

**ANNUAL REPORT**

2



16  
17



**MISHTANN<sup>®</sup>**

limitless happiness...





**AGED  
RICE**





# 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.





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# BOARD OF DIRECTORS

**HITESHKUMAR PATEL**

Managing Director &  
Executive Director

**RAVIKUMAR PATEL**

Executive Director

**JATINKUMAR PATEL**

Executive Director

**NAVINCHANDRA PATEL**

Executive Director

**BHAVESHKUMAR PATEL**

Non Executive Director

**BHARATBHAI PATEL**

Non Executive Director

**DEVALKUMAR PATEL**

Non Executive Director

**RAVIKUMAR R. PATEL**

Non Executive Director

**SWEETYBEN PATEL**

Non Executive Director

**ROSHNI D. SHAH**

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 Kabadari, Himatnagar- Dhansura Highway, Ta. Talod, Dist. Sabarkantha-383305

# LETTER TO THE STAKEOWNERS

## **DEAR FELLOW STAKEOWNERS,**

It gives me immense pleasure to place before you the Annual Report of your Company for the financial Year 2016-17. The export of Basmati Rice grew by healthy in volume terms as compared to last financial year, a satisfying performance in backdrop of current market. Your Company achieved total revenues of INR 2,580,062,721 as against INR 1,208,472,847 in the same last period.

A year in which bold steps were taken to march towards becoming a brand driven Food Company with wide basket of products, covering multiple price points and reaching house hold of all economic groups across the India like never before. Most importantly, we feel a special connect with our consumers, making taste, health and quality the key in cultivating a deeper bond with them.

Mishtann rice has today become a source of holistic health and immense happiness for connoisseurs of food across the globe. The seamless enthusiasm and dedication of hundreds and thousands of our farmers and staff members has provided the much inevitable thrust. Mishtann flies high spreading wide the wings of taste and health in a sky full of happiness.

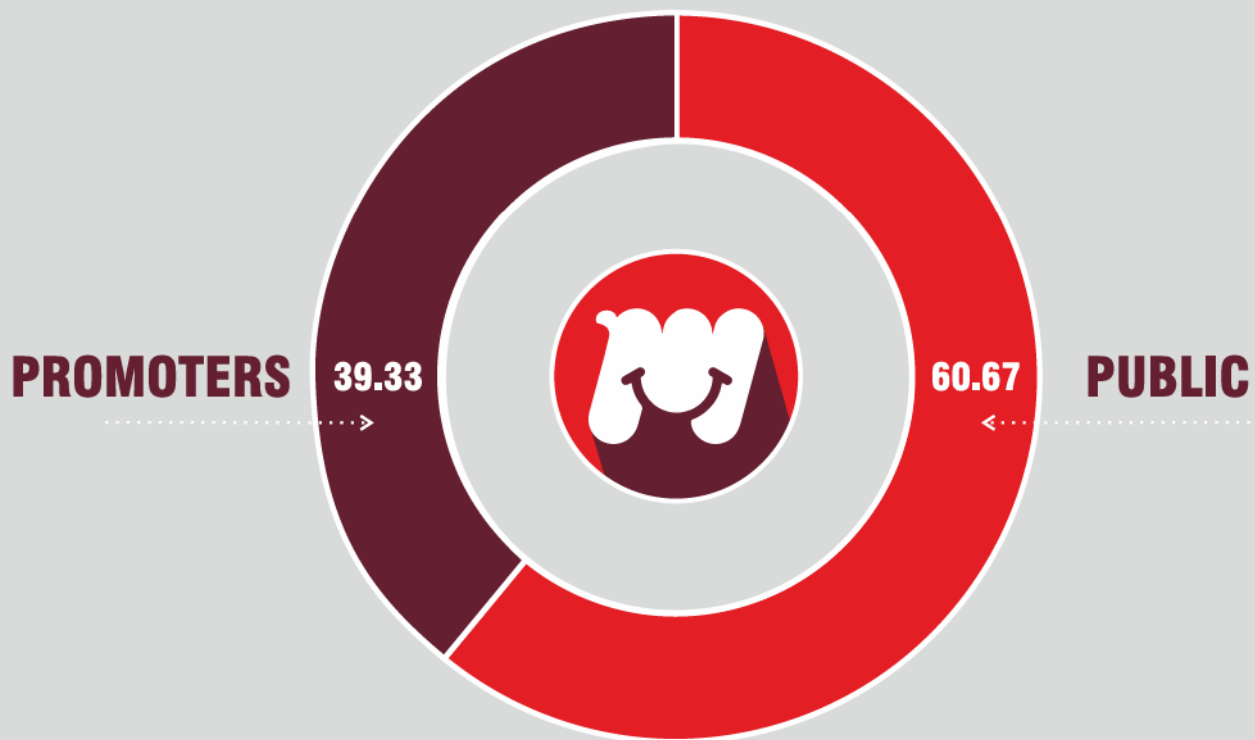
Mishtann always believe that famous brands make place in customer hearts not in their wallets and which create customer happiness and this happiness is Mishtann limitless happiness.

Looking ahead, our initiatives in the new product coupled with enhancement of our existing manufacturing capabilities, will be helpful in not only safeguarding our leadership position but also in increasing our global foot print. We at Mishtann have deep understanding of the agriculture system, its people, its weather, its culture and its market -and this is the critical differentiator which give us the advantages over our competitors. Mishtann is ready for every situation and will be ready for whatever the future may hold.

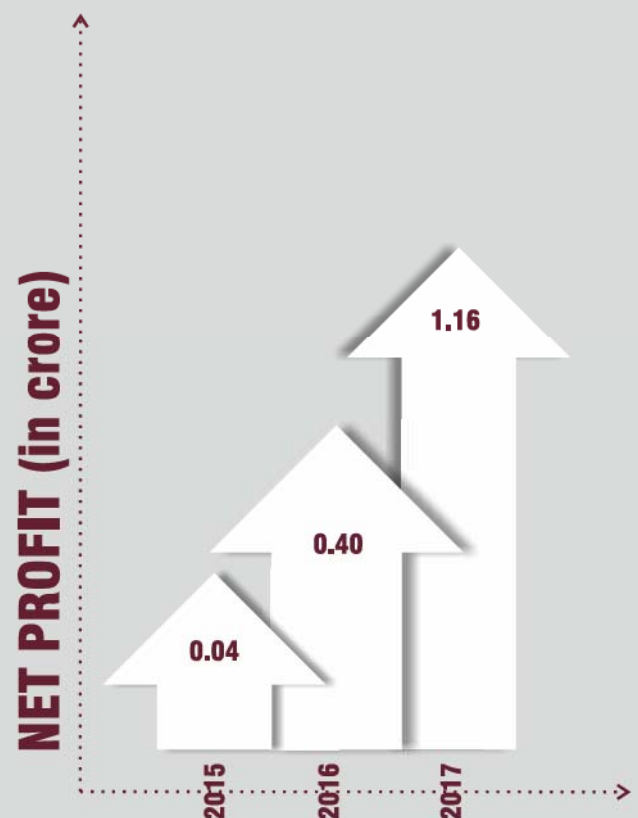
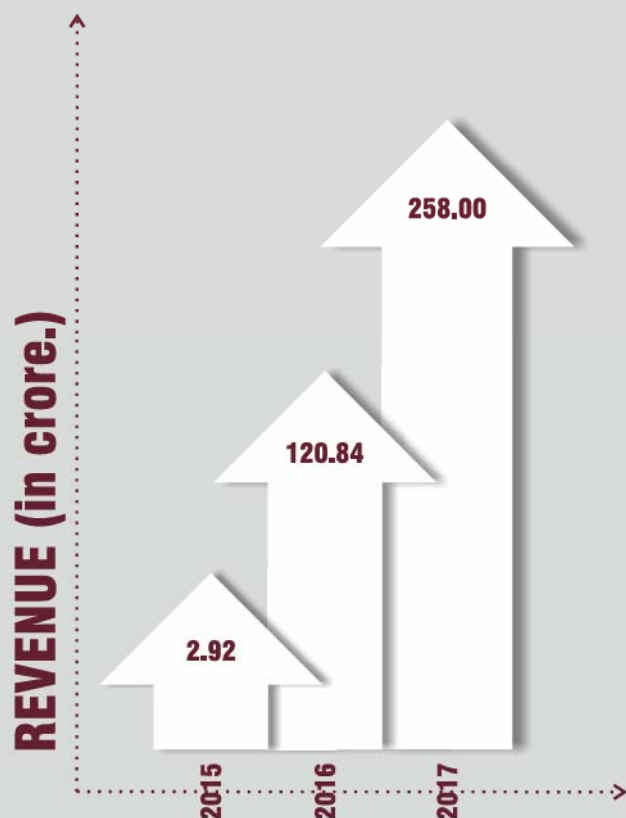
**Hitesh Patel**  
Chairman



# SHAREHOLDING AS ON 31ST MARCH, 2017



## KEY TRENDS



# NETWORK THAT DRIVES VALUE



12<sup>+</sup>

SUPER STOCKIST



58<sup>+</sup>

BEST DISTRIBUTORS



56<sup>+</sup>

LAKH

HOUSEHOLD



40<sup>+</sup>

LAKH

SMILE SUCCESSFULLY  
DELIVERED



14000<sup>+</sup>

RETAIL  
GROCERY SHOP



# TOOR DAL







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

NOTICE





## NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of Mishtann Foods Limited will be held on Friday, 29<sup>th</sup> September, 2017 at 11.45 A.M. at C-808, 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 31<sup>st</sup> March, 2017 and profit & loss account of the company for the year ended on 31<sup>st</sup> March, 2017 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Navinchandra Patel, Director 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.

### SPECIAL BUSINESS:

#### 4. To appoint Mr. Hitesh Kumar G. Patel as Managing Directors of the company:

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

**"RESOLVED THAT** in accordance with the provisions of sections 196, 197 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the members of the Company, the Company be and is hereby approved appointment of Mr. Hitesh Kumar G. Patel as Managing Director of the company with effect from 28<sup>th</sup> August, 2017 for the period of Five years, as per the terms and conditions as set out in the explanatory statement annexed to this notice and as enumerated in the agreement a copy whereof, initialed by the chairman of the meeting for the purpose of identification has been submitted to this meeting, which agreement is also hereby specifically approved".

**"RESOLVED FURTHER THAT** the Managing Director shall be responsible for the overall supervision of the company's operations, day-to-day administration, appointment and termination of employees, operating of the company's bank accounts with power to sign cheques, promissory notes, bills of exchange, etc. and

for regular reporting of the company's activities to the Board of Directors and for performing the duties that may be delegated to the Managing Director from time to time, subject to the overall supervision and control of the Board of Directors."

**"RESOLVED FURTHER THAT** Mr. Hitesh Kumar G. Patel, appointed as an Managing Director of the company on such terms and at as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, detailed herein, which is within the limits as prescribed under Section 197 read with Schedule V of the Companies Act, 2013 and the said remuneration was based on the recommendations of the Remuneration Committee."

**"RESOLVED FURTHER THAT** Any of the Board of Directors 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."

**5. To Approve for Increase the Remuneration of Director & Chief Financial Officer Mr. Ravi Kumar G. Patel:**

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

**"RESOLVED THAT** pursuant of the provisions of sections 196, 197 and 203 and all other applicable provisions, if any, of the companies act 2013, ("the act") read with Schedule V to the said Act and companies (Appointment and Remuneration of Managerial personnel) Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), subject to such other provisions as may be as per Article of Association of the company and subject to such other approval (s) or sanction(s) as may be required, consent of the company be and hereby accorded to increase the remuneration of Mr. Ravi Kumar G. Patel, CFO and Director of the Company under the provisions of the Act to Rs 4,500,000 (Rupees Forty Five Lacs) p.a."

**"RESOLVED FURTHER THAT** any of the Board of Directors 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."

**6. To Appoint Mr. Jatin Patel as Whole Time Director of the company:**

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



**“RESOLVED THAT** pursuant to sections 196, 197, 198 & 203 of the Companies Act, 2013, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as "the Act") and rules made there under (including any statutory modification or re-enactment thereof for the time being enforce) and Article of Association of Company and subject to approval of shareholders in general meeting, Mr. Jatin Patel ,(DIN:06973337), Whole Time Director of the Company be and is hereby appointed as Whole Time Director of the Company for the period of five years with effect from 28<sup>th</sup> August, 2017 as per terms and conditions as set out in the Explanatory statement annexed to this notice and as enumerated in the agreement a copy whereof , initialed by the chairman of the meeting for the purpose of identification has been submitted to this meeting, which agreement is also hereby specifically approved”.

**“RESOLVED FURTHER THAT** any of the Board of Directors 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.”

**7. To Appoint Mr. Navinchandra Patel as Whole Time Director of the company:**

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

**“RESOLVED THAT** pursuant to sections 196, 197, 198 & 203 of the Companies Act, 2013, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as "the Act") and rules made there under (including any statutory modification or re-enactment thereof for the time being enforce) and Article of Association of Company and subject to approval of shareholders in general meeting, Mr. Navinchandra Patel(DIN:05340874), Director of the Company be and is hereby appointed as Whole Time Director of the Company for the period of five years with effect from 28<sup>th</sup> August, 2017 as per terms and conditions as set out in the Explanatory Statement annexed to this notice and as enumerated in the agreement a copy whereof , initialed by the chairman of the meeting for the purpose of identification has been submitted to this meeting, which agreement is also hereby specifically approved”.

