

**Date: September 02, 2020**

To General Manager-Listing  
Corporate Relationship Department  
**BSE Limited**  
P.J.Towers Dalal Street,  
Mumbai-400001  
**BSE Scrip Code: 539594**

To Listing Division,  
**Metropolitan Stock Exchange of India Limited**  
4th Vibgyor Tower, Opp. Trident Hotel,  
Bandra-Kurla Complex,  
Mumbai-400098  
**MSE Symbol: MISHTANN**

Dear Sir/Madam,

***Sub: Submission of Annual Report for the Financial Year 2019-2020 under Regulation 34 of the SEBI (LODR) Regulations, 2015***

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 40<sup>th</sup> Annual Report of the Company.

This is for your information and records.

Thanking You

Yours Truly,  
For **Mishtann Foods Limited**

SD/-  
**Hiteshkumar G. Patel**  
Managing Director  
DIN: 05340865  
M. No.: 9925168399



**Registered Office:**

C-808, Ganesh Maridian,  
Opp. Gujarat high court,  
S.G. Highway, Ahmedabad-380060.

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

**PLANT:**

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



**MISHTANN**

limitless happiness...☺

**ANNUAL  
REPORT  
2019-2020**

**MISHTANN FOODS LIMITED**

## **COMPANY**

**MISHTANN FOODS LIMITED**

**CIN: L15400GJ1981PLC004170**

### **BOARD OF DIRECTORS**

Hiteshkumar Gaurishankar Patel

Navinchandra Dahyalal Patel

Ajitkumar Narayanbhai Patel

Utpalbhai Dineshbhai Patel

Bhumi Jayantbhai Gor

Keval Bhatt (w.e.f. 14-02-2020)

### **KEY MANAGERIAL PERSONNEL**

Navinchandra Dahyalal Patel

#### **Chief Financial Officer**

Ziral Soni

(w.e.f. 29-06-2020)

#### **Company Secretary and**

#### **Compliance Officer**

### **AUDITORS**

#### **STATUTORY AUDITOR**

J.M. Patel & Bros., Chartered Accountants

## **INFORMATION**

### **SECRETARIAL AUDITOR**

Mr. Kamlesh M. Shah, Practising Company Secretary

### **BANKERS/FINANCIAL INSTITUTION**

State Bank of India

### **REGISTRAR & SHARE TRANSFER AGENT**

MCS Share Transfer Agent Limited

383 Lake Gardens, 1st Floor, Kolkata-700045; Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009

### **REGISTERED OFFICE**

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

### **Plant**

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

## Management Discussion and Analysis

### COMPANY OVERVIEW

**Mishtann foods Limited** has journeyed into uncharted spheres and territories, elevating en-route the industry standards from nadir of compromises to zenith of stringent practices.

Rice being the staple diet of millions of Indians, Mishtann has taken up the task to ensure that highest quality is maintained and assured. Mishtann Basmati Rice is 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 farmers and staff members has taken us to places. Mishtann flies high spreading wide the wings of taste and health in the sky of happiness.

### Mishtann's USP

- Operational excellence
- Robust integrated supply chain systems
- Consumer focus and innovative marketing

### ECONOMIC REVIEW

The global economy was a mixed bag in Calendar Year (CY) 2019. It experienced a major slowdown in 2019 and recession fears became prevalent towards the end of the year. The coronavirus eruption is having a severe impact on global economic activity amidst considerable uncertainty. The governments and central banks across the world have announced a host of fiscal and monetary policy measures to revive the economy. Despite the concerted efforts, the global economy is projected to contract sharply by (3%) in 2020. (Source: International Monetary Fund (IMF)) According to the IMF, the global economy is projected to grow by 5.8% in 2021 as economic activity normalises, helped by policy support. A lot depends on the epidemiology of the virus, the effectiveness of control measures, and the development of therapeutics and vaccines, all of which are difficult to envisage as of today.

### Indian Economy

In India, growth softened in 2019 as economic and regulatory uncertainty, together with concerns about the health of the non-banking financial sector, weighed on demand. There was a strong hope of recovery in the last quarter of the current fiscal. However, the new coronavirus epidemic has made this recovery extremely difficult in the near to medium term. The GDP growth for FY 2020 came in at 4.2%, against 6.1% in FY 2019. The IMF

lauded India's efforts in using digital technologies to directly deliver the benefits to its citizens. The Reserve Bank of India (RBI) also sprang into action, cutting policy rates, and announced measures to stabilise the system.

Weaker growth is likely to be experienced across developed and emerging economies of the world, given COVID-19 induced disruptions and associated value chain impacts. There is also a high probability of recession in many countries. Repeated lockdowns and consequent production shutdowns are highly impacting several sectors and resulting in job losses. The recovery across economies is expected to be gradual, fragile and susceptible to multiple headwinds.

To revive the economy, the Prime Minister announced a Rs. 20 lakh crore package. The package is specifically targeted at reviving businesses, enhancing liquidity in the economy and driving consumption. The Government of India has also rolled out multiple sector-specific measures to energise the economy and help businesses and citizens the government's "Atmanirbharata Mission" also aims at reducing dependence on imports, strengthen indigenous skills and entrepreneurship and stabilise local supply chains. These initiatives are expected to augur well for all businesses going forward.

### **Emerging Economies**

The emerging economies are likely to face a contraction in 2020 due to structural impediments and low confidence of consumers and investors, which was further exacerbated by the COVID-19 impact. The Economist Intelligence Unit (EIU) has revised down Bangladesh's economic growth forecast for FY 2020 to less than 4%, from 7.5% due to the outbreak of COVID-19. ICRA Lanka Limited expects the Sri Lankan economy to face a recession of 1.9% in 2020 and take a U-shape recovery path, returning to its pre-crisis level by Q1 of 2021.

## **INDUSTRY REVIEW**

### **GLOBAL MARKET OUTLOOK FOR RICE**

Prospects for Japanese Rice:

Over the years Japan has been dependent upon the domestic production of rice instead of importing, but in past few years along with the exports, an increase in imports has been analyzed. The system known as gentan, which was designed to protect farmers from fluctuating prices, now has deteriorated the Japan agriculture sector, where the landowners pocket the government subsidy and keeping the fields left idle. On an average per person, rice consumption has fell down by 38.0% over the past decade owing to decreasing rice supply and growing preference for wheat and meat food. As per the government, gentan system was expected to be ruled out by 2018 that will bring out structural changes in the agricultural industry. The technological advancement in Japan

has led to heavy use of drones in spraying rice paddies. Also insect-detecting drones are under development to be used against white-backed plant-hoppers, an insect harmful to rice fields. Japan recorded 28.0% growth in rice exports and is expected to continue its growth rate backed by the technology adaptation and roll out of gentan system.

#### Prospects for Chinese Rice:

China is expected to have largest year ending rice stock all over the world, estimated to be around 75.7 million tons. China consists of 30 million hectare land area under rice cultivation which as compared to India stands at second position, but the use of advanced agriculture equipment and better irrigation facilities has led China to remain at highest rice producing country. Also China accounts for being the largest consumer of rice. It accounts for around 30% consumption of globally produced rice. China is also one of the major producers of hybrid rice. Per hectare hybrid rice production dropped on account of flood occurrences but also there has been notable increase in land area producing hybrid rice. Thus the value of hybrid rice produced remains same. China is expected to suffer from over stock of hybrid rice, estimated to be around 120 million kg due to declining domestic demand and lower value of exports as compared to total hybrid rice seed supply.

