

THE REAL FLAVOUR OF

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**MISHTANN<sup>®</sup>**

limitless happiness...

ANNUAL REPORT 2017-18



## ON A SUCCESS SPREE...



The Food sector has, in the latter phase of the last century, undergone phenomenal growth. Mishtann has been at the forefront with products that are the top choice of consumers across borders.

At Mishtann, it has been our mission to promote only the highest grade of agricultural products. Specially sorted with care, every Mishtann packaging is a blend of aroma, health and exceptional taste. Employing the best of technology and talent, Mishtann Foods Ltd. has climbed the ladder in a very short span.

Mishtann adheres to highest industrial standards and has strict quality guidelines in place. More than two decades of experience in agro-products has made us a name synonymous to trust and quality.

Mishtann today has a pan-India presence, while the export graph continues to rise exponentially.





**AGED  
RICE**







HEALTHY HAPPY LIFE







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Rice Rich with   
Love and Happiness!



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## BUSINESS OVERVIEW





# BASMATI RICE

## HISTORY

"Basmati" derives from the Hindi literally meaning "fragrant". Basmati rice is believed to have been cultivated in the Indian sub continent for centuries. The earliest extant work to mention basmati rice is Heer Ranjha

## PRODUCTION AND CULTIVATION

India accounts for over 70% of the world's basmati rice production. A small portion of that is being grown organically. Organisations such as Kheti Virasat Mission are trying to increase the amount of basmati rice that is being grown in the Punjab in India.

## IN INDIA

The areas of basmati rice production in India are in the states of Punjab, Haryana, Himachal Pradesh, Delhi, Uttarakhand, Uttar Pradesh and Bihar. India's total basmati production for the July 2011–June 2012 crop year was 5 million tonnes. In India, Haryana is the major basmati rice cultivating state, producing more than 60 percent of the total basmati rice produced in India

## AROMA AND FLAVOUR

Basmati rice has a typical pandan-like (*Pandanus amaryllifolius* leaf) flavour caused by the aroma compound 2-acetyl-1-pyrroline. Basmati grains contain about 0.09 ppm of this aromatic chemical compound naturally, a level that is about 12 times more than non-basmati rice varieties, giving basmati its distinctive spicy fragrance and flavour. This natural aroma is also found in cheese, fruits and other cereals. It is a flavoring agent approved in the United States and Europe, and is used in bakery products for aroma."

## NUTRITIONAL VALUES

Basmati rice is rich in carbohydrates, but is very low in sugar. Basmati rice is naturally low-fat, containing less than 1g per serving. Each 3/4 of a cup serving contains 3g of protein.

Basmati rice is a moderately good source of thiamine (13 percent of daily value) and niacin (8 percent of daily value). These B vitamins play a crucial role in energy metabolism.

In addition to containing important B vitamins, each serving of basmati rice contains a small amount of iron (6 percent of daily value). Iron helps transport oxygen through the blood. Remember that adding salt to the water during the cooking process or to the rice before serving will increase sodium content.

## HOW TO COOK BASMATI RICE





## BOARD OF DIRECTORS

**HITESHKUMAR  
PATEL**

Chairman &  
Managing Director

**RAVIKUMAR  
PATEL**

CFO & Director

**JATINKUMAR  
PATEL**

Whole Time Director

**NAVINCHANDRA  
PATEL**

Whole Time Director

**BHAVESHKUMAR  
PATEL**

Independent Director

**BHARATBHAI  
PATEL**

Independent Director

**DEVALKUMAR  
PATEL**

Independent Director

**RAVIKUMAR R.  
PATEL**

Independent Director

**SWEETYBEN  
PATEL**

Independent Director

**SUGANDHA  
GOYAL**  
COMPANY SECRETARY

### AUDITORS

M/S. Rahul Kakani & Associates, Chartered Accountants,  
401, M.V. House, Opp.Hatisingh Jain Temple, Shahibaug Road, Shahibaug,  
Ahmedabad-4 Gujarat - 141003

### REGISTRARS AND SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited 201, Shatdal Complex, 2<sup>nd</sup> Floor,  
Ashram Road, Ahmedabad-380009

### REGISTERED OFFICE

C-808, Ganesh Meridian, Opp. High Court of Gujarat, Sola,  
S. G. Highway, Ahmedabad- 380060

### PLANT ADDRESS

Survey No.10, At Kabodari, Himatnagar- Dhansura Highway,  
Ta. Talod, Dist. Sabarkantha-383305



## LETTER TO THE STAKEOWNERS

### DEAR FELLOW STAKEOWNERS,

Our planet is home to 7.2 Billion people ; and the population is expected to touch 9.3 billion by 2050. The result is a growing demand for food. However , the constant depletion of arable land across the world will put added pressure on countries to raise their production of food crops.

At Mishtann foods limited , we are committed to strengthen India' s foods and nutritional security by consolidating our fundamental strengths India 's foods and nutritional security by consolidation our fundamental strengths . During the year , we made significant progress in developing a clear framework for measuring and tracking our various operations. Initiatives ,such as better and timely production planning and focus on geographic diversity for production have enabled us to minimize the production related risk.

We are happy to share that our India Business has been growing at a CAGR of 14% over the period FY 2017-18. This was achieved owing to our robust business model, created around our careful understanding of the needs of Indian consumer. The result is that we are continuously future-facing, and creating new lines of branded products based on extensive market research.

Mishtann , a brand that stands true to its name.

One of the leading manufacturers and suppliers of premium basmati rice, we offer radically pure and radically fit grains for people of all ages and tastes, across the world.

At Mishtann, we believe that basmati rice is the most nutritive food in the world. It's an ingredient that enhances lives. And this belief is the reason that inspired us to start our glorious journey.

With the widest range of premium basmati rice, today, we are found in almost every kitchen, from top-notch restaurants to homes. We are known for uncompromised quality. And our finest grains for their goodness and nutritive value.

Sourced from the foothills of the Himalayas and other rice growing states of India, each grain of Mishtann, rice is handpicked, tested for quality and carefully processed to serve our customers with unmatched taste and to ensure a healthy and happy life.

**HITESHKUMAR G. PATEL**  
CHAIRMAN

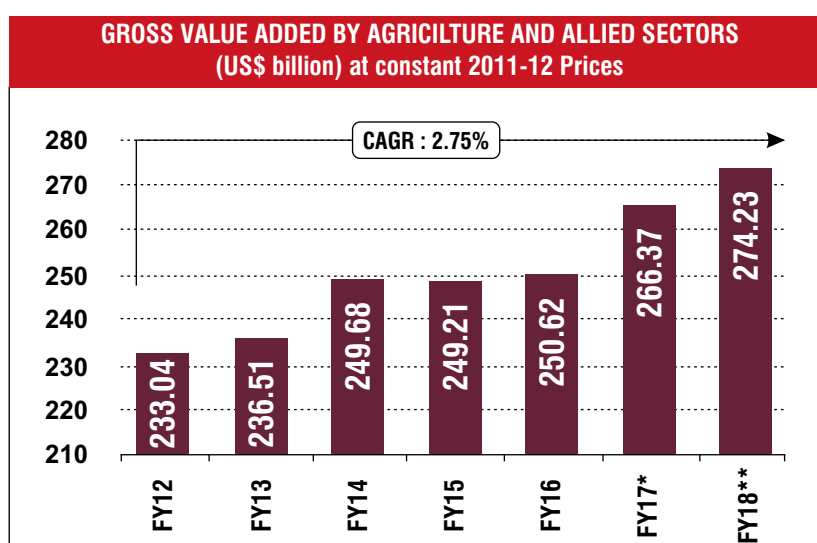


## AGRICULTURE A BOON TO INDIA

### INTRODUCTION

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. The share of primary sectors\* (including agriculture, livestock, forestry and fishery) is estimated to be 20.4 per cent of the Gross Value Added (GVA) during 2016-17 at current prices. . GVA from the sector is estimated to have grown at 3 per cent in FY18.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.



### MARKET SIZE

During 2017-18 crop year, food grain production is expected to reach a record 277.49 million tonnes. During 2016-17, it was 275.68 million tonnes.

Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. Agricultural exports from India reached US\$ 28.09 billion during April 2017-January 2018 with exports of basmati, reaching US\$ 6.19 billion

India is the largest producer, consumer and exporter of spices and spice products. Spice exports from India grew by 6 per cent year-on-year between April-September 2017 to US\$ 1.37 billion.

Dairy sector in India is expected to grow at 15 per cent CAGR to reach Rs 9.4 trillion (US\$ 145.7) billion by 2020.

The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016. The sector grew 15 per cent every quarter during January-September 2017.

### ROAD AHEAD

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US\$ 3,420.21) by 2022-23 from Rs 96,703 (US\$ 1,505.27) in 2015-16.

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.



## MAKING THE WORLD HEALTHY & HAPPY

Serving the best rice across the world  
with the oath taking that to make  
every consumer healthy and happy.

Serving the best range of basmati Rice  
which make the consumer healthy and happy

Every grain of Mishtann Basmati is a  
testimony of our commitment to  
quality, taste and health.

Mishtann Basmati Rice consume by  
every next person which makes  
mishtann proud and happy.

Mishtann limitless happiness is not only  
brand name, its take long way to make  
every single rice world best healthy rice  
which directly makes consumer happy.

## HEALTHY HAPPY LIFE



## MANUFACTURING HAPPINESS BY POSITIONING OURSELVES AS AN GROWING BRAND

We focus on building a modern and youthful brand, transforming ourselves from being a traditional company to one that is consumer-oriented. Our objective is to create brands that customers can resonate with and strengthen the brand recall with wider visibility.

At Mishtann , we work towards ensuring that our brand power has salience, relevance, connect, uniqueness and dynamism. We have strong and powerful brands and are working towards driving brand quality forward.

Mishtann has an established reputation over the years in the Agro Commodities by supplying in all over world. The Company is now moving towards building consumer brand.





## NUTRITION FACTS IN MISHTANN BASMATI RICE



### CARBOHYDRATES

Carbohydrates, the most important fuel for exercising muscles, make up 85% of the rice kernel. Most of the carbohydrate is starchy and found in the white endosperm, which forms the main part of the rice.

According to scientific research by the World Health Organization and the Food & Agriculture Organization, complex carbohydrates are essential to good health and a high carbohydrate intake can reduce the risk of obesity.

Rice is a low-fat complex carbohydrate that is quickly digested and rapidly made available to the muscles and other body systems and is therefore a perfect source of energy. As a complex carbohydrate, rice powers the body. Our muscles store complex carbohydrates to be released as energy when needed.

### FAT

Rice can play an important part in helping to achieve a healthy diet as it contains practically no fat and no cholesterol. Most of the fat is found in the germ and therefore Brown rice contains slightly more fat than white rice.

### PROTEIN

Rice is normally classified as a carbohydrate. Whilst this is true, rice protein – when compared to that of other grains – is considered one of the highest quality proteins. It has all eight of the essential amino acids, the necessary building blocks for strong muscles.

### NATURALLY GLUTEN-FREE

Rice is one of the few cereals that is free from gluten and rarely causes unpleasant reactions or digestive difficulties. It is therefore ideal for people with gluten intolerance and this is why it is suitable for babies, the elderly, sick and those who find eating difficult. Although rice is often called glutinous, this refers to its stickiness and not its gluten content.



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## NUTRITION FACTS

### FIBRE

Rice is a source of insoluble fibre, which helps to prevent diseases of the large intestine and is necessary for protection against bowel and colon cancer and for lowering cholesterol, which is a risk factor for coronary heart disease.

### LOW TO MEDIUM GI

Whereas standard long grain rice raises your blood sugar levels very fast (followed by just as abrupt a fall), the unique structure of the Pure Basmati rice grain means it is more slowly digested and causes only relatively gentle rises and falls in your blood sugar. It is therefore described as having a low to medium glycaemic index, or GI.

Scientists now believe that these slower releasing carbohydrates are better at suppressing appetite because they avoid fluctuating blood sugar levels which can stimulate appetite. Studies also show that lower GI carbohydrates produce lower average insulin levels over the day, which allows greater use of fat as the source of fuel. Diabetics can also control their blood glucose much better by consuming low to medium GI carbohydrates like Pure Basmati and consuming them may even reduce the chance of developing diabetes, too.

Eating lower GI foods has another secret plus point. By ironing out highs and lows in blood sugar it also keeps hunger under control, helping to control our weight.

### SALT

The Food Standards Agency recommends that we should eat no more than 6g of salt a day as part of a balanced diet. Mishtann Pure Basmati contains no salt. The salt content in Mishtann Steamed Basmati ranges from 0.3g to 1.1g per serving. This range is equivalent to between 5% and 18.3% of an adult's daily allowance.

### FOOD ADDITIVES

All Mishtann products are free from artificial colours, flavouring and preservatives.

### VEGETARIAN

All Mishtann products are suitable for vegetarians.

**BASMATI  
RICE**





## MISHTANN A LIMITLESS HAPINESSS.....

**“Happiness is not something ready made. It comes from your own actions.”**

Our people continue to drive Mishtann Rice's goal become the world's favourite rice food company Mishtann Bring happiness by serving of its best product, Mishtann offers an extensive portfolio of brands that have been carefully developed to appeal to local markets around the world. Customer tastes and expectations have been finely segmented to deliver authentic flavors that go well with a variety of popular cuisines. Consumer palettes across the market segments have been well researched and adapted to suit the requirements of various trade channels.

All of Mishtann branded rice products are made with rice that is grown in the areas of India that area specially dedicated to basmati rice production. The rice is aged for up to a year before being processed, then prepared at a state-of-the-art treatment plant that preserves all its purity in perfect hygiene.

### Why Mishtann Basmati Rice?

Mishtann Basmati Rice is gluten-free and low in fat. It contains all eight essential amino acids, folic acid, and is very low in sodium and has no cholesterol.

Basmati has a low to medium glycaemic index, meaning that energy is released at a slower, steadier rate leading to a more balanced level of energy.

Mishtann Basmati tastes like no other rice on earth. Unlike ordinary long grain rice the light, fluffy texture of Basmati's long, slender grains offers the palate a totally different experience in terms of mouth-feel and taste – distinctive, unique and slightly 'nutty'.

That's because we carefully mill our grains, rejecting broken grains that would otherwise release starch and cause the rice to become sticky. Uniquely, the Basmati grain expands more than twice its dry length during cooking. Unlike other types of rice the grains only expand lengthways resulting in the grains retaining their long slender characteristic when cooked.

For over years, we have been committed to preserving this legendary rice. Today the farmers still grow Basmati using the methods of nurturing this precious grain that have been passed down from generation to generation. Our experienced buyers have only one brief – to buy the best Basmati, regardless of price. It's as valuable to those who grow it, as it is for those who cook with it.

We consider ourselves 'Guardians' of Basmati and from the very beginning have worked tirelessly to ensure that the legend of Pure Basmati continues to flourish. We adopt a 'fair play' policy, working with the farming communities of the Basmati growing region. It is a unique relationship. We support traditional farming with free growing advice via FACE our Farmers Advisory Cell and we provide Basmati seed to farmers at no profit.

**Cooking with Mishtann Basmati means light, delicate and separate grains.**





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OUR MARKETING OPERATION & OUR PRODUCT

## OUR OPERATIONS MARKETING

### Overview

- Mishtann Foods Limited has established a reputation and respect for quality products.
- This quality has been showcased in the healthiness in the foods and quality in the Rice.
- The Company's products are marketed through an extensive and long-standing network of dealers and distributors
- The strengths of the Company's quality and distribution capability are reflected in the speed of product off-take, high proportion of repeat business from existing customers, negligible inventories, realizations higher than the prevailing average and the ability to market a large proportion of products within 300 km of the manufacturing facility.
- The Company marketed various brands of basmati rice with great quality, brand from snowflake to jasper and many more..

### Highlights, 2017-18

- The Company added various new dealers; marketing extended to many new states
- The company net sales and net profit shows the great results which makes our product more marketable

### Outlook, 2018-19

The Company intends to market products wider and deeper and planning to add more value added products to its products list.

### Our Operations Finance

- The Company possesses a strong Balance Sheet.
- The strengths of the Balance Sheet are reflected in low gearing, low cost of debt and attractive margins.
- The Company had worked with around the same working capital quantum since 2015 even as turnover has grown – from 115.63crore in 2015-16 to 387.53 crore in 2017-18.

### Highlights, 2017-18

- The Company reported an increase of 51.10% in its revenues over the previous year.
- The Company reported profitable growth – PAT% increased 178.85%

### Outlook, 2018-19

- The Company will continue to invest in plant modernisation.
- The Company intends to introduce new products, generating higher revenues .

**CATERING TO  
YOUR TASTE!**







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## OUR FIVE YEAR STRATEGY

OUR REFRESHED FIVE-YEAR STRATEGY BUILDS ON OUR COMMERCIAL RESILIENCE TO TAKE THE BUSINESS INTO THE FUTURE, BY CAPITALISING ON GLOBAL FOOD TRENDS AND OUR COMPETITIVE ADVANTAGES TO INCREASE GROWER AND SHAREHOLDER RETURNS. OUR PERFORMANCE THIS YEAR DEMONSTRATES THE VALUE OF THIS STRATEGY.

**HITESHKUMAR G. PATEL**  
**MANAGING DIRECTOR**

## OUR FIVE YEAR STRATEGY

With roots in India's food bowl, we're proud to nourish discerning consumers around the world, who trust the trace-ability and provenance of our premium branded products.

### OUR STRATEGY

#### Increase

Profit and reduce  
Earnings volatility  
For growers and Shareholders

#### Adapt

our product range  
to take advantage of  
changing foods trends

#### Secure

a sustainable and  
reliable global  
supply chain



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WHAT DRIVES US

## WHAT DRIVES US?



### VISION

Our vision is to gratify millions of palates across the globe by encouraging to consume Mishtann products and enrich the art of gastronomy, thereby distribute happiness that knows no bounds.



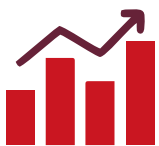
### VALUES

Always Provide Good Quality of Rice without compromising in quality. Making Mishtann the most reliable Indian brand in agro products worldwide. To create an organisation incorporating the values of integrity and dedication.



### PHILOSOPHY

It is our earnest belief that nothing of lasting and enduring value is created overnight. Everything worthwhile today is the result yesteryears' work and vision and every successful tomorrow requires conceptualisation in the form of ideas and thoughts and crystallisation there of through efforts to be put in today.



### VALUE CREATION METHODOLOGY

An amazing brand that is ready for the future.

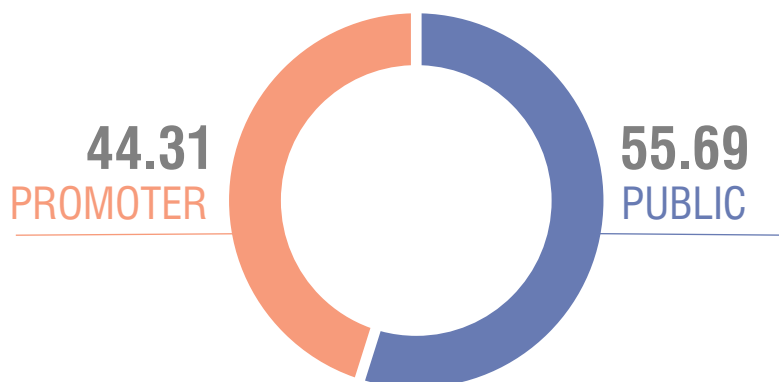


### OBJECTIVES

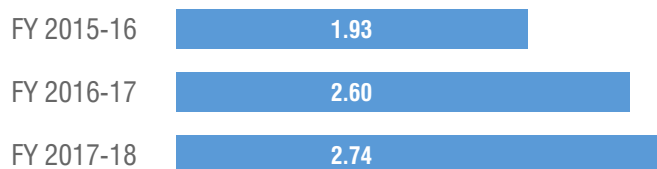
Grow market share. Hold Cost.