**“RESOLVED FURTHER THAT** any of the Board of Directors 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 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:**

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

**“RESOLVED THAT** pursuant to sanction letter dated 11/04/2017 received from the Bank of Punjab National Bank, consent of the Company be and is hereby accorded for availing of Unsecured Loan from Promoters and Promoters Group as per terms and conditions as determined by the Board of Directors of the Company as set out in Explanatory Statement followed by the separate agreement.”

**“RESOLVED FURTHER THAT** the said unsecured loan from the promoters contribution (as specified by the Bank), if not repaid within a period of one year, consent of the members of the company, be and is hereby accorded for conversion of the said unsecured loan into equity shares pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under and the provisions of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 as amended from time to time (hereinafter referred to as “the Regulations”) and any other applicable guidelines/regulations issued by the Securities and Exchange Board of India (SEBI) and the enabling provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, Mr. Hitesh G. Patel, Managing Director and Mr. Ravi Kumar G. Patel, Director & CFO of the Company be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose.”

**“RESOLVED FURTHER THAT** Mr. Hitesh G. Patel, Managing Director and Mr. Ravi Kumar G. Patel, Director & CFO be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

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

**Date: 28/08/2017  
Place: Ahmedabad**

**Sd/  
HiteshKumar Patel  
Director  
DIN:05340865**



## **NOTES**

An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>th</sup> September, 2017 to 29<sup>th</sup> September, 2017 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
3. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in de-mat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

4. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM
5. Voting through Electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13<sup>th</sup> July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

**A. The instructions for members for voting electronically are as under:-**

  - (i) The remote e-voting period begins on 26<sup>th</sup> September, 2017 (11:00 A.M.) and ends on 28<sup>th</sup> September, 2017 (5:00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on "Shareholders" tab.
  - (iv) 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.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in de-mat 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.



- (vii) If De-mat account holder has forgotten his/ her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in De-mat Form and Physical Form</b>
PAN	<p>For de-mat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. (Applicable for both de-mat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your de-mat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both 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 (v)</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in de-mat 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 de-mat 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for 'Mishtann Foods Limited'.
- (xiii) 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.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.

(xv) 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.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(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](mailto: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](mailto: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.

(xix) 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](mailto:helpdesk.evoting@cdslindia.com).

- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 21, 2017.
- C. A copy of this notice has been/ shall be placed on the website of the Company and the website of CDSL.
- D. Ms. Rupal Patel, Practicing Company Secretary (Membership No. FCS 6275) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- E. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in



favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.

- F. In terms of Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent along with this Notice.

A member desiring to exercise vote by Ballot shall complete the said Ballot Form with assent (for) or dissent (against) and send it to Ms. Rupal Patel, Scrutinizer, having office address at 303, Prasad Apt., Opp. Jain Derasar, S.M. Road, Nehrunagar Cross Road, Ahmedabad-380015, Tel. No: 279-26420603, E-mail: [roopalcs2001@gmail.com](mailto:roopalcs2001@gmail.com) so as to reach her on or before 28<sup>th</sup> September, 2017 by 5.00 p.m. Any Ballot Form received after the said date and time shall be treated as if the reply from the Members has not been received.

- G. The facility for voting through ballot shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting/ ballot shall be able to exercise their voting right at the meeting.

- H. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mishtann.com](http://www.mishtann.com) within 3 (three) days of conclusion of the annual general meeting and will be communicated to BSE Limited, who are required to place them on their website. The same shall also be placed on the website of CDSL.

6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
7. Members holding shares in de-mat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their de-mat accounts; will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in de-mat form for any change in bank particulars. Members holding shares in de-mat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
8. Corporate members intending to send their authorised representative to attend the meeting pursuant to the section 113 of the Companies Act, 2013 are requested

to send to the company a certified true copy of the relevant board resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.

9. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer agent of the Company immediately.
10. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in de-mat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have de-mat accounts. Members holding shares in physical form can submit their PAN details to M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer agent of the Company.
12. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
13. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

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

**Date: 28/08/2017  
Place: Ahmedabad**

**Sd/  
HiteshKumar Patel  
Director  
DIN:05340865**



### 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:

#### ITEM NO. 2

##### Details of Director seeking reappointment at Annual General Meeting:

<b>Name</b>	:	Mr. Navinchandra Patel
<b>Date of birth</b>	:	01/06/1967
<b>Qualification</b>	:	Bachelor Degree in Commerce
<b>Director of the Company since</b>	:	10/03/2015
<b>Directorship in other public limited companies</b>	:	Nil
<b>Membership of Committees of other public limited companies</b>	:	Nil
<b>No. of Shares held in the Company</b>	:	571900 Equity Shares



#### ITEM NO. 4:

#### To appoint Mr. Hitesh Kumar G. Patel as Managing Directors of the company:

Profile of Mr. Hitesh Kumar Patel, Director being appointed u/s 152 of the Companies Act, 2013

<b>Name</b>	:	Mr. Hitesh Kumar G. Patel
<b>Date of birth</b>	:	04/06/1985
<b>Qualification</b>	:	Bachelor in Business Administration
<b>Director of the Company since</b>	:	24/02/2015
<b>Directorship in other public limited companies</b>	:	Nil
<b>Membership of Committees of other public limited companies</b>	:	Nil
<b>No. of Shares held in the Company</b>	:	766600 Equity Shares

#### Tenure

The appointment of Mr. Hitesh Kumar Patel as the Managing Director shall be valid for a period of 5 year from 28<sup>th</sup> August, 2017.

#### Terms of Appointment:

Salary: 4,500,000/ (Rupees Forty five lacs only) p.a.

Mr. Hitesh Kumar Patel, being experienced, entrepreneur and a successful businessman having experience in various type of industrial activity and has been spending his precious time and energy for day to day affairs of the Company. Therefore, the consent of the members is sought for appointment of Mr. Hitesh Kumar Patel, as the Managing Director of the Company.

None of the other Directors, except himself and Mr. Ravi Kumar Patel, or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, directly or indirectly, concerned or interested in the above resolutions.

#### ITEM NO. 5:



**To approve for increase the Remuneration of Director & Chief Financial Officer Mr. Ravi Kumar Patel:**

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee and subject to approval of shareholder the remuneration payable to Mr. Ravi Kumar Patel director & CFO.

Salary: 4,500,000/ (Rupees Forty five lacs only) p.a.

<b>Name</b>	:	Mr. Ravi Kumar G. Patel
<b>Date of birth</b>	:	22/08/1987
<b>Qualification</b>	:	Graduate in Commerce
<b>Director of the Company since</b>	:	24/02/2015
<b>Directorship in other public limited companies</b>	:	Nil
<b>Membership of Committees of other public limited companies</b>	:	Nil
<b>No. of Shares held in the Company</b>	:	733100 Equity Shares

None of the other Directors, except himself and Mr. Hitesh Kumar Patel, or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, directly or indirectly, concerned or interested in the above resolutions.

**ITEM NO. 6:**

**To appoint Mr. Jatin Patel as Whole Time Director of the company:**

The board of Directors at its meeting appointed Mr. Jatin Patel as Whole-time Directors of the company (holding DIN: 0697337) with effect from for a period of five years on the basis of Remuneration Committee. The main terms and conditions of appointment of whole time director as contained in the respective agreements are furnished as below:

- The terms of appointment: – Five Years with effect from 28<sup>th</sup> August, 2017.
- Salary: 1,200,000/ (Rupees Twelve lacs only) p.a.

Upon approval by the member, a separate agreement to give effect to the above terms and conditions will be executed by and between the company and him.

The Board of Director recommends the resolution in relation to appointment of the Whole time Director, for the approval of members of the company.

The draft agreement is available for inspection by the members at the registered office of the company between 11:00 a.m. to 05:00 p.m. on all working days upto the date of Annual General Meeting.

<b>Name</b>	:	Mr. Jatin Patel
<b>Date of birth</b>	:	04/12/1989
<b>Qualification</b>	:	Engineering in B.Tech
<b>Director of the Company since</b>	:	10/03/2015
<b>Directorship in other public limited companies</b>	:	Nil
<b>Membership of Committees of other public limited companies</b>	:	Nil
<b>No. of Shares held in the Company</b>	:	451300 Equity Shares

None of the other Directors, except himself, or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, directly or indirectly, concerned or interested in the above resolutions.

#### ITEM NO. 7:

##### To appoint Mr. Navinchandra Patel as Whole Time Director of the company:

The board of Directors at its meeting appointed Mr. Navinchandra Patel as Whole-time Directors of the company (holding (DIN:05340874) with effect from for a period of five years on the basis of Remuneration Committee and subject to approval of shareholders .The main terms and conditions of appointment of whole time director as contained in the respective agreements are furnished as below:

- The terms of appointment: – Five Years with effect from 28<sup>th</sup> August, 2017.
- Salary: 1,200,000/ (Rupees Twelve lacs only) p.a.

Upon approval by the member, a separate agreement to give effect to the above terms and conditions will be executed by and between the company and him.

The Board of Director recommends the resolution in relation to appointment of the Whole time Director, for the approval of members of the company.



The draft agreement is available for inspection by the members at the registered office of the company between 11:00 a.m. to 05:00 p.m. on all working days upto the date of Annual General Meeting.

<b>Name</b>	:	Mr. Navinchandra Patel
<b>Date of birth</b>	:	01/06/1967
<b>Qualification</b>	:	Bachelor Degree in commerce
<b>Director of the Company since</b>	:	10/03/2015
<b>Directorship in other public limited companies</b>	:	Nil
<b>Membership of Committees of other public limited companies</b>	:	Nil
<b>No. of Shares held in the Company</b>	:	571900 Equity Shares

None of the other Directors, except himself, or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, directly or indirectly, concerned or interested in the above resolutions.

#### ITEM NO. 8 :

#### 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

Looking at the current working and orders on hand of the Company, the Company may require further financial assistance from the Bank pursuant to which one of the main terms are to bring unsecured loan from promoters/directors as mentioned in sanction letter dated 11/04/2017 received from the Bank of Punjab National Bank.

The food industry always requires high working capital even to survive. Hence, in case, the company could not offer repayment of the aforementioned unsecured loan to the promoters/directors of the Company within period of one year the company, then, the Board has decided to offer an option for conversion of the said unsecured loan into equity shares pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013. A separate agreement might be entered into for the said purpose. Hence, the Board recommends to pass the aforementioned resolution as a special resolution, with or without modification.

The draft agreement is available for inspection by the members at the registered office of the company between 11:00 a.m. to 05:00 p.m. on all working days upto the date of Annual General Meeting.

None of the other Directors, except promoter themselves to the extent of their shareholding, or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, directly or indirectly, concerned or interested in the above resolutions.

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

**Date: 28/08/2017**

**Place: Ahmedabad**

**Sd/  
Hitesh Kumar Patel  
Director  
DIN:05340865**







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## DIRECTORS REPORT





## DIRECTOR'S REPORT

To,  
The Members

Your Directors have pleasure in presenting Annual Report of the Company together with Audited Statements Accounts for the financial year ended on 31<sup>st</sup> March, 2017.

### 1. Financial Results And Operational Review:

Particulars	(Amount in Rs.)	
	Year Ended 31.03.2017	Year Ended 31.03.2016
Gross Sales/Income	2,580,062,721	1,208,472,847
Less Depreciation	20,392,019	11,339,778
Profit/(Loss) before Tax	22,306,121	5,783,373
Taxes/Deferred Taxes	10,633,346	1,709,653
Profit/(Loss) After Taxes	11,672,775	4,073,720
P& L Balance b/f	4,635,776	562,056
Profit/ (Loss) carried to Balance Sheet	16,308,551	4,635,776

Above mentioned figures were derived from audited consolidated Balance Sheet for the financial year ended on 31<sup>st</sup> March, 2017.

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

During the year under review, the Company has earned income of Rs. 2,580,062,721 as compared to Rs.1,208,472,847 of previous year. The Company has made profit of Rs. 11,672,775 as compared to Rs.4,073,720. 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 not made sufficient profit, the directors are unable to recommend any dividend during the year under review.

### 5. Reserves

The Board of Directors of the company has carried Rs. 11,672,775 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.

## 8. Directors and Key Managerial Personnel

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

Mr. Jatin Patel & Mr. Navinchandra Patel will be appointed as the whole time director of the company at the forthcoming Annual General Meeting.

During the year under review, Mr. Sureshkumar Patel resigned from directorship of the company on 27/06/2016 and Mr. RaviKumar Patel appointed as Chief Financial Officer of the company on 27/06/2016.

The company has appointed Ms. Roshni Shah as Company Secretary cum compliance officer of the Company on 18/10/2016 and Ms. Nirja Haria, resigned from the post of Company Secretary cum compliance officer of the Company on 18/10/2016.