#### Prospects for Cambodian Rice:

Cambodia is one of the major producers and exporter of rice. With the lack of warehouses, processing facilities and logistics around 80% of the surplus rice produced is exported to neighboring countries. Of the total requirement, Cambodia produces 5 million tons rice in surplus. The exports are expected to grow by 15% per annum. China held the largest share among the export countries of Cambodia, supplying majorly the aromatic rice variety. European market would remain stable in 2020 in terms of importing rice from Cambodia. With India, Thailand and Vietnam being the major competitors, Cambodia is now forced develop profitable alternatives such as advanced irrigation technologies, infrastructure development, smart techniques to maintain soil and land fertility and cost effective agricultural strategies.

#### Prospects for Indonesian Rice:

Indonesia is third largest producer of rice and one of the top importers due to use of non-optimal farming techniques by the farmers that result in limited supply of rice, combined with huge rice consumption by massive population, approx 150 kg. Indonesia imports rice mainly from Thailand, Vietnam and India. Rice imported from Vietnam is of premium quality, and Indonesia produces only medium quality rice. In 2020, it is expected to import 500,000 tons rice from Vietnam. In order to become rice selfsufficient country, government steps up by proving subsidized fertilizer and stimulating for the use of

advanced technology, and through campaigns promoting the other staple crops to reduce rice consumption such as 'one day without rice' (each week) campaign.

#### Prospects for United States Rice:

U.S. is major exporter of rice, majorly to Mexico, Northeast Asia, Central America, the Caribbean, Canada, the Middle East, the European Union, and Sub-Saharan Africa. Asian aromatic rice such as Basmati and Jasmine rice are majorly imported by the U.S.A. United States accounts 2% of global rice production and 10% of global exports. Major exported rice varieties are rough rice, brown rice, parboiled rice and fully milled rice. There are 1000 varieties of rice produced worldwide and 20 types of rice are commercially produced in U.S., majorly in states of Texas, Arkansas, Mississippi, California, Louisiana and Missouri. U.S. rice exported is regulated by the agreements between The World Trade Organization (WTO) and the North American Free Trade Agreement (NAFTA), and thus it has resulted in spurring rice exports from the United States.

Prospects for Vietnam Rice: Vietnam is third largest exporter of rice and by 2020 the total exports are expected to reach 7 million tons on account of growing rice demand from Southeast Asia, majorly from Philippines. Over the past decade Vietnam has increased its rice productivity and profitability and significantly reducing poverty. Government is seen to shift its focus from reducing the poverty towards emphasis on technology usage to eliminate labor intensive farming and thus impacting the growth in productivity of the farmers. The consumption of rice is growing at steady rate as per the slow population growth rate, having domestic milled rice demand estimated to be nearly 2 million tons annually. Vietnam has poor climate condition in months of winter-spring, but the months of May-June are most suitable for cultivation of rice. Thus Indica rice variety demand produced in Vietnam spur up, boosting the exports of rice.

#### Prospects for Singapore Rice:

Singapore had 347,000 metric tons consumption of rice, which was completely imported from Vietnam, Thailand and India. For many decades Thailand had been major exporter of rice to Singapore but since 2013 India overtook Thailand. Singapore imports jasmine rice, Vietnamese rice and many others, but Vietnamese rice pose greater competition to supply of other varieties of rice in Singapore due to the use of advanced technology in its production that beats the Singapore standards. Singaporeans do not have high demand for rice, they prefer various other dishes. The tourists in Singapore with distinct taste and preference are the major consumers of rice. Therefore the growth in Singapore travel and tourism industry and food services industry are majorly driving the growth of Singapore rice industry. Additionally, in recent years the street eateries and restaurants have begun to buy rice, a price efficient alternative to sustain in the era of rising prices, is another factor inducing the demand for rice in Singapore.

## **OPPORTUNITY FOR INDIAN BASMATI RICE EXPORTS**

**CHINA:** China is relatively new market for Indian exporters, despite of this China has already inspected & cleared 5 additional rice mills in India (from the previous 19) for exporting non-basmati rice & the phytosanitary measures have also been updated to include such exports. If India can continue to prevent pests from infecting, especially the khapra beetle for basmati rice, this can prove to be profitable as well as new routes for basmati also in the long run.

**JAPAN:** Downward adjustment in this region makes it possible export market.

**MYANMAR:** Improper usage of fertilizers, insufficient irrigation & lack of good infrastructure is affecting Myanmar exports of rice, that too of low quality. Also, it has faced severe backlash from the African market due to the same reason of low quality. This might prove to be an advantage for India in terms of utilizing the African market for trading both rice varieties.

**UNITED ARAB EMIRATES:** Many trading scams have happened with UAE or Dubai as the base of operations, some very recently (like the Al Rawnaq Al Thahbhi General Trading LLC), and hence its credibility is at risk. However, India needs to be extremely cautious too while accepting orders. As UAE is already starting to grow seawater rice varieties, a proper and significant rebranding of Basmati rice in this region is the only way to sustain imports of at least this variety

**IVORY COAST:** Demand in Ivory Coast is expected to increase due to growing consumer class of people, seasonal variability of rains having affected crop plantations as well as decrease in arable land. Also, matching the low local prices via nonbasmati varieties can help in maintaining an export channel, but India must be aware of China succeeding the price war for non-basmati as well as restructuring of rice cultivation system in Ivory Coast.

**YEMEN:** Political conflicts & pests have affected crop production, especially due to high prices of fertilizers & seeds. This could be a good opportunity to market lowpriced varieties of non-basmati rice, especially to help the impoverished people living without employment due to the unrest.

**SAUDI ARABIA:** As water is scarce & rice is water intensive, it is not being cultivated in that region. Moreover, Saudi Arabia is encouraging for abroad investments to import rice and other food crops, representing an opportunity to tap into these investment offers.

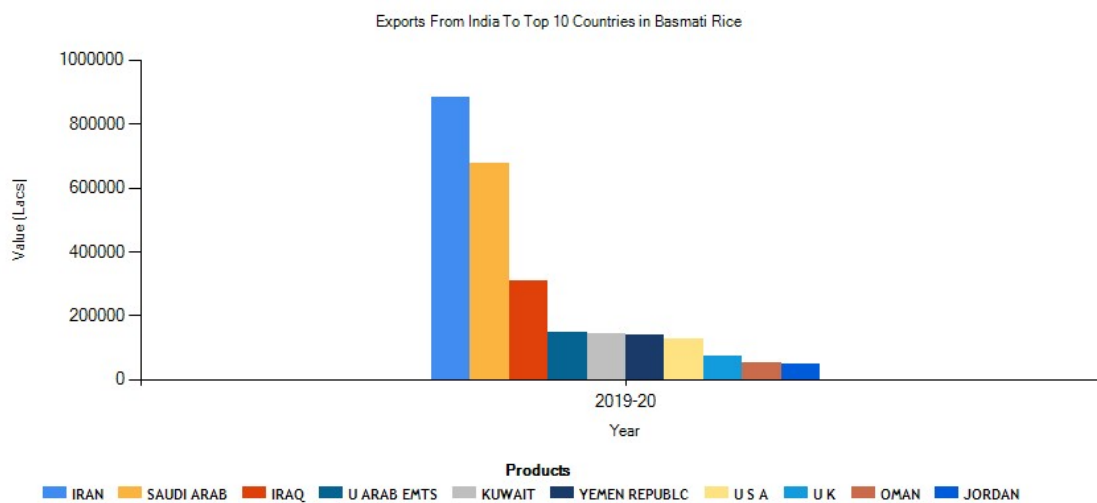


CANADA: Growing of a cold-resistant variety is only in the trial stages, and growing rice is still an issue due to high infrastructure costs, hence our differentiation via 8-digit or higher HS Codes should help India stay safe of competition and in continued demand.