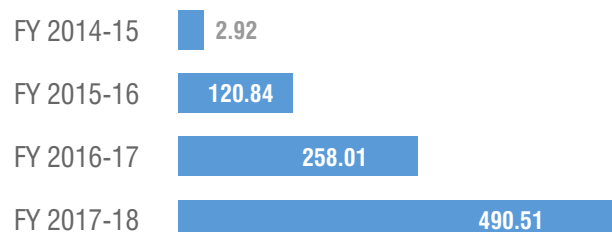
## SHAREHOLDING AS ON 31ST MARCH, 2018



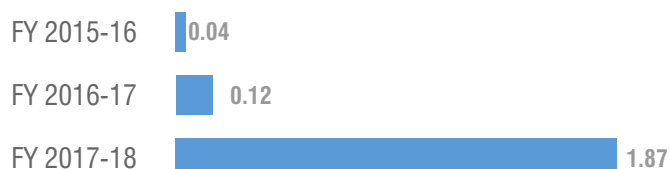
### EBIDTA MARGIN (In Percentage)



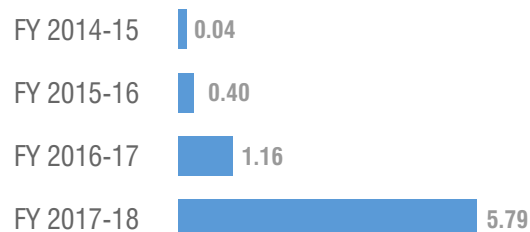
### REVENUE (In Crore)



### EARNING PER SHARE (Basic in Rs.)



### NET PROFIT (In Crore)

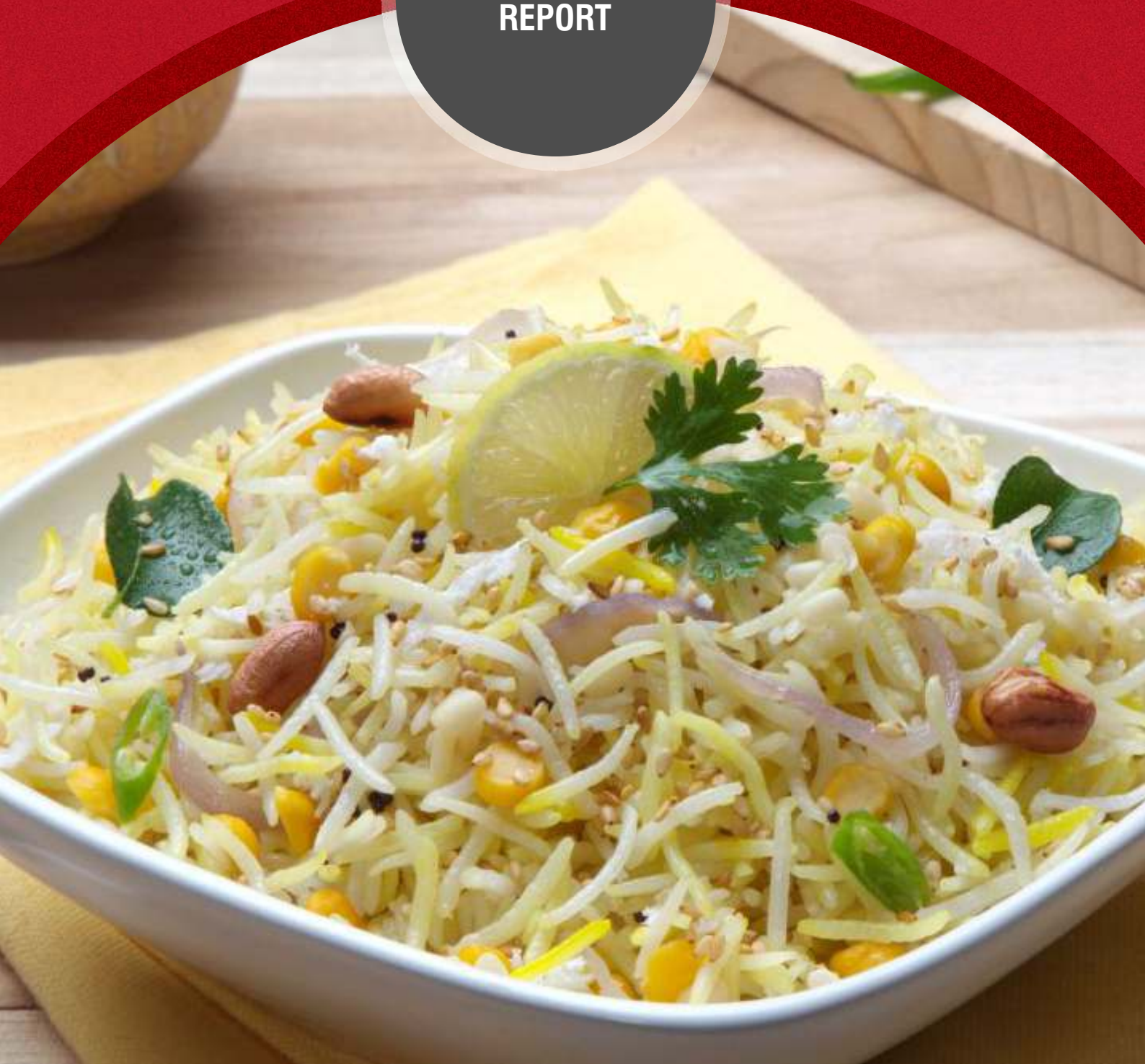




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**STATUTORY  
REPORT**





## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38th Annual General Meeting ("AGM") of the Members of **MISHTANN FOODS LIMITED** ("the Company") will be held on **Thursday, September 27, 2018 at 11.45 a.m at ,Renaissance Hotel Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad – 380060** to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as 31st March, 2018 and profit & loss account of the company for the year ended on 31st March, 2018 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Ravikumar G Patel, Director (DIN:05340869) of the Company who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors of the Company from the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To declare dividend on equity shares for the financial year 2017-18

### SPECIAL BUSINESS:

5. To approve for splitting of the Company's Equity Shares of Rs 10/- each into 10 Equity Shares having a face value of Re. 1/- each

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

**"RESOLVED THAT** in pursuant to the provisions of Section 61 (1) (d) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, 5,00,00,000 (Five Crores) Equity Shares of the Company having a face value of ` 10/- (Rupees Ten) each in the Authorized Share Capital of the Company be subdivided into 50,00,00,000 (Fifty Crores ) Equity Shares having a face value of Re. 1/- (Rupee One) each."

**"RESOLVED FURTHER THAT** upon the sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of ` 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing issued Share Certificate(s) and in the case of the Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary

accounts of the Shareholders with the Depository participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company ("the Board"), (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board to any Committee there of or to the Managing Director or Executive Directors or Chief Financial Officer or Company Secretary, to give effect to the aforesaid resolution."

6. Subdivision of Authorised Equity Share Capital and Consequent Alteration of Memorandum of Association:

The members are requested to consider and, if though fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 13, 14, 61 and all other applicable provisions, if any, under the Companies Act, 2013, the existing Authorized Share Capital of the Company of Rs. 50,00,00,000/- (Rupees Fifty crores only) dividend into 5,00,00,000 Equity shares of Rs. 10/- (Rupees Ten only) each be and is hereby subdivided to Rs. 50,00,00,000/- (Rupees Fifty Crores only) would comprise of 50,00,00,000 ( Fifty Crores) Equity Shares of Re. 1/- (Rupee One only) each."

**"RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V is as under:

"V. The authorised capital to the company shall be Rs.50,00,00,000/- (Rupees Fifty crores only) dividend into 50,00,00,000 (Fifty Crores) Equity Shares of Re. 1/- (Rupee One only) each subject to be increased or reduced in accordance with Article of Association of the company and the legislative provision for the time being in force with power to the company to divide the shares in the capital for the time being. Whether original or increased or decreased into several classes and to attach thereto respectively such ordinary, deferred, preferential or special rights and privileges and condition in such manner as may be in accordance with the company regulation and the legislative provision for the time being in this behalf."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."



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limitless happiness...☺

## NOTICE

7. To approve appointment of Mrs. Vandana Patel, to a place of profit being head of Marketing of the Company

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

**“RESOLVED THAT** pursuant to the provisions of sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the appointment of Mrs. Vandana Patel holding office or place of profit, as head of marketing of the company wife of Mr. Hiteshkumar G Patel , Managing Director, w.e.f 25th August 2018 as detailed below:

- Basic Salary: Rs 10,00,000/- (Rs. Ten Lacs Only) p.a. inclusive of the all perquisites.
- Telephone: Mobile/Telephone facility as per the Company's rules.
- Leave encashment as per the Company's rules.
- Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business.

**“RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Vandana Patel holding office or place of profit, within the maximum limit approved by the shareholders.

**“RESOLVED FURTHER THAT”** Any of the Board of Directors or company secretary of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

8. To approve appointment of Mrs. Tejal Patel , to a place of profit being head of advertising of the Company

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

**“RESOLVED THAT** pursuant to the provisions of sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the appointment of Mrs. Tejal Patel holding

office or place of profit, as head of advertising of the company wife of Mr. Ravikumar G Patel , Director & CFO, w.e.f 25th August 2018 as detailed below:

- Basic Salary: Rs 10,00,000/- (Rs. Ten Lacs Only) p.a. inclusive of the all perquisites.
- Telephone: Mobile/Telephone facility as per the Company's rules.
- Leave encashment as per the Company's rules.
- Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Tejal Patel holding office or place of profit, within the maximum limit approved by the shareholders.

**“RESOLVED FURTHER THAT** Any of the Board of Directors or company secretary of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

9. To approve appointment of Mrs. Rinkal Patel, to a place of profit being head of advertising of the Company

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

**“RESOLVED THAT** pursuant to the provisions of sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the appointment of Mrs. Rinkal Patel holding office or place of profit, as head of advertising of the company wife of Mr. Jatinbhai Patel , Whole time director, w.e.f 25th August 2018 as detailed below:

- Basic Salary: Rs 6,00,000/- (Rs. Six Lacs Only) p.a. inclusive of the all perquisites.
- Telephone: Mobile/Telephone facility as per the Company's rules.
- Leave encashment as per the Company's rules.
- Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business.



**“RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Rinkal Patel holding office or place of profit, within the maximum limit approved by the shareholders.

**“RESOLVED FURTHER THAT** Any of the Board of Directors or company secretary of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

**10.** To approve appointment of Ms. Kamini Patel , to a place of profit being head of accounts of the Company

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

**“RESOLVED THAT** pursuant to the provisions of sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the appointment of Ms. Kamini Patel holding office or place of profit, as head of accounts of the company

Daughter of Mr. Navinchandra D Patel , Whole time director, w.e.f 25th August 2018 as detailed below:

- Basic Salary: Rs 6,00,000/- (Rs. Six Lacs Only) p.a. inclusive of the all perquisites.
- Telephone: Mobile/Telephone facility as per the Company's rules.
- Leave encashment as per the Company's rules.
- Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business.

**“RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Ms Kamini Patel holding office or place of profit, within the maximum limit approved by the shareholders.

**“RESOLVED FURTHER THAT** Any of the Board of Directors or company secretary of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard

**For & on Behalf of the Board of Director**  
**Mishtann Foods Limited**

**Place: Ahmedabad**

**Date: August 13, 2018**

**Sd-/**  
**Sugandha Goyal**  
**Company Secretary**  
**M.No.A51614**

#### NOTES:

An explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts and reasons for the proposed resolutions are enclosed herewith.

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, to 27th September, 2018 (both days inclusive)

3. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company on all working days, except Saturday, Sundays and Public holidays, between 11 a.m. to 1:00 p.m. up to the date of the Meeting.

4. This notice ("AGM Notice") will be sent to all the members, whose names appear in the Register of Members as on Friday, August 24 2018. The AGM Notice is also posted on the website of the Company i.e. [www.mishtann.com](http://www.mishtann.com)

5. If the dividend, as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on or before Friday, 26th October 2018 as under:

- To all the beneficial owners in respect of shares held in dematerialized form as per the data made available by the NSDL and CDSL as on the close of business hours on Thursday, September 20, 2018;
- To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Thursday, September 20, 2018.

6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.

7. Members desirous of asking any questions at the General Meeting are requested to send in their questions so as to reach the Company registered office at least 7 days before the General Meeting so that the same can be suitably replied to.

8. Members/Proxies are requested to bring their attendance slip, sent herewith, duly filled in, for attending the meeting.

9. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE094S01033 and therefore Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrar and Share Transfer Agents for assistance in this regard.

10. Voting through electronic means:

- In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e Voting Services provided by Central Depository Services (India) Limited (CDSL).
- The remote e-voting period commences at 11:00 a.m IST on Monday, September 24, 2018 and ends at Wednesday, September 26, 2018 (5:00 p.m.)IST. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut off i.e Thursday, September 20, 2018, may cast their vote electronically.
- Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- Voting rights of the members shall be in proportion to their respective shareholding as on the cut-off date i.e **Thursday, September 20, 2018**
- The facility for voting through polling paper shall be made available at the AGM and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through polling paper.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e Thursday, September 20, 2018 should follow the instructions of E-voting as mentioned below for FIRST TIME USER. In case of any queries, the



shareholder may also contact the Registrar and Transfer Agent viz. M/s. MCS Share Transfer Agent Limited.

- The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- The procedure and instructions for the voting through electronic means is as follows:

(i) The shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

(ii) Click on “Shareholders” tab.

(iii) Now Enter your User ID

(a) For CDSL: 16 digits beneficiary ID,

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(vi) IF YOU ARE A FIRST TIME USER FOLLOW THE STEPS GIVEN BELOW:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
<b>User ID</b>	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>	
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).	

- (VII) After entering these details appropriately, click on "SUBMIT" tab.
- (VIII) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (IX) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (X) Click on the EVSN for **Mishtann Foods Limited**.
- (XI) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (XII) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (XIII) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (XIV) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (XV) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (XVI) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (XVII) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. I Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (XVIII) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
  - The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to **helpdesk.evoting@cdslindia.com**.
11. The Board of Directors has appointed Ms. Rupal Patel, Practicing Company Secretary, (FCS 6275) to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
12. The Scrutinizer shall after conclusion of the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not later than three (3) days from the conclusion of AGM, prepare a consolidated scrutinizer's report of the total votes casts in favour or against, if any, and submit it to the chairman or any other person authorized by him in writing, who shall declare the results of the voting.
13. The results so declared, along with the Scrutinizer's Report, shall be placed on the Company's website viz [www.mishtann.com](http://www.mishtann.com) and on the website of CDSL. The results shall also be forwarded to Exchange where the shares of the Company are listed.



**EXPLANATORY STATEMENT TO SPECIAL BUSINESS**  
**(Pursuant to Section 102 of the Companies Act, 2013, ("ACT"))**  
**Annexure to Notice**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Notes on directors seeking appointment/re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges who is proposed to be appointed or re-appointed are given below:

**ITEM NO. 2**

Details of Director seeking reappointment at Annual General Meeting:

<b>Name</b>	:	Mr. Ravikumar G Patel
<b>Date of birth</b>	:	22/08/1987
<b>Qualification</b>	:	Bachelor Degree in Commerce
<b>Experience and Expertise</b>	:	Mr. Ravikumar G Patel is having more than 11 years of experience in the field of Rice Industry. He is the Promoter, Director and CFO of Mishtann Foods Limited. He added immense value to the Company Financial Stability.
<b>Director of the Company since</b>	:	24/02/2015
<b>Directorship in other companies (Both listed and Unlisted as on 31st March, 2018)</b>	:	Directorship:- 1. Mishtann Foods Limited 2. Swarnim Foods Private Limited 3. Mementos Foods Private Limited
<b>Membership of Committees of other public limited companies</b>	:	NIL
<b>No. of Shares held in the Company as on 31st March, 2018</b>	:	3600000 Equity Shares

**ITEM NO. 5**

As the members may be aware, the turnover of the Company has registered substantial growth in the last 3 years, which has generated considerable interest in the Company's Shares in the Market; resulting in the market price of the Company. The high market price of the Company's shares might become beyond the reach of the retail investors. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on August 13, 2018, considered it, desirable and recommended the sub-division of 5,00,00,000 Equity Shares of ₹ 10/- each in the Authorized Share Capital of the Company into 50,00,00,000 Equity Shares of Re. 1/- each, subject to approval of concerned authorities as may be necessary. The Board recommends the resolution.

as set out in Item No. 5 of the accompanying notice for the approval of the members of the Company as a Special Resolution.

Pursuant to the sub-division of Face Value of Equity Shares of the Company each Equity Share of the Face value of Rs. 10/- (Rupees Ten only) as existing as on the 'Record Date' shall stand subdivided into 10(ten) Equity shares of the Face value of Rs. 1/- (Rupee One only) each as fully paid-up, with effect from the 'Record Date'.

A copy of the Memorandum of Association of the Company along with the proposed amendments is available for inspection by the members at the registered Office of the Company on all working days during the office hours from 11:00 A.M. to 1:00 P.M. upto the date of this Annual General Meetings.

None of the Directors / Key Managerial Personnel of the Company or their relatives is interested, financially or otherwise, in the aforesaid resolution except and to the extent of their shareholdings, if any, in the Company.

## ITEM 6

The present authorised capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five crores Only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

As per the provisions of Sections 13 and 14 of the Companies Act, 2013, a Company can alter the Share Capital Clause of its Memorandum of Association and Articles of Association only with the consent of Shareholders.

On subdivision of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association. The Resolution seeks approval of Members to subdivide the Share Capital and to amend the said Clause.

The Company, in order to meet its long term Equity requirement for funding its growth, is required to subdivide its share capital. It is, therefore, deemed appropriate to re-classify the Authorised Share Capital of the Company and for that purpose, the Memorandum of Association of the Company is proposed to be suitably altered as set out at item No. 6 of the accompanying Notice.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at the Registered Office between 11:00 A.M. to 1:00 P.M. on any working day of the Company till 27th September, 2018.

The Board of Directors recommends the passing of the Resolution by way of a Special Resolution as set out in Item No. 6 of the Notice.

None of the Directors / Key Managerial Personnel of the Company or

their relatives is interested, financially or otherwise, in the aforesaid resolution except and to the extent of their shareholdings, if any, in the Company

## ITEM 7

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 13th August, 2018 had approved the appointment of Mrs. Vandana Patel as head of marketing w.e.f 25th August 2018, subject to approval of the Shareholders by way of a Special Resolution. The details of the remuneration payable to Mrs. Vandana Patel are given in the resolution no. 07. As per section 188(1) (f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval.

Mr. Hitesh G Patel, Managing Director, being relative is deemed to be interested or concerned in the concerned resolution.

## ITEM 8

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 13th August, 2018 had approved the appointment of Mrs. Tejal Patel as Head of advertising w.e.f 25th August 2018, subject to approval of the Shareholders by way of a Special Resolution. The details of the remuneration payable to Mrs. Tejal Patel are given in the resolution no. 08. As per section 188(1) (f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval.

Mr. Ravikumar G Patel, Director & CFO, being relative is deemed to be interested or concerned in the concerned resolution.

## ITEM 9

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of



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## NOTICE

Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 13th August, 2018 had approved the appointment of Mrs. Rinkal Patel as head of advertising w.e.f 25th August 2018, subject to approval of the Shareholders by way of a Special Resolution. The details of the remuneration payable to Mrs. Rinkal Patel are given in the resolution no. 09. As per section 188(1) (f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval.

Mr. Jatinbhai Patel, Whole Time Director, being relative is deemed to be interested or concerned in the concerned resolution.

### ITEM 10

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain

prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 13th August, 2018 had approved the appointment of Ms. Kamini Patel as Vice President-Marketing w.e.f 25th August 2018, subject to approval of the Shareholders by way of a Special Resolution. The details of the remuneration payable to Ms. Kamini Patel are given in the resolution no. 10. As per section 188(1) (f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval.

Mr. Navinchandra D Patel, Whole Time Director, being relative is deemed to be interested or concerned in the concerned resolution

#### Related Party Transaction-(Remuneration to related parties holding office or place of profit)

Name of Related Parties	Name of the directors or KMP who is related	Nature of Relationship	Transaction defined U/S 188(1)(f) of the Companies Act, 2013 i.e Related Party holding office or place of profit.
Mrs Vandana Patel	Mr Hiteshkumar G Patel	Wife of .Mr Hiteshkumar G Patel	Basic Salary: Rs 10,00,000/- (Rupees Ten Lacs ) P.A.
Mrs Tejal Patel	Mr. Ravikumar G Patel	Wife of Mr. Ravikumar G Patel	Basic Salary: Rs 10,00,000/- (Rupees Ten Lacs ) P.A.
Mrs. Rinkal Patel	Mr. Jatinbhai Patel	Wife of Mr.Jatinbhai Patel	Basic Salary: Rs 6,00,000/- (Rupees Six Lacs ) P.A.
Ms. Kamini Patel	Mr. Navinchandra D Patel	Daughter of Mr. Navinchandra Patel	Basic Salary: Rs 6,00,000/- (Rupees Six Lacs ) P.A.