## 9. Particulars of Employees

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. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, fourteen Board Meetings and four Audit Committee Meetings were 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

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## 12. 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.

## 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:

Particulars	(Amount in Rs.)	
	Year Ended 31.03.2017	Year Ended 31.03.2016
Gross Sales/Income	13,556,152	63,336,840
Less Depreciation	1,535,274	1,608,199
Profit/(Loss) before Tax	(1,711,775)	151,136
Taxes/Deferred Taxes	(15260)	17,399
Profit/(Loss) After Taxes	(1,696,515)	133,737
P& L Balance b/f	31,5687	181,950
Profit/ (Loss) carried to Balance Sheet	(1,380,828)	315,687

## 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 AGM.



## 16. Auditor's Report

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

## 17. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, Mrs. Rupal Patel, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure I** to this report.

### Report for qualification Remark in Secretarial Audit Report:

1. 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.
2. As to interpretation by the management of the Company, since the Company has not started any Export activities, it has not required to file Export return under APEDA Act, 1985. However the company has filed return from September, 2016 to till date.

## 18. Internal Audit & Controls

Though the company has appointed 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.

## 19. Issue of employee stock options

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

## 20. 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>

## 21. 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 statues 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 initialed 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.

## 22. Extract Of Annual Return

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 II**.

**23. 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 not any 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.

**24. 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.

**25. 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.

**26. Deposits**

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

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 have been complied with.

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

It is confirmed that the particulars of contacts or arrangements with related parties are mentioned under note No.25 of the Auditors Report for the financial year 2016-17. **FORM AOC -2 as Annexure III** is furnished.

**29. Corporate Governance Certificate**



The Compliance certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be annexed with the report.

### **30. Management Discussion And Analysis**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2017.

### **31. 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.

### **32. 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: IV**.

### **33. Corporate Social Responsibility (CSR): Not Applicable**

### **34. 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.

### **35. 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 —

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

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) 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.

(f) 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.

### **36. 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).

### **37. Listing With Stock Exchanges**

The Company confirms that it has paid the Annual Listing Fees for the year 2017-2018 to BSE where the Company's Shares are listed.

### **38. Acknowledgments**

The management is grateful to the government authorities, Bankers, Vendors, farmers for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

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

**Date: 28<sup>th</sup> August, 2017  
Place: Ahmedabad**

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

**Sd/-  
Navinchandra Patel  
Director  
DIN: 05340874**

**Sd/-  
Ravikumar Patel  
Director  
DIN: 05340869**





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# SECRETARIAL AUDIT REPORT





## ANNEXURE I

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017

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

To,  
The Members,  
**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 31<sup>st</sup> March, 2017. 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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017, 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;
  - (c) 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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015

We have also examined compliance of the following to the extent applicable:

- (i). 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 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 -A** 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) The Company has not filled Export Return for the month April, 2016 to August, 2016.

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

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d) 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 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 Annual General Meeting which was held on 02<sup>nd</sup> August, 2016.
  - Increase borrowing power of Board of Directors of the company.
  - Reclassification of Authorised Equity Share Capital of the company from 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 to 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) each and Consequent Alteration of Memorandum of Association
  - Sub-division of One Equity Share of the Company of Face Value of Rs 10/- each to 10 Equity Shares of Rs. 1/- each
  - Obtain approval for related party transaction

**Date:** 28/08/2017  
**Place:** Ahmedabad

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

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

## ANNEXURE- A

### List of applicable laws to the Company

1. The Company has complied with the laws and regulations applicable specifically to the Company given its business of trading of Agricultural product:
  1. Fire & Explosive Act
  2. The Apprentices Act
  3. The Air (Prevention and Control of Pollution) Act, 1981
  4. The Water (Prevention and Control of Pollution) Act, 1974
  5. Agricultural and Processed food Products Export Development Authority Act, 1985
  6. Micro, Small and Medium Enterprises Development Act, 2006  
As amended from time to time till date.
2. All General Laws such Direct and In direct Taxation related, Labour Laws and other incidental laws of respective States;

Date: 28/08/2017  
Place: Ahmedabad

Signature: Sd/-  
Name of Practicing Company Secretary: Rupal Patel  
C. P. No.: 3803  
FCS No.: 6275



## ANNEXURE B

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:

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

**Date: 28/08/2017**  
**Place: Ahmedabad**

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





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# EXTRACT OF ANNUAL REPORT



## ANNEXURE II

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2017**

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

### **I. REGISTRATION & OTHER DETAILS:**

1.	CIN	<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><b>Add:</b> 1. 12/1/5, Manoharpukur Road, Kolkata-700026, Contact No.: 033-40724051/52/5 2. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009</p> <p><b>Contact No.:</b> 079-2658 2878, 079-2879 2880</p> <p><b>E-mail id:</b> <a href="mailto:mcssta@rediffmail.com">mcssta@rediffmail.com</a> <a href="mailto:mcsahmd@gmail.com">mcsahmd@gmail.com</a></p>
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## 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	81.52%
2	WHEAT	99611112	18.29%

## 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)

## VI. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding (As on 31/03/2017)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2016]				No. of Shares held at the End of the year [As on 31-March-2017]				% 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	-	3939500	3939500	39.33%	-	39395000	39395000	39.33%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>3939500</b>	<b>3939500</b>	<b>39.33%</b>	-	<b>39395000</b>	<b>39395000</b>	<b>39.33%</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>Total</b>	-	<b>3939500</b>	<b>3939500</b>	<b>39.33%</b>	-	<b>39395000</b>	<b>39395000</b>	<b>39.33%</b>	-

<b>Shareholding of Promoter (A) = (A)(1)+(A)(2)</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) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<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	-	763800	763800	7.63%	15000	7983000	7998000	7.99%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	5312800	5312800	53.04%	146250	52621750	52768000	52.68%	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	6076600	6076600	60.67%	161250	60604750	60766000	60.67%	-
<b>Total Public Shareholding B) = (B)(1)+(B)(2)</b>	-	6076600	6076600	60.67%	161250	60604750	60766000	60.67%	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-----NIL-----								
<b>Grand Total (A+B+C)</b>	-	10016100	10016100	100%	-	100161000	100161000	100%	-

## 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	Hiteshbhai Patel	766600	7.65%	-	7666000	7.65%	-	-
2	Jatinbhai Patel	451300	4.51%	-	4513000	4.51%	-	-
3	Vijaykumar Patel	213400	2.13%	-	2134000	2.13%	-	-
4	Kantilal J Khimani HUF	153000	1.53%	-	1530000	1.53%	-	-
5	Ketan Khimani	323600	3.23%	-	3236000	3.23%	-	-
6	Bipinkumar Patel	20000	0.20%	-	200000	0.20%	-	-
7	Manjulaben Patel	398700	3.98%	-	3987000	3.98%	-	-
8	Navinbhai Patel	571900	5.71%	-	5719000	5.71%	-	-
9	Harshadbhai Patel	296500	2.96%	-	2965000	2.96%	-	-
10	Jasminkumar Patel	11400	0.11%	-	114000	0.11%	-	-
11	Ravibhai Patel	733100	7.32%	-	7331000	7.32%	-	-
	<b>Total</b>	<b>3939500</b>	<b>39.33%</b>	<b>-</b>	<b>39395000</b>	<b>39.33%</b>	<b>-</b>	<b>-</b>

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

**There is no change in the Promoter's Shareholding during the year.**



**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	295700	2.95%	2957000	2.95%	-
2	Becharbhai Patel	295400	2.95%	2954000	2.95%	-
3	Parichyakumar patel	295200	2.95%	2952000	2.95%	-
4	Bharatbhai Patel	294900	2.94%	2949000	2.94%	-
5	Dineshkumar Patel	294800	2.94%	2948000	2.94%	-
6	Nileshbhai Patel	294100	2.94%	2941000	2.94%	-
7	Jayantibhai Patel	293700	2.93%	2937000	2.93%	-
8	Sureshbhai Patel	292800	2.92%	2928000	2.92%	-
9.	Vasantbhai Bhikhabhai Patel	292500	2.92%	2925000	2.92%	-
10	Hareshbhai Patel	251000	2.50%	2510000	2.50%	-

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

S. N.	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	Hiteshbhai Patel	766600	7.65%	7666000	7.65%	-
2	Jatinbhai Patel	451300	4.51%	4513000	4.51%	-
3	Navinbhai Patel	571900	5.71%	5719000	5.71%	-
4	Ravibhai Patel	733100	7.32%	7331000	7.32%	-
5	Sureshbhai Patel*	292800	2.92%	2928000	2.92%	-

\*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	Deposit s	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	202709324	93615152	-	296324476
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>202709324</b>	<b>93615152</b>	<b>-</b>	<b>296324476</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	268552164		-	
* Reduction	-	-500000	-	
<b>Net Change</b>	<b>65842840</b>	<b>500000</b>	<b>-</b>	<b>65342840</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	268552164	93115152	-	361667316
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>268552164</b>	<b>93115152</b>	<b>-</b>	<b>361667316</b>

## XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount(p.a.)
1		Mr. Hiteshbhai Patel	
	Gross salary	Rs.1,80,000	1,80,000
	(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>	<b>1,80,000</b>	<b>1,80,000</b>
	<b>Ceiling as per the Act</b>	5% of Net profit of the Company	

**B. Remuneration to other directors (Per month)**

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
1	<b>Independent Directors</b>	Mr. Ravibhai Patel	Mr. Navinchandra Patel	Mr. Jatinbhai Patel	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	<b>Other Executive Directors</b>	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others (Salary to Directors)	15,000	15,000	15,000	45,000
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>45,000</b>



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER/ WTD (Per month)**

(Amount Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	18,000	25,000	43,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total -		18,000	25,000	43,000

**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)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		

Penalty					
Punishment					
Compounding					

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

**Date: 28<sup>th</sup> August, 2017**

**Place: Ahmedabad**

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

**Sd/-  
Navinchandra Patel  
Director  
DIN: 05340874**

**Sd/-  
Ravikumar Patel  
Director  
DIN: 05340869**



### ANNEXURE III

#### Form No. AOC- 2

(Pursuant to clause (h) of sub-section (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, 2017, 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 Paid as advance, if any
Ravi Trading co	Proprietorship Firm	Sale, Purchase of goods & Materials	NIL	NIL	05/04/2016	10,53,09,064

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

Date: 28th August, 2017  
Place: Ahmedabad

By order of the Board of Directors  
For Mishtann Foods Limited

Sd/-  
Hiteshkumar Patel  
Managing Director  
DIN: 05340865

Sd/-  
Navinchandra Patel  
Director  
DIN: 05340874

Sd/-  
Ravikumar Patel  
Director  
DIN: 05340869



## ANNEXURE IV

### Conservation of Energy

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 2016-2017.

Sr No.	Particulars	2016-2017
<b>(A)</b>	<b>Power and Fuel Consumption</b>	
<b>1.</b>	<b>Electricity</b>	
	(a) Purchased ( Unit)	200395
	Total Amount	2788489
	Rate/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(Ton.)	47910
	Electricity	0.24 Unit/Tonn.
	Furnace oil	-
	Coal (specify quality)	-
	Others (specify) gas	



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# MANAGEMENT DISCUSSION AND ANALYSIS



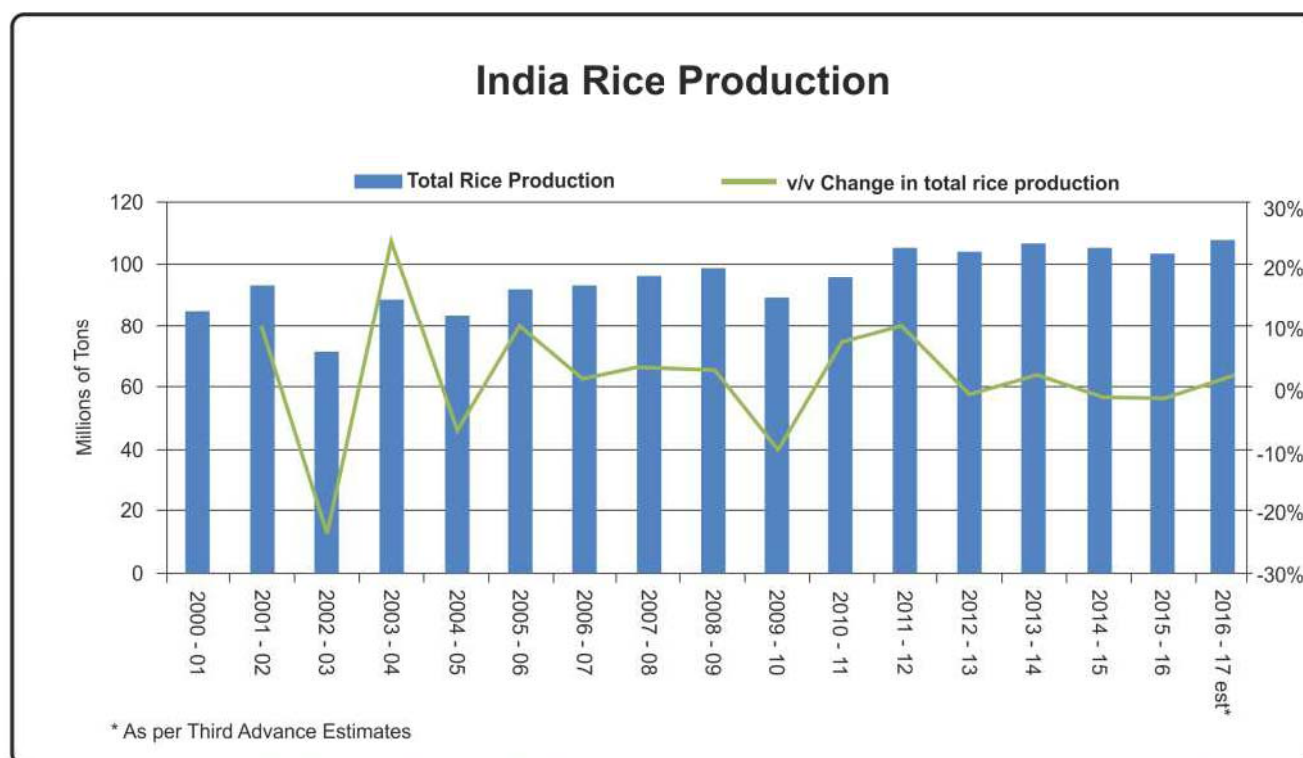


## Management Discussion and Analysis

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.