**Analytical Report: India's Export of APEDA Product (2019-20) (Source: DGCIS)**

R a n k	APEDA Product	2019-20			Major Importing Countries(Value in USD Mill and % Share)				
		Qty in 000'MT	Value in Rs. Crore	%age Share in value					
	Total India's Export	18178.3	115323.8	100	Iran (1349, 8.4)	Saudi Arab (1347, 8.4)	Vietnam Soc Rep (1287, 8)	UAE (1033, 6.4)	USA (1027, 6.4)
1	Basmati Rice	4454.7	31025.9	26.9	Iran (1232, 28.5)	Saudi Arab(946, 21.9)	Iraq (431, 10.0)	UAE (207, 4.8)	Kuwait (199, 4.6)
2	Buffalo Meat	1152.5	22668.5	19.7	Vietnam Soc Rep (1058, 33.3)	Malaysia (375, 11.8)	Egypt A Rp (334, 10.5)	Indonesia (230, 7.3)	Iraq (169, 5.3)
3	Non- Basmati Rice	5040.7	14364.7	12.5	Nepal (242, 12.0)	Benin(195 , 9.7)	UAE (130, 6.5)	Somalia (121, 6.0)	Guinea (119, 5.9)
4	Groundnu ts	664.4	5096.4	4.4	Indonesia(23 4, 32.9)	Vietnam Soc Rep (147, 20.8)	Philippine s (53, 7.5)	Malaysia (40, 5.7)	Thailand (34, 4.9)
5	Miscellan eous Preparati ons	327.5	4147.9	3.6	USA(126, 21.7)	U Arab Emts(68, 11.8)	Nepal (41, 7.2)	Australia (32, 5.6)	Iran (27, 4.7)
	Other Products	6538.5	38020.4	33					

**India Basmati Rice Export Statistics (Source: APEDA)**



Sr No.	Country	Qty in MT	Value Rs. Lacs
1	Iran	13,19,154.92	8,84,636.07
2	Saudi Arab	9,74,125.09	6,78,807.04
3	Iraq	4,65,890.33	3,07,805.67
4	U Arab Emts	2,08,519.39	1,48,699.97
5	Kuwait	1,97,103.99	1,42,636.90
6	Yemen Republic	2,03,330.36	1,38,851.09
7	U S A	1,48,391.25	1,28,497.24
8	U K	1,15,712.56	73,634.91
9	Oman	74,353.99	53,874.15
10	Jordan	65,975.22	47,517.46
	<b>Page Total</b>	<b>37,72,557.10</b>	<b>26,04,960.50</b>

Impact of COVID-19 on the Industry: The actual impact is still difficult to gauge. It will depend on the time required to curb the pandemic and the various relief measures that the government is expected to roll out.

### State wise Basmati Rice Export Statistics (Source: APEDA)

State	2019-20	
	Qty in MT	Rs. Crore
Gujarat	3175219.84	21375.02
Haryana	691369.34	5049.77
Punjab	308795.53	2442.75
Uttar Pradesh	146251.2	1186.86
Madhya Pradesh	93046.4	681.74
Delhi	23106.59	176.44
Maharashtra	7549.1	54.06
West Bengal	3071.16	16.24
Bihar	2704.86	14.73
Tamil Nadu	1332.41	10.28
Rajasthan	1088.07	9.79
Odisha	526.33	3.41
Telangana	204.13	2.99
Andhra Pradesh	268	0.84
Karnataka	47.91	0.41
Kerala	19.82	0.18
Sikkim	15	0.04
Total	44,54,615.69	31,025.55

“Basmati” is long grain aromatic rice grown for many centuries in the specific geographical area, at the Himalayan foot hills of Indian sub-continent, blessed with characteristics extra- long slender grains that elongate at least twice of their original size with a characteristics soft and fluffy texture upon cooking, delicious taste, superior aroma and distinct flavor, Basmati rice is unique among other aromatic long grain rice varieties.

Agro-climatic conditions of the specific geographical area as well as method of harvesting, processing and aging attribute these characteristic features to Basmati rice. Owing to its unique characteristics the “scented Pearl” lends a touch of class that can transform even the most ordinary meal into a gourmet’s delight.

#### Varieties:

So far 29 varieties of Basmati rice have been notified under the seeds Act, 1966. These are Basmati 217, Basmati 370, Type 3 (Dehraduni Basmati) Punjab Basmati 1 (Bauni Basmati), Pusa Basmati 1, Kasturi, Haryana Basmati 1, Mahi Sugandha, Taraori Basmati (HBC 19 / Karnal Local), Ranbir Basmati, Basmati 386, Improved Pusa Basmati 1 (Pusa 1460), Pusa Basmati 1121 (After amendment), Vallabh Basmati 22, Pusa Basmati 6 (Pusa

1401), Punjab Basmati 2, Basmati CSR 30 (After amendment), Malviya Basmati Dhan 10-9 (IET 21669), Vallabh Basmati 21 (IET 19493), Pusa Basmati 1509 (IET 21960), Basmati 564, Vallabh Basmati 23, Vallabh Basmati 24, Pusa Basmati 1609, Pant Basmati 1 (IET 21665), Pant Basmati 2 (IET 21953), Punjab Basmati 3, Pusa Basmati 1637, Pusa Basmati 1728.

## **CHALLENGES**

Availability of quality manpower, high attrition rate and administration costs, inadequate supply chain, infrastructure, over-licensing, etc., are some of the key challenges faced by various players in the food industry. It is, therefore, imperative for companies to focus on improving operational efficiencies, getting their unit economics right and ensuring scalability of the business. After the COVID-19 situation, people will be more while choosing. So, it is important for businesses to a showcase and practice high standards of food safety.

## **SWOT Analysis**

### **Strengths**

- India, the largest producer of Rice in the world,
- is self-reliant
- The country is endowed with rich arable land
- The industry uplifts rural communities

### **Weaknesses**

- The technology is obsolete; most factories are more than 40 years old
- Country is highly dependent on monsoonal rainfall

### **Opportunities**

- On the back of a rising population and increased downstream demand, the demand for Rice in India is increasing

### **Threats**

- The dependence of the Rice industry on rainfall, cultivated area and transportation cost affects prices

### **Revenue**

Indian overall rice market is forecasted to grow at CAGR of above 6% in the near future.

India is among the highest consumer of the rice just after china in terms of both value as well as volume also India the top rice exporting nation globally.

The Indian rice market is divided into organised as well as unorganised sector. The unorganised sector contributes a massive part in Indian rice market since ages as people used to buy rice in large quantity because of its higher consumption. Indian rice sector is getting transformed slowly and gradually from unorganised to organised sector which is also called a packed rice segment.

The packed segment of rice is a growing sector in India with an increase in awareness and the increase in urbanisation. Overall Indian rice market is segmented in basmati, non-basmati, packed, unpacked and further segmented into its types. Basmati rice contributes a small portion in Indian market but generates the highest share through overall export of rice. Rice sector is a competitive market in India; there are many vital players; also, they are getting fierce competition from the new entrants and the local players.

Indian overall and packaged rice market have grown considerably over the past couple of years. India is among the largest producers and the exporters of rice globally.

A vast section of people living in India belongs to Tier 2 and Tier 3, which are the largest consumer of unpacked rice that helps in driving the unorganised rice market in India. In the last few years, a shift towards urbanization has increased, and the size of the families is getting smaller, which have allowed them to move towards the packed rice products.