**For & on Behalf of the Board of Director  
Mishtann Foods Limited**

**Sd/-  
Sugandha Goyal  
Company Secretary  
M.No.A51614**

**Place: Ahmedabad  
Date: August 13, 2018**



## DIRECTOR'S REPORT

To,  
The Members  
Mishtann Foods Limited

Your Directors have pleasure in presenting Annual Report of the Company together with Audited Statements Accounts including Consolidated Financial Statement for the financial year ended on 31st March, 2018.

### 1. Consolidated Financial Results And Operational Review:

PARTICULARS	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
GROSS SALES/INCOME	4,905,971,114	2,580,062,721
LESS DEPRECIATION	20,050,124	20,392,019
PROFIT/(LOSS) BEFORE TAX	84,777,459	22,306,121
TAXES/DEFERRED TAXES	26,902,606	10,633,346
PROFIT/(LOSS) AFTER TAXES	57,874,853	11,672,775
P& L BALANCE B/F	16,308,550	4,635,776
PROFIT/ (LOSS) CARRIED TO BALANCE SHEET	74,183,403	16,308,551

Above mentioned figures were derived from audited consolidated Balance Sheet for the financial year ended on 31st March, 2018.

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## DIRECTOR REPORT

**2. Brief description of the Company's working during the year**

During the year under review, the Company has earned income of Rs.4,90,59,71,114 as compared to Rs.2,580,062,721 of previous year. The Company has made profit of Rs. 57,874,853 as compared to Rs.11,672,775. Continuous stern Efforts are being made to improve the performance of the Company.

**3. Change in the nature of business**

The Company has not changed its main object during the year under review.

**4. Dividend**

Since the Company has made profit, the directors recommended dividend @ 0.2% i.e Rs. 0.02/- per equity share of face value Rs. 10 each, amounting to Rs.1,000,000/- alongwith Dividend Distribution Tax of Rs.203,576/- during the year under review.

**5. Reserves**

The Board of Directors of the company has carried an amount of Rs.57,874,853 to Reserve & surplus.

**6. Change of Name**

The Company has not changed its name during the year under review.

**7. Share Capital****ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS**

The company has not issued any shares with differential rights during the year under review.

**ISSUE OF SWEAT EQUITY SHARE**

The company has not issued any sweat equity shares during the year under review

**ISSUE OF EQUITY SHARE**

During the year under the review, the paid up share capital of the company has been increased from Rs.10,01,61,000/- to Rs. 31,01,91,000/-through issue of 2,10,03,000 equity shares to Promoters and Non- Promoters on preferential basis, of face value of Rs.10/- each, at a price of Rs. 10/- each and got listing permission of BSE Limited on dated 05th April, 2018.

**8. Directors and Key Managerial Personnel Appointed and Resigned during the year**

Mr. Ravikumar G. Patel, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

During the year Company has appointed Mr. Jatinkumar R. Patel & Mr. Navnichandra D Patel as Whole Time Directors. Ms. Roshni Shah resigned from the post of Company Secretary cum compliance officer of the Company on 07/07/2017. The company has appointed Ms. Sugandha Goyal as Company Secretary cum compliance officer of the Company on 10/08/2017.

**9. Particulars of Employees & Employee Remuneration**

None of the employees of the Company drew remuneration of Rs.1,02,00,000/- or more per annum Rs.8,50,000/- or more per month during the year. Hence, no information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**10. Board Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, fifteen Board Meetings were duly convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**11. Board Evaluation**

The Nomination and Remuneration Committee of the Board constituted under Section 178 of the Companies Act, 2013 has been made responsible for carrying out evaluation of every Director's performance. The Board has evaluated its own performances, its committees and all individual Directors i.e. both Independent and Non Independent considering attendance, contribution at the Meetings and otherwise, adherence of Code of Conduct and Business ethics, monitoring of regulatory compliance's etc. All the Directors of the Company are found to be persons of having sound knowledge and vast experience in their respective areas and their association with the Company is considered to be beneficial to the Company.

**12. Statement of Declaration by an Independent Director(s) and re- appointment, if any**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**13. Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.



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## DIRECTOR REPORT

### 14. Details of Subsidiary/Joint Ventures/Associate Companies

The Company has one subsidiary company named Mishtann Agro Private Limited. Financial Details of the company is as under:

Financial Details of the company is as under:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed Ms Rupal Patel, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of your Company for the financial year 2017-18. The report in Form MR-3 is annexed herewith and marked

(Amount in Rs.)

PARTICULARS	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
GROSS SALES/INCOME	1,324,687,911	13,556,152
LESS DEPRECIATION	1,335,958	1,535,274
PROFIT/(LOSS) BEFORE TAX	1,740,328	(1,711,775)
TAXES/DEFERRED TAXES	—	(15,260)
PROFIT/(LOSS) AFTER TAXES	1,740,328	(1,696,515)
P & L BALANCE B/F	(1,380,828)	315,687
PROFIT/ (LOSS) CARRIED TO BALANCE SHEET	359,500	(1,380,828)

However, Mishtann Agro Private Limited is created to be subsidiary Company of Mishtann Foods Limited w.e.f. 14th May, 2018 and the same has been taken on record by the Board of Directors at their meeting held on 14th May, 2018 and intimated to the BSE Limited.

### 15. Auditors

The Auditors, M/S. Rahul Kakani & Associates, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next.

### 16. Auditors Report

The Auditors Report does not contain any qualification. Note to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comment.

### 17. Audit Committee

In pursuance of Section 177 of the Companies Act, 2013 read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Audit Committee and the details in pursuance of Section 177(8) of the Companies Act, 2013 in respect of composition of Audit Committee of the Company is given in Corporate Governance Report of the Company.

### 18. Secretarial Audit Report

as "Annexure- 1" to this Report.

Explanatory Reply for qualification under Secretarial Audit Report:

- Promoter holding of the Company is not in demate form as required under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company noted the same and the Company is in process of achieving 100% promoter holding in demate form and comply with the requirement of above mentioned regulation.
- The Company is in process of obtaining factory License under Factory Act and is of the Opinion that the Factory license will be received very soon.
- The Company is in process of complying with the requirement as to appointment of Independent Director.

### 19. Internal Audit & Controls

Though the company has appointed Mr. Nirav Patel as an internal auditor, the accounting and other system have been designed in such a manner that review of entire process for safeguarding the assets of the company, its operational efficiency, and effectiveness of the systems are taken care of properly. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.



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**20. Issue of employee stock options**

The company has not issued any employee stock options during the year under review.

**21. Vigil Mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at

<http://www.mishtann.com/relation.php?category=disclosures-and-policies>

**22. Risk management policy**

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

**Commodity Price Risks**

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking, Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

**Regulatory Risks**

The company is exposed to risks attached to various statutes and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

**Human Resources Risks**

Retaining the existing talent pool and attracting new talent are major risks. The company has initiated various measures including rolling out strategic talent management system, training and integration of learning and development activities.

**Strategic Risks**

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

**23. Extract Of Annual Return status and company's operations in future**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as Annexure 2.

**24. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There is no Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

**25. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

**26. Details in respect of adequacy of internal financial controls with reference to the Financial Statements**

The Company has adequate of internal financial controls with reference to the Financial Statements during the year under review.

**27. Deposits**

Your Company has not accepted / renewed any deposits from the public during the year under review.

**28. Particulars of loans, guarantees or investments under section 186**

Particulars of loans given, investments made, guarantees and securities provided under section 186 of the Companies Act, 2013 are provided in the notes of standalone and consolidated financial statement.

**29. Particulars of contracts or arrangements with related parties**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Particulars of the contracts or arrangement with related parties referred into Section 188 (1) of the Companies Act, 2013, in prescribed Form AOC -2 is attached as "Annexure - 3".

**30. Corporate Governance**

The Company has been proactive in the following principles and practices of good corporate governance. A report in line with the requirements of Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report on Management Discussion and Analysis and the Corporate Governance practices followed by the Company and the Auditors Certificate on Compliance of mandatory requirements are given as an "Annexure-4" respectively to this report.



Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

As per 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, the Corporate Governance Report, Management Discussion and Analysis and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are attached separately and form part of the Annual Report.

### 31. Management Discussion And Analysis

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2018 and annexed to this Report.

### 32. Obligation Of Company Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

### 33. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, pursuant to Section 134 of the Companies act 2013 read with the Companies (Account) Rules, 2014 are given in Annexure: 5.

### 34. Corporate Social Responsibility (CSR):

Your Board of Directors have constituted Corporate Social Responsibility Committee at Board meeting held on 09/07/2018 and approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as applicable to the Company pursuant to Audited Financial Statement for financial year 2017-18.

The following is the list of CSR projects or programs which Mishtann Foods Limited plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

NO.	Subject	Purpose
1	School	To Promote Education
2	Hospital	To reducing child mortality and improving maternal health
3	Empowering Women	For promoting gender equality

### (1) The Composition of the CSR Committee.

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of three or more directors, out of which at least one director shall be an independent director.

The CSR Committee shall –

- Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities; and
- Monitor the Policy of the company from time to time.

The CSR Committee includes Three Directors namely

Mr. Bhaveshkumar Patel	Independent Director	Chairman
Mr. Devalkumar Patel	Independent Director	Member
Mr. Ravikumar Ramanbhai Patel	Independent Director	Member

(2) Average net profit of the company for last three financial years Rs. 1,18,45,240/-.

(3) Prescribed CSR Expenditure (two per cent. of the amount as in item 2 above) Rs. 2,36,905/- against which Company could spent Rs.2,36,905/- during the financial year 2017-2018.

(4) Details of CSR spent during the financial year: Not Applicable

(5) In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

### 35. Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### 36. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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**DIRECTOR REPORT**

- 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 and loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis; and
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**41. Transfer of Amounts to Investor Education and Protection Fund**

The Company does not have any funds lying as unpaid or unclaimed

for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**42. Listing With Stock Exchanges**

The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to BSE where the Company's Shares are listed.

**43. Secretarial Standards**

The Directors State that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and General Meetings', respectively, have been duly followed by the Company.

**44. Acknowledgments**

The management is grateful to the government authorities, Bankers, Vendors, farmers for their continued assistance and co-operation. The Directors wish to place on record the confidence of members in the company. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**For & on behalf of the Board of Director  
Mishtann Foods Limited**

**Date: 13th August, 2018  
Place: Ahmedabad**

**Sd/-  
Hiteshkumar Patel  
Managing Director  
DIN: 05340865**



**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2018**  
**[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,  
 Mishtann Foods Limited (CIN: L15400GJ1981PLC004170)  
 C-808, Ganesh Meridian Opp. High Court of Gujarat,  
 S. G. Highway Ahmedabad - 380060

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mishtann Foods Limited**. (hereinafter called "the company") for the audit period covering the financial year ended on 31st March, 2018. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of company's books, papers, minutes book, 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 31st March, 2018 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:

**1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018, according to the provisions of:**

(i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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;

© The Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, 2009;

(d) 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;

(e) As certified by the Company Secretary of the Mishtann Foods Limited vide her Confirmation dated 23.07.2018 and pursuant to limited examination of records as produced before us, the Company is in compliance of the following to the extent applicable:

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July, 2015); under the provisions of Companies Act, 2013;

We have relied upon the representation made by the Company and its Company Secretary, Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company, as identified and confirmed by the management of the company and listed in **Annexure -I** to this report.

On the basis of our examination and representation made by the Company we report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to our knowledge except non compliance in respect of:

(a) During the year under review, 100 % promoter holding of the Company is not in demate form as required under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(b) During the year under review, as per MRL received dated 23rd July, 2018, the Company is in process of obtaining factory License under Factory Act.

We Further Report that, there were no actions/ events in pursuance of:

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on



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## SECRETARIAL AUDIT REPORT

28 October 2014

requiring compliance thereof by the Company during the period under review

**We further report that** the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professional.

**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 till 15th March, 2018. On 15th March, 2018 one Independent Director has become Non-independent Director pursuant to Preferential Allotment dated 15th March, 2018 and consequently proper balance of executive, non-executive and independent director were not maintained.

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 cases, 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**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 there were no specific events / actions having a major bearing on the company's affairs except as mentioned below:

1. The company has obtained approval from members of the company, for below mentioned businesses, in its Extra Ordinary General Meeting which was held on 15th April, 2017 and 09th March, 2018.

- Reclassification of Authorised Equity Share Capital of the company from Rs. 45,00,00,000/- (Rupees Forty Five Crores only) would comprise of 45,00,00,000 (Forty Five Crores) Equity Shares of Re. 1/- (Rupee One only) to Rs.45,00,00,000/- (Rupees Forty Five crores only) dividend into 4,50,00,000 Equity shares of Rs. 10/- (Rupees Ten only) each and Consequent Alteration of Memorandum of Association
- Consolidation of Equity Share of the Company of Face Value of Rs 1/- each to Rs. 10/- each
- The company has made preferential allotment of 21003000 equity shares of Rs.10/- out of which 9804800 shares to Promoters and 11198200 shares to non-promoters of the Company, for which Shareholders approval is taken on 09th March, 2018 and board resolution was passed on 15th March, 2018.

**Signature:Sd/-**

**Name of Practicing Company Secretary: Rupal Patel**  
**C. P. No.: 3803**  
**FCS No.: 6275**

**Date:13/08/2018**  
**Place: Ahmedabad**

**Note: This report is to be read with our letter of even date which is annexed as ANNEXURE-II and forms an integral part of this report.**

**ANNEXURE- I****List of applicable laws to the Company**

1. Based on the Management Representation Letter dated 23.07.2018 issued by the Company and Confirmation Letter dated 23.07.2018 issued by Company Secretary of the Company, the Company has complied with the laws and regulations applicable specifically to the Company given its business of trading and processing of Agricultural product:

- Fire & Explosive Act
- The Apprentices Act
- The Air (Prevention and Control of Pollution) Act, 1981, The Water (Prevention and Control of Pollution) Act, 1974: The Company has received Order No. AW-23801 dated 20th June, 2017 giving exemption from these acts.
- Agricultural and Processed food Products Export Development Authority Act, 1985

As amended from time to time till date.

2. All General Laws such Direct and Indirect Taxation related, Labour Laws and other incidental laws of respective States;

**Signature:Sd/-**

**Date:13/08/2018**  
**Place: Ahmedabad**

**Name of Practicing Company Secretary: Rupal Patel**  
**C. P. No.: 3803**  
**FCS No.: 6275**



**ANNEXURE II**

**To,**  
The Members,  
Mishtann Foods Limited (**CIN: L15400GJ1981PLC004170**)  
C-808, Ganesh Meridian Opp. High Court of Gujarat,  
S. G. Highway Ahmedabad - 380060

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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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.
- We have relied on Management Representation Letter dated 23.07.2018 and Confirmation of CS vide her letter dated 23.07.2018 before issuing our Report to the Company.

**Signature:Sd/-**

**Name of Practicing Company Secretary: Rupal Patel**  
**C. P. No.: 3803**  
**FCS No.: 6275**

**Date:13/08/2018**  
**Place: Ahmedabad**

## Annexure 2

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

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	<b>L15400GJ1981PLC004170</b>
2.	Registration Date	27/02/1981
3.	Name of the Company	Mishtann Foods Limited
4.	Category/Sub-category of the Company	Company limited by shares/ Indian Non-government company
5.	Address of the Registered office & contact details	C-808, Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad - 380060
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<p>MCS Share Transfer Agent Ltd</p> <p>Add: 1. 12/1/5, Manoharpukur Road, Kolkata-700026, Contact No.: 033-40724051/52/5</p> <p>2. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009</p> <p><b>Contact No.:</b> 079-2658 2878, 2879, 2880</p> <p><b>E-mail id:</b> mcssta@rediffmail.com</p> <p>mcsstaahmd@gmail.com</p>

**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
1	BASMATI RICE	10063020	84.21%

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

(No. of Companies for which information is being filled)

S. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	MISHTANN AGRO PRIVATE LIMITED	U15400GJ2012PTC071454	Subsidiary Company	-----	2(87)



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EXTRACT OF ANNUAL REPORT

STATUTORY REPORT

## VI. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding (As on 31/03/2018)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the End of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2921600	1017900	3939500	39.33	12726400	1017900	13744300	44.31	4.98
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total-(A)-(1):</b>	<b>2921600</b>	<b>1017900</b>	<b>3939500</b>	<b>39.33%</b>	<b>12726400</b>	<b>1017900</b>	<b>13744300</b>	<b>44.31</b>	<b>4.98%</b>
<b>(2) Foreign</b>	-----NIL-----								
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub total-(A)-(2) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>2921600</b>	<b>1017900</b>	<b>3939500</b>	<b>39.33%</b>	<b>12726400</b>	<b>1017900</b>	<b>13744300</b>	<b>44.31%</b>	<b>4.98%</b>
<b>B. Public Shareholding</b>	-----NIL-----								
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub total-(B)-(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





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<b>2. Non-Institutions</b>	-----NIL-----								
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10	58957	58967	7.63%	10	58957	58967	7.63%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5625002	392631	6017633	53.04%	16823202	392631	17215833	48.06%	(4.98 %)
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>5625012</b>	<b>451588</b>	<b>6076600</b>	<b>60.67%</b>	<b>16823212</b>	<b>451588</b>	<b>17274800</b>	<b>55.69%</b>	<b>-</b>
<b>Total Public Shareholding B) = (B)(1) + (B)(2)</b>	<b>5625012</b>	<b>451588</b>	<b>6076600</b>	<b>60.67%</b>	<b>16823212</b>	<b>451588</b>	<b>17274800</b>	<b>55.69%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-----NIL-----								
<b>Grand Total (A+B+C)</b>	<b>8546612</b>	<b>1469488</b>	<b>10016100</b>	<b>100%</b>	<b>29549612</b>	<b>1469488</b>	<b>31019100</b>	<b>100%</b>	<b>-</b>

**B) Shareholding of Promoter -**

SN	Share holder'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	Hiteshkumar G Patel	7666000	7.65	-	3600000	11.61	-	3.95
2	Ravikumar G Patel	7331000	7.32	-	3600000	11.61	-	4.28
3	Jatinkumar R Patel	4513000	4.51	-	2600000	8.38	-	3.87
4	Navinchandra D Patel	5719000	5.70	-	1762000	5.68	-	0.03
5	Kantilal J Khimani HUF	1530000	1.53	-	153000	0.49	-	(1.04)
6	Ketan Khimani	3236000	3.23	-	323600	1.04	-	(2.19)
7	Bipinchandra Maganbhai Patel	200000	0.20	-	20000	0.06	-	(0.14)
8	Manjulaben Patel	3987000	3.98	-	1164400	3.75	-	(0.23)



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9	Harshadbhai Chaganbhai Patel	2965000	2.96	-	296500	0.96	-	(2)
10	Jasminbhai Lakshman Patel	114000	0.11	-	11400	0.04	-	(0.07)
11	Vijaykumar Patel	2134000	2.13	-	213400	0.69	-	(1.44)
	<b>Total</b>	<b>39395000</b>	<b>39.33%</b>	<b>-</b>	<b>13744300</b>	<b>44.31%</b>	<b>-</b>	<b>4.98%</b>

\*Based on the paid up share capital of the Company as on 31.03.2018

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

Sno.	Name of shareholder	Shareholding at the beginning of the year 01.04.2017		Transactions during the year			Cumulative Shareholding at the end of the year 31.03.2018	
		No of Shares held	% of total shares of the company	Reason	Date of allotment	No. of shares	No of shares held	% of total shares of the company
1.	Hiteshkumar G Patel	766600	7.65	Preferential Allotment	15.03.2018	2833400	3600000	11.61
2.	Ravikumar G Patel	733100	7.32	Preferential Allotment	15.03.2018	2866900	3600000	11.61
3.	Jatinkumar R Patel	451300	4.51	Preferential Allotment	15.03.2018	2148700	2600000	8.38
4	Navinchandra D Patel	571900	5.71	Preferential Allotment	15.03.2018	1190100	1762000	5.68
5	Kantilal J Khimani HUF	153000	1.53	----	---	----	153000	0.49
6	Ketan Khimani	323600	3.23	-----	----	----	323600	1.04
7	Bipinchandra Maganbhai Patel	20000	0.20	----	---	----	20000	0.06