### 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.



### 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.

### 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 2016-17 crossed milestone of Rs 258 cores, reflecting immense growth from its previous year. The Company's profit before tax during the year at Rs 276.48 lakhs also grew than the previous year which was 57.83 lakhs.

#### **Standalone Results:**

The gross sales for the year 2016-17, at Rs. 256.47 Crores increased from the previous year. Profit before tax also increased from 56.32 lakhs to 293.60 lakhs.

#### **Quality and Food safety:**

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.

#### **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.

#### **Risks, Concerns and 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 maintains appropriate systems of internal controls, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorised use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorised, recorded and reported correctly.

The Internal Audit Department reviews the efficiency and effectiveness of these systems and procedures. Added objectives include evaluating the reliability of financial and operational information and ensuring compliances with applicable laws and regulations.

#### **Outlook and Risks:**

On the domestic front, the financial year 2017-18 has started on a positive note with the progress seen on the implementation of the GST regime. While over the long term it is expected to give a strong fillip to the economic activity with rationalization of the market place and also boost competitiveness of the industry it is bound to have disruptions in the short term.



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# CORPORATE GOVERNANCE





## Report on Corporate Governance

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 1 Company Philosophy:

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 Bombay Stock Exchange Limited. The Company has complied with in all material respect with the features of corporate governance as specified in the Listing Agreement.

### 2 Board of Directors:

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

The Chairman of the Board is an Executive Non Independent Director.

As required under Section 149(3) of the Companies Act, 2013, & Regulation 17(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Sweetiben Patel, a woman Director, has been appointed as an Independent Director on the Board.

Other Relevant details of Directors:

Name of Director	Date of Appointment	Category	No. of Director ship(s) held in Indian public & private Limited Companies	Committee(s) position (Excluding this Company)	
				Member	Chairman

			(Excluding this Company)		
Mr. Hiteshkumar Patel	24/02/2015	Director	1	Nil	Nil
Mr. Ravikumar Patel	24/02/2015	Director	1	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	Nil	Nil	Nil
Mr. Ravikumar R. Patel	09/03/2015	Director	Nil	Nil	Nil
Mr. Navinchandra Patel	10/03/2015	Director	1	Nil	Nil
Mrs. Sweetiben Patel	09/03/2015	Director	Nil	Nil	Nil
Mr. Jatinkumar Patel	10/03/2015	Director	1	Nil	Nil
Mr. Sureshkumar Patel*	09/03/2015	Director	Nil	Nil	Nil

\* Resigned on 27/06/2016

Board Meetings held during the year:

05/04/2016	14/04/2016	15/04/2016	25/04/2016	11/05/2016
13/05/2016	06/06/2016	27/06/2016	12/08/2016	19/08/2016
18/10/2016	26/10/2016	01/02/2017	20/03/2017	

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM
Mr. Hiteshkumar Patel	Managing Director	Executive Non Independent	14	Yes
Mr. Ravikumar Patel	Director	Executive Non Independent	14	Yes
Mr. Bhaveshkumar Patel	Director	Non Executive Independent	14	Yes
Mr. Bharatbhai Patel	Director	Non Executive Independent	14	Yes
Mr. Devalkumar Patel	Director	Non Executive Independent	14	Yes
Mr. Ravikumar R. Patel	Director	Non Executive Independent	14	Yes
Mrs. Sweetiben Patel	Director	Non Executive Independent	14	Yes
Mr. Jatinkumar Patel	Director	Executive Non Independent	14	Yes
Mr. Navinchandra Patel	Director	Executive Non Independent	14	Yes
Mr. Sureshkumar Patel*	Director	Non Executive Independent	07	No

\* Resigned on 27/06/2016

#### 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.



## INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on February 01, 2017, 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 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 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.

## 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 Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. 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-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

### **BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

A. 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.

B. 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.

C. 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 2016-2017. The dates on which the said meetings were held as follows:

14/05/2016 12/08/2016 26/10/2016 01/02/2017

### **3.2 REMUNERATION COMMITTEE:**

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director:

During the year under review, the 2 Remuneration Committees were held during Financial Year 2016-2017. The dates on which the said meetings were held as follows:

14/05/2016 18/10/2016

Details of remuneration paid to Directors for the year ended March, 2017:

Name of Director	Amount(Rs.) (p.m)
Hiteshbhai G Patel	15000/-
Ravikumar G.Patel	15000/-
Jatinbhai R Patel	15000/-
Navinchandra D Patel	15000/-

#### **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\***

1. To evaluate and recommend the composition of the Board of Directors;
2. 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;

3. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
5. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
7. 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

### **Role of the Committee:**

The Committee shall:

- 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;
- 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;
- Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- To devise a Policy on Board diversity.
- 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 & SHAREHOLDER'S/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. Roshni Shah – 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 5 Share Transfer & Shareholder's/Investor Grievance Committee were held during Financial Year 2016-2017. The dates on which the said meetings were held as follows:

14/05/2016 20/07/2016 07/10/2016 18/10/2016 06/01/2017

The status of shareholder's complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions as on 31<sup>st</sup> March, 2017 is given below:-

Complaints Status: 01.04.2016 to 31.03.2017

- Number of complaints received so far : 1
- Number of complaints solved : 1
- Number of pending complaints : 0

**Statement showing list of Top 10 Shareholders as on March 31, 2017**

Sr. No.	Name of the shareholders	No. of Shares	Percentage of Capital
1	Jitendra Patel	2957000	2.95
2	Becharbhai Patel	2954000	2.95
3	Parichyakumar Patel	2952000	2.95
4	Bharatbhai Patel	2949000	2.95
5	Dinesh Kumar Patel	2948000	2.94
6	Nileshbhai Patel	2941000	2.94
7	Jayantibhai Patel	2937000	2.93
8	Sureshbhai Patel	2928000	2.92
9	Vasantbhai Patel	2925000	2.92
10	Hareshbhai Patel	2510000	2.51
	<b>Total</b>	<b>28088000</b>	<b>28.05</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
2014	30/09/2014	11.30 A.M	Shah Commercial Centre, Station Road, Bhuj-370001 Gujarat	No
2015	30/09/2015	11.00 A.M.	Shah Commercial Centre, 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

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.

## Extraordinary General Meeting (EGM)

One Extra Ordinary General was held on 15<sup>th</sup> April, 2016 for Consolidation of share capital of the company.

During the year under review, no resolution has been passed through the exercise of postal ballot.

#### **4. DISCLOSURES:**

a. 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.

b. 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 confidentially 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 whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2016, 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: 29<sup>nd</sup> September 2017, at 11.45 a.m. at the Registered Office of the Company.
- b. Financial Year: 1<sup>st</sup> April 2016 to 31<sup>st</sup> March, 2017.
- c. Financial Calendar:
  - i. 1<sup>st</sup> quarterly results – Second week of August, 2016.
  - ii. 2<sup>nd</sup> quarterly results – Last week of October, 2016.
  - iii. 3<sup>rd</sup> quarter results – First week of February , 2017.
  - iv. 4<sup>th</sup> quarter results – Second week of May, 2017.
- d. Date of Book Closure: 22<sup>th</sup> September, 2017 to 29<sup>th</sup> September, 2017
- e. Dividend Payment Date: N.A.
- f. Listing of Equity Shares on Stock Exchanges:
  - BSE Limited
  - Ahmedabad Stock Exchange 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 2016-17:

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:

<b>Name</b>	<b>:</b>	<b>MCS Share Transfer Agent Limited</b>
<b>Address</b>	<b>:</b>	<b>Add:</b> 1. 12/1/5, Manoharpukur Road, Kolkata-700026, 2. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009
<b>Tel</b>	<b>:</b>	079-26582878 & 033-40724051/52/5
<b>Fax</b>	<b>:</b>	079-25681296
<b>Email</b>	<b>:</b>	mcsahmd@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 31.03.2017

SHARE HOLDING OF NOMINAL VALUE OF		SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Up to - 5,000		84	16.32	410100	0.41
5,001 - 10,000		173	33.59	1589900	1.59
10,001 - 20,000		80	15.54	1341000	1.34
20,001 - 30,000		42	8.16	1058000	1.06
30,001 - 40,000		31	6.02	1082000	1.08
40,001 - 50,000		11	2.14	519000	0.52
50,001 - 1,00,000		25	4.85	1998000	1.99

1,00,001 and above	69	13.40	92163000	92.01
<b>TOTAL</b>	<b>515</b>	<b>100</b>	<b>100161000</b>	<b>100</b>

n. Shareholding pattern as on 31.03.2017

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	3939500	39.33
b. Mutual Fund/Trust	0	0.00
c. Financial Institution/Banks	0	0.00
d. Bodies Corporate	0	0.00
e. Indian public	6076600	60.67
f. other (HUF)	0	0.00
<b>TOTAL</b>	<b>10016100</b>	<b>100.00</b>

o. Dematerialization of shares: As on 31-03-2017 Demat shares accounted for 29377250 Equity Shares (29.33%) of total equity.

p. Outstanding GDR / ADR / Warrants: Not Applicable

q. **Address for communication:**

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

**MCS Share Transfer Agent Limited**  
201, Shatdal Complex,  
2<sup>nd</sup> 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, 2017.

**For Mishtann Foods Limited**

**Date: 28<sup>th</sup> August, 2017**

**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 2016-17 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 2016-17 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 2016-17;
- Significant changes in accounting policies during the year 2016-17 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.

**Date: 28<sup>th</sup> August, 2017**  
**Place: Ahmedabad**

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

**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, 2017 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)**

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

Date: 28<sup>th</sup> August, 2017  
Place: Ahmedabad





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

## AUDITOR'S REPORT



## 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, 2017, 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c) in case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. 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.
2. As required by section 143 (3) of the Act, we report that:
  - a) 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;
  - b) 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.
  - c) 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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:
- The Company has disclosed the impact of pending litigations, if any on its financial position in its financial statements .
  - 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 .
  - 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)

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

Place: -Ahmedabad  
Date: - 08/05/2017



## Annexure "A" to the Auditor's 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, 2017.

### **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 held in the name of the company.

### **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.

- i. the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- ii. 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 Employee's 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 31.3.2017 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, 2017 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
-	-	-	-	-

**VIII. 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 and based on the documents and records examined by us, on an overall basis, 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 not made any preferential allotment or 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 need not 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  
F.R.No. 130198W

Place: -Ahmedabad  
Date: - 08/05/2017



**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of MISHTAAN FOODS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of MISHTAAN FOODS LIMITED Company Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal



financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

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

For RAHUL KAKANI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)

Place: -Ahmedabad  
Date: - 08/05/2017

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



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

# STANDALONE FINANCIAL STATEMENT





## Balance Sheet

As at 31st March 2017

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
<b>Equity &amp; Liabilities</b>			
Shareholder's Funds			
Share Capital	2	100,161,000	100,161,000
Reserves and Surplus	3	17,689,378	4,320,088
Share application money pending allotment			-
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	136,657,437	149,165,538
Deferred tax liabilities(Net)		171,954	171,954
Other Long term liabilities		-	-
Long term provisions		-	-
<b>Current Liabilities</b>			
Short-term borrowings	5	210,249,879	132,398,938
Trade payables	6	6,084,116	54,159,227
Other current liabilities	7	18,422,083	14,786,128
Short-term provisions		106,486,06	1,520,300
<b>Total</b>		<b>500,084,453</b>	<b>456,683,173</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	8		
Tangible assets		83,292,778	87,913,781
Intangible assets		-	-
Capital work-in-progress		34,339,576	6,431,749
Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax assets (net)		-	-
Long term loans and advances	9	7,582,810	7,429,641
Other non-current assets	10	5,478,953	39,982,158
<b>Current assets</b>			
Current investments		-	5,400,000
Inventories	11	364,697,838	138,120,162
Trade receivables	12	2,073,885	168,166,801
Cash and cash equivalents	13	1,746,978	1,462,514
Short-term loans and advances	14	871,635	1,776,366
Other current assets		-	-
<b>Total</b>		<b>500,084,453</b>	<b>456,683,173</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