The adaption of packed rice has increased in recent years, and basmati rice holds more substantial portion in the overall packed rice. The whole packaged rice market is driven by the revenue generated by packed basmati rice which is forecasted to grow at considerable CAGR of around 11%.

With the changing trends, there is a shift in the habit in the consumption of rice as consumers are now moving towards health rice segments because of increased awareness about health products. Brown rice and organic rice are considered into the health rice segment because of its nutritive content, and also the recent entry of black rice is gaining consumer's confidence.

Revenue in the Rice segment amounts to US\$52,836m in 2020. The market is expected to grow annually by 6.5% (CAGR 2020-2025).

In global comparison, most revenue is generated in China (US\$131,610m in 2020).

In relation to total population figures, per person revenues of US\$38.29 are generated in 2020.

The average per capita consumption stands at 73.7 kg in 2020.

## KEY HIGHLIGHTS OF APEDA REPORTS

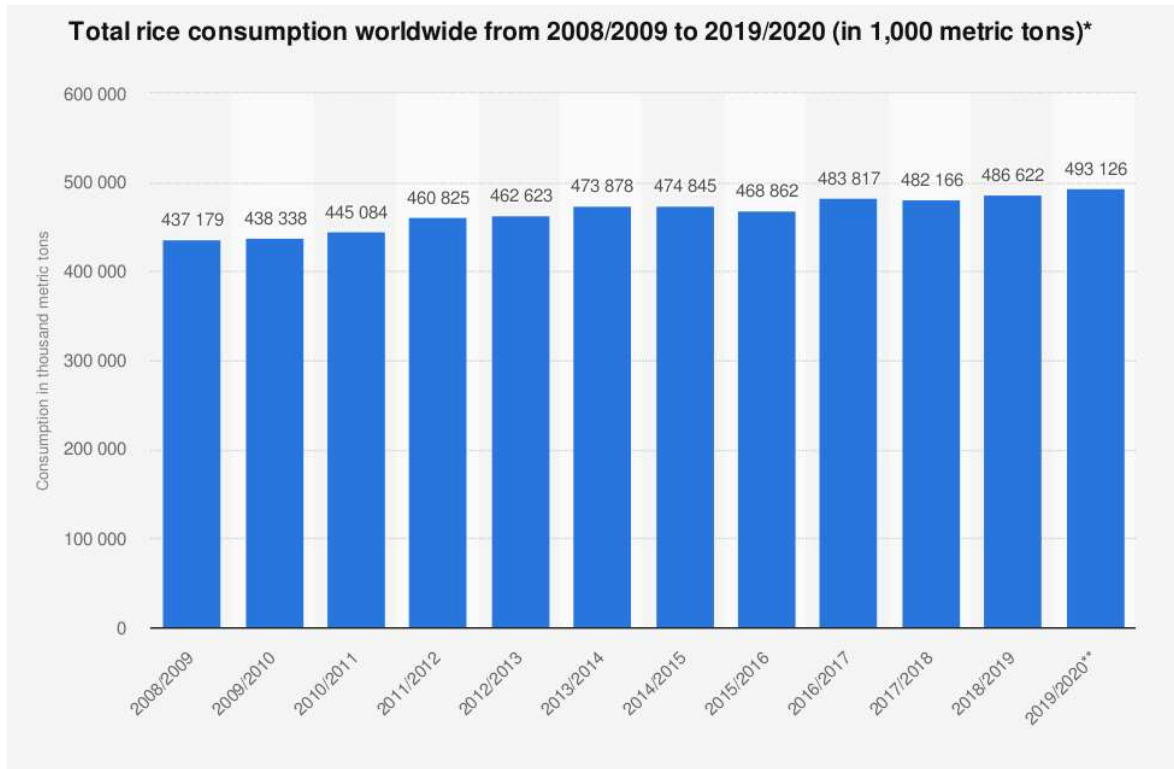
- The rice market is projected to register a CAGR of 0.88% during the period 2019-2024.
- The biggest export market for Indian basmati rice remains uncertain. Iran may not start importing from India this year until a political resolution is in place. Since US economic sanctions on Iran, India stopped importing crude oil from Iran.
- In 2020, price of the Indian long grain high quality white rice expected to be lower than Vietnam rice.
- Export of rice (except seed quality and other rice in husk) is free, subject to condition circulated by DGFT. Import of seeds is restricted. Whereas, import of rice for human consumption is permitted through State Trading Enterprises.
- Pakistan is all set to improve its trade relations with Iran. The recent visit of the parliamentary delegation of Pakistan to Iran discussed increase of trade between both the countries to its true potential. As a result, Iran bought around 20,000 tons of rice from Pakistan.
- On the basis of rice variety, japonica rice accounted for largest market share in with 87.2% of total rice production. Over the forecast period japonica rice is expected to continue their dominance in the rice production. Further, imports of aromatic rice have increased the market share and are expected to grow at a CAGR of 1.8%.
- Indonesia:- Downward adjustment in production due to conditions being favourable for dry-season rice rather than wet-season (which is Indian rice's season) provide opportunity for us to export off-season.
- Philippines:- Recent lift of import quotas as well as strong domestic demand shows good opportunity for India to export here, however the Rice Tariffication Law might provide some hindrance, which can be prevented by 8-digit and above specification.
- Japan:- Downward adjustment in this region make it possible export market
- Islamic Republic of Iran:- Recent floods have downgraded the harvest output, signaling a fresh need for imports in order to refill stocks, thereby providing an opportunity.

## GLOBAL DOMINANCE OF RICE AS STAPLE FOOD

The rice market is projected to register a CAGR of 0.88% during the forecast period (2019-2024). Rice is the staple food of more than half of the world population, with more than 700 million metric ton produced annually at a global level. Most of the rice is grown and consumed in the Asian region, from Pakistan in the west to Japan in the east. Rice is the second-most important cereal crop after maize in the world. It is a crop that ensures food

security in many of the developing countries of the East Asia and the Southeast Asia regions. Therefore, rice being the most consumed cereal grain globally, the growth of the rice market is expected to increase.

**GLOBAL CONSUMPTION OF RICE HAS SHOWN CONSTANT INCREASE**



Global consumption of rice has seen a slight increase over the last several years. In the 2018/2019 crop year, about 490.27 million metric tons of rice was consumed worldwide, up from 437.18 million metric tons in the 2008/2009 crop year.

The size of the global rice industry is approximately US\$275 billion, of which, Basmati industry accounts for US\$5.8 billion (2.1%). Global Basmati Rice consumption market is led by Middle East and Middle East is the largest region consumption market, accounting for about 27.08% of global consumption of Basmati Rice.

India accounts for around 72% of Basmati rice produced, 28%. Basmati Rice coming from Indian origin has been able 76.57% of Basmati Rice market as against Pakistani and Kenyan Basmati rice.

The worldwide market for basmati rice is anticipated to rise to US\$ 17.74 bn by 2022, proliferating at a robust CAGR of 11.0% during the period from 2017 to 2022. In 2023 the consumption of Basmati Rice is estimated to be 176137.9 K MT.