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8	Manjulaben Patel	3987000	3.98	Preferential Allotment	15.03.2018	765700	1164400	3.75
9	Harshadbhai Chaganbhai Patel	2965000	2.96	----	----	----	296500	0.96
10	Jasminbhai Lakshman Patel	114000	0.11	----	----	---	11400	0.04
11	Vijaykumar Patel	2134000	2.13	---	---	---	213400	0.69

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

Sr. No	Share holder'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	No. of Shares	% of total Shares of the company	
1	Jitendra Patel	2957000	2.95	3	0.0000	(2.95)
2	Becharbhai Patel	2954000	2.95	5	0.0000	(2.95)
3	Parichaykumar patel	2952000	2.95	304180	0.9806	(1.9694)
4	Bharatbhai Patel	2949000	2.94	7	0.0000	(2.94)
5	Dineshkumar Patel	2948000	2.94	5	0.0000	(2.94)
6	Nileshbhai Patel	2941000	2.94	5	0.0000	(2.94)
7	Jayantibhai Patel	2937000	2.93	3	0.0000	(2.93)
8	Sureshbhai Patel	2928000	2.92	295990	0.9542	(1.9658)
9	Vasantbhai Bhikhabhai Patel	2925000	2.92	292500	0.9430	(1.977)
10	Hareishbhai Patel	2510000	2.50	7	0.0000	(2.50)
11	Rajeshkumar Prabhudasbhai Patel	----	-----	2565673	8.2713	---
12	Jignesh Ramanlal Patel	---	---	2209100	7.1217	---
13	Patel Kanakkumar V Patel	5000	0.0050	2189561	7.0588	7.0538
14	Sureshbhai Hirabhai Patel	7000	0.0070	2189385	7.0582	7.0512
15	Vasantbhai Mulchandbhai Patel	103000	0.1028	2155298	6.9483	6.8455
16	Ashwin Maganbhai Patel	10000	0.0100	745434	2.4031	2.3931
17	Ishwarbhai Ramjibhai Patel	---	----	393850	1.2697	---
18	Bharatbhai Amichand Bhai Patel	10000	0.0100	392631	1.2658	1.2558
19	Laxmanbhai Joitabhai Patel	10000	0.0100	385125	1.2416	1.2316
20	Maheshkumar Amrutbhai Patel	3000	0.0030	369108	1.1899	1.1869

**E) Shareholding of Directors and Key Managerial Personnel:**

S. No	Share holder'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	No. of Shares	% of total Shares of the company	
1	Hiteshkumar G Patel	766600	7.65	3600000	11.61	3.96
4	Ravikumar G Patel	733100	7.32	3600000	11.61	4.29
2	Jatin R Patel	451300	4.51	2600000	8.38	3.87
3	Navinchandra D Patel	571900	5.71	1762000	5.68	(-0.03)
4.	Sureshbhai Patel*	2928000	2.92	295990	(0.9542)	(1.9658)

\*Resign on 27/06/2016

**F) INDEBTEDNESS –****Indebtedness of the Company including interest outstanding/accrued but not due for payment.****(Amount Rs.)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	26,85,52,164	9,31,15,152	-	361667316
ii) Interest due but not paid	-	-	-	0
iii) Interest accrued but not due	-	-	-	0
<b>Total (i + ii + iii)</b>	<b>26,85,52,164</b>	<b>9,31,15,152</b>		<b>361667316</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	52,00,499	14,68,88,953	-	152089452
* Reduction	5,90,60,550	11,49,32,856	-	173993406
<b>Net Change</b>	<b>5,38,60,051</b>	<b>3,19,56,097</b>	-	<b>21903954</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	21,42,63,40	12,50,71,249	-	339334649
ii) Interest due but not paid	4,28,713	-	-	428713
iii) Interest accrued but not due	-	-	-	0
<b>Total (i + ii + iii)</b>	<b>21,46,92,113</b>	<b>12,50,71,249</b>	-	<b>339763362</b>

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager :****( Amount in Rs)**

S N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount(p. a.)
1		Mr Hiteshkumar G Patel	Mr Navinchandra D Patel	Mr Jatinkumar R Patel	



	Gross salary	299,108	299,108	299,074	897290
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-			-
	(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	-			-
	<b>Total (A)</b>	299,108	229,108	299,074	<b>897290</b>
	<b>Ceiling as per the Companies Act, 2013</b>				

**B. Remuneration to other directors****(Amount in Rs.)**

SN.	Particulars of Remuneration	Name of Directors	Total Amount (P.a)
1	Executive Directors	Mr. Ravikumar G Patel	298215
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	<b>Total (1)</b>	-	-
2	Other Non Executive Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others (Salary to Directors)	298215	298215
	<b>Total (2)</b>	-	-
	<b>Total (B)=(1+2)</b>	-	-
	<b>Total Managerial Remuneration</b>	<b>298215</b>	<b>298215</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER / WTD****(Amount in Rs.)**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total Amount (p.a)
1	Gross salary	202810	298215	501025

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(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	-	-	-
	<b>Total</b>	<b>202810</b>	<b>298215</b>	<b>501025</b>

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>	<b>NIL</b>				
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>	<b>NIL</b>				
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	<b>NIL</b>				
Penalty					
Punishment					
Compounding					

For & on behalf of the Board of Director  
Mishtann Foods Limited

Date: 13<sup>th</sup> August, 2018  
Place: Ahmedabad

Sd/-  
Hiteshkumar Patel  
Director  
DIN: 05340865

**Annexure 3**  
**Form No. AOC- 2**

**(Pursuant to clause (h) of subsection-(3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

Name of Related Party	Nature of Relationship	Nature of Contract/ Arrangement /transaction	Duration of Contract	Salient term of Contract/ Arrangement /transactions including the value, if any	Date of Approval by Board, If any	Amount transacted if any
Ravi Trading Co	Partnership Firm Director - Ravikumar G Patel Hiteshkumar G. Patel Navinchandra D. Patel	Sale, Purchase of goods & Materials	NIL	NIL	05/04/2016	296,357,754
Mishtann Agro Private Limited	Subsidiary Company	Sale, Purchase of goods & Materials	NIL	NIL	27/06/2016	294,840,028

Form shall be signed by the people who have signed the Board's Report.

**By order of the Board of Directors**  
**For Mishtann Foods Limited**

**Date: 13<sup>th</sup> August, 2018**  
**Place: Ahmedabad**

**Sd/-**  
**Hiteshkumar Patel**  
**Managing Director**  
**DIN: 05340865**

## Report on Corporate Governance

### 1. Company Philosophy:

Good corporate governance, it's about being proper and prosper.

We continue to believe that good corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders value. Company is a listed company on the BSE Limited. The Company has complied with in all material respect with the features of corporate governance as specified in the Listing Agreement.

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. Board of Directors:

The Composition of the Board of the Company complies with the

provision of the Companies Act, 2013 and the Listing Regulations. As at the end of the financial year 31 March, 2018, the Board comprises of the following;

Category	No. of directors
<b>Non-Executive &amp; Independent Directors</b>	<b>4</b>
<b>Other Non-Executive Directors</b>	<b>NIL</b>
<b>Executive Director (Including Managing Director and Chairman)</b>	<b>5*</b>
<b>Total</b>	<b>9</b>

\* Mr. Bhaveshkumar Patel, Non Executive Independent Director of the Company became Non Executive non independent director of the Company w.e.f. 15th March, 2018.

The Chairman of the Board is an Executive Non Independent Director. Other Relevant details of Directors:

Name of Director	Date of Appointment	Category	No. of Directorship(s) held in Indian public & private Limited Companies (Excluding this Company)	Committee(s) position (Excluding this Company)	
				Member	Chairman
Mr. Hiteshkumar Patel	30/09/2015	Director	1	Nil	Nil
Mr. Ravikumar Patel	30/09/2015	Director	2	Nil	Nil
Mr. Bhaveshkumar Patel	09/03/2015	Director	Nil	Nil	Nil
Mr. Bharatbhai Patel	09/03/2015	Director	1	Nil	Nil
Mr. Devalkumar Patel	09/03/2015	Director	1	Nil	Nil
Mr. Ravikumar R. Patel	09/03/2015	Director	Nil	Nil	Nil
Mr. Navinchandra Patel	29/07/2017	Director	Nil	Nil	Nil
Mrs. Sweetiben Patel	09/03/2015	Director	Nil	Nil	Nil
Mr. Jatinkumar Patel	29/09/2017	Director	1	Nil	Nil



**Board Meetings held during the year:**

20/04/2017	08/05/2017	19/06/2017	07/07/2017	17/07/2017
10/08/2017	28/08/2017	27/09/2017	09/11/2017	29/11/2017
29/01/2018	08/02/2018	19/02/2018	12/03/2018	15/03/2018

information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and

**MEETINGS ATTENDED BY THE BOARD MEMBERS**

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM
Mr. Hiteshkumar Patel	Managing Director	Executive Non Independent	15	Yes
Mr. Ravikumar Patel	Director	Executive Non Independent	15	Yes
Mr. Bhaveshkumar Patel	Director	Non Executive Non-Independent	15	Yes
Mr. Bharatbhai Patel	Director	Non Executive Independent	15	Yes
Mr. Devalkumar Patel	Director	Non Executive Independent	15	Yes
Mr. Ravikumar R. Patel	Director	Non Executive Independent	15	Yes
Mrs. Sweetiben Patel	Director	Non Executive Independent	15	Yes
Mr. Jatinkumar Patel	Director	Executive Non Independent	15	Yes
Mr. Navinchandra Patel	Director	Executive Non Independent	15	Yes

**RESPONSIBILITIES OF THE BOARD:**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

responsibilities. Each newly appointed Independent Director is taken through a formal familiarization program. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

**INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on March 28, 2018, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of

**EVALUATION OF THE BOARD'S PERFORMANCE**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

(In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

### PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("The PIT Regulations"). The PIT regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulation is to curb the practice of insider trading in the securities of a listed company.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by insiders' ("the code") in accordance with the requirements of the PIT regulations.

The Code is applicable to promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015. This Code is displayed on the Company's website viz.

<http://www.mishtann.com/relation.php?category=disclosures-and-policies>

### 3. COMMITTEES OF THE BOARD.

The Company had four Board Committees. These are

- Audit Committee
- Remuneration Committee

- Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

#### 3.1 AUDIT COMMITTEE:

The Audit committee constituted by the Board of directors as per the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013, comprises of three members viz. Mr. Bhaveshkumar Patel, Director (Non Executive) who is appointed as Chairman, Mr. Devalkumar Patel, (Non Executive) and Mr. Bharatbhai Patel (Non Executive) who are aware with finance, accounts, management and corporate affairs. Three independent members constitute the quorum of the said Audit Committee Meeting.

The Audit Committee of the Board of Directors of the Company, Inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

#### BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Review the financial reporting process and disclosure of its financial information
  - Review with the management, Annual financial statements before submission to the Board
  - Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
  - Review the company's accounting and risk management policies
  - Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
  - Review quarterly financial statement.
  - Review internal investigations made statutory/ Internal Auditors.
  - Scope of Statutory/ Internal Audit
  - Review fixed deposits/repayment systems etc.
  - Any other applicable functions as described in Corporate Governance.
  - Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committees were held during Financial Year 2017-2018. The dates on which the said meetings were held as follows:

08/05/2017    10/08/2017    09/11/2017    29/01/2018

### 3.2 REMUNERATION COMMITTEE:

Name of Director	Amount Rs(per annum)
Mr.Hiteshkumar G. Patel	299,108
Mr. Ravikumar G Patel	298,215
Mr. Jatin R. Patel	299,074
Mr. Navinchandra D Patel	299,108

#### Non- Executive Director

The Company has not paid any sitting fees to any of the Directors of the Company.

#### Remuneration Policy

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were approved by the Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

**Terms of reference of the Committee inter alia, include the following:**

**Nomination of Directors / Key Managerial Personnel / Senior Management\***

- To evaluate and recommend the composition of the Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
- Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
- To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- To review HR Policies and Initiatives.

#### Remuneration of Directors / Key Managerial Personnel / Senior Management\*/ other Employees

Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, Senior Management and other employees of the Company and to review the same from time to time.

**a) The Committee shall, while formulating the policy, ensure the following :**

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

\* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

#### NOMINATION & REMUNERATION POLICY:

##### Purpose of this Policy:

The company has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure that remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

#### Definitions:

**Independent Director** means a director referred to in Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**Key Managerial Personnel** (the “KMP”) shall mean “Key Managerial Personnel” as defined in Section 2(51) of the Act.

**Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

**Senior Management** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed there under or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Accounting Standards shall have the meanings assigned to them in these regulations.

#### Composition of the Committee:

The composition of the Committee is / shall be in compliance with the Act, Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Bhaveshkumar Patel	-	Chairman Non Executive Director
Devalkumar Patel	-	Member Non Executive Director
Bharatbhai Patel	-	Member Non Executive Director

During the year under review, the 3 Nomination & Remuneration Committee were held during Financial Year 2017-2018. The dates on which the said meetings were held as follows:

20/04/2017, 07/07/2017, 10/08/2017

#### Role of the Committee:

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.
- f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### Criteria for Determining the followings:-

##### 1 Qualifications for appointment of Directors (including Independent Directors)

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- b) Their financial or business literacy/skills;
- c) Other appropriate qualification/experience to meet the objectives of the Company;
- d) As per the applicable provisions of Companies Act, 2013, Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

## 2 Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

## 3 Independence Standards

The following would be the independence review procedure and criteria to assist the Committee to evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the Listing Agreement with the Stock Exchanges. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.

## Independence Review Procedures

### 1. Annual Review

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

### 2. Individual Director's Independence Determinations

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

### 3. Notice of Change of Independent Status

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

### Criteria for appointment of KMP/Senior Management

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- To adhere strictly to code of conduct

### Term

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

## Evaluation

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

## Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

## Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

## Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any

stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

## 3.3 SHARE TRANSFER & SHAREHOLDERS'/INVESTOR GRIEVANCE COMMITTEE:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

- 1 Mr. Bhaveshkumar Patel – Chairman Independent Director
- 2 Mr. Devalkumar Patel – Member Independent Director
- 3 Mr. Bharatbhai Patel – Member Independent Director
- 4 Ms. Sugandha Goyal – Member

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

During the year under review, the 4 Share Transfer & Shareholders'/Investor Grievance Committee were held during Financial Year 2017-2018. The dates on which the said meetings were held as follows:

12/04/2017    18/07/2017    13/10/2017    12/01/2018

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions as on 31st March, 2018 is given below:-

Complaints Status: 01.04.2017 to 31.03.2018

- Number of complaints received so far : 2
- Number of complaints solved : 0
- Number of pending complaints : 2

## Statement showing list of Top 10 Shareholders as on March 31, 2018

Sr. No.	Name of the shareholders	No. of Shares	Percentage of Capital
1	Rajeshkumar Prabhudasbhai Patel	2565673	8.2713
2	Jignesh Ramanlal Patel	2209100	7.1217
3	Patel Kanak kumar V	2189561	7.0588

4	Sureshbhai Hirabhai Patel	2189385	7.0582
5	Vasantbhai Mulchandbhai Patel	2155298	6.9483
6	Ashwin Maganbhai Patel	745434	2.4031
7	Ishwarbhai Ramjibhai Patel	393850	1.2697
8	Bharatbhai Amichand Bhai Patel	392631	1.2658
9	Laxmanbhai Joitabhai Patel	385125	1.2416
10	Maheshkumar Amrutbhai Patel	369108	1.1899
	<b>Total</b>	<b>13595165</b>	<b>43.8284</b>

## General Body Meetings

Particulars of last three Annual general meetings

Year of AGM	Date of the AGM	Time	Place of AGM Held	Special Resolutions Passed
2015	30/09/2015	11:00 A.M.	Shah Commercial Center Station road , Bhuj -370001 Gujarat	Yes
2016	02/08/2016	11.45 A.M.	C-808, Ganesh Meridian Opp. High Court of Gujarat, Sola , S.G. Highway, Ahmedabad-380060	Yes
2017	29/09/2017	11.00 AM.	C-808, Ganesh Meridian Opp. High Court of Gujarat, Sola , S.G. Highway, Ahmedabad-380060	Yes

**The special resolutions have been passed at Annual General Meeting dated 29/09/2017 which are as followed:**

1. To appoint Mr. Hitesh Kumar G. Patel as Managing Directors of the company.
2. To Approve for Increase the Remuneration of Director & Chief Financial Officer Mr. Ravi Kumar G. Patel.
3. To Appoint Mr. Jatin Patel as Whole Time Director of the company
4. To Appoint Mr. Navinchandra Patel as Whole Time Director of the company
5. To approve for availment of Unsecured Loan from Promoter and Promoter Group of the company with an exercise of option to convert the said loan into equity Shares of the company.

**The special resolutions have been passed at Annual General**

**Meeting dated 02/08/2016 which are as followed:**

1. Increase Borrowing Power of board of directors of the company.
2. Reclassification of Authorised Equity Share Capital and consequent alteration of Memorandum of association.
3. Sub-division of one equity share of the company of face value of Rs 10/ each to 10 Equity Shares of Rs 1/- each.
4. To obtain approval for related party transactions.

**The special resolutions have been passed at Annual General Meeting dated 30/09/2015 which are as followed:**

- 1) Appointment of Mr. Hiteshkumar Patel (Din: 05340865), as regular Director of the Company.
- 2) Appointment of Mr. Ravikumar Patel (Din: 05340869) as Regular

Director of the Company.

- 3) Appointment of Mr. Bhaveshkumar Patel (Din: 07101222) as an Independent Director of the Company.
- 4) Appointment of Mr. Bharatbhai Patel (Din: 06973323) as an Independent Director of the Company.
- 5) Appointment of Mr. Devalkumar Patel (Din: 07103589) as an Independent Director of the Company
- 6) Appointment of Mr. Sureshkumar Patel (Din: 07101245) as an Independent Director of the Company.
- 7) Appointment of Mr. Jatinkumar Patel (Din: 06973337) as Regular Director of the Company.
- 8) Appointment of Mr. Navinchandra Patel (Din: 05340874) as Regular Director of the Company.
- 9) Appointment of Ms. Sweetiben Patel (Din: 07101256) as an Independent Director of the Company.
- 10) Appointment of Mr. Ravikumar R. Patel (Din: 07101234) as an Independent Director of the Company.
- 11) Appointment of Mr. Hiteshkumar Patel as Managing Director of the Company.
- 12) Sub-division of One Equity Share of the Company of Face Value of Rs 10/- each to 10 Equity Shares of Rs. 1/- each.
- 13) Reclassification of Authorised Equity Share Capital and Consequent Alteration of Memorandum of Association.
- 14) Increase in Authorised Share Capital of the Company.
- 15) Shifting of Registered Office Outside the Local Limits of the City.
- 16) Adoption of new articles of association of the company containing regulation in conformity with Companies Act, 2013.
- 17) Increase Borrowing Power of Board of Directors of the Company.

#### Extraordinary General Meeting (EGM)

Two Extra Ordinary General Meetings were held on 15th April, 2017 and 09th March, 2018 for Reclassification of Authorised Share Capital and Consequent Alteration of Memorandum of Association, Consolidation of face value of Equity Shares Rs 1/- each into Rs. 10/- each and Issue of Equity Share on Preferential Basis. During the year under review, no resolution has been passed through the exercise of postal ballot.

#### 4. DISCLOSURES:

##### 1. Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Notes to Accounts.

2. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

#### 5. MEANS OF COMMUNICATIONS:

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc., are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

#### WHISTLE BLOWER POLICY:

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers.

The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made by whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2018, no Protected Disclosures have been received under this policy.

In pursuance of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The Vigil Mechanism/ Whistle Blower Policy has been uploaded on the website of the Company at <http://www.mishtann.com/uploads/specification/whistle-blower-policy.PDF>

#### 6. GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting: Date, Time and venue: 27th September 2018, at 11.45 a.m. at the Renaissance Hotel, Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad – 380060.