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

Ajay D. Patel  
Partner  
Membership No. 163596

Hiteshkumar Patel  
DIN: 05340865  
Managing Director

Ravikumar Patel  
DIN: 05340869  
Director & CFO

Place : Ahmedabad  
Date: 08/05/2017

Roshni Shah  
M. No. A47037  
Company Secretary

Place : Ahmedabad  
Date: 08/05/2017



## Statement of Profit & Loss for the year ended on 31st March,2017

Particulars	Notes	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Income			
Revenue from operations	15	2,564,750,042	1,156,265,513
Other Income	16	2,909,527	637,825
<b>Total Revenue</b>		<b>2,567,659,569</b>	<b>1,156,903,338</b>
Expenditure			
Cost of Materials Consumed	17	2,343,122,623	1,211,181,557
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	130,336,219	(87,769,142)
Employee benefit expense	19	3,719,159	2,077,604
Selling, Administration & other expenses	20	13,403,744	6,312,818
Financial costs	21	26,897,240	8,501,321
Depreciation	22	18,856,745	9,731,579
Other Expenses	23	1,963,781	1,235,365
<b>Total Expenses</b>		<b>2,538,299,511</b>	<b>1,151,271,102</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>29,360,058</b>	<b>5,632,236</b>
Exceptional Items			-
<b>Profit before extraordinary items and tax</b>		<b>29,360,058</b>	<b>5,632,236</b>
Extraordinary Items		5,342,162	-
<b>Profit before tax</b>		<b>24,017,896</b>	<b>5,632,236</b>
Tax expense:			
Current tax		10648606	1,520,300
Deferred tax		-	171,954
<b>Profit/(Loss) for the year</b>		<b>13,369,290</b>	<b>3,939,982</b>
Earning per equity share:			
(1) Basic	24	0.13	0.39
(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

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

Ajay D. Patel  
Partner  
Membership No. 163596

Hiteshkumar Patel  
DIN: 05340865  
Managing Director

Ravikumar Patel  
DIN: 05340869  
Director & CFO

Place : Ahmedabad  
Date: 08/05/2017

Roshni Shah  
M. No. A47037  
Company Secretary

Place : Ahmedabad  
Date: 08/05/2017

## Notes forming part to the Financial Statements

Year ended on 31st March 2017

### 2. Share Capital

Particulars	As at 31st March 2017	As at 31st March 2016
Authorised Share Capital:		
4,50,00,000 Equity shares of Rs. 1/- each	450,000,000	450,000,000
(4,50,00,000 Equity shares of Rs. 10/- each)		
Issued, Subscribed and Fully Paid up Share Capital:		
1,00,16,100 Equity shares of Rs. 1/- each	100,161,000	100,161,000
	100,161,000	100,161,000

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

Number of Equity Shares at the beginning of the year	10,016,100	10016100
Number of Equity Shares issued during the year	0	0
Number of Equity Shares at the end of the year *	100,161,000	100161000

\* The Authorised Capital of the Company is Rs. 45,00,00,000 comprising of 45,00,00,000 number of Equity Shares of Rs. 1/- each. The company has obtained approval of shareholders at their General Meeting held on 2nd august, 2016 for sub division of face value of Shares of Rs. 10/- each into Re. 1/- each, Sub Division of existing equity shares from every ONE equity share of Rs.10/- each into TEN equityshares of Re.1/- each w.e.f. 08th September, 2016

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

Name of Shareholder	As At 31-March-2017		As At 31-March-2016	
	No. of Shares	holding	No. of Shares	holding
Hiteshkumar Gaurishankar Patel	7666000	7.65%	766600	7.65%
Navinchandra D. Patel	5719000	5.71%	571900	5.71%
Ravikumar Gaurishankar Patel	7331000	7.32%	733100	7.32%

c) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 1/- 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.

### 3. Reserves & Surplus

Particulars	As at 31st March 2017	As at 31st March 2016
Securities Premium Account		
As per last Balance Sheet	-	-
Add: on shares issued during the year	-	-
	-	-
Surplus from Statement of Profit & Loss		
As per last Balance Sheet	4,320,088	380,106
Add: Profit during the year	13,369,290	3,939,982
Less: Transfer to general reserve	-	-
	17,689,378	4,320,088
	17,689,378	4,320,088

#### 4. Long Term Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
Secured loans		
Loans from Banks		
Punjab National Bank TL	43,542,285	55,550,386
<i>(Beyond 12 Months Liabilities taken with reference to note no.7 )</i>		
Unsecured Loans		
Loan from Promoters	86,572,683	87,072,683
Loans and Advances From Related Parties	6,542,469	6,542,469
	<b>136,657,437</b>	<b>149,165,538</b>

#### 5. Short -term borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
Loans from Banks		
Punjab National Bank CC	210,249,879	132,398,938
<i>(i) CC Account No.7172008700000071: Rs.15559196</i>		
<i>(ii) CC Account No.19600087000001228: Rs. 194690683</i>		
	<b>210,249,879</b>	<b>132,398,938</b>

#### 6. Trade Payables

Particulars	As at 31st March 2017	As at 31st March 2016
Creditors for raw materials	5,718,547	50,815,844
Creditors for expenses	365,569	733,649
Creditors for capital goods	-	2,609,734
	<b>6,084,116</b>	<b>54,159,227</b>

#### 7. Other Current Liability

Particulars	As at 31st March 2017	As at 31st March 2016
Punjab National Bank TL (12 Months Liabilities taken from Notes, No.4 Installment Amount 1230000 Rs. Per Month)	14,760,000	14,760,000
TDS Payable	20,000	26,128
Advance Received From Customers	3,642,083	-
	<b>18,422,083</b>	<b>14,786,128</b>

#### 9. Long Term Loans and Advances

Particulars	As at 31st March 2017	As at 31st March 2016
Security Deposites		
Bharat Pesticides Industries Pvt. Ltd.	80,000	80,000
Indian Oil Corporation Ltd.	5,100	5,100
Punjab National Bank Deposit	5,158,790	4,835,505
CST Deposit	10,000	10,000
VAT Deposit	10,000	10,000
Uttar Gujarat Vij Company Ltd. Deposit	2,193,920	2,464,036
Gujarat Agro Industrial Corporation	100,000	-
Other Advances		
Advance Tax -VAT	25,000	25,000
	<b>7,582,810</b>	<b>7,429,641</b>



#### 10. Other Non Current Assets

Particulars	As at 31st March 2017	As at 31st March 2016
Preliminary Expenses Not Written Off	-	32,676,887
BSE Ltd	-	-
Listing Fee	2,214,922	2,953,230
Registration Fee	1,152,420	1,536,560
Stamp Duty MCA ( ROC )	1,635,376	2,180,501
Upfront Fees	476,235	634,980
	<b>5,478,953</b>	<b>39,982,158</b>

#### 11. Inventories

Particulars	As at 31st March 2017	As at 31st March 2016
Raw materials	356,913,895	-
Finished goods	7,783,943	138,120,162
Semi Finished goods	-	-
Waste	-	-
	<b>364,697,838</b>	<b>138,120,162</b>

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

#### 12. Trade Receivable

Particulars	As at 31st March 2017	As at 31st March 2016
Outstanding for less than six months		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :	2,073,885	168,166,801
c) Doubtful		-
Outstanding for more than six months		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
Others		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
	<b>2,073,885</b>	<b>168,166,801</b>

### 13. Cash and cash equivalents

Particulars	As at 31st March 2017	As at 31st March 2016
Balance withbanks		
PUNJAB NATIONAL BANK A/c No. 72125	-	29,610
Cash on Hand	1,746,978	1,432,905
	<b>1,746,978</b>	<b>1,462,514</b>

### 14. Short term loan and advances

Particulars	As at 31st March 2017	As at 31st March 2016
Advance against purchases	-	6,712
Advance against expenditure	41,750	1,654,727
Pre-Paid Expenses	793,964	98,588
TDS Receivable	35,921	16,339
	<b>871,635</b>	<b>1,776,366</b>

### 15. Revenue from Operations

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
<u>Sale of Products</u>		
Sales	2,564,750,042	1,156,265,513
	<b>2,564,750,042</b>	<b>1,156,265,513</b>

### 16. Other Income

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Kasar	2,439,800	474,442
Interest Income	469,727	163,383
	<b>2,909,527</b>	<b>637,825</b>

#### 17. Cost of Materials Consumend

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Opening stock	-	-
ADD:-PURCHASE		
Purchases	2,695,900,267	1,209,462,944
Add: Manufacturing Expenses	4,136,251	1,718,613
	2,700,036,518	1,211,181,557
LESS: -		
Closing stock	356,913,895	-
	2,343,122,623	1,211,181,557

#### 18. Change in Inventories

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
OP. Stock	138,120,162	50,351,020
Less. Closing Stock	7,783,943	138,120,162
	130,336,219	(87,769,142)

#### 19. Employee benefit expense

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Staff Salary	2,997,869	1,327,604
Staff Welfare Exp.	1,290	-
Directors Remuneration	720,000	750,000
	3,719,159	2,077,604

#### 20. Administrative, Selling & Distribution Expenses

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Advertisement Exp	407,780	18,183
Clearing & Forwarding Charges	-	38,828
Office Rent	482,000	400,000
Loading/Unloading & Labour	10,195,998	3,849,976
Office Expenses	596,376	421,367
Repairs & Maintanance Exps.	122,120	75,662
Travelling Exps. - Foreign Travelling	489,527	419,078
Travelling Exps. - Domestic Travelling	659,449	770,119
Marketing & Promotional Exps.	98,525	28,000
Refreshment & Foods Exps.	76,691	47,837
Software Support Charges	-	57,250
Telephone & Internet Exp.	222,814	104,801
Transportation Exps.	-	81,717
Subsidy Procesing Fee	10,000	-
Brokerage Expense	42,464	-
	13,403,744	6,312,818



## 21. Financial Expenses

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Interest	26,112,467	8,036,620
Bank charges	784,773	464,701
	<b>26,897,240</b>	<b>8,501,321</b>

## 22. Depreciation and Amortisation Charges

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Depreciation	17,030,427	7,905,261
Preliminary Exps Written off	1,826,318	1,826,318
	<b>18,856,745</b>	<b>9,731,579</b>

## 23. Other Exp.

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Audit Fees	42,500	30,000
Legal & Professional Fees	1,093,621	970,523
Insurance Expenses	130,373	85,031
ROC & MCA Charges	521,530	114,132
Incometax Exps	175,757	35,679
	<b>1,963,781</b>	<b>1,235,365</b>

## 24. Earnings per Share

	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Share Holder (A)	13,369,290	3,939,982
Basic Earnings per Shares	0.13	0.39
Face Value Per Equity Shares	1	10

## 25. 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
MANJULABENG PATEL	Relatives
JATINKUMARR PATEL	Director
RAVIKUMARG.PATEL	Director
HITESHKUMARG PATEL	Director
MISHTANNAGRO PVT LTD	Subsidiary Company
RAVI TRADING CO.	Firm

Transactions During the year with related parties

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
MANJULABENG PATEL	Loan Taken	6,542,469	Loan Taken	6,542,469

Transactions During the year with Directors

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
HITESHKUMARG PATEL	Loan Taken during year	27,505,921	Loan Taken	27,505,921
JATINKUMARR PATEL	Loan Taken during year	14,018,750	Loan Taken	14,518,750
RAVIKUMARG.PATEL	Loan Taken during year	28,529,658	Loan Taken	28,529,658
NAVINCHANDRA D PATEL	Loan Taken during year	16,518,354	Loan Taken	16,518,354

Transactions During the year with Subsidiary Companies

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
MISHTANNAGRO PVT LTD	Sales	1,153,000	Sales	11,767,331

Transactions During the year with Firm

Name of the Related Party	Nature of Transaction	2016 -17
RAVI TRADING CO.	Purchase	28,607,005

DIRECTOR REMUNARATION

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
HITESHKUMARG PATEL	Remuneration	180,000	Remuneration	180,000
RAVIKUMARG.PATEL	Remuneration	180,000	Remuneration	180,000
JATINKUMARR PATEL	Remuneration	180,000	Remuneration	180,000
NAVINCHANDRA D PATEL	Remuneration	180,000	Remuneration	180,000
BHARATBHAIJ PATEL	Remuneration	-	Remuneration	30,000