**MISHTANN**

limitless happiness...☺

**MISHTANN FOODS LIMITED**

C-808, Ganesh Meridian, Opp. Gujarat High Court,

SG Highway Ahmedabad-380060 Gujarat

Ph.: 079- 40023116 | Fax: 079-40033116 | E-mail: cs@mishtann.com

**CIN: L15400GJ1981PLC004170**

**NOTICE** is hereby given pursuant to the relevant provisions of the Companies Act, 2013 (the “Companies Act”) read with the Companies (Management and Administration) Rules, 2014 (the “Management Rules”), and other applicable provisions, if any, that the fortieth (40th) Annual General Meeting of the Company will be held on Thursday, 24th September, 2020, at 11.30 a.m. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), to transact the following business:

**ORDINARY BUSINESS:**

**1. Adoption of Standalone Audited Financial Statements of the Company:**

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.

**2. Declaration of Dividend:**

To declare final dividend on equity shares for the financial year ended March 31, 2020 of Rs. 0.001/- per Equity Share (0.1%) on Equity Share of Face Value Rs. 1/-each.

**3. Appointment of Mr. Hiteshkumar G. Patel (DIN: 05340865), who retires by rotation and being eligible, offers himself for re-appointment:**

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

**RESOLVED THAT** pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Hiteshkumar G. Patel (DIN: 05340865), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company.



## **SPECIAL BUSINESS**

### **4. Appointment of Mr. Keval Bhatt (DIN: 07620270), as a Non-Executive Director of the Company**

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

**“RESOLVED THAT** Mr. Keval Bhatt (DIN: 07620270) who was appointed as an Additional Non-Executive Director by the Board of Directors under Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to regulatory approvals, if any, with effect from February 14, 2020 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as the Non-Executive Director of the Company.”

**“RESOLVED FURTHER** that the Board be and is hereby authorised to do all such acts, deeds and things, including authorising any official of the Company to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

### **5. Appointment of Mrs. Bhumi Jayantkumar Gor (DIN: 08529661), as an Independent Woman Director of the Company**

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

**“RESOLVED THAT** Mrs. Bhumi Jayantkumar Gor (DIN: 08529661) who was appointed as an Additional Independent Woman Director by the Board of Directors under Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to regulatory approvals, if any, with effect from June 29, 2020 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as the Independent Director of the Company for a term of five consecutive years.”

**“RESOLVED FURTHER** that the Board be and is hereby authorised to do all such acts, deeds and things, including authorising any official of the Company to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

### **6. Re-appointment of Mr. Hiteshkumar G. Patel (DIN: 05340865), as Managing Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Hiteshkumar G. Patel as Managing Director of the Company for a period of 5 Years with effect from September 24, 2020 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Hiteshkumar G. Patel.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

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

**Date:** August 26, 2019

**Place:** Ahmedabad

Sd/-  
**Ziral Soni**  
Company Secretary

**Registered Office:**

C-808, Ganesh Meridian, Opp. Gujarat High Court,

S.G. Highway, Ahmedabad-380060

CIN: L15400GJ1981PLC004170

E-mail Id.: cs@mishtann.com

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 05th May, 2020 read with circulars dated 08th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08<sup>th</sup> April, 2020; 13<sup>th</sup> April, 2020 and 05<sup>th</sup> May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM 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. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Institutional/Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cs@mishtann.com](mailto:cs@mishtann.com)
8. The Register of Members & Share Transfer Books of the Company will be closed from Friday, 18<sup>th</sup> September, 2020 to Thursday, 24<sup>th</sup> September, 2020 (both days inclusive) for the purpose of identification of members who shall be entitled to receive Annual report and attend Annual General Meeting of the Company.
9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 01<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's

Registrars and Transfer Agents, MCS Share Transfer Agent private Limited (“RTA”) for assistance in this regard.

10. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

12. Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form SH-13 which can be obtained from the Company’s RTA.

13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 10th August, 2020 through email on [cs@mishtann.com](mailto:cs@mishtann.com). The same will be replied by the Company suitably.

16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.mishtann.com](http://www.mishtann.com), websites of the Stock Exchanges i.e. BSE Limited and Metropolitan Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.msei.in](http://www.msei.in) respectively and on the website of NSDL [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

18. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

19. Members are requested to take note that no resolution is being proposed for ratification of appointment of statutory auditors at the 40<sup>th</sup> AGM as the requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 07th May, 2018.

20. SEBI has mandated the submission of PAN by every participant in securities market.

Members who are holding the shares in electronic mode are therefore requested to submit the PAN to their depository participants with whom they are having their demat accounts. Members having shares in physical form can submit their PAN details to the company or its RTA.

21. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

22. The Notice is being sent to all the Members, whose names appear on the Register of Members/List of Beneficial Owners as received from the RTA of the Company as on 28<sup>th</sup> August, 2020.

23. In compliance of provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, the company is pleased to provide its members facility to exercise their votes by electronic means (remote e-voting) and the business may be transacted through e-voting as per the instructions below:

Details of Scrutinizer: M/s Kamlesh M. Shah, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize e-voting in a fair and transparent manner. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

24. A Member can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the AGM. Since the AGM is held through VC/OAVM and voting through ballot paper will not be provided. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mishtann.com](http://www.mishtann.com) and on the website of NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) within two days of the 40<sup>th</sup> AGM of the Company and shall be communicated to BSE Limited and Metropolitan Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.msei.in](http://www.msei.in) respectively where the shares of the Company are listed.

25. Instructions for e-voting and joining the AGM are as follows:

#### **A. VOTING THROUGH ELECTRONIC MEANS:**

The instructions for members voting electronically are as under:

- I. The voting period begins on 21<sup>st</sup> September, 2020 at 10.00 a.m. and ends on 23<sup>rd</sup> September, 2020 at 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 (record date) of 18<sup>th</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- III. The shareholders should log on to the e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 are mentioned below:

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Details on Step 2 is given below:

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for Mishtann Foods Limited.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kshahcs@yahoo.co.in](mailto:kshahcs@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. To take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company on [cs@mishtann.com](mailto:cs@mishtann.com) or to our RTA on [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com)



2. For Demat shareholders – please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company on [cs@mishtann.com](mailto:cs@mishtann.com) or to our RTA on [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com)
3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [csWmishtann.com](mailto:csWmishtann.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

## **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND 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 in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and on approval of the accounts they would be able to cast their vote.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [kshahcs@yahoo.co.in](mailto:kshahcs@yahoo.co.in) and to the Company at the email address viz: [cs@mishtann.com](mailto:cs@mishtann.com), if they have voted from individual tab & not uploaded same in the NSDL e-voting system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evoting.nsdl.com/> under help section or write an email to helpdesk [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call **1800-222-990**.

**Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out the material facts concerning each item of special business:**

**Agenda Item No.: 4**

Mr. Keval Manuprasad Bhatt (DIN: 07620270) was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> February, 2020 by the Board of Directors under Section 161 of the Act.

The Board of Directors of the Company in its meeting held on 14<sup>th</sup> February, 2020, in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on even date, considered and approved the appointment of Mr. Keval Manuprasad Bhatt as a Non-Executive Director of the Company liable to retire by rotation in terms of provisions of Section 152 of the Companies Act, 2013 upto the conclusion of the 45<sup>th</sup> AGM of the Company in the Calendar year 2025, subject to the approval of members.

Name	Mr. Keval Manuprasad Bhatt
Age	31 Years
Date of Birth	05/09/1988
DIN	07620270
Qualifications	Bachelor of commerce
Brief Profile including expertise	Mr. Keval Manuprasad Bhatt is a Graduate running his own business of Tyres and Tubes since years.
Directorship in other companies	2
Names of the listed companies in which holds the directorship and the membership of Committees Board	None
Relationship with other Directors and KMP	None
Shareholding in Mishtann Foods Limited	33,718 Equity Shares
Attendance in the meetings in the last financial year	Disclosed in the Corporate Governance section.