**MISHTANN**  
limitless happiness...

## CORPORATE GOVERNANCE REPORT

b. Financial Year: 1st April 2017 to 31st March, 2018.

c. Financial Calendar:

- 1st quarterly results – First week of August, 2017.
- 2nd quarterly results – Second week of November, 2017.
- 3rd quarter results – Forth week of January, 2018.
- 4th quarter results – Second week of May, 2018.

d. Date of Book Closure: 21st September, 2018 to 27th September, 2018

e. Dividend Payment Date (Proposed): Dividend will be paid within the stipulated period after its declaration by the members at the AGM.

Dividend on equity shares when declared will be made payable after the AGM to those shareholders whose names stand in the Company's Register of Members on relevant dates of record date/book closure. In respect of shares held in electronic form/demat, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

f. Listing of Equity Shares on Stock Exchanges: BSE Limited

g. Stock Code: 539594

h. ISIN number: INE094S01033

i. High / Low of Monthly Market Price of the Companies Equity Shares traded on Stock Exchange during the financial year 2017-18:

The Company has no data to report in this segment.

j. Performance of the Company's shares in comparison with broad-based indices as SE's Sensex:

The Company has no data to report in this segment.

k. Registrar & Share Transfer Agent:

Name	:	MCS Share Transfer Agent Limited
Address	:	1. 12/1/5, Manoharpukur Road, Kolkata-700026, 2. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009
Tel	:	079-26582878& 033-40724051/52/5
Fax	:	079-25681296
Email	:	mcsstaahmd@gmail.com

l. Share Transfer System: Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

m. Distribution of Shareholding as on Dated 31.03.2018

Share holding of Nominal Value of Rs. 10/-	No. of Share holders	% to total share holders	No. Of Shares	% to total shares
001-500	447	86.63	4162	0.0134
501-1000	14	2.71	12905	0.0416
1001-2000	11	2.13	159003	0.0513
2001-3000	2	0.39	4600	0.0148
3001-4000	2	0.39	6400	0.0206
4001-5000	1	0.19	5000	0.0161
5001-10000	1	0.19	10000	0.0322
10001-50000	3	0.58	46025	0.1484
50001-100000	2	0.39	200322	0.6458
And Above	33	6.40	30713786	99.0157
<b>Total</b>	<b>516</b>	<b>100.00</b>	<b>31019100</b>	<b>100.00</b>

n. Shareholding pattern as on 31.03.2018

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	1,37,44,300	44.31
b. Mutual Fund/Trust	0	0.00
c. Financial Institution/Banks	0	0.00
d. Bodies Corporate	0	0.00
e. Indian public	1,72,74,800	55.69
f. other (HUF)	0	0.00
<b>TOTAL</b>	<b>3,10,19,100</b>	<b>100.00</b>

o. Dematerialization of shares: As on 31-03-2018 Demat shares accounted for 2,95,49,612 Equity Shares (95.26%) of total equity.

p. Outstanding GDR / ADR / Warrants: Not Applicable

q. Address for communication:

**Mishtann Foods Limited**

C-808, Ganesh Meridian, Opp. High Court of Gujarat, Sola, S.G. Highway, Ahmedabad- 380060

**Mishtann Foods Limited**

Plant : Survey No. 10, At Kabori, Himatnagar -Dhansura Highway , Ta. Talod, Dist. Sabarkantha- 383305 Gujarat, India

**MCS Share Transfer Agent Limited**

201, Shatdal Complex, 2nd Floor, Ashram Road, Ahmedabad-380009

## COMPLIANCE CERTIFICATE OF THE AUDITORS

The statutory Auditor have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulation and the same is annexed to this Report.

### DECLARATION

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Mishtann Foods Limited Code of Business Conduct and Ethics for the year ended March 31, 2018.

**For Mishtann Foods Limited**

**Date: 13th August, 2018**  
**Place: Ahmedabad**

**Sd/-**  
**Hiteshkumar Patel**  
**Chairman and Managing Director**  
**DIN: 05340865**

## CFO CERTIFICATION

We the undersigned, in our respective capacities as managing Director and Chief Financial Officer of Mishtann Foods Limited ("the Company") to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements and the cash flow statement for the year 2017-18 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2017-18 which are fraudulent, illegal or violate of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2017-18;
- Significant changes in accounting policies during the year 2017-18 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**For & on behalf of the Board of Director  
Mishtann Foods Limited**

**Date: 13th August, 2018  
Place: Ahmedabad**

**Sd/-  
Ravikumar Patel  
Chief Financial Officer**

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

To the Members of Mishtann Foods Limited

We have examined the compliance of condition of Corporate Governance by Mishtann Foods Limited, for the year ended March 31, 2018 as stipulated in Regulation 17,18,19,20,21,22,23,24,25,26,27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 and Para C, D and E of schedule V of the securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (collectively referred to as "SEBI Listing Regulation, 2015).

The compliance of conditions of corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on certification of corporate Governance, issued by the institute of Chartered Accountant of Indian and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that such compliance is neither as assurance as to the future viability of the company nor the efficient with which the management has conducted the affairs of the company.

**FOR RAHUL KAKANI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)**

**Date: 13th August, 2018  
Place: Ahmedabad**

**Sd/-  
AJAY D PATEL  
PARTNER  
M.NO.: - 163596  
F.R.No. 130198W**



## MANAGEMENT DISCUSSION AND ANALYSIS

Mishtann foods limited have witnessed a year of growth, posting profits every quarter of the past financial year. Mishtann has strengthened its growth by expansion of its client base and products.

Beginning of 2017 had a slow start because of the effects of demonetization that made consumers restrict their consumption. There was a slow revival of consumption with the urban market being more resilient compared to rural India. Towards the middle of the year, the economic growth improved. Inflation in the country continued to be moderate during 2017-2018, Consumer Price Index was the lowest in the last six financial years.

### Industry overview:

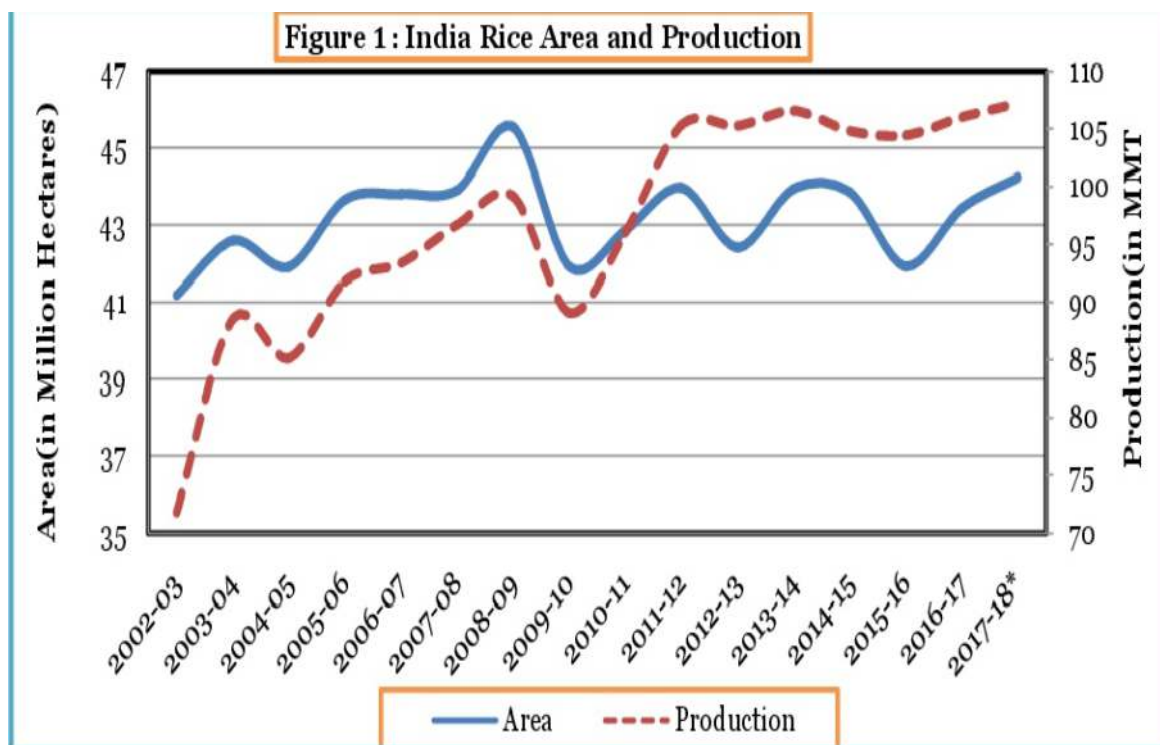
The industry has reported steady growth in its revenues till 2013-14 given the rising demand in the market leading to high volume of sales and high realizations. As a result of very good rainfall during monsoon 2016 and various policy initiatives taken by the government, the country has witnessed record food grain production in the FY17; the industry witnessed a growth in demand higher than the previous record production of 106.65 million tones achieved during 2013-14.

### Budget Highlights:

- The government is committed towards doubling the farmers income by 2022
- An Agri-Market Infrastructure Fund will be started with a corpus of Rs 2,000 Crores
- A total of Rs 14.34 Lacs Crores ( US\$225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas.
- A restructured National Bamboo Mission will be launched with a total outlay of Rs 1,290 Crores ( US\$ 207.79 million)
- Allocation for the National Rural Livelihood Mission is increased to Rs 5,750 Crores(US\$ 1.57 billion)

### 2017-18 Crop Year:

A near normal rainfall during the years Monsoon and favourable Government policies have helped rice production in 2017-18 crop year to touch a record of 111.01 million tonnes up by 1.2% from the previous years level. However the trend of continued shrinking of sowing area continued in the current year as well with the Agriculture ministry estimates showing that rice was sown only in 37.40 million hectares in the Kharif season , a decrease of 510,000 hectares compared to the previous season.



Source: Directorate of Economics & Statistics (D&ES)

\*1st advance estimates

- India's rice production has increased at CAGR of 1.43 percent during 2002-03 and 2017-18.
- Area under rice cultivation has not increased substantially during same period.

#### Business Overview:

Mishtann Foods is a diversified agribusiness and foods company with a dominant portfolio of basmati rice. The Company owns leading brands such of Mishtann- Jasper, Emerald, Ecstasy, and Pristine Basmati Rice.

#### Agricultural Sector of India

The agricultural sector plays a critical role in India's economy. Over 58% of rural households depend on agriculture as their principal means of livelihood. India holds the 2nd largest agricultural land in the world with 157.35 million hectares under cultivation. In FY 2016-17, total food grain production in India was recorded at 273.83 million tonnes, which increased from 253.16 million tonnes in FY 2015-16. India is the largest producer of cotton, spices, pulses, milk, tea, cashew and jute; and the 2nd largest producer of wheat, rice, sugarcane, oilseeds, fruits and vegetables.

#### BASMATI INDUSTRY SCENARIO

Rice is the staple diet for almost half the global population. Over 90% of the global rice output and consumption is centered in Asia, with China and India both the world's largest producers and biggest consumers. India accounts for over 70% of the world's basmati rice output, which is a small portion of the total rice produced in India. Rice production in India was expected at 103.36 million tonnes in 2015-16.

Among the varieties mentioned, basmati would be the most superior in terms of product characteristics, which makes it the most premium variety of rice. In volume terms, basmati rice accounts for less than 2% of the global rice industry, the size of which is pegged at around 475 million metric tonnes (MMT) (milled basis). There are only two producers of basmati rice in the world: India, which accounts for more than 70% of world's basmati rice production, and Pakistan, which accounts for the rest. For India, even though basmati rice represents a small part of the total agro commodity basket, it offers high product visibility in the global market. The Indian rice industry consists of both basmati rice and non-basmati rice; however this note covers only the basmati rice industry in India.

#### Robust Operational Framework:

The company commands a robust operational framework across sourcing, processing/manufacturing and distribution. It's widely spread and deeply entrenched sourcing network enables ready

access to high-quality premium food grains. From a combination of growers and leading grain markets (mandis) across India. This is one of the most critical functions on which the business is anchored.

#### Overall performance:

##### Consolidated Results:

Company's gross sales for the year 2017-18 crossed milestone of Rs 490 cores, reflecting immense growth from its previous year. The Company's profit before tax during the year at Rs 847.77 lakhs also grew than the previous year which was 276.48 lakhs.

##### Standalone Results:

The gross sales for the year 2017-18, at Rs. 387.61 Crores increased from the previous year. Profit before tax also increased from 293.60 lakhs to 830.37 lakhs

#### SWOT ANALYSIS:

##### Strength:

The Company prides itself in making available an array of safe and improved quality of products to its esteemed customers. The Company has attained internationally recognized quality and food safety standards at all of its plants, appropriately certified by the globally renowned certification agencies these systems are perpetually maintained and monitored by a team of experienced lead auditors of the Company.

##### Weakness:

Compliance to growing regulatory norms will be a continuing requirement and could also lead to delays in obtaining the necessary approvals. Changes in guidelines or policies in various geographies may also lead to sudden disruption of business in specified products.

##### Opportunities:

India's population, the second largest in the world is estimated to increase over time. Given the Government's initiative on food security, per-capital consumption of food grains and therefore the demand for them will only increase.

The proportion of basmati rice exports in India's total exports has increased from around 0.6 per cent to around 1.3 per cent during the last one decade. Moreover, since Iran has removed the ban on import of rice, demand is also expected to witness some improvement

As the demand of basmati is increasing worldwide, your Company has better opportunity to provide these services.

### Threats:

Despite the strong growth drivers, Indian agro industry faces challenges in Managing inventory and distribution costs is a challenge for the industry players in the wake of volatility in business environment.

Compliance to growing regulatory norms will be a continuing requirement and could also lead to delays in obtaining the necessary approvals. Changes in guidelines or policies in various geographies may also lead to sudden disruption of business in specified products.

### Human Resources development:

Company has several processes in place to ensure the continual training and growth of its employees over the entire life cycle. Processes are also in place to attract and recruit talent into the Company. From time to time, your Company participates in assessment by various expert bodies to measure effectiveness of actions taken on HR related matters.

Mishtann Foods facilitates, encourages, rewards and recognizes employees as the Company believes that its people are the key source of competitive advantage.

### Information Technology:

Information Technology is core to the Company's processes, improvement and transformational initiatives. Mishtann continues to explore and implement new emerging technologies for furthering business objectives.

### Internal Controls Systems:

The Company has laid down set of standards which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors, Statutory Auditors and Finance Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the internal Audit function reports to the Chairman of the Audit Committee.

### Internal Financial Controls

The internal financial controls (IFC) framework at Mishtann Foods Limited encompasses internal controls over financial reporting

(ICOFR) as well as operational controls that have been put in place across all key business processes of the Company. The internal controls are designed to facilitate and support the achievement of the Company's business objectives and such controls do enable the Company to adapt to changing and operating environment, to mitigate risks to acceptable levels and to support sound decision making and good governance. Details in respect of adequacy of internal financial controls with reference to the financial statements are briefly iterated below:

- a) The Company maintains all its major records in ERP System.
- b) The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organisation is being done through the approved policies of the Company. In every quarter, during the approval of financial statements, internal auditors present the internal audit report and the management comments on the internal audit observations; and
- c) The Board of Directors of the Company has adopted various policies such as related party transactions policy, whistle blower policy, policy to determine material subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

### Outlook and Risks:

Going forward, the Company expects a steady pick up in the Basmati rice categories helped by an improvement in GDP growth, rise in employment and increase in disposable incomes. The business environment is rapidly changing while getting more complex. Indian consumers are value sensitive, but also demonstrate the inclination to trading up. Landscape changing technologies, rise of organized retail, and emerging E Commerce platforms are changing the overall environment. Mishtann plans to continue to tap the opportunities in its segments by launching innovative products and use technology to generate efficiencies across its business.

**Annexure 5**

The company continues to effect measures for conservation and optimum utilization of energy through a series of audit programs and continues monitoring of processes and manufacturing methods. The total expenditure for power and fuel during the year 2017-2018.

Sr No.	Particulars	2017-2018	2016-2017
<b>(A)</b>	<b>Power and Fuel Consumption</b>		
<b>1.</b>	<b>Electricity</b>		
	(a) Purchased	1204029 Unit	200395 Unit
	Total Amount Rs.	Rs. 75,52,124	Rs. 27,88,489
	Rate/Unit	Rs. 6.27 / Unit	Rs 13.91/Unit
	(b) Own Generation	---	---
	(i) Through diesel generator	---	---
	Unit	---	---
	Units per ltr. Of diesel oil	---	---
	Cost/unit	---	---
	(ii) Through steam turbine/generator	---	---
	Unit	---	---
	Units per ltr. of diesel oil	---	---
	Cost/unit	---	---
<b>2.</b>	<b>Coal (specify quality and where used)</b>		



	Quantity (tonnes)	---	---
	Total Cost	---	---
	Average Rate	---	---
<b>3.</b>	<b>Furnace oil</b>		
	Quantity (k. ltrs.)	---	---
	Total Cost	---	---
	Average Rate	---	---
<b>4.</b>	<b>Others/internal generation (please give details)</b>		
	Quantity	---	---
	Total cost	---	---
	Rate/unit	---	---
<b>(B)</b>	<b>Consumption per unit of production</b>		
	Products (with details) unit	52475.43 Ton.	47910
	Electricity	22.94Unit/ Tonn..	0.24 Unit/Tonn.
	Furnace oil	---	---
	Coal (specify quality)	---	---
	Others (specify)	---	---



[www.mishtann.com](http://www.mishtann.com)

**MISHTANN**<sup>®</sup>  
limitless happiness...😊

**STANDALONE  
FINANCIAL  
STATEMENT**



## Independent Auditor's Report

**To the Members**  
**MISHTANN FOODS LIMITED**  
**Ahmedabad.**

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of MISHTANN FOODS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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 standalone 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 Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the Company and for 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

Our responsibility is to express an opinion on these standalone 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 there under. 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.

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 control 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- in case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

### Report on other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- As required by section 143 (3) of the Act, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- The Balance Sheet, Statement of Profit and Loss, and Cash Flow

Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor's

Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations, if any on its financial position in its financial statements .
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAHUL KAKANI & ASSOCIATES**  
(CHARTERED ACCOUNTANTS)

Place: -Ahmedabad  
Date: - 14/05/2018

**AJAY D. PATEL**  
PARTNER  
M.NO.: 163596  
F.R.No. 130198W



## Annexure to the Auditors' Report

Referred to in the Paragraph 3 under the heading 'Report on the Other Legal and Regulatory Requirements' of our report of even date on the financial statements of the Company for the year ended March 31, 2018.

### I. In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. No discrepancies of serious nature have been noticed by the management and almost all the items as appearing in the register have been physically verified at the end of the year.
- c) According to the information and explanations given to us, title deeds of immovable properties are not held in the name of the company. The title deeds of immovable properties are held in name of below mentioned director:-  
Mr. Hiteshkumar G. Patel, Mr. Navinchandra D. Patel.  
Directors has given right to use of immovable property to the company by executing registered lease deed for the period of 30 years.

### II. In respect of its Inventories:

- a) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- b) The Company is valuing physical inventories at lower of cost or Net realizable Value.

### III. In respect of loans granted and taken to / from parties covered in the register maintained u/s 189 of the Companies Act, 2013

The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- a) the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- b) the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular.

### IV. In respect of loans, investments and guarantees u/s. Section 185 and 186 of the Companies Act, 2013.

In our opinion and according to the information and explanations given to us, In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

### V. In respect of deposits from public :

In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore the provisions of clause 4(vi) of CARO are not applicable to the Company.

### VI. In respect of maintenance of cost records:

Pursuant to rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 in respect of certain manufacturing activities, as informed to us, the Company is not required to maintain cost records.

### VII. In respect of statutory dues:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Wealth tax, Sales tax, Value added tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise duty. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales-tax Wealth Tax, Custom Duty, Excise Duty, Cess which are outstanding as at 31.3.2018 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, the particulars of dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax and other material statutory dues as at 31st March, 2018 which have not been deposited on account of any dispute, are as follows:

Name of the Statue	Nature of Dues	Amounts Involved	Period to which the amount relates	Forum where the dispute is pending
-	-	-	-	-

### VII. In respect of dues to financial institution / banks / debentures:

Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institution and banks.

IX. In respect of application of money raised by Initial public offer , further public offer (including debt instruments) and term loans.