## 8. Fixed Assets

Tangible asset	Opening balance	<u>Gross Value</u>		Total	Opening balance	<u>Depreciation</u>		Total	<u>Closing balance</u>	
		Additions	Deletions			Additions	Deletions		31.03.2017	31.03.2016
a Factory & Building	18,934,822		-	18,934,822	1,419,486	1,663,959	-	3,083,445	15851377	17515336
b Plant & Machinery	73,823,427	11,635,099	-	85,458,526	5,920,543	14,052,289	-	19,972,832	65485694	67902884
c AirConditioner	212,000	597,500	-	809,500	47,067	168,317	-	215,384	594116	164933
d Computer & Printer	783,615	79,704	-	863,319	228,989	397,329	-	626,318	237001	554626
e Electrical Installation	1,533,524	48,196	-	1,581,720	189,604	624,065	-	813,669	768051	1343920
f Office Furniture	506,217		-	506,217	98,005	105,686	-	203,691	302526	408212
g Telephone	25,437	19,000	-	44,437	1,567	15,980	-	17,547	26890	23870
h Electric Equipment	-	29,925		29,925	-	2,802		2,802	27123	
<b>Total</b>	<b>95,819,042</b>	<b>12,409,424</b>	<b>-</b>	<b>108,228,466</b>	<b>7,905,261</b>	<b>17,030,427</b>	<b>-</b>	<b>24,935,688</b>	<b>83,292,778</b>	<b>87,913,781</b>
Capital Work in Progress	6,431,749	38,168,698	10,260,871	34,339,576	-	-	-	-	34,339,576	6,431,749
<b>Total</b>	<b>102,250,791</b>	<b>50,578,122</b>	<b>10,260,871</b>	<b>142,568,042</b>	<b>7,905,261</b>	<b>17,030,427</b>	<b>-</b>	<b>24,935,688</b>	<b>117,632,354</b>	<b>94,345,530</b>





## Cash Flow Statement as on 31.03.2017

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Profit for the financial year(Profit Before Tax)	29,360,058	5,632,236
Adjustments for:		
Tax on profit	-	-
Depreciation and amortisation	18,856,745	9,731,579
(Profit)/loss on disposal of property, plant, equipment and investment	5,342,162	-
Increase in provisions	-	-
<b>Operating cash flows before movements in working capital</b>	<b>53,558,965</b>	<b>15,363,815</b>
(Increase)/Decrease in Inventories	(226,577,676)	(87,769,142)
Increase/(Decrease) in short term loan and advances	904,731	5,173,402
Increase/(Decrease) in Other Current Liabilities	3,635,955	14,508,920
(Increase)/Decrease in Long Term Advances	(153,169)	(7,344,541)
(Increase)/Decrease in other non current assets	23,818,880	(8,007,989)
Decrease/(Increase) in receivables	166,092,916	(168,166,801)
Increase in assets (misc. assets)	-	-
Increase/(Decrease) in trade payables	(48,075,111)	50,778,124
<b>Cash generated by operation</b>	<b>(80,353,474)</b>	<b>(200,828,027)</b>
Taxes paid	(1,692,254)	(163,321)
<b>Net cash inflow from operating activities</b>	<b>(28,486,763)</b>	<b>(185,627,533)</b>
<b>Investing activities</b>		
Proceeds of disposal of fixed assets	-	-
Proceeds of disposal of Investments	-	-
(Purchase)/Sale of fixed assets	(51,099,920)	(85,169,771)
(Purchase)/Sale of investments	5,400,000	(5,400,000)
<b>Net cash used in investing activities</b>	<b>(45,699,920)</b>	<b>(90,569,771)</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings	74,471,146	251,169,689
Dividend paid	-	-
<b>Net cash used in investing activities</b>	<b>74,471,146</b>	<b>251,169,689</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>284,463</b>	<b>(25,027,615)</b>
Cash and cash equivalents at beginning of year	1,462,515	26,490,130
<b>Cash and cash equivalents at end of year</b>	<b>1,746,978</b>	<b>1,462,515</b>

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

Ajay D. Patel  
Partner  
Membership No. 163596

Place : Ahmedabad  
Date: 08/05/2017

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

Hiteshkumar Patel      Ravikumar Patel  
DIN: 05340865      DIN: 05340869  
Managing Director      Director & CFO

Roshni Shah  
M. No. A47037  
Company Secretary

Place : Ahmedabad  
Date: 08/05/2017

## Notes forming part of the Financial Statements

### 1) Significant accounting policies

- **Basis of preparation:**

The financial statements have been prepared under Historical Cost Convention in accordance with the generally accepted accounting principles as adopted consistently by the Company. The same are prepared on a going concern basis. The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

- **Fixed Assets & Depreciation:**

During the Year Company has purchased Fixed Assets in the name of the Company. The Company charge depreciation as per WDV method.

- **Inventories:**

Inventories are Valued at Lower of Cost or Net Realisable.

- **Segment Reporting:**

During the year ,even if segment reporting as per accounting standard -17 is not applicable. Management of the company has decided in board meeting to disclose segment product-wise/division wise based on turnover of the respected product/division only in un-audited quarterly results published by the company .

- **Foreign Exchange Translations:**

Transactions regarding Import & Export are Nil.

- **Retiring Benefits:**

Estimated liabilities for gratuity on the Balance Sheet date has not been quantified or provided. The same is to be accounted for on cash basis of payment.

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

As informed to us by the director that there are no contingencies or events which have taken place after preparing the financial statements , which are required to be taken into consideration nor any events has occurred, which required its disclosure.

- **Extra ordinary items:**

As informed to us by the director that there is an extra ordinary items pertaining to loss in Investment in Commodity Exchange of Rs. 53.42 Lakhs which was debited to profit and loss a/c of the current year which is distinct from the ordinary activities of the

business and which is both material and magnitude and are expected to occur once in a while.

## 26. NOTES ON ACCOUNTS:

1. Previous year figures have been re-grouped and rearranged wherever necessary for proper presentation of accounts.
2. Sundry debit and credit balances of loans and advances are subject to confirmation and Bank Balances as per reconciliation, if any. As per view precaution of actual and realizable value has been taken care of.
3. As informed to us, there are no contingent liabilities as on Balance Sheet Date.
4. Auditors Remuneration relating to audit works is provided at the end of year.
5. As informed to us there are no estimated amounts of contracts remaining to be executed on Capital Amount.
6. The Company has not disposed off any Fixed Assets during the year.
7. As certified by the Directors all amounts in the Balance Sheet relating to Sundry Debtors, Sundry Creditors, Unsecured Loans, Deposits, Loans and advances are shown at net realizable or net payable as the case may be.
8. As certified by Company that it has received written representation from all the Directors, That Companies in which they are Directors had not defaulted in terms of section 164 (2) of the Companies Act, 2013, and that representation of Directors taken in Board that Director is disqualified from being appointed as Director of the Company.
9. *As Per Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017*, The company has appropriately disclosed the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 pursuant to the requirement of Notification G.S.R 308(E) dated 30th March 2017. Further the company confirm that the company has complied will all relevant guidelines/notifications issued by Reserve Bank of India



from time to time in respect of holding and dealing with Specified Bank Notes, and that the company had proper controls, system and procedures in place for such compliances.

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	0.00	Rs. 7557529	Rs. 7557529
(+) Permitted Receipts	0.00	308385	308385
(-) Permitted Payments	0.00	1558194	1558194
(-) Amount deposited in Banks	0.00	0	0
Closing cash in hand as on 30.12.2016	0.00	6307720	6307720

	SBNs		Other Denomination Notes		Total	
	Denomination	Amount	Denomination	Amount	Denomination	Amount
Closing cash in hand as on 08.11.2016	No Any SBNs Available	No Any SBNs Available	100	7500000	100	7500000
			50	40000	50	40000
			20	8000	20	8000
			10	9000	10	9000
			Coins	529	Coins	529
			Total	7557529	Total	7557529

10. The company is engaged primarily in Agri business i.e manufacturing & processing of Rice, wheat etc. As per AS-17 Segment Reporting , none of the segment/products exceeds specified limits for the purpose of reporting so reporting as per AS-17 is not applicable.
11. Income in Foreign Currency is NIL.
12. Expenditure in Foreign Currency is Rs. 78,897/-.

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

**For Rahul Kakani & Associates, for and on behalf of the Board of Directors of**

**Chartered Accountants**  
FRN : 130198W

**Mishtann Foods Ltd**

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

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

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

**Place : Ahmedabad**  
**Date : 08/05/2017**

**Roshni Shah**  
**M. No. A38192**  
**Company Secretary**

**Place : Ahmedabad**  
**Date : 08/05/2017**





**MISHTANN<sup>®</sup>**  
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# CONSOLIDATE FINANCIAL STATEMENT





## **INDEPENDENT AUDITOR'S REPORT**

To the Members  
Mishtann Foods Limited

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying Consolidated Financial Statements of Mishtann Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for Preventing and Detecting frauds and other irregularities; Selection and Application of appropriate Accounting Policies; Making judgments and estimates that are reasonable and prudent; Design, Implementation and Maintenance of adequate Internal Financial Controls, that are 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 Consolidated 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 Consolidated Financial Statements are free from Material Misstatement. An Audit involves performing procedures to obtain Audit evidence about the amounts and Disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of Material Misstatement of the Consolidated 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 Consolidated 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 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 Consolidated 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 Financial Statements.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements 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 its jointly controlled entity as at March 31, 2017, and their Consolidated Profit and their Consolidated Cash Flows for the year ended on that date. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) - 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interest in Joint Ventures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## **OTHER MATTER**

We Conducted Audit the Financial Statements of One Subsidiaries and included in the Consolidated Financial Results, whose Financial Statements / Financial Information reflect Total Assets of Rs. 2.53.93.515 /- as at March 31, 2017, Total Revenue of Rs.1,35,56,152/- for the year ended March 31, 2017. The Audited Reports have been furnished to us, and our opinion on the Consolidated Financial Results, to the extent they have been derived from such Audited Financial Statements is based solely on the Report of such Subsidiaries.

Place: -Ahmedabad  
Date: - 08/05/2017

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

Ajay D. Patel  
PARTNER  
M.NO.: - 163596  
F.R.No. 130198W

## Consolidated Balance Sheet

As at 31st March 2017

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
<b>Equity &amp; Liabilities</b>			
Shareholder's Funds			
Share Capital	2	100,161,000	100,161,000
Reserves and Surplus	3	16,408,551	4,735,776
Share application money pending allotment			-
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	160,396,014	173,054,115
Deferred tax liabilities(Net)		143399	143,399
Other Long term liabilities		-	-
Long term provisions		-	-
<b>Current Liabilities</b>			
Short-term borrowings	5	210249879	132398938
Trade payables	6	6,084,116	63,884,841
Other current liabilities	7	21,357,849	14,895,161
Short-term provisions		10648606	1,628,962
<b>Total</b>		<b>525,449,414</b>	<b>490,902,192</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	8		
Tangible assets		96335395	102,488,144
Intangible assets		-	-
Capital work-in-progress		34339576	6,431,749
Intangible assets under development		-	-
<b>Non-current investments</b>		-	-
Deferred tax assets (net)		-	-
Long term loans and advances	9	7,582,810	10,546,785
Other non-current assets	10	5,478,953	39,985,686
<b>Current assets</b>			
Current investments		-	5,400,000
Inventories	11	364,816,156	144,713,142
Trade receivables	12	6,631,894	175,279,316
Cash and cash equivalents	13	8,633,931	3,339,775
Short-term loans and advances	14	1,630,699	2,717,595
Other current assets		-	-
<b>Total</b>		<b>525,449,414</b>	<b>490,902,192</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: 08/05/2017

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

Roshni Shah  
M. No. A47037  
Company Secretary



## Consolidated Statement of Profit & Loss

for the year ended on 31st March,2017

Particulars	Notes	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Income			
Revenue from operations	15	2,577,153,194	1,207,835,022
Other Income	16	2,909,527	637,825
<b>Total Revenue</b>		<b>2,580,062,721</b>	<b>1,208,472,847</b>
Expenditure			
Cost of Materials Consumed	17	2,355,145,672	1,259,202,923
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	130,336,219	(87,769,142)
Employee benefit expense	19	3,816,341	2,845,860
Selling, Administration & other expenses	20	13,772,832	6,958,209
Financial costs	21	26,931,112	8,539,960
Depreciation	22	20,392,019	11,339,778
Other Expenses	23	2,020,243	1,571,887
<b>Total Expenses</b>		<b>2,552,414,438</b>	<b>1,202,689,475</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>27,648,283</b>	<b>5,783,373</b>
Exceptional Items			-
<b>Profit before extraordinary items and tax</b>		<b>27,648,283</b>	<b>5,783,373</b>
Extraordinary Items		5,342,162	-
<b>Profit before tax</b>		<b>22,306,121</b>	<b>5,783,373</b>
Tax expense:			
Current tax		10633346	1,567,090
Deferred tax		-	142,563
<b>Profit/(Loss) for the year</b>		<b>11,672,775</b>	<b>4,073,720</b>
Earning per equity share:			
(1) Basic	24	0.12	0.04
(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: 08/05/2017

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

Roshni Shah  
M. No. A47037  
Company Secretary

Place : Ahmedabad  
Date: 08/05/2017

## Consolidated Notes forming part to the Financial Statements

Year ended on 31st March 2017

### 2. Share Capital

Particulars	As at 31st March 2017	As at 31st March 2016
Authorised Share Capital: 4,50,00,000 Equity shares of Rs. 1/- each (4,50,00,000 Equity shares of Rs. 10/- each)	450,000,000	450,000,000
Issued, Subscribed and Fully Paid up Share Capital: 1,00,16,1000 Equity shares of Rs. 1/- each	100,161,000	100,161,000
	100,161,000	100,161,000

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

Number of Equity Shares at the beginning of the year	10,016,100	10016100
Number of Equity Shares issued during the year	-	0
Number of Equity Shares at the end of the year *	100,161,000	10016100

\* The Authorised Capital of the Company is Rs. 45,00,00,000 comprising of 45,00,00,000 number of Equity Shares of Rs. 1/- each. The company has obtained approval of shareholders at their General Meeting held on 2nd august, 2016 for sub division of face value of Shares of Rs. 10/- each into Re. 1/- each, Sub Division of existing equity shares from every ONE equity share of Rs.10/- each into TEN equityshares of Re.1/- each w.e.f. 08th September, 2016

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

Name of Shareholder	As At 31-March-2017		As At 31-March-2016	
	No. of Shares	holding	No. of Shares	holding
Hiteshkumar Gaurishankar Patel	7666000	7.65%	766600	7.65%
Navinchandra D. Patel	5719000	5.71%	571900	5.71%
Ravikumar Gaurishankar Patel	7331000	7.32%	733100	7.32%

c) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 1/- 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.