Except Mr. Keval Manuprasad Bhatt, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 04 of the Notice.

**Agenda Item No.: 5**

Mrs. Bhumi Jayantkumar Gor (DIN: 08529661) was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> June, 2020 by the Board of Directors under Section 161 of the Act.

In terms of Section 149 and other applicable provisions of the Act, Mrs. Bhumi Gor is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Mrs. Bhumi Gor as Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as Independent Director for a term of 5 years up to 28<sup>th</sup> September, 2025.

Name	Mrs. Bhumi Jayantkumar Gor
Age	33 Years
Date of Birth	10/07/1987
DIN	08529661
Qualifications	Bachelor of commerce
Brief Profile including expertise	Mrs. Bhumi Jayantkumar Gor is an Independent Woman having working experience of almost 5 years in the FMCG segment.
Directorship in other companies	None
Names of the listed companies in which holds the directorship and the membership of Committees Board	None
Relationship with other Directors and KMP	None
Shareholding in Mishtann Foods Limited	None
Attendance in the meetings in the last financial year	Appointed with effect from June 29, 2020

None of the Directors other than Mrs. Bhumi Gor, Key Managerial Personnel or their relatives is concerned or interested in the Resolution at Item No. 5 of the Notice.

**Agenda Item No.: 6**

The members of the Company had by a special resolution 30<sup>th</sup> September, 2015 has appointed Mr. Hiteshkumar G. Patel (DIN: 05340865), as Managing Director of the Company. The present tenure of Mr. Hiteshkumar G. Patel is due to expire on September 29, 2020. Keeping in view his experience, role and responsibilities, and contribution in the performance and growth of the Company and also on the basis of his performance evaluation, the Board of Directors of the Company (on the recommendations of the Nomination and Remuneration Committee) at their meeting held on August 26, 2019 have, subject to the approval of the shareholders and such other approvals, as may be required, re-appointed Mr. Hiteshkumar G. Patel Managing Director of the Company for a further

period of 5 (five) year effective 24<sup>th</sup> September, 2020 on the terms and conditions and remuneration set out below:-

### **I Remuneration**

1. Salary: Rs 1,00,000 /- (Rupees One lakhs ) per month with an annual increment as may be decided by the Board/Nomination and Remuneration Committee effective 1st April . The annual increment will be merit based and will take into account the performance in the Company.

2. Performance Bonus: As may be decided by the Board on the recommendation of the Nomination and Remuneration Committee.

3. Amenities: Provision for use of the Company's car with driver for official duties and telephones at the residence (including payment of local calls and long distance official calls, cellular phone, telefax, internet and other communication facilities).

Explanation: The amenities shall not be included for the purposes of computation of the Executive Director's remuneration as aforesaid.

### **General**

The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months prior notice in writing.

The Employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:-

- (i) If the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate Company to which he is required to render services ; or
- (ii) In the event of any serious repeated or continuing breach of non-observance by the Director of any of the stipulations contained in terms of employment with the Company ; or
- (iii) In the event the Board expresses its loss of confidence in the Director.

Upon termination by whatever means of the Managing Director's employment, the Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in Company or any subsidiary or associate Company and other entities without claim for compensation for loss of office.

The Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiary or associate Company.

### **II Overall Remuneration:**

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed under Sections 196, 197 and other applicable provisions of the Act as for the time being in force read with Schedule V to the Act. Mr. Hiteshkumar G. Patel will not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

Further, Mr. Hiteshkumar G. Patel has presently not been drawing any remuneration from any other company.

The approval of the shareholders is sought by way of a special resolution to the re-appointment of Mr. Hiteshkumar G. Patel as Managing Director of the Company in

accordance with the relevant provisions of the Act read with Schedule V thereto.

Accordingly the Board of Directors of the Company commends the passing of Special Resolution at Item No. 6 of the Notice.

Brief profile of Mr. Hiteshkumar G. Patel and the details required under the Listing regulations forms part of the notice.

Name	Hiteshkumar Gaurishankar Patel
Age	35 Years
Date of Birth	04/06/1985
DIN	05340865
Qualifications	Bachelor of commerce
Brief Profile including expertise	Mr. Hiteshkumar Gaurishankar Patel is having experience of 13 Years in the field of Agriculture Industry. He is the Promoter and Director of Mishtann Foods Limited. In his guidance the Company have achieve immense value and Financial Stability.
Directorship in other companies	1
Names of the listed companies in which holds the directorship and the membership of Committees Board	NIL
Relationship with other Directors and KMP	NIL
Shareholding in Mishtann Foods Limited	8,04,00,000 Shares
Attendance in the meetings in the last financial year	Disclosed in the Corporate Governance section.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Hiteshkumar G. Patel and his relatives to the extent of their shareholding interest, if any in the Company, are concerned or interested, financially or otherwise, in this Resolution.

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

**Date:** August 26, 2020

**Place:** Ahmedabad

Sd/-  
**Ziral Soni**  
Company Secretary

**Registered Office:**

C-808, Ganesh Meridian, Opp. Gujarat High Court,

S.G. Highway, Ahmedabad-380060

CIN: L15400GJ1981PLC004170

E-mail Id.: [cs@mishtann.com](mailto:cs@mishtann.com)

## Directors' Report

To  
**The Members,**  
Mishtann Foods Limited

Your Directors have immense pleasure in presenting Annual Report of the Company together with Audited Statement of Accounts for the financial Year ended 31<sup>st</sup> March, 2020.

### STATE OF AFFAIRS OF THE COMPANY

The Company is primarily engaged in the agricultural business i.e manufacturing, processing & trading of rice, wheat and other food grains.

### FINANCIAL HIGHLIGHTS:

(Amount in Rs.)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Gross Sales/Income	482,12,43,769	481,82,34,899
Depreciation	1,55,11,830	1,83,88,101
Profit/(Loss) before Tax	3,38,757	17,60,49,607
Less: Taxes/Deferred Taxes	-	5,80,28,971
Profit/(Loss) After Taxes	3,38,757	11,80,20,636
P& L Balance b/f	3,38,757	7,38,23,903
Profit/ (Loss) carried to Balance Sheet	19,21,83,296	19,18,44,539

Above mentioned figures are derived from Audited Standalone Balance Sheet for the financial year ended 31<sup>st</sup> March, 2020.

### IMPACT OF COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. From a highly centralized model consisting of work spaces set in different locations capable of accommodating many employees, the switch to work from home for employees was carried out seamlessly to work remotely and securely. This response has reinforced customer and employee confidence in Mishtann and many of them have

expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

With positive outlook, innovative business model and work commitment even in these uncertain time due to the pandemic, the Company is anticipating to navigate the challenges ahead and gain better momentum in the near future

## **SHARE CAPITAL**

### **Issue of Equity Shares**

During the year under the review, the paid up share capital of the company has been stood at 50,00,00,000 of face value of Re. 1/- each. The Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on 31st March, 2020 none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

### **DIVIDEND**

The Company has though not made a remarkable profit during the year, the Board of Directors recommended final dividend @ 0.1% i.e Rs. 0.001/- per equity share of face value Re. 1 each, amounting to Rs. 5,00,000/- to its equity shareholders.

### **GENERAL RESERVES**

During the year, there was no redemption of Preference Shares, hence no transfer to reserves is required on this account.

### **CHANGE IN NATURE OF BUSINESS**

During the Financial Year 2019-20 the Company has not commenced any new business nor discontinued/sold or disposed of any of its existing businesses or hived off any segment or division.

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company does not have any subsidiary/Joint Venture/Associate Companies in terms of provisions of Companies Act, 2013.