According to the information and explanations given to us, company has not raised any money from initial public offer, further public offer (including debt instruments).

According to the information and explanations given to us the term loan has been applied for the purpose for which the loans were obtained.

X. In respect of fraud:

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

XI. In respect of Managerial Remuneration.

In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

XII. In respect of Nidhi Company

In our opinion and according to the information and explanations

given to us, Company is not Nidhi Company. Hence Compliance related to Net owned fund is not applicable to company.

XIII. In Respect of Related parties Transactions

In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.

XIV. In Respect of Preferential Allotment/Private Placement of shares.

According to the information and explanations given to us , the company has made only preferential allotment for 2,10,03,000 share issued at Rs. 10 each fully paid up and compliance under section 42 of the Companies Act, 2013 complied with. Further, the company has not made any private placement of shares or fully or partly convertible debentures during the year under review and if so, compliance under section 42 of the Companies Act, 2013 complied with.

XV. In Respect of Non Cash transactions with Directors

According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him and so compliance under section 42 of the Companies Act, 2013 need not complied with.

XVI. In Respect of Registration of Nidhi Company.

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For RAHUL KAKANI & ASSOCIATES**  
**(CHARTERED ACCOUNTANTS)**

**AJAY D. PATEL**  
**Partner**  
**M.NO.: - 163596**

**Place: -Ahmedabad**  
**Date: - 14/05/2018**

**Mishtann Foods Limited**  
**Balance Sheet**  
 As at 31st March 2018

Particulars	Notes	As at 31st March 2018	As at 31st March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property Plant and Equipment	2	10,09,21,237	8,32,92,778
Capital work-in-progress		-	3,43,39,576
Other Intangible assets			
Financial Assets			
Investments			
Loans	3	1,47,34,045	75,82,810
Differed Tax Assets (Net)		5,11,640	-
Other Non-current Assets	4	36,52,636	54,78,953
<b>Non-Current Assets</b>		<b>11,98,19,558</b>	<b>13,06,94,117</b>
<b>Current assets</b>			
Inventories	5	34,06,00,188	36,46,97,838
Financial Assets			
Trade receivables	6	30,89,68,345	20,73,885
Cash and cash equivalents	7	3,50,040	17,46,978
Loans	8	9,44,199	8,71,635
Other current assets		-	
<b>Total Current Assets</b>		<b>65,08,62,772</b>	<b>36,93,90,336</b>
<b>Total Assets</b>		<b>77,06,82,330</b>	<b>50,00,84,453</b>
<b>Equity</b>			
Equity Share capital	9	31,01,91,000	10,01,61,000
Other Equity	10	7,38,23,903	1,76,89,378
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	11	13,09,68,833	13,66,57,437
Deferred tax liabilities (Net)		-	1,71,954
Other non-current liabilities		-	-
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	12	17,00,34,337	21,02,49,879
Trade payables	13	1,60,86,307	60,84,116
Other current financial liabilities	14	2,87,89,776	1,06,48,606
Other current liabilities	15	4,07,88,174	1,84,22,083
Current Tax Liabilities (Net)			
<b>Total Equity and Liabilities</b>		<b>77,06,82,330</b>	<b>50,00,84,453</b>
Significant Accounting Policies	1		

The Notes Referred To Above Form Part of the Financial Statements  
 In terms of our separate report of even date attached

**For Rahul Kakani & Associates,**  
**Chartered Accountants**  
**FRN : 130198W**

**Ajay D. Patel**  
**Partner**  
**Membership No. 163596**

**Place : Ahmedabad**  
**Date: 14.05.2018**

**for and on behalf of the Board of Directors**  
**of Mishtann Foods Ltd**

**Hitesh Patel**                      **Ravikumar Patel**  
**DIN: 05340865**                  **DIN: 05340869**  
**Managing Director**              **Director & CFO**

**Sugandha Goyal**  
**M. No. A51614**  
**Company Secretary**

**Place : Ahmedabad**  
**Date: 14.05.2018**

**Mishtann Foods Limited**  
**Statement of Profit & Loss for the year ended on 31st March, 2018**

Particulars	Notes	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
<b>Income</b>			
Revenue from operations	16	3,87,52,61,896	2,56,47,50,042
Other Income	17	8,61,336	29,09,527
<b>Total Revenue</b>		<b>3,87,61,23,232</b>	<b>2,56,76,59,569</b>
<b>Expenditure</b>			
Cost of Materials Consumed	18	3,72,17,61,986	2,34,31,22,623
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(7,31,062)	13,03,36,219
Employee benefit expense	20	1,38,03,010	1,39,15,157
Selling, Administration & other expenses	21	34,17,632	32,07,746
Financial costs	22	3,20,64,818	2,68,97,240
Depreciation & Amortisation Charges	23	1,87,14,166	1,88,56,745
Other Expenses	24	40,55,551	19,63,781
<b>Total Expenses</b>		<b>3,79,30,86,101</b>	<b>2,53,82,99,511</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>8,30,37,131</b>	<b>2,93,60,058</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>8,30,37,131</b>	<b>2,93,60,058</b>
Extraordinary Items		-	53,42,162
<b>Profit before tax</b>		<b>8,30,37,131</b>	<b>2,40,17,896</b>
Tax expense:			
Current tax		2,75,86,200	1,06,48,606
Deferred tax		(6,83,594)	-
<b>Profit/(Loss) for the year</b>		<b>5,61,34,525</b>	<b>1,33,69,290</b>
Earning per equity share:			
(1) Basic	25	1.81	0.13
(2) Diluted			

The Notes Referred to Above Form Part of the Financial Statements  
 In terms of our separate report of even date attached

**For Rahul Kakani & Associates,**  
**Chartered Accountants**  
 FRN : 130198W

**Ajay D. Patel**  
**Partner**  
**Membership No. 163596**

**Place : Ahmedabad**  
**Date: 14.05.2018**

**for and on behalf of the Board of Directors  
 of Mishtann Foods Ltd**

**Hitesh G. Patel**  
**DIN: 05340865**  
**Managing Director**

**Ravi G. Patel**  
**DIN: 05340869**  
**Director & CFO**

**Sugandha Goyal**  
**M. No. A51614**  
**Company Secretary**

**Place : Ahmedabad**  
**Date: 14.05.2018**



## Notes forming part to the Financial Statements

Year ended on 31st March 2018

### 3. Long Term Loans and Advances

Particulars	As at 31st March 2018	As at 31st March 2017
Security Deposites		
Bharat Pesticides Industries Pvt. Ltd.	80,000	80,000
Indian Oil Corporation Ltd.	5,100	5,100
Punjab National Bank Deposit	55,03,688	51,58,790
CST Deposit	10,000	10,000
VAT Deposit	10,000	10,000
Uttar Gujarat Vij Company Ltd. Deposit	21,93,920	21,93,920
Gujarat Agro Industrial Corporation	-	1,00,000
FD with Mas Financial Service	69,06,337	-
Other Advances		
Advance Tax -VAT	25,000	25,000
	<b>1,47,34,045</b>	<b>75,82,810</b>

### 4. Other Non Current Assets

Particulars	As at 31st March 2018	As at 31st March 2017
Preliminary Expenses Not Written Off	-	-
BSE Ltd	-	-
Listing Fee	14,76,614	22,14,922
Stamp Duty	7,68,280	11,52,420
Stamp Duty MCA ( ROC )	10,90,252	16,35,376
Upfornt Fees	3,17,490	4,76,235
	<b>36,52,636</b>	<b>54,78,953</b>

### 5. Inventories

Particulars	As at 31st March 2018	As at 31st March 2017
Raw materials	33,20,85,183	35,69,13,895
Finished goods	85,15,005	77,83,943
Semi Finished goods	-	-
Waste	-	-
	<b>34,06,00,188</b>	<b>36,46,97,838</b>

Inventory iteams have been valued as disclosed in note related to Significant accounting policies.

### 6. Trade Receivable

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Outstanding for less than six months</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :	30,89,68,345	20,73,885
c) Doubtful		-
<b>Outstanding for more than six months</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
<b>Others</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
	<b>30,89,68,345</b>	<b>20,73,885</b>

**7. Cash and cash equivalents**

Particulars	As at 31st March 2018	As at 31st March 2017
Balance with banks	-	-
Bank of Baroda,Ahm:62	-	-
Punjab National Bank A/c No. 72125	-	-
Cash on Hand	3,50,040	17,46,978
	<b>3,50,040</b>	<b>17,46,978</b>

**8. Short term loan and advances**

Particulars	As at 31st March 2018	As at 31st March 2017
Advance against purchases	-	-
Advance against expenditure	47,757	41,750
Pre-Paid Expenses	2,48,330	7,93,964
TDS Receivable	64,952	35,921
GST Receivable	5,83,161	-
	<b>9,44,199</b>	<b>8,71,635</b>

**9. Share Capital**

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Authorised Share Capital:</b>		
(4,50,00,000 Equity shares of Rs. 10/- each)	<b>45,00,00,000</b>	<b>45,00,00,000</b>
4,50,00,000 Equity shares of Rs. 1/- each		
<b>Issued, Subscribed and Fully Paid up Share Capital:</b>		
3,10,19,100 Equity shares of Rs. 10/- each	<b>31,01,91,000</b>	<b>10,01,61,000</b>
	<b>31,01,91,000</b>	<b>10,01,61,000</b>

**a) The reconciliation of the number of shares outstanding is set out below:**

Number of Equity Shares at the beginning of the year at Rs. 1/- each	10,01,61,000	10,01,61,000
Add: No. of Equity Shares issued during the year as Preferential Allotment at Rs.10/- each	2,10,03,000	-
Number of Equity Shares at the end of the year * at Rs. 10/- each	3,10,19,100	10,01,61,000

\* The Authorised Capital of the Company is Rs. 45,00,00,000 comprising of 4,50,00,000 number of Equity Shares of Rs. 10/- each. The company has obtained approval of shareholders at their Extra Ordinary General Meeting held on 15th April, 2017 for Consolidation of face value of Shares of Rs. 1/- each into Rs. 10/- each, Consolidation of existing equity shares from every TEN equity share of Rs.1/- each into ONE equity shares of Rs.10/- each w.e.f. 15th April, 2017

**b) Shares held by Shareholders holding more than 5 percent shares in the Company :**

Name of Shareholder	As At 31-March-2018		As At 31-March-2017	
	No. of Shares	Holding	No. of Shares	Holding
Hiteshkumar Gaurishankar Patel	36,00,000	11.61%	7,66,600	7.65%
Navinchandra Dahyalal Patel	17,62,000	5.68%	5,71,900	5.71%
Ravikumar Gaurishankar Patel	36,00,000	11.61%	7,33,100	7.32%
Jatinkumar Ramanbhai Patel	26,00,000	8.38%	-	-
Rajeshkumar Prabhudasbhai Patel	25,65,673	8.27%	-	-
Jignesh Ramanlal Patel	22,09,100	7.12%	-	-
Kanakkumar V. Patel	21,89,561	7.06%	-	-
Sureshbhai Hirabhai Patel	21,89,385	7.06%	-	-
Vasantbhai Mulchandbhai Patel	21,55,298	6.95%	-	-

**c) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and has equal dividend right. The Company declares and pays dividend in Indian Rupees. The Dividend if proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders.

**11. Long Term Borrowings**

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Secured loans</b>		
Loans from Banks		
Punjab National Bank TL (Beyond 12 Months Liabilities taken with reference to note no.7 )	2,98,97,775	4,35,42,285
<b>Unsecured Loans</b>		
Loan from Promoters	6,88,35,373	8,65,72,683
Loans and Advances From Related Parties	-	65,42,469
Loans from MAS Financial Services - 2243094 (Beyond 12 Months Liabilities taken with reference to note no.15 )	2,09,85,554	
Loans from MAS Financial Services - 2284185 (Beyond 12 Months Liabilities taken with reference to note no.15 )	1,12,50,131	
	<b>13,09,68,833</b>	<b>13,66,57,437</b>

**12. Short-term borrowings**

Particulars	As at 31st March 2018	As at 31st March 2017
Loans from Banks		
Punjab National Bank CC (i) CC Account No.7172008700000071: Rs.2015536 (ii) CC Account No.1960008700001228: Rs. 149878801	17,00,34,337	21,02,49,879
	<b>17,00,34,337</b>	<b>21,02,49,879</b>

**13. Trade Payables**

Particulars	As at 31st March 2018	As at 31st March 2017
Creditors for raw materials	1,51,79,990	57,18,547
Creditors for expenses	9,06,317	3,65,569
Creditors for capital goods	-	-
	<b>1,60,86,307</b>	<b>60,84,116</b>

**14. Other current financial liabilities**

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Income Tax	2,75,86,200	1,06,48,606
Proposed Dividend	10,00,000	
Provision for Dividend Distribution Tax	2,03,576	
	<b>2,87,89,776</b>	<b>1,06,48,606</b>

**15. Other Current Liability**

Particulars	As at 31st March 2018	As at 31st March 2017
Punjab National Bank TL (12 Months Liabilities taken from Notes. No.4 Installment Amount 1230000 Rs. Per Month)	1,47,60,000	1,47,60,000
MAS Financial Services (12 Months Liabilities taken from Notes. No. 11 )	2,40,00,191	
TDS Payable	2,59,145	20,000
Advance Received From Customers	17,68,838	36,42,083
	<b>4,07,88,174</b>	<b>1,84,22,083</b>

**16. Revenue from Operations**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Sale of Products		
Sales	3,87,52,61,896	2,56,47,50,042
	<b>3,87,52,61,896</b>	<b>2,56,47,50,042</b>

**17. Other Income**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Kasar	41,868	24,39,800
Interest Income	8,19,468	4,69,727
	<b>8,61,336</b>	<b>29,09,527</b>

**18. Cost of Materials Consumend**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Opening stock	35,69,13,895	-
<b>ADD:-PURCHASE</b>		
Purchases	3,68,71,24,736	2,69,59,00,267
Add: Manufacturing Expenses	98,08,538	41,36,251
	<b>3,69,69,33,274</b>	<b>2,70,00,36,518</b>
<b>LESS:-</b>		
Closing stock	33,20,85,183	35,69,13,895
	<b>3,72,17,61,986</b>	<b>2,34,31,22,623</b>

**19. Change in Inventories**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
OP. Stock	77,83,943	13,81,20,162
Less. Closing Stock	85,15,005	77,83,943
	<b>(7,31,062)</b>	<b>13,03,36,219</b>

**20. Employee benefit expense**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Staff Salary	41,99,670	29,97,869
Contribution to P.F. & Others	-	-
Staff Welfare Exp.	1,61,438	1,290
Directors Remuneration	11,95,505	7,20,000
Labour	82,46,397	1,01,95,998
	<b>1,38,03,010</b>	<b>1,39,15,157</b>



**21. Selling, Administration & other expenses**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Advertisement Exp	1,04,357	4,07,780
Office Rent	4,49,158	4,82,000
Office Expenses	3,65,870	5,96,376
Repairs & Maintenance Exps.	1,14,982	1,22,120
Travelling Exps. - Foreign Travelling	-	4,89,527
Travelling Exps. - Domestic Travelling	3,51,487	6,59,449
Marketing & Promotional Exps.	7,57,036	98,525
Refreshment & Foods Exps.	47,615	76,691
Software Support Charges	10,800	-
Telephone & Internet Exp.	1,74,588	2,22,814
Conveyance Exps.	4,04,704	-
Subsidy Processing Fee	-	10,000
Processing Fees	5,00,000	-
Brokerage Expense	61,265	42,464
Garden Exp.	10,070	-
Electricity Exp.- Office	65,700	-
	<b>34,17,632</b>	<b>32,07,746</b>

**22. Financial Costs**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Interest	3,15,14,010	2,61,12,467
Bank charges	5,50,808	7,84,773
	<b>3,20,64,818</b>	<b>2,68,97,240</b>

**23. Depreciation and Amortisation Charges**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Depreciation	1,68,87,848	1,70,30,427
Preliminary Exps Written off	18,26,318	18,26,318
	<b>1,87,14,166</b>	<b>1,88,56,745</b>

**24. Other Exp.**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Audit Fees	1,00,000	42,500
Legal & Professional Fees	14,62,762	10,93,621
Insurance Expenses	5,02,601	1,30,373
ROC & MCA Charges	5,41,426	5,21,530
Incometax Exps	2,45,187	1,75,757
Other Provisions	12,03,576	-
Discount	-	-
Listing & Compliance Fees-Ahmedabad Stock Exchange	-	-
	<b>40,55,551</b>	<b>19,63,781</b>

25. Earnings per Share	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Share Holder (A)	5,61,34,525	1,33,69,290
Basic Earnings per Shares	1.81	0.13
Face Value Per Equity Shares	10	1

## 26. Related Party Disclosures

List of Related Parties where control exists and related parties with whom transactions have taken place and relationship

Name of the Related Party	Relatives / Associates
NAVinchandra D Patel	Director
MANJULABEN G PATEL	Relatives
JATINKUMAR R PATEL	Director
RAVIKUMAR G. PATEL	Director
HITESHKUMAR G. PATEL	Director
MISHTANN AGRO PVT LTD	Subsidiary Company
RAVI TRADING CO.	Firm

### Transactions During the year with related parties

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
MANJULABEN G PATEL	Loan Taken	12,00,000	Loan Taken	65,42,469

### Transactions During the year with Directors

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
HITESHKUMAR G. PATEL	Loan Taken during year	2,19,29,855	Loan Taken	2,75,05,921
JATINKUMAR R PATEL	Loan Taken during year	71,32,930	Loan Taken	1,45,18,750
RAVIKUMAR G. PATEL	Loan Taken during year	2,02,69,188	Loan Taken	2,85,29,658
NAVinchandra D Patel	Loan Taken during year	1,83,03,400	Loan Taken	1,65,18,354

### Transactions During the year with Subsidiary Companies

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
MISHTANN AGRO PVT LTD	Sales	28,55,15,328	Sales	11,53,000
MISHTANN AGRO PVT LTD	Purchase	93,24,700		-

### Transactions During the year with Firm

Name of the Related Party	Nature of Transaction	2017-18	2016-17
RAVI TRADING CO.	Purchase	28,86,93,246	2,86,07,005
RAVI TRADING CO.	Sales	76,64,508	-

### DIRECTOR REMUNERATION

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
HITESHKUMAR G. PATEL	Remuneration	2,99,108	Remuneration	1,80,000
RAVIKUMAR G. PATEL	Remuneration	2,98,215	Remuneration	1,80,000
JATINKUMAR R PATEL	Remuneration	2,99,074	Remuneration	1,80,000
NAVinchandra D Patel	Remuneration	2,99,108	Remuneration	1,80,000

## 2. Fixed Assets

Tangible asset	Opening balance 01.04.2017	Gross Value		Opening balance	Depreciation		Total	Closing balance	
		Additions	Deletions		Additions	Deletions		31.03.2018	31.03.2017
a Factory & Building	1,89,34,822	-	-	30,83,445	15,05,881	-	45,89,326	1,43,45,496	1,58,51,377
b Plant & Machinery	8,54,58,526	2,57,63,480	-	1,99,72,832	1,41,78,118	-	3,41,50,950	7,70,71,056	6,54,85,694
c Air Conditioner	8,09,500	1,21,500	-	2,15,384	1,82,343	-	3,97,727	5,33,273	5,94,116
d Computer & Printer	8,63,319	36,982	-	6,26,318	1,68,696	-	7,95,014	1,05,287	2,37,001
e Electrical Installation	15,81,720	-	-	8,13,669	3,46,161	-	11,59,830	4,21,890	7,68,051
f Office Furniture	5,06,217	8,250	-	2,03,691	78,693	-	2,82,384	2,32,083	3,02,526
g Telephone	44,437	-	-	17,547	12,119	-	29,666	14,771	26,890
h Electric Equipment	29,925	10,000	-	2,802	9,590	-	12,392	27,533	27,123
i Office Building	-	85,76,096	-	-	4,06,248	-	4,06,248	81,69,848	-
<b>Total</b>	<b>10,82,28,466</b>	<b>3,45,16,308</b>	<b>-</b>	<b>14,27,44,774</b>	<b>1,68,87,849</b>	<b>-</b>	<b>4,18,23,537</b>	<b>10,09,21,237</b>	<b>8,32,92,778</b>
<b>Capital Work in Progress</b>	<b>3,43,39,576</b>	<b>-</b>	<b>3,43,39,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,43,39,576</b>
<b>Total</b>	<b>14,25,68,042</b>	<b>3,45,16,308</b>	<b>3,43,39,576</b>	<b>14,27,44,774</b>	<b>1,68,87,849</b>	<b>-</b>	<b>4,18,23,537</b>	<b>10,09,21,237</b>	<b>11,76,32,354</b>

