 have historically been our weaker quarters owing to the seasonality in our business, but with a steady ramp up Q3 onwards, we are positive of a stronger second half of the year.

Additionally, the demand seems to be coming back to normal, with relaxations given to large retailers and wholesalers, which when coupled with the gradual but certain rise in prices, is a big and positive sign as we go forward. Construction of our distillery is also back on track and is expected to start contributing from the end of this financial year. On the food business, we continue to extend our offerings and stick to our commitment towards food innovation, which will yield results and create a robust product portfolio strengthening our brand”



About Modi Naturals Limited (MNL):

Modi Naturals Ltd is one of India's leading consumer goods companies operating in the wellness and foods category. MNL has created niche, premium and differentiated brands in highly competitive categories of edible oils and healthy foods. During FY 2021-22, MNL recorded a turnover of INR 474 crores through its products sold in India through our portfolio of brands such as Oleev, Oleev Kitchen and PIPO foods. 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. Over the last decade, MNL has developed a pan-India distribution network across all channels of FMCG, including the upcoming Q-Commerce, serving our consumers through all modes of online and offline retail across the country. We are a very proud Indian company, manufacturing and marketing world-class food products in India.

The company is poised to grow exponentially in the next few years with its three verticals namely a) consumer goods vertical, b) bulk edible oil and feeds vertical and c) alcohol manufacturing vertical (recently announced). In line with the Ethanol Blended Petrol (EBP) program, Modi Naturals Limited has diversified into ethanol manufacturing, with a state-of-the art greenfield Ethanol Plant being established in the state of Chhattisgarh under its wholly owned subsidiary Modi Biotech Pvt. Ltd.

Established in 1974 and headquartered in New Delhi, MNL is listed on the BSE. We operate 3 factories in India located at Pilibhit, Sonipat and Hyderabad with a fourth under construction in Chhattisgarh. In the past, the company has received awards for being the 'Largest Processor of Rice Bran in India' for several years.

Safe Harbor:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further details please contact:

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