### **QUALITY INITIATIVES**

- ✧ The Company has ISO certification for Food Safety (ISO 22000:2018).
- ✧ The Company is registered with Agricultural and Processed Food Products Export Development Authority.
- ✧ Mishtann is a committed member of All India Rice Exporter Association.



## DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED AND RESIGNED DURING THE YEAR

Mr. Hiteshkumar G. Patel (DIN: 05340865), Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

During the year under review the following Directors and Key Managerial Personnel were appointed and resigned:

Name and Designation	Date of Appointment	Date of Resignation
Mr. Bharatbhai Jethabhai Patel	-	03-07-2019
Mr. Devalkumar Patel	-	03-07-2019
Mr. Ajitkumar Narayanbhai Patel	03-07-2019	
Mr. Utpal Raval	03-07-2019	
Mr. Keval Bhatt	14-02-2020	
Ms. Sonu Jain Company secretary cum Compliance Officer	-	31-01-2020
Mrs. Heemaben Janakkumar Patel Independent Director	-	29-06-2020*
Ms. Ziral Soni	29-06-2020*	-

\* Appointment and cessation taken place after the completion of the relevant financial year.

## PARTICULARS OF EMPLOYEES & EMPLOYEE REMUNERATION

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as “Annexure- A” to the Board’s report.

None of the employees of the Company drew remuneration of Rs. 1,02,00,000/- or more per annum and Rs. 8,50,000/- or more per month during the year. No employee was in receipt of remuneration during the year or part thereof which, in the aggregate, at a rate which is in excess of the remuneration drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. 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.

## BOARD MEETINGS

During the year, Six Board Meetings were duly 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.

Due to looming threat of COVID-19, the meeting of Independent Directors was cancelled which is supposed to be held on March 30, 2020 and the same was intimated to the Bourses.

## FORMAL ANNUAL EVALUATION

Pursuant to the requirements of Section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of the listing regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance

of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

#### **STATEMENT OF DECLARATION BY INDEPENDENT DIRECTOR(S)**

Pursuant to the requirements of Section 149(7) of the Companies Act, 2013, the company has received the declarations from all the independent directors confirming the fact that they all are meeting the eligibility criteria as stated in Section 149(6) of the Companies Act, 2013.

The Independent Directors have complied with the Code of Conduct for Independent Directors prescribed in Schedule IV of the Companies Act, 2013 and the Code of conduct formulated by the Company as hosted on the Company's Website i.e. [www. Mishtann.com](http://www.Mishtann.com) .

#### **NOMINATION AND 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 salient features of Nomination & Remuneration Policy of the Company is disclosed in the Corporate Governance Report the web address of the Nomination and Remuneration policy is <http://www.mishtann.com/relation.php?category=disclosures-and-policies>

#### **BOARD COMMITTEES**

The Company has following mandatory Committees, viz,

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

#### **AUDIT AND AUDITORS**

##### ✧ **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and rules made thereunder, M/s. J.M. Patel & Bros., Chartered Accountants, Ahmedabad (Firm Registration No. 107707W) were appointed as Statutory Auditors of the Company for period of 5 years, to hold office upto the conclusion of 43rd Annual General Meeting of the Company,. The Auditors' Report for the financial year 31st March, 2020 is unmodified, i.e. It does not contain any qualification, reservation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year under review.

##### ✧ **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed Mr. Kamlesh M. Shah, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of your Company for the financial year 2019-2020 in the duly convened Board Meeting on August 14, 2019.

The Secretarial Auditor Report in the Format MR-3 is annexed to this Report as “Annexure - B”

❖ **QUALIFICATION, RESERVATION OR ADVERSE REMARK IN THE AUDITOR’S REPORTS AND SECRETARIAL AUDIT REPORT**

There is no qualification, reservation or adverse remark made by the Auditors in their Reports to the Standalone Financial Statements.

As per the Secretarial Audit Report for the financial year ended March 31, 2020 the Auditor has reported regarding:

1. The Penalty imposed by the BSE Limited for non-compliance of the Regulation 17(1) of the SEBI (LODR) Regulations, 2015, where the Top 500 Companies are required to appoint minimum six Directors.
2. The Company has resolved only 2 Investor Complaints as on 31st March 2020 during the year. However, yet 32 Investor Complaints are still pending for resolution.

The Board of Directors were not aware of the fact that the company falls in the top five hindered companies by Market Capitalisation and therefore it fails to appoint sixth director, However as soon as it came to light sixth director was appointed and the penalty was also paid.

Further the Board is striving hard to resolve the Complaints pending since long and is near to the resolution.

**INTERNAL AUDIT & CONTROLS**

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

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company has in place adequate internal financial controls commensurate with its size, scale and operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on the results of such assessments carried out by the management, no reportable or significant deficiencies, no material weakness in the design or operation of any control was observed. Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are re-enforced on an ongoing basis. The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

**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 the form MGT-9 attached as a part of this Director’s Report as “Annexure - C”.

**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 web link of Vigil Mechanism Policy on the website of the Company is <http://www.mishtann.com/relation.php?category=disclosures-and-policies>

**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.

The Company has also constituted Risk Management Committee having Mr. Utpalbhai Raval, Mrs. Himaben Janakkumar Patel as members and Mr. Ajitkumar Narayanbhai Patel as Chairperson. A meeting was called, held and duly convened on 14<sup>th</sup> February, 2020.

However, the company does not fall in the top 500 Listed Entities determined on basis of Market Capitalisation at the end of Previous Financial Year the Company is no longer required to have such committee and hence it is dissolved on 29<sup>th</sup> June, 2020.

**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**

During the Financial Year 2019-20 there were no Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

**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**

During the Financial Year 2019-20 there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**PUBLIC DEPOSITS**

Your Company has not accepted / renewed any deposits from the public during the Financial Year 2019-20.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Particulars of loans given, investments made, guarantees and securities provided under section 186 of the Companies Act, 2013 are provided in the notes of Standalone Financial Statement.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions executed by the Company during the financial year with related parties were on arm's length basis and in ordinary course of business. All such related party transactions were placed before the Audit Committee for approval, wherever applicable. Particulars of the contracts or arrangement with related parties referred into Section 188 (1) of the Companies Act, 2013, in prescribed Form AOC -2 is attached as "**Annexure - D**".

**CORPORATE GOVERNANCE**

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

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

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

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Company has only one female Employee, it is beyond the practicality to constitute a local compliance committee but a system has been put in place to protect Female Employee(s) from sexual harassment. During the year Company has not received any complaint of harassment.

## **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(3)(m) of the Companies Act 2013 read with the Rule 8 of Companies (Account) Rules, 2014 is given in “**Annexure - F**”.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act 2013, the Board has constituted Corporate Social Responsibility Committee.

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as “**Annexure - G**” forming part of this Report.

Brief terms of reference for the CSR Committee include:

1. To formulate a CSR policy which shall indicate activities to be undertaken by the Company.
2. To recommend the CSR policy to the Board.
3. To recommend the amount of expenditure to be incurred on the activities.
4. To monitor the policy from time to time as per the CSR policy.

## **BUSINESS RESPONSIBILITY STATEMENT**

As per SEBI (LODR), Fifth Amendment Regulations, 2019, Business Responsibility Report is mandatory for Top 1000 listed Companies. Our ranking based on Market Capitalization as on 31.03.2020 on BSE is 904. Business Responsibility Report is annexed by way of **Annexure-H**.

## **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

## **TRANSFER OF UN-CLAIMED DIVIDENDS**

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).