## 10. Other Equity

PARTICULARS	Share applica tion money pending	Equity component of compound financial	Capital Reserve	Securities Premium Reserve	Reserves and Surplus General Reserves	Retained Earnings/ profit & loss	Debenture Redemption Reserve	Employee Stock Option Outstanding	Total
<b>Balance as at 1.04.2016</b>	-	-	-	-	-	<b>43,20,088</b>	-	-	<b>43,20,088</b>
Total Comprehensive Income for the year	-	-	-	-	-	1,33,69,290	-	-	1,33,69,290
Dividends	-	-	-	-	-	0	-	-	-
Tax on Dividends	-	-	-	-	-	-	-	-	-
Transfer from profit & loss	-	-	-	-	-	-	-	-	-
On ESOP	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2017</b>	-	-	-	-	-	<b>1,76,89,378</b>	-	-	<b>1,76,89,378</b>
Total Comprehensive Income for the year	-	-	-	-	-	5,73,38,101	-	-	5,73,38,101
Dividends	-	-	-	-	-	(10,00,000)	-	-	(10,00,000)
Tax on Dividends	-	-	-	-	-	(2,03,576)	-	-	(2,03,576)
On ESOP	-	-	-	-	-	-	-	-	-
Transfer from DRR to General Reserve	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2018</b>	-	-	-	-	-	<b>7,38,23,903</b>	-	-	<b>7,38,23,903</b>

**Mishtann Foods Limited**  
**Cash Flow Statement as on 31.03.2018**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
<b>Profit for the financial year ( Profit Before Tax)</b>	<b>8,30,37,131</b>	2,93,60,058
Adjustments for:		
Tax on profit	-	-
Depreciation and amortisation	1,68,87,848	1,88,56,745
(Profit)/loss on disposal of property, plant , equipment and investment	-	53,42,162
Increase in provisions	1,81,41,170	-
<b>Operating cash flows before movements in working capital</b>	<b>11,80,66,149</b>	<b>5,35,58,965</b>
(Increase)/Decrease in Inventories	2,40,97,650	(22,65,77,676)
(Increase)/Decrease in short term loan and advances	(72,564)	9,04,731
Increase/(Decrease) in Other Current Liabilities	(16,34,100)	36,35,955
(Increase)/Decrease in Long Term Advances	(71,51,235)	(1,53,169)
(Increase)/Decrease in other non current assets	18,26,318	2,38,18,880
Decrease/(Increase) in receivables	(30,68,94,460)	16,60,92,916
Increase in assets (misc. assets)	-	-
Increase/(Decrease) in Short Term Borrowing	(4,02,15,542)	-
Increase/(Decrease) in trade payables	1,00,02,191	(4,80,75,111)
Cash generated by operation	(32,00,41,742)	(8,03,53,474)
Taxes paid	(2,75,86,200)	(16,92,254)
<b>Net cash inflow from operating activities</b>	<b>(22,95,61,793)</b>	<b>(2,84,86,763)</b>
<b>Investing activities</b>		
Proceeds of disposal of fixed assests	-	-
Proceeds of disposal of Investments	-	-
(Purchase)/Sale of fixed assests	(1,76,732)	(5,10,99,920)
(Purchase)/Sale of investments	-	54,00,000
<b>Net cash used in investing activities</b>	<b>(1,76,732)</b>	<b>(4,56,99,920)</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	21,00,30,000	-
Proceeds from long term borrowings	1,83,11,587	7,44,71,146
Dividend paid	-	-
<b>Net cash used in investing activities</b>	<b>22,83,41,587</b>	<b>7,44,71,146</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,96,938)</b>	<b>2,84,463</b>
Cash and cash equivalents at beginning of year	17,46,978	14,62,515
<b>Cash and cash equivalents at end of year</b>	<b>3,50,040</b>	<b>17,46,978</b>
<b>ACTUAL CASH</b>	<b>3,50,040</b>	

For Rahul Kakani & Associates,  
 Chartered Accountants  
 FRN : 130198W

for and on behalf of the Board of Directors  
 of Mishtann Foods Ltd

Ajay D. Patel  
 Partner  
 Membership No. 163596

Hitesh Patel  
 DIN: 05340865  
 Managing Director

Ravikumar Patel  
 DIN: 05340869  
 Director & CFO

Place : Ahmedabad  
 Date: 14.05.2018

Sugandha Goyal  
 M. No. A51614  
 Company Secretary

Place : Ahmedabad  
 Date: 14.05.2018



- **Basis of preparation:**

- **Fixed Assets & Depreciation:**

- **Inventories:**

- **Segment Reporting:**

- **Foreign Exchange Translations:**

- **Retiring Benefits:**

- **Contingencies and events after the Balance Sheet date:**

- **Extra ordinary items:**

**For Rahul Kakani & Associates,  
Chartered Accountants  
FRN : 130198W**

**CA Ajay D. Patel**  
**Partner**  
**Membership No. 163596**

**Place :Ahmedabad**  
**Date :14/05/2018**

**26. NOTES ON ACCOUNTS:**

11. Expenditure in Foreign Currency is NIL

12. Particulars of licensed Capacity or Production Capacity is 45 Ton per hour of the Company.

**for and on behalf of the Board of Directors  
of Mishtann Foods Ltd**

**Hitesh G.Patel**  
**DIN: 05340865**  
**Managing Director**

**Ravi G. Patel**  
**DIN: 05340869**  
**CFO/Director**

**Sugandha Goyal**  
**M. No. A51614**  
**Company Secretary**

**Place :Ahmedabad**  
**Date :14/05/2018**



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**CONSOLIDATE  
FINANCIAL  
STATEMENT**





## INDEPENDENT AUDITOR'S REPORT to the Members of Mishtann Foods Limited

### REPORT ON THE AUDIT OF CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of **Mishtann Foods Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **31 March 2018**, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other

financial information of a subsidiary, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a subsidiary as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2018 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

## ANNEXURE A REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER

## SECTION 143 (3) (I) OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of Mishtann Foods Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 the respective 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 Act.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's, and its subsidiary companies incorporated in India, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Holding Company's and its subsidiary companies incorporated in India, internal financial control system with reference to financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its subsidiary companies incorporated in India, have in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Holding Company and its subsidiary companies, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**Ahmedabad**  
**14/05/2018**

**For, Rahul Kakani And Associates**  
 Chartered Accountants  
 Firm's Registration No.130198W

**Ajay D Patel**  
 Partner  
 Membership No.163596



**Mishtann Foods Limited**  
**Consolidated Balance Sheet as at 31st March, 2018**

Particulars	Notes	As at 31st March 2018	As at 31st March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property Plant and Equipment	2	11,26,27,896	9,63,35,395
Capital work-in-progress	2	-	3,43,39,576
Other Intangible assets			
Financial Assets			
Investments			
Loans	3	2,40,55,772	75,82,810
Differed Tax Assets (Net)		5,40,195	-
Other Non-current Assets	4	36,52,636	54,78,953
<b>Non-Current Assets</b>		<b>14,08,76,499</b>	<b>14,37,36,734</b>
<b>Current assets</b>			
Inventories	5	35,15,67,624	36,48,16,156
Financial Assets			
Trade receivables	6	31,40,13,728	66,31,894
Cash and cash equivalents	7	7,79,502	86,33,931
Loans	8	13,78,381	16,30,699
Other current assets		-	-
<b>Total Current Assets</b>		<b>66,77,39,235</b>	<b>38,17,12,680</b>
<b>Total Assets</b>		<b>80,86,15,734</b>	<b>52,54,49,414</b>
<b>Equity</b>			
Equity Share capital	9	31,01,91,000	10,01,61,000
Other Equity	10	7,42,83,403	1,64,08,551
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	11	15,47,07,410	16,03,96,014
Deferred tax liabilities (Net)		-	1,43,399
Other non-current liabilities		-	-
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	12	17,00,34,337	21,02,49,879
Trade payables	13	2,98,11,634	60,84,116
Other current financial liabilities	14	2,87,99,776	1,06,48,606
Other current liabilities	15	4,07,88,174	2,13,57,849
Current Tax Liabilities (Net)			
<b>Total Equity and Liabilities</b>		<b>80,86,15,734</b>	<b>52,54,49,414</b>
Significant Accounting Policies	1		

The Notes Referred To Above Form Part of the Financial Statements  
 In terms of our separate report of even date attached

**For Rahul Kakani & Associates,**  
**Chartered Accountants**  
 FRN : 130198W

**Ajay D. Patel**  
**Partner**  
**Membership No. 163596**

**Place : Ahmedabad**  
**Date: 14.05.2018**

**for and on behalf of the Board of Directors**  
**of Mishtann Foods Ltd**

**Hitesh Patel**  
**DIN: 05340865**  
**Managing Director**

**Ravikumar Patel**  
**DIN: 05340869**  
**Director & CFO**

**Sugandha Goyal**  
**M. No. A51614**  
**Company Secretary**

**Place : Ahmedabad**  
**Date: 14.05.2018**

**Mishtann Foods Limited**  
**Consolidated Statement of Profit & Loss for the year ended on 31st March, 2018**

Particulars	Notes	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
<b>Income</b>			
Revenue from operations	16	4,90,51,09,778	2,57,71,53,194
Other Income	17	8,61,336	29,09,527
<b>Total Revenue</b>		<b>4,90,59,71,114</b>	<b>2,58,00,62,721</b>
<b>Expenditure</b>			
Cost of Materials Consumed	18	4,74,80,53,198	2,35,51,45,672
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(7,31,062)	13,03,36,219
Employee benefit expense	20	1,39,81,910	1,40,12,339
Selling, Administration & other expenses	21	36,99,227	35,76,834
Financial costs	22	3,20,66,054	2,69,31,112
Depreciation	23	2,00,50,124	2,03,92,019
Other Expenses	24	40,74,204	20,20,243
<b>Total Expenses</b>		<b>4,82,11,93,655</b>	<b>2,55,24,14,438</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>8,47,77,459</b>	<b>2,76,48,283</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>8,47,77,459</b>	<b>2,76,48,283</b>
Extraordinary Items		-	53,42,162
<b>Profit before tax</b>		<b>8,47,77,459</b>	<b>2,23,06,121</b>
Tax expense:			
Current tax		27586200	1,06,33,346
Deferred tax		(6,83,594)	-
<b>Profit/(Loss) for the year</b>		<b>5,78,74,853</b>	<b>1,16,72,775</b>
Earning per equity share:			
(1) Basic	25	1.87	0.12
(2) Diluted			

The Notes Referred to Above Form Part of the Financial Statements  
 In terms of our separate report of even date attached

**For Rahul Kakani & Associates,**  
**Chartered Accountants**  
 FRN : 130198W

**Ajay D. Patel**  
**Partner**  
**Membership No. 163596**

**Place :Ahmedabad**  
**Date: 14.05.2018**

**for and on behalf of the Board of Directors**  
**of Mishtann Foods Ltd**

**Hitesh G. Patel**  
**DIN: 05340865**  
**Managing Director**

**Ravi G. Patel**  
**DIN: 05340869**  
**Director & CFO**

**Sugandha Goyal**  
**M. No. A51614**  
**Company Secretary**

**Place :Ahmedabad**  
**Date: 14/05/2018**

## Notes forming part to the Financial Statements Year ended on 31st March 2018

### 3. Long Term Loans and Advances

Particulars	As at 31st March 2018	As at 31st March 2017
Security Deposites		
Bharat Pesticides Industries Pvt. Ltd.	80,000	80,000
Indian Oil Corporation Ltd.	5,100	5,100
Punjab National Bank Deposit	55,03,688	51,58,790
CST Deposit	10,000	10,000
VAT Deposit	10,000	10,000
Uttar Gujarat Vij Company Ltd. Deposit	21,93,920	21,93,920
FD with Mas Financial Service	69,06,337	
Gujarat Agro Industrial Corporation	-	1,00,000
Other Advances		
Advance Tax -VAT	25,000	25,000
Loans & Advances to Suppliers	93,21,727.00	-
	<b>2,40,55,772</b>	<b>75,82,810</b>

### 4. Other Non Current Assets

Particulars	As at 31st March 2018	As at 31st March 2017
Preliminary Expenses Not Written Off	-	-
BSE Ltd	-	-
Listing Fee	14,76,614	22,14,922
Stamp Duty	7,68,280	11,52,420
Stamp Duty MCA ( ROC )	10,90,252	16,35,376
Upfornt Fees	3,17,490	4,76,235
	<b>36,52,636</b>	<b>54,78,953</b>

### 5. Inventories

Particulars	As at 31st March 2018	As at 31st March 2017
Raw materials	33,20,85,182	35,70,32,213
Finished goods	1,94,82,442	77,83,943
Semi Finished goods	-	-
Waste	-	-
	<b>35,15,67,624</b>	<b>36,48,16,156</b>

Inventory items have been valued as disclosed in note related to Significant accounting policies.

### 6. Trade Receivable

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Outstanding for less than six months</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :	31,40,13,728	66,31,894
c) Doubtful		-
<b>Outstanding for more than six months</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
<b>Others</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
	<b>31,40,13,728</b>	<b>66,31,894</b>

**7. Cash and cash equivalents**

Particulars	As at 31st March 2018	As at 31st March 2017
Balance with banks	20,762	30,24,728
Fixed Deposit	-	2,10,000
Cash on Hand	7,58,740	53,99,203
	<b>7,79,502</b>	<b>86,33,931</b>

**8. Short term loan and advances**

Particulars	As at 31st March 2018	As at 31st March 2017
Advance against purchases	-	-
Advance against expenditure	47,757	41750
Pre-Paid Expenses	2,48,330	793964
TDS Receivable	64,952	35921
Deposits	1,77,832	177832
Advance to staff	2,56,349	581232
GST Receivable	5,83,161	-
	<b>13,78,381</b>	<b>16,30,699</b>

**9. Share Capital**

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Authorised Share Capital:</b>		
4,50,00,000 Equity shares of Rs. 10/- each	<b>45,00,00,000</b>	<b>45,00,00,000</b>
(4,50,00,000 Equity shares of Rs. 10/- each)		
<b>Issued, Subscribed and Fully Paid up Share Capital:</b>		
3,10,19,100 Equity shares of Rs. 10/- each	<b>31,01,91,000</b>	<b>10,01,61,000</b>
	<b>31,01,91,000</b>	<b>10,01,61,000</b>

**a) The reconciliation of the number of shares outstanding is set out below:**

Number of Equity Shares at the beginning of the year at Rs. 1/- each	10,01,61,000	100161000
Number of Equity Shares issued during the year at Rs. 10/- each	2,10,03,000	-
Number of Equity Shares at the end of the year * at Rs. 10/- each	3,10,19,100	100161000

\* The Authorised Capital of the Company is Rs. 45,00,00,000 comprising of 4,50,00,000 number of Equity Shares of Rs. 10/- each. The company has obtained approval of shareholders at their Extra Ordinary General Meeting held on 15th April, 2017 for Consolidation of face value of Shares of Rs. 1/- each into Rs. 10/- each, Consolidation of existing equity shares from every TEN equity share of Rs.1/- each into ONE equityshares of Rs.10/- each w.e.f. 15th April, 2017

**b) Shares held by Shareholders holding more than 5 percent shares in the Company :**

Name of Shareholder	As At 31-March-2018		As At 31-March-2017	
	No. of Shares	Holding	No. of Shares	Holding
Hiteshkumar Gaurishankar Patel	3600000	11.61%	766600	7.65%
Navinchandra Dahyalal Patel	1762000	5.68%	571900	5.71%
Ravikumar Gaurishankar Patel	3600000	11.61%	733100	7.32%
Jatinkumar Ramanbhai Patel	2600000	8.38%		
Rajeshkumar Prabhudasbhai Patel	2565673	8.27%		
Jignesh Ramanlal Patel	2209100	7.12%		
Kanakkumar V. Patel	2189561	7.06%		
Sureshbhai Hirabhai Patel	2189385	7.06%		
Vasantbhai Mulchandbhai Patel	2155298	6.95%		

**c) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and has equal dividend right. The Company declares and pays dividend in Indian Rupees. The Dividend if proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders.

**11. Long Term Borrowings**

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Secured loans</b>		
Loans from Banks		
Punjab National Bank TL	2,98,97,775	4,35,42,285
<i>(Beyond 12 Months Liabilities taken with reference to note no.15 )</i>		
<b>Unsecured Loans</b>		
Loan from Promoters	9,25,73,950	11,03,11,260
Loans from MAS Financial Services - 2243094 (Beyond 12 Months Liabilities taken with reference to note no.15 )	2,09,85,554	65,42,469
Loans from MAS Financial Services - 2284185 (Beyond 12 Months Liabilities taken with reference to note no.15 )	1,12,50,131	
	<b>15,47,07,410</b>	<b>16,03,96,014</b>

**12. Short-term borrowings**

Particulars	As at 31st March 2018	As at 31st March 2017
Loans from Banks		
Punjab National Bank CC	17,00,34,337	21,02,49,879
Other Provisions	-	
	<b>17,00,34,337</b>	<b>21,02,49,879</b>

**13. Trade Payables**

Particulars	As at 31st March 2018	As at 31st March 2017
Creditors for raw materials	2,89,05,317	57,18,547
Creditors for expenses	9,06,317	3,65,569
Creditors for capital goods	-	-
	<b>2,98,11,634</b>	<b>60,84,116</b>

**14. Other current financial liabilities**

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Income Tax	2,75,96,200	1,06,48,606
Proposed Dividend	10,00,000	
Provision for Dividend Distribution Tax	2,03,576	
	<b>2,87,99,776</b>	<b>1,06,48,606</b>

**15. Other Current Liabilities**

Particulars	As at 31st March 2018	As at 31st March 2017
Punjab National Bank TL (12 Months Liabilities taken from Notes. No.11 Installment Amount 1230000 Rs. Per Month)	1,47,60,000	1,47,60,000
TDS Payable	2,59,145	20,000
Advance Received From Customers	17,68,838	65,77,849
MAS Financial Services (12 Months Liabilities taken from Notes. No.11)	2,40,00,191	
	-	-
	<b>4,07,88,174</b>	<b>2,13,57,849</b>



**16. Revenue from Operations**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
<u>Sale of Products</u>		
Sales	4,90,51,09,778	2,57,71,53,194
*Due to Consolidation Effect Rs. 285515328 is Eliminated From Purchase in which Mishtann Foods Ltd is Seller and Mishtann Agro Pvt. Ltd. is Purchaser.		
*Due to Consolidation Effect Rs. 9324700 is Eliminated From Sales in which Mishtann Foods Ltd is Purchaser and Mishtann Agro Pvt. Ltd. is Seller		
	<b>4,90,51,09,778</b>	<b>2,57,71,53,194</b>

**17. Other Income**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Kasar	41,868	24,39,800
Interest Income	8,19,468	4,69,727
	<b>8,61,336</b>	<b>29,09,527</b>

**18. Cost of Materials Consumed**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Opening stock	35,70,32,213	65,92,980
<b>ADD:-PURCHASE</b>		
Purchases	4,72,42,65,067	2,70,14,48,654
Add: Manufacturing Expenses	98,08,538	41,36,251
	<b>4,73,40,73,605</b>	<b>2,71,21,77,885</b>
<b>LESS:-</b>		
Closing stock	34,30,52,620	<b>35,70,32,213</b>
	<b>4,74,80,53,198</b>	<b>2,35,51,45,672</b>

**19. Change in Inventories**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
OP. Stock	77,83,943	13,81,20,162
Less. Closing Stock	85,15,005	77,83,943
	<b>(7,31,062)</b>	<b>13,03,36,219</b>

**20. Employee benefit expense**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Staff Salary	43,78,570	30,95,051
Contribution to P.F. & Others	-	-
Staff Welfare Exp.	1,61,438	1,290
Directors Remuneration	11,95,505	7,20,000
Labour	82,46,397	1,01,95,998
	<b>1,39,81,910</b>	<b>1,40,12,339</b>