### 3. Reserves & Surplus

Particulars	As at 31st March 2017	As at 31st March 2016
Capital Reserve	100,000	100,000
	-	-
	100,000	100,000
Surplus from Statement of Profit & Loss		
As per last Balance Sheet	4,635,776	562,056
Add: Profit during the year	11,672,775	4,073,720
Less: Transfer to general reserve	-	-
	16,308,551	4,635,776
	16,408,551	4,735,776

#### 4. Long Term Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
Secured loans		
Loans from Banks		
Punjab National Bank TL (Beyond 12 Months Liabilities taken with reference to note no.7 )	43,542,285	55,550,386
Unsecured Loans		
Loan from Promoters	110,311,260	110,961,260
Loans and Advances From Related Parties	6,542,469	6,542,469
	<b>160,396,014</b>	<b>173,054,115</b>

#### 5. Short-term borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
Loans from Banks		
Punjab National Bank CC	210,249,879	132,398,938
	<b>210,249,879</b>	<b>132,398,938</b>

#### 6. Trade Payables

Particulars	As at 31st March 2017	As at 31st March 2016
Creditors for raw materials	5,718,547	60,466,458
Creditors for expenses	365,569	808,649
Creditors for capital goods	-	2,609,734
	<b>6,084,116</b>	<b>63,884,841</b>

#### 7. Other Current Liability

Particulars	As at 31st March 2017	As at 31st March 2016
Punjab National Bank TL (12 Months Liabilities taken from Notes, No.4 Installment Amount 1230000 Rs. Per Month)	14,760,000	14,760,000
TDS Payable	20,000	26,128
Advance Received From Customers	6,577,849	-
Others current liabilities	-	109,033
	<b>21,357,849</b>	<b>14,895,161</b>



## 9. Long Term Loans and Advances

Particulars	As at 31st March 2017	As at 31st March 2016
Security Deposites		
Bharat Pesticides Industries Pvt. Ltd.	80,000	80,000
Indian Oil Corporation Ltd.	5,100	5,100
Punjab National Bank Deposit	5,158,790	4,835,505
CST Deposit	10,000	10,000
VAT Deposit	10,000	10,000
Uttar Gujarat Vij Company Ltd. Deposit	2,193,920	2,464,036
Gujarat Agro Industrial Corporation	100,000	-
Other Advances		
Advance Tax -VAT	25,000	25,000
Loans & Advances to Director	-	3,117,144
	<b>7,582,810</b>	<b>10,546,785</b>

## 10. Other Non Current Assets

Particulars	As at 31st March 2017	As at 31st March 2016
Preliminary Expenses Not Written Off	-	32,680,415
BSE Ltd	-	-
Listing Fee	2,214,922	2,953,230
Stamp Duty	1,152,420	1,536,560
Stamp Duty MCA ( ROC )	1,635,376	2,180,501
Upfront Fees	476,235	634,980
	<b>5,478,953</b>	<b>39,985,686</b>

## 11. Inventories

Particulars	As at 31st March 2017	As at 31st March 2016
Raw materials	357,032,213	138,120,162
Finished goods	7,783,943	6,592,980
Semi Finished goods	-	-
Waste	-	-
	<b>364,816,156</b>	<b>144,713,142</b>

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

## 12. Trade Receivable

Particulars	As at 31st March 2017	As at 31st March 2016
Outstanding for less than six months		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :	6,631,894	175,279,316
c) Doubtful		-
Outstanding for more than six months		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
Others		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
	<b>6,631,894</b>	<b>175,279,316</b>

### 13. Cash and cash equivalents

Particulars	As at 31st March 2017	As at 31st March 2016
Balance with banks	3,024,728	411,487
Fixed Deposit	210,000	210,000
Cash on Hand	5,399,203	2,718,288
	<b>8,633,931</b>	<b>3,339,775</b>

### 14. Short term loan and advances

Particulars	As at 31st March 2017	As at 31st March 2016
Advance against purchases	-	41,923
Advance against expenditure	41,750	1,654,727
Pre-Paid Expenses	793,964	138,682
TDS Receivable	35,921	16,339
Deposits	177,832	177,832
Advance to staff	581,232	688,092
	<b>1,630,699</b>	<b>2,717,595</b>

### 15. Revenue from Operations

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
<b>Sale of Products</b>		
Sales	2,577,153,194	1,207,835,022
<i>*Due to Consolidation Effect Rs. 1153000 is Eliminated From Purchase in which Mishtann Food Ltd is Seller and Mishtann Agro PVT LTD Purchaser.</i>		
	<b>2,577,153,194</b>	<b>1,207,835,022</b>

### 16. Other Income

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Kasar	2,439,800	474,442
Interest Income	469,727	163,383
	<b>2,909,527</b>	<b>637,825</b>

#### 17. Cost of Materials Consumend

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Opening stock	6,592,980	3,523,450
ADD:-PURCHASE		
Purchases	2,701,448,654	1,260,487,927
Add: Manufacturing Expenses	4,136,251	1,784,526
	2,705,584,905	1,265,795,903
LESS: -		
Closing stock	357,032,213	6,592,980
	2,355,145,672	1,259,202,923

#### 18. Change in Inventories

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
OP. Stock	138,120,162	50,351,020
Less. Closing Stock	7,783,943	138,120,162
	130,336,219	(87,769,142)

#### 19. Employee benefit expense

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Staff Salary	3,095,051	1,945,860
Contribution to P.F. & Others	-	-
Staff Welfare Exp.	1,290	-
Directors Remuneration	720,000	900,000
	3,816,341	2,845,860

#### 20. Administrative, Selling & Distribution Expenses

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Advertisement Exp	407,780	18,983
Clearing & Forwarding Charges	57,275	38,828
Office Rent	506,000	400,000
Labour	10,195,998	3,849,976
Office Expenses	870,154	651,651
Repairs & Maintenance Exps.	122,120	75,662
Travelling Exps. - Foreign Travelling	489,527	419,078
Travelling Exps. - Domestic Travelling	659,683	773,074
Godown Rent		144,000
Electricity Exp.		22,458
Couier & Postage		515
Marketing & Promotional Exps.	98,525	28,000
Refreshment & Foods Exps.	76,691	47,837
Loading Unloading Charges		157,057
Software Support Charges	-	57,250
Telephone & Internet Exp.	236,615	186,153
Transportation Exps.	-	87,687
Subsidy Processing Fee	10,000	-
Brokerage Expense	42,464	-
	13,772,832	6,958,209



## 21. Financial Expenses

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Interest	26,112,467	8,036,620
Bank charges	818,645	503,340
	26,931,112	8,539,960

## 22. Depreciation and Amortisation Charges

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Depreciation	18,562,173	9,509,932
Preliminary Exps Written off	1,829,846	1,829,846
	20,392,019	11,339,778

## 23. Other Exp.

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Audit Fees	50,000	37,500
Legal & Professional Fees	1,093,621	993,023
Insurance Expenses	170,467	85,031
ROC & MCA Charges	522,130	116,232
Income tax Exps	175,757	35,679
Discount	8,268	304,422
Listing & Compliance Fees -Ahmedabad Stock Exchange	-	-
	2,020,243	1,571,887

## 24. Earnings per Share

	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Share Holder (A)	11,672,775	4,073,720
Basic Earnings per Shares	0.12	0.04
Face Value Per Equity Shares	1	10

## 25. 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
NAVINCHANDRÅ PATEL	Director
MANJULABENG PATEL	Relatives
JATINKUMARR PATEL	Director
RAVIKUMARG.PATEL	Director
HITESHKUMARG PATEL	Director
MISHTANNAGRO PVT LTD	Subsidiary Company
RAVITRADINGCO.	Firm

Transactions During the year with related parties

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
MANJULABENG PATEL	Loan Taken	6,542,469	Loan Taken	6,542,469

Transactions During the year with Directors

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
HITESHKUMARG PATEL	Loan Taken during year	27,505,921	Loan Taken	27,505,921
JATINKUMARR PATEL	Loan Taken/(Repaid) during year	14,018,750	Loan Taken	14,518,750
RAVIKUMARG.PATEL	Loan Taken during year	28,529,658	Loan Taken	28,529,658
NAVINCHANDRÅ PATEL	Loan Taken during year	16,518,354	Loan Taken	16,518,354

Transactions During the year with Subsidiary Companies

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
MISHTANNAGRO PVT LTD	Sales	1,153,000	Sales	11,767,331

Transactions During the year with Firm

Name of the Related Party	Nature of Transaction	2016 -17
RAVITRADINGCO.	Purchase	28,607,005

DIRECTOR REMUNARATION

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
HITESHKUMARG PATEL	Remuneration	180,000	Remuneration	180,000
RAVIKUMARG.PATEL	Remuneration	180,000	Remuneration	180,000
JATINKUMARR PATEL	Remuneration	180,000	Remuneration	180,000
NAVINCHANDRÅ PATEL	Remuneration	180,000	Remuneration	180,000

## Related Party Disclosures (Mishtann Agro PVT LTD)

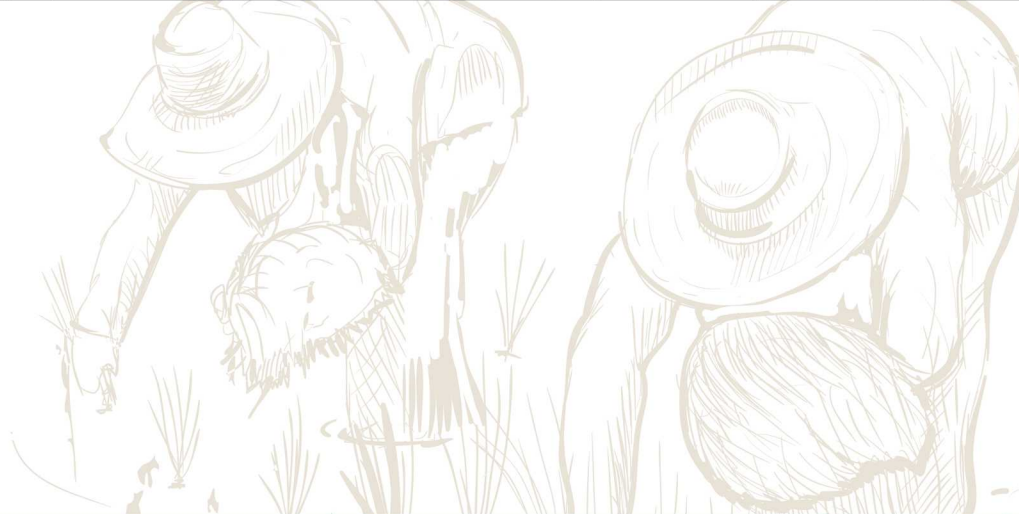
List of Related Parties where control exists and related parties with whom transactions have taken place and relationship

Name of the Related Party	Relatives / Associates
BHARATBHAIJ PATEL	Director & Relatives
JATINKUMARR PATEL	Director & Relatives
RAVIKUMARG.PATEL	Director & Relatives
HITESHBHAIJ PATEL	Director & Relatives

Name of the Related Party	Nature of Transaction	2016 -17	Nature of Transaction	2015 -16
HITESHKUMARG PATEL	Loan Taken	1,719,452	Loan Taken	1,719,452.00
NAVINCHANDRÅ PATEL	Loan Taken	7,647,625	Loan Taken	7,647,625.00
JATINKUMARR PATEL	Loan Taken	3,120,500	Loan Taken	3,120,500.00
RAVIKUMARG.PATEL	Loan Given	2,967,144	Loan Given	2,967,144.00
BHARATBHAIJ PATEL	Loan Taken	11,251,000	Loan Taken	11,251,000.00
MISHTANNFOODS LTD	Purchase	1,153,000	Purchase	11,767,331.00
DIRECTOR REMUNARATION BHARATBHAIJ PATEL	Remuneration	-	Remuneration	150,000.00