**21. Administrative, Selling & Distribution Expenses**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Advertisement Exp	1,04,357	4,07,780
Clearing & Forwarding Charges	-	57,275
Office Rent	4,74,158	5,06,000
Office Expenses	3,65,870	8,70,154
Repairs & Maintenance Exps.	1,14,982	1,22,120
Travelling Exps. - Foreign Travelling	-	4,89,527
Travelling Exps. - Domestic Travelling	3,51,487	6,59,683
Godown Rent	-	-
Electricity Exp.-Office	65,700	-
Courier & Postage	-	-
Marketing & Promotional Exps.	7,57,036	98,525
Refreshment & Foods Exps.	47,615	76,691
Loading Unloading Charges	1,86,000	-
Software Support Charges	10,800	-
Telephone & Internet Exp.	1,74,588	2,36,615
Petrol & Diesel Exp.	4,49,204	-
Subsidy Processing Fee	-	10,000
Brokerage Expense	61,265	42,464
Processing Fees	5,00,000	-
Garden Exp	10,070	-
ROC & MCA Fees	4,195	-
Stationery & Printing Exp.	21,900	-
	<b>36,99,227</b>	<b>35,76,834</b>

**22. Financial Expenses**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Interest	3,15,14,010	2,61,12,467
Bank charges	5,52,044	8,18,645
	<b>3,20,66,054</b>	<b>2,69,31,112</b>

**23. Depreciation and Amortisation Charges**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Depreciation	1,82,23,806	1,85,62,173
Preliminary Exps Written off	18,26,318	18,29,846
	<b>2,00,50,124</b>	<b>2,03,92,019</b>

**24. Other Exp.**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Audit Fees	1,10,000	50,000
Legal & Professional Fees	14,62,762	10,93,621
Insurance Expenses	5,02,601	1,70,467
ROC & MCA Charges	5,41,426	5,22,130
Income tax Exps	2,45,187	1,75,757
Discount	8,652	8,268
Other Provisions	12,03,576	-
	<b>40,74,204</b>	<b>20,20,243</b>

**25. Earnings per Share**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Share Holder (A)	5,78,74,853	1,16,72,775
Basic Earnings per Shares	1.87	0.12
Face Value Per Equity Shares	10	1

**26. Related Party Disclosures (Mishtann Food LTD)**

List of Related Parties where control exists and related parties with whom transactions have taken place and relationship

Name of the Related Party	Relatives / Associates
NAVinchandra D Patel	Director
MANJULABEN G PATEL	Relatives
JATINKUMAR R PATEL	Director
RAVIKUMAR G.PATEL	Director
HITESHKUMAR G PATEL	Director
MISHTANN AGRO PVT LTD	Subsidiary Company
RAVI TRADING CO.	Firm

**Transactions During the year with related parties**

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
MANJULABEN G PATEL	Loan Taken	12,00,000	Loan Taken	65,42,469

**Transactions During the year with Directors**

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
HITESHKUMAR G PATEL	Loan Taken during year	2,19,29,855	Loan Taken	2,75,05,921
JATINKUMAR R PATEL	Loan Taken during year	71,32,930	Loan Taken	1,45,18,750
RAVIKUMAR G.PATEL	Loan Taken during year	2,02,69,188	Loan Taken	2,85,29,658
NAVinchandra D Patel	Loan Taken during year	1,83,03,400	Loan Taken	1,65,18,354

**Transactions During the year with Subsidiary Companies**

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
MISHTANN AGRO PVT LTD	Sales	28,55,15,328	Sales	11,53,000
MISHTANN AGRO PVT LTD	Purchase	93,24,700		

**Transactions During the year with Firm**

Name of the Related Party	Nature of Transaction	2017-18		2016-17
RAVI TRADING CO.	Purchase	28,86,93,246		2,86,07,005
RAVI TRADING CO.	Sales	76,64,508		

**DIRECTOR REMUNARATION**

Name of the Related Party	Nature of Transaction	2017-18	Nature of Transaction	2016-17
HITESHKUMAR G PATEL	Remuneration	2,99,108	Remuneration	1,80,000
RAVIKUMAR G.PATEL	Remuneration	2,98,215	Remuneration	1,80,000
JATINKUMAR R PATEL	Remuneration	2,99,074	Remuneration	1,80,000
NAVinchandra D Patel	Remuneration	2,99,108	Remuneration	1,80,000

**Related Party Disclosures (Mishtann Agro Pvt. Ltd.)****List of Related Parties where control exists and related parties with whom transactions have taken place and relationship**

Name of the Related Party	Relatives / Associates
BHARATBHAI J PATEL	Director & Relatives
JATINBHAI R PATEL	Director & Relatives
RAVIKUMAR G.PATEL	Director & Relatives
HITESHBHAI G PATEL	Director & Relatives

**Transactions During the year with related parties**

Name of the Related Party	Nature of Transaction	For the Year ended on 31st March 2018	Nature of Transaction	For the Year ended on 31st March 2017
		Relatives	Relatives	Relatives
HITESHBHAI G PATEL	Loan Taken	17,19,452	Loan Taken	17,19,452
NAVINCHANDRA D PATEL	Loan Taken	76,47,625	Loan Taken	76,47,625
JATINBHAI R PATEL	Loan Taken	31,20,500	Loan Taken	31,20,500
RAVIKUMAR G.PATEL	Loan Given	-	Loan Given	-
BHARATBHAI J PATEL	Loan Taken	1,12,51,000	Loan Taken	1,12,51,000
MISHTANN FOODS LTD	Purchase	28,55,15,328	Purchase	11,53,000
MISHTANN FOODS LTD	Sales	93,24,700		-

**DIRECTOR REMUNERATION**

BHARATBHAI J PATEL	Remuneration	-	Remuneration	0
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## 2. Property Plant and Equipment

Tangible asset	Opening balance	Gross Value		Total	Opening balance	Depreciation		Total	Closing balance	
		Additions	Deletions			Additions	Deletions		31.03.2018	31.03.2017
a Factory & Building	3,40,30,354	-	-	3,40,30,354	55,68,721	27,03,855	-	82,72,576	2575778	28461633
b Plant & Machinery	8,54,58,526	2,57,63,480	-	11,12,22,006	1,99,72,832	1,41,78,118	-	3,41,50,950	77071056	65485694
c Air Conditioner	8,09,500	1,21,500	-	9,31,000	2,15,384	1,82,343	-	3,97,727	533273	594116
d Computer & Printer	9,89,647	36,982	-	10,26,629	7,43,383	1,74,546	-	9,17,929	108700	246264
e Electrical Installation	15,81,720	-	-	15,81,720	8,13,669	3,46,161	-	11,59,830	421890	768051
f Office Furniture	5,06,217	8,250	-	5,14,467	2,03,691	78,693	-	2,82,384	232083	302526
g Telephone	44,437	-	-	44,437	17,547	12,119	-	29,666	14771	26890
h Electric Equipment	29,925	10,000	-	39,925	2,802	9,590	-	12,392	27533	27,123
i Vehicles (Cars)	11,08,421	-	-	11,08,421	6,85,323	1,32,134	-	8,17,457	290964	4,23,098
j Office Building	-	85,76,096	-	85,76,096	-	4,06,248	-	4,06,248	8169848	-
<b>Total</b>	<b>12,45,58,747</b>	<b>3,45,16,308</b>	<b>-</b>	<b>15,90,75,055</b>	<b>2,82,23,352</b>	<b>1,82,23,807</b>	<b>-</b>	<b>4,64,47,159</b>	<b>11,26,27,896</b>	<b>9,63,35,395</b>
<b>Capital Work in Progress</b>	<b>3,43,39,576</b>	<b>-</b>	<b>3,43,39,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,43,39,576</b>
<b>Total</b>	<b>15,88,98,323</b>	<b>3,45,16,308</b>	<b>3,43,39,576</b>	<b>15,90,75,055</b>	<b>2,82,23,352</b>	<b>1,82,23,807</b>	<b>-</b>	<b>4,64,47,159</b>	<b>11,26,27,896</b>	<b>13,06,74,971</b>
<b>Figures for the previous year</b>	<b>11,85,81,072</b>	<b>5,05,78,122</b>	<b>1,02,60,871</b>	<b>15,88,98,323</b>	<b>96,61,179</b>	<b>1,85,62,173</b>	<b>-</b>	<b>2,82,23,352</b>	<b>13,06,74,971</b>	<b>2,87,15,055</b>



## 10. Other Equity

PARTICULARS	Share applica tion money pending allotment	Equity component of compound financial	Capital Reserve	Reserves and Surplus	Retained Earnings/ profit & loss	Debtore Redemption Reserve	Employee Stock Option Outstanding	Total
<b>Balance as at 1.04.2016</b>					<b>46,35,776</b>			<b>47,35,776</b>
Total Comprehensive Income for the year	-	-	1,00,000	-		-	-	
Dividends	-	-	-	-	1,16,72,775	-	-	1,16,72,775
Tax on Dividends	-	-	-	-	-	-	-	-
Transfer from profit & loss	-	-	-	-	-	-	-	-
On ESOP	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2017</b>	<b>-</b>	<b>-</b>	<b>1,00,000</b>	<b>-</b>	<b>1,63,08,551</b>	<b>-</b>	<b>-</b>	<b>1,64,08,551</b>
Total Comprehensive Income for the year	-	-	-	-	5,90,78,428	-	-	5,90,78,428
Dividends	-	-	-	-	(10,00,000)	-	-	(10,00,000)
Tax on Dividends	-	-	-	-	(2,03,576)	-	-	(2,03,576)
On ESOP	-	-	-	-	-	-	-	-
Transfer from DRR to General Reserve	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2018</b>	<b>-</b>	<b>-</b>	<b>1,00,000</b>	<b>-</b>	<b>7,41,83,403</b>	<b>-</b>	<b>-</b>	<b>7,42,83,403</b>

**Mishtann Foods Limited**  
**Consolidated Cash Flow Statement as on 31.03.2018**

Particulars	For the Year ended on 31st March 2018	For the Year ended on 31st March 2017
<b>Profit for the financial year</b>	<b>5,78,74,853</b>	<b>1,16,72,775</b>
Adjustments for:		
Depreciation and amortisation	1,82,23,806	2,03,92,019
(Profit)/loss on disposal of property, plant, equipment and investment	-	53,42,162
Increase in provisions	2,81,16,182	91,28,306
<b>Operating cash flows before movements in working capital</b>	<b>10,42,14,841</b>	<b>4,65,35,262</b>
(Increase)/Decrease in Inventories	1,32,48,532	(22,01,03,014)
Increase/(Decrease) in short term loan and advances	(4,02,15,542)	10,86,896
Increase/(Decrease) in Other Current Liabilities	1,94,30,325	63,54,027
(Increase)/Decrease in Short Term Advances	2,52,318	29,63,975
(Increase)/Decrease in other non current assets	18,26,318	18,26,318
Decrease/(Increase) in receivables	(30,73,81,834)	18,05,58,885
Increase/(Decrease) in trade payables	2,37,27,518	(6,98,68,056)
<b>Cash generated by operation</b>	<b>(28,91,12,366)</b>	<b>(9,71,80,970)</b>
Taxes paid	(1,06,48,606)	(16,70,450)
<b>Net cash inflow from operating activities</b>	<b>(19,55,46,131)</b>	<b>(5,23,16,158)</b>
<b>Investing activities</b>		
(Purchase)/Sale of fixed assets	(1,76,732)	(76,40,364)
(Purchase)/Sale of investments	-	57,838
<b>Net cash used in investing activities</b>	<b>(1,76,732)</b>	<b>(75,82,526)</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	21,00,30,000	-
Proceeds from long term Loans & Advances	(1,64,72,962)	-
Proceeds from long term borrowings	(56,88,604)	6,51,92,840
Dividend paid		
<b>Net cash used in investing activities</b>	<b>18,78,68,434</b>	<b>6,51,92,840</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(78,54,429)</b>	<b>52,94,156</b>
Cash and cash equivalents at beginning of year	86,33,931	33,39,775
<b>Cash and cash equivalents at end of year</b>	<b>7,79,502</b>	<b>86,33,931</b>

For Rahul Kakani & Associates,  
 Chartered Accountants  
 FRN : 130198W

Ajay D. Patel  
 Partner  
 Membership No. 163596

Place : Ahmedabad  
 Date: 14/05/2018

for and on behalf of the Board of Directors  
 of Mishtann Foods Ltd

Hitesh G. Patel  
 DIN: 05340865  
 Managing Director

Ravi G. Patel  
 DIN: 05340869  
 Director & CFO

Sugandha Goyal  
 M. No. A51614  
 Company Secretary

Place : Ahmedabad

## Notes forming part of the Financial Statements

### Significant Accounting Policies

#### Property, Plant and Equipment:

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. 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 and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

#### Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

#### Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

#### Revenue Recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc. Income from export incentives such as duty drawback and premium on sale of import licenses and lease license fee are recognised on accrual basis.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably. Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

#### Expenditure:

Expenses are accounted on accrual basis.

#### Segment Reporting

The Business of the Company has been classified into segments based on the basis of the revenue from sales to External Customers and from transactions with other segments exceeds 10% of Total Revenues (external and internal) of all segments. During the year, even if segment reporting as per accounting standard -17 is not applicable. Management of the company has decided (Ref: Respective resolution passed in Board Meeting) to disclose segment product-wise/division wise based on turnover of the respected product/division only in unaudited quarterly results published by the company.

#### Income Taxes:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and

liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

#### Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Ahmedabad**  
**14/05/2018**

**For, Rahul Kakani And Associates**  
**Chartered Accountants**  
**Firm's Registration No.130198W**

**Ajay D Patel**  
**Partner**  
**Membership No.163596**



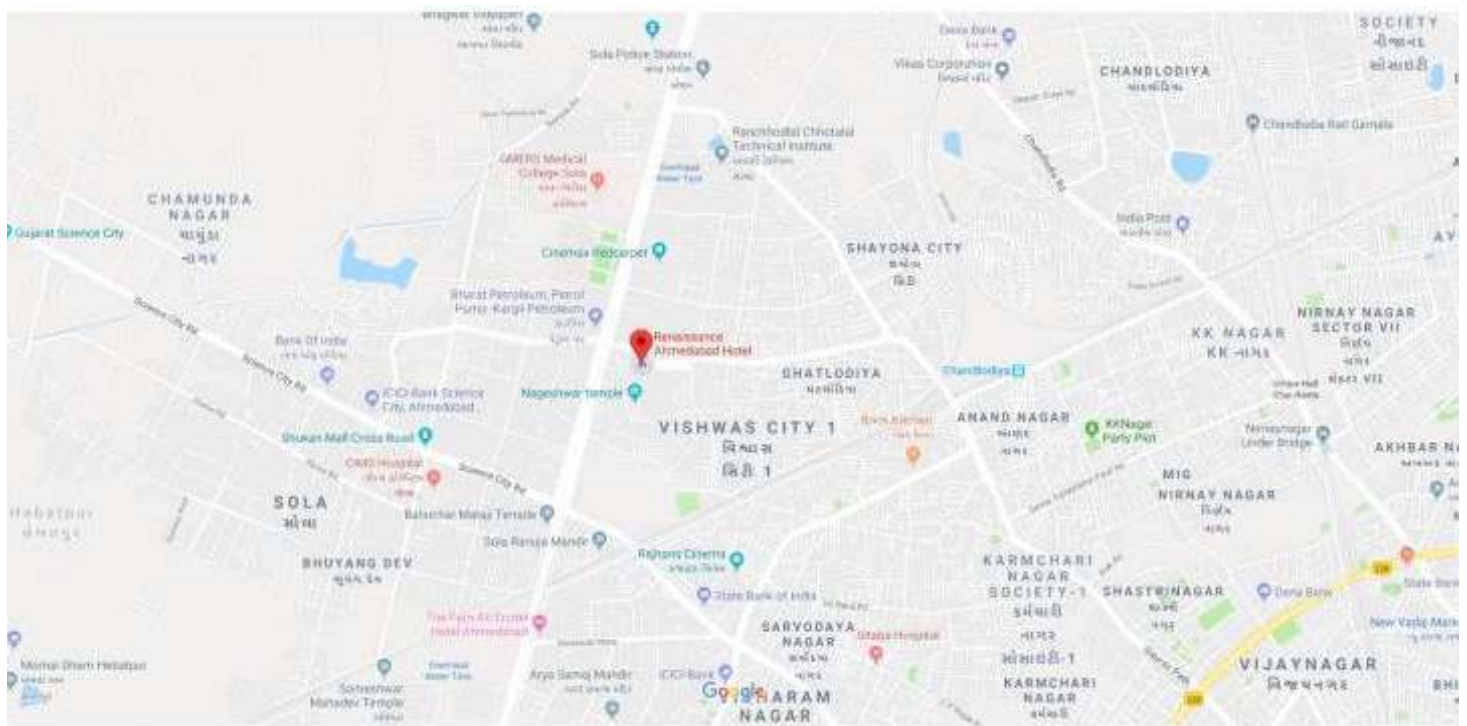
**MISHTANN**

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**Route Map to Venue of 38<sup>th</sup> Annual General Meeting of Mishtann Foods Scheduled to be held on Thursday ,  
September, 27, 2018 at 11:45 A.M**

**Venue:**

**Renaissance Hotel Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad – 380060**







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**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Hall)

**38<sup>th</sup> ANNUAL GENERAL MEETING – THURSDAY 27<sup>th</sup> September , 2018 AT 11.45 A.M.**

DP Id.		Folio No	
Client Id		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER(S)

NAME AND ADDRESS OF THE PROXY HOLDER(S)

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on **27<sup>th</sup> September , 2018. AT 11.45 A.M** at Renaissance Hotel Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad – 380060

Signature of Shareholder/Proxy

**Note:** Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

✂.....✂.....

**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]

**38<sup>th</sup> ANNUAL GENERAL MEETING – THURSDAY 27<sup>th</sup> September , 2018 AT 11.45 A.M.**

Name of the member (s)		E-mail Id:	
Registered address		Folio No/ Client Id: DP ID:	

I/We, being the member (s) of ..... shares of Mishtann Foods Limited , hereby appoint

1. Name: .....

Address: .....

E-mail Id: .....

Signature:.....,or failing him,

2. Name: .....

Address: .....

E-mail Id: .....

Signature:.....

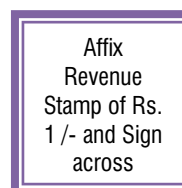
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 27<sup>th</sup> September, 2018 at 11.45 a.m. at Renaissance Hotel Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad – 380060 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	For	Against
	<b>Ordinary Businesses</b>		
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2018		
2	Re-election of Mr. Ravikumar G Patel as a Director of the Company		
3	Appointment of M/S. Rahul Kakani & Associates., Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company		
4	Declaration of Dividend for the financial year 2017-18		
	<b>Special Businesses:</b>		
5	To approve for splitting of the Company's Equity Shares of ` 10/- each into 10 Equity Shares having a face value of Re. 1/- each		
6	To approve for Subdivision of Authorised Equity Share Capital and Consequent Alteration of Memorandum of Association:		
7	Appointment of Mrs. Vandana Patel, to a place of profit being head of Marketing of the Company		
8	Appointment of Mrs. Tejal Patel , to a place of profit being head of advertising of the Company		
9	Appointment of Mrs. Rinkal Patel, to a place of profit being head of advertising of the Company		
10	Appointment of Ms. Kamini Patel , to a place of profit being head of accounts of the Company		

Signed this..... day of..... 20....

Signature of first Proxy holder(s)

Signature of second Proxy holder(s)



Signature of Shareholder



**MISHTANN**<sup>(R)</sup>

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**NOTES:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A proxy needs not to be member of the Company
- 3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% 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 of shareholder.
- 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) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 6) In the case of joint holders, the signature of any one holder will be sufficient , but names of all the joint holders should be stated.









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**MISHTANN FOODS LIMITED**

**REGISTERED OFFICE:**

C-808, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad-380060.  
Ph.: +91 7940023116 | Fax: +91 7940033116 | E-mail: info@mishtann.com

**PLANT:**

Survey No.10, At Kabodari, Himatnagar - Dhansura Highway, Ta. Talod,  
Dist. Sabarkantha-383305, Gujarat, India

**[www.mishtann.com](http://www.mishtann.com)**