## 8. Fixed Assets

Tangible asset	Opening balance	<u>Gross Value</u>			Opening balance	<u>Depreciation</u>			Total	<u>Closing balance</u>	
		Additions	Deletions	Total		Additions	Deletions	Total		31.03.2017	31.03.2016
a Factory & Building	34,030,354		-	34,030,354	2,581,033	2,987,688	-	5,568,721		28461633	31449321
b Plant & Machinery	73,823,427	11,635,099	-	85,458,526	5,920,543	14,052,289	-	19,972,832		65485694	67902884
c AirConditioner	212,000	597,500	-	809,500	47,067	168,317	-	215,384		594116	164933
d Computer & Printer	909,943	79,704	-	989,647	330,175	413,208	-	743,383		246264	579768
e Electrical Installation	1,533,524	48,196	-	1,581,720	189,604	624,065	-	813,669		768051	1343920
f Office Furniture	506,217		-	506,217	98,005	105,686	-	203,691		302526	408212
g Telephone	25,437	19,000	-	44,437	1,567	15,980	-	17,547		26890	23870
h Electric Equipment	-	29,925		29,925	-	2,802		2,802		27123	
Vehicles (Cars)	1,108,421			1,108,421	493,185	192,138		685,323		423098	615,236
Total	112,149,323	12,409,424	-	124,558,747	9,661,179	18,562,173	-	28,223,352		96,335,395	102,488,144
Capital Work in Progress	6,431,749	38,168,698	10,260,871	34,339,576	-	-	-	-		34,339,576	6,431,749
Total	118,581,072	50,578,122	10,260,871	158,898,323	9,661,179	18,562,173	-	28,223,352		130,674,971	108,919,893
Figures for the previous year	11,793,719	117,346,323	10,550,532	118,589,510	159,685	9,509,932	-	9,669,617		108,919,893	28,715,055





## Consolidated Cash Flow Statement as on 31.03.2017

Particulars	For the Year ended on 31st March 2017	For the Year ended on 31st March 2016
Profit for the financial year(Profit Before Tax)	27,648,283	5,783,373
Adjustments for:		
Depreciation and amortisation	20,392,019	11,339,778
(Profit)/loss on disposal of property, plant, equipment and investment	53,42,162	
Increase in provisions	-	(1,34,843)
Operating cash flows before movements in working capital	53,382,464	16,988,308
(Increase)/Decrease in Inventories	(220,103,014)	(90,838,672)
Increase/(Decrease) in short term loan and advances	1,086,896	9,627,607
Increase/(Decrease) in Other Current Liabilities	6,462,688	14,442,980
(Increase)/Decrease in Long Term Advances	2,963,975	-
(Increase)/Decrease in other non current assets	23,822,409	(8,007,625)
Decrease/(Increase) in receivables	168,647,422	(167,753,396)
Increase/(Decrease) in trade payables	(57,800,725)	46,279,608
Cash generated by operation	(74,920,349)	(196,249,498)
Taxes paid	(1,709,653)	-
Net cash inflow from operating activities	(23,247,538)	(179,261,190)
Investing activities		
(Purchase)/Sale of fixed assets	(1,363,060)	(89,714,770)
(Purchase)/Sale of investments	5,400,000	(5,400,000)
Net cash used in investing activities	4,036,940	(95,114,770)
Financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long term Loans & Advances	-	(7,121,632)
Proceeds from borrowings	24,504,753	250,800,115
Dividend paid		
Net cash used in investing activities	24,504,753	243,678,483
Net (decrease)/increase in cash and cash equivalents	5,294,155	(30,697,477)
Cash and cash equivalents at beginning of year	3,339,775	34,037,252
Cash and cash equivalents at end of year	8,633,931	3,339,775

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

Ajay D. Patel  
Partner  
Membership No. 163596

Place : Ahmedabad  
Date: 08/05/2017

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

Roshni Shah  
M. No. A47037  
Company Secretary

Place : Ahmedabad  
Date: 08/05/2017

## **SIGNIFICANT ACCOUNTING POLICIES**

### **1. ACCOUNTING CONVENTIONS**

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting Policies have been consistently applied except where a newly-issued Accounting Standards initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use. Subsidiary outside India maintain its accounts based on Generally Accepted Accounting Standards of respective countries.

### **2. USE OF ESTIMATES**

The preparation of Financial Statements requires the management of the Company to make estimates and assumptions that affect the reported balance of Assets and Liabilities and disclosures relation to the Contingent Liabilities as at the date of the Financial Statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits and provision for income taxes. Future results could differ due to changes in the estimates and the difference between the actual results and the estimates are recognized in the period in which the results are known/materialize.

### **3. PRINCIPLES OF CONSOLIDATION**

The Financial Statements of Mishtann Agro Private Limited are consolidated with "Mishtann Foods Limited" in which board of Director hold management Control (Shareholding NIL% by Mishtann Foods Limited) incorporated in India as at March 31, 2017 have been prepared on the following basis; The Financial Statements of the Company and its Subsidiary have been consolidated on line-by-line basis by adding together the book values of like items of Assets, Liabilities, income and expenses, after fully eliminating intra - group balances, intra group transactions and unrealized profits on stocks arising out of intra group transactions as per Accounting Standard 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The Consolidated Financial Statements are prepared to the extent possible using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Companies separate Financial Statements.

### **4. REVENUE RECOGNITION**

Revenues / Incomes and Costs / Expenditure are generally accounted on accrual basis as they are earned or incurred. Sale of Goods is recognized net of discounts and rebates on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.



## 5. FIXED ASSETS

Fixed Assets are stated at Cost of Acquisition as reduced by Accumulated Depreciation. Apart from taxes (Excluding CENVAT) all costs including financial costs up to the date of commissioning and attributable to the Fixed Assets, Freight and other incidental expenses related to the acquisition and installation of the respective Fixed Assets are capitalized.

Capital Work-in-Progress is stated at the amount expended (includes taxes and duties) up to the date of Balance Sheet and includes advances paid to Suppliers and Contractors on account of Capital works.

## 6. DEPRECIATION

Depreciation on Fixed Assets is provided on the Written down Method over the useful life of Assets. Effective April 01, 2014, the Company depreciates its Fixed Assets over the useful life in the manner prescribed in Schedule II of the Act, as against earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.

## 7. INVENTORIES

Inventories are valued as under.

Trading Goods - at cost or Net Realizable Value whichever is lower.

Scrap - at Net Realizable Value.

## 8. TAXES ON INCOME

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the Tax Laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an Asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefits associated with it will flow to the Company. Deferred Tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred Tax Liabilities are recognized for all timing differences. Deferred Tax Assets are recognized for timing differences of items other than Unabsorbed Depreciation and Carry Forward Losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are Unabsorbed Depreciation and Carry Forward of Losses, Deferred Tax Assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize the Assets. Deferred Tax Assets and Liabilities are offset if such items relate to taxes on income levied by the same governing Tax Laws and the Company has a legally enforceable right for such set off. Deferred Tax Assets are reviewed at each Balance Sheet date for their reliability.

## 9. EARNINGS PER SHARE (EPS)

Basic Earnings Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the Weighted Average number of Equity Shares outstanding during the year.



## 10. CASH FLOW STATEMENTS

The Companies Act, 2013 does not lay down any format for preparation of Cash Flow Statement; Companies will need to follow AS 3 in this regard. However, the Listing Agreement requires the indirect method for preparing Cash Flow Statements. Hence, Cash Flow Statement has been prepared by following the Indirect Method and in accordance with the provisions of AS 3.

## 11. IMPAIRMENT OF ASSETS

The Carrying Values of Assets/ Cash Generating Units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such Assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the Future Cash Flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exist or may have decreased such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in the case of Revalued Assets and the recoverable amount is reassessed and the Assets is reflected at the recoverable amount.

## 12. INVESTMENTS

Investments which are readily realizable and intended to be held for not more than One year from the date on which such Investments are made, are classified as Current Investments. All other Investments are classified as Long-Term Investments. On initial recognition, all Investments are recognized at cost. The cost comprises purchase price and directly attributable Acquisition charges such as brokerage, fees and duties.

Current Investments are carried in the Financial Statements at lower of cost and fair value determined on an Individual Investment Basis. Long-Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments. On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

## 13. CONTINGENCIES

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as Contingent Liability. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a Contingent Liability but discloses its existence in the notes to Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements. Loss contingencies arising from claims, litigation, assessments, fines, penalties, etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

## 14. RETIREMENT BENEFITS

Liability in respect of retirement benefits is provided and charged to the Profit & Loss Account as follows:  
Gratuity – Liability in respect of Gratuity to employees is provided on basis of an actuarial valuation on projected unit credit method made at the end of each Financial Year.

Leave Encashment – Liability in respect of Leave Encashment is provided on the basis of Actuarial Valuation. The Actuarial Valuation is done as per the projected unit credit method.

Provident Fund – Provident Fund is administered through the Regional Provident Fund Commissioner and Company's contribution is remitted accordingly.

#### 15. LEASE

Leases in which significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating Leases. Payments made under Operating Leases are charged to the Statement of Profit and Loss on a Straight- Line basis over the period of the lease or other systematic basis more representative of the time pattern of the users benefits.

#### 16. 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 in board meeting to disclose segment product-wise/division wise based on turnover of the respected product/division only in un-audited quarterly results published by the company.

#### 17. BORROWING COSTS

Borrowing Costs that are attributable to the Acquisition, Construction or Production of Qualifying Assets, pertaining to the period from commencement of activities relating to Construction / Development of the Qualifying Asset up to the date of capitalization of such Asset, are capitalized as a part of the cost of such Assets. Any income earned on the temporary Deployment/ Investment of those borrowings is deducted from the Borrowing Costs so incurred. A Qualifying Asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other Borrowing Costs are charged to the Statement of Profit and Loss.

#### 18. PRE - OPERATIVE EXPENSES

Expenditure during the construction period (including Financing Cost relating to Borrowed Funds for Construction or Acquisition of Fixed Assets) incurred on project during implementation are treated as pre operative expenses, pending allocation to the Assets, and are included under "Capital Work-in-progress".

## Notes

#### Minority Interest:

Directors of Mishtann Foods Limited hold 100% Share Holding in Mishtann Agro Pvt Ltd. So control on the management and appointment of Board of Director of Mishtann Agro Pvt. Ltd held with the Mishtann Foods Limited so Minority Interest would not arise.

#### Interest Capitalisation :

Interest on Term Loan taken for Plant & machinery, and interest attributed towards Factory Building has not been capitalized as on balance sheet date and Company has decided to capitalize the interest, when Capital Work in Progress is fully capitalized and Plant Machinery is 100% installed.

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

**ATTENDANCE SLIP**  
**ANNUAL GENERAL MEETING - 29<sup>th</sup> September , 2017 AT 11.45 A.M.**

DP Id.		Client Id. / Ben. A/c.	
Folio No.		No. of Shares	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.  
 I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held  
 on **29<sup>th</sup> September, 2017 at 11.45 a.m.** at C-808, Ganesh Meridian Opp. High Court of Gujarat, S. G.  
 Highway Ahmedabad - 380060

\_\_\_\_\_  
 Full Name of the Shareholder / Proxy (In Block Letter)

\_\_\_\_\_  
 Signature

=====

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**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]*

**CIN:** L15400GJ1981PLC004170

**Name of the company:** Mishtann Foods Limited

**Registered office:** C-808, Ganesh Meridian Opp. High Court of Gujarat, S. G. Highway Ahmedabad - 380060

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

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

1. Name: .....

Address: .....

E-mail Id: .....

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

2. Name: .....

Address: .....

E-mail Id: .....

Signature:.....

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 29<sup>th</sup> September, 2017 at 11.45 a.m. at C-808, Ganesh Meridian Opp. High Court of Gujarat, S. G. Highway Ahmedabad - 380060 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2017		
2	Re-election of Mr. Navinchandra 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	Appointment of Mr. Hiteshkumar Patel as a Managing director of company		
5	Approval for Increase the Remuneration of Director & Chief Financial Officer Mr. RaviKumar G. Patel		
6	Appointment of Mr. Jatin Patel as a Whole time Director of the company		
7	Appointment of Mr. Navinchandra Patel as a Whole time Director of the company		
8	Approval 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.		

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

Signature of Shareholder

Signature of Proxy holder(s)

**Affix**

**Rs. 1  
/-Revenue**

*Note: 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.*



**BASMATI RICE**





**MISHTANN<sup>®</sup>**



limitless happiness...



**MISHTANN FOODS LIMITED**

**REGISTERED OFFICE:**

C-808, Ganesh Maridian,  
Opp. Gujarat High Court,  
S.G. Highway, Ahmedabad-380060.

Ph.: +91 7940023116  
Fax: +91 7940033116  
info@mishtann.com

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