## **LISTING WITH STOCK EXCHANGES**

The Company has listed its Equity Shares on BSE Limited and Metropolitan Stock Exchange of India Limited.

## **SECRETARIAL STANDARDS**

The Directors State that applicable Secretarial Standards - 1,2,3 and 4 issued by the Institute of Company secretaries of India relating to 'Meetings of the Board of Directors' and General Meetings',

'Payment of Dividend' and 'Report of the Board of Directors' respectively, have been duly followed by the Company.

## **ACKNOWLEDGMENT**

Your directors' wish to place on record their sincere gratitude and appreciation to its members, employees, bankers, financial institutions, Central & State Government Agencies for their valuable contribution in the growth of the organization.

**For and on behalf of the Board**

**Date: 26-08-2020**

**Place: Ahmedabad**

**SD/-**

**Hiteshkumar Gaurishankar Patel**

**Managing Director**

**(DIN: 05340865)**

**SD/-**

**Navinchandra Dahyalal Patel**

**Director**

**(DIN: 05340874)**

## PARTICULARS OF EMPLOYEES

## I. INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

## Remuneration paid to whole-time directors

Name of the Director and KMP	Designation	Ratio of remuneration of each Director / KMP to the Median Remuneration of Employees	Percentage increase in Remuneration in the Financial year 2019-20
Mr. Hiteshkumar Gaurishankar Patel	Managing Director	8.09:1	741.22
Mr. Navinchandra Dahyalal Patel	Whole time Director & CFO	1.31:1	20
Ms. Sonu Jain	Company secretary & Compliance Officer	0.79:1	*

\*Percentage increase in remuneration is not reported as they were holding respective office(s) for part of the financial year 2018-19.

## Note:

- The details of remuneration of the Independent Directors of the Company have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Independent Directors' Remuneration is, therefore, not considered for the purpose above.
- Percentage increase in remuneration indicates annual total compensation increase, as recommended by the Nomination and Remuneration Committee and duly approved by the Board of Directors of the Company.

II. The percentage increase in the median remuneration of employees in the financial year 2019-2020: NIL.

III. There were 15 permanent employees on the rolls of the Company as on March 31, 2020.

IV. Average percentage increase made in the salaries of employees other than the KMP in the previous financial year - NIL, whereas the average percentage increase in remuneration of the KMP was 380.61%. The average increase of remuneration every year is an outcome of the Company's market competitiveness as against similar Companies. The increase of remuneration this year is a reflection of the compensation philosophy of the Company and in line with the benchmark results.



(v) It is hereby affirmed that the remuneration paid to all the Directors, KMP, Senior Managerial Personnel and all other employees of the Company during the financial year ended March 31, 2020, were as per the Nomination and Remuneration Policy of the Company.

**For and on behalf of the Board**

**Date: 26-08-2020**

**Place: Ahmedabad**

**SD/-**

**Hiteshkumar Gaurishankar Patel**

**Managing Director**

**(DIN: 05340865)**

**SD/-**

**Navinchandra Dahyalal Patel**

**Director**

**(DIN: 05340874)**

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

To,  
The Members,  
**MISHTANN FOODS LIMITED**  
**CIN: L15400GJ1981PLC004170**

I/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). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the records of **MISHTANN FOODS LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering **the financial year ended on 31<sup>st</sup> March 2020** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **MISHTANN FOODS LIMITED (CIN: L15400GJ1981PLC004170) for the financial year ended on March 31, 2020 according to the provisions of:**

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) 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 regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:**(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (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 Takeover) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE FOR THE YEAR**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (vi) As stated in the **Annexure – A** – all the laws, rules, regulations are applicable specifically to the company.
- (vii) No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, and Listing Regulations etc.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India are applicable w.e.f July 01, 2015 or any amendment, substitution, if any, are adopted by the Company and are complied with.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and the Metropolitan Stock Exchange of India Limited (MSEIL), the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to our observations as under:

I further emphasize that

- The board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors, independent directors and woman director. **EXCEPT the fact that As per Listed by BSE based on Market Capitalization the company was coming within the top 500 Companies. Accordingly, the Company must have at least 6 Directors, but it had only 5 Directors but in the meantime as soon as the Company was aware about the same then sixth director was appointed to comply the same.**

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 and duly intimated to the stock exchanges.

- Further the Company has resolved only 2 Investor Complaints as on 31st March 2020 during the year. However, yet 32 Investor Complaints are still pending for resolution.

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 or with consent of directors at a shorter notice, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I 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 compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, in the company there has not occurred any specific event / action that can have a bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guideline, standards, etc.

**Place: Ahmedabad**

**Date: July 20, 2020**

**FOR KAMLESH M. SHAH & CO.,**

**PRACTICING COMPANY SECRETARIES**

**SD/-**

**(Kamlesh M. Shah)  
PROPRIETOR  
ACS: 8356 COP: 2072**

## “ANNEXURE-A”

### Securities Laws

1. All Price Sensitive Information were informed to the stock exchanges form time to time
2. All investors complain directly received by the RTA& Company is recorded on the same date of receipts and are resolved within reasonable time. However, ***the Company has resolved only 2 Investor Complaints as on 31<sup>st</sup> March 2020 during the year. However, yet 32 Investor Complaints are still pending for resolution.***

### Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. **Provisions with relate to compliances of PF/ESI Act are applicable to Company and Complied with. However, as per Management Representation, as the Company has started Commercial business activities in the financial year 2016, and has not yet completed 5 years, no employees have put in the services eligible for payment of Gratuity, hence it has not made provision for payment of Gratuity.**

### Environmental Laws

As the company is engaged in the manufacturing activities, the environmental laws as are applicable to it, has been complied to the extent possible and as applicable, as confirmed by Management.

### Taxation Laws

We are not expert for financial audit however, it appears that, generally, the company follows all the provisions of the In Director taxation and Income Tax Act, 1961 and filing the returns and paying the Taxes, TDS deducted and GST or other indirect taxes at proper time with relevant departments generally as confirmed by the Management.

Place: Ahmedabad  
Date: July 20, 2020

KAMLESH M. SHAH & CO.,  
PRACTICING COMPANY SECRETARIES

SD/-  
(Kamlesh M. Shah)  
PROPRIETOR  
ACS: 8356 COP: 2072

**ANNEXURE B**

**To  
The Members,  
MISHTANN FOODS LIMITED  
CIN: L15400GJ1981PLC004170  
C-808, Ganesh Meridian Opp. High Court of Gujarat,  
S. G. Highway Ahmedabad 380060 Gujarat India**

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.
7. We have relied on Management Representation Letter provided by the Company before issuing this Report to the Company.

**Place: Ahmedabad  
Date: July 20, 2020**

**KAMLESH M. SHAH & CO.,  
PRACTICING COMPANY SECRETARIES**

**SD/-  
(Kamlesh M. Shah)  
PROPRIETOR  
ACS: 8356 COP: 2072**

**Form No. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS:**

i)	CIN	L15400GJ1981PLC004170
ii)	Registration Date	27/02/1981
iii)	Name of the Company	Mishtann Foods Limited
iv)	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	C-808, Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad-380060  Tel no. (079) 4002 3116  Fax no. (079) 4003 3116  Email: <a href="mailto:cs@mishtann.com">cs@mishtann.com</a> ; <a href="mailto:info@mishtann.com">info@mishtann.com</a>
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	MCS Share Transfer Agent Ltd  Address:  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-380009  Contact No.: 079-2658 2878, 2879, 2880  E-mail id: <a href="mailto:mcssta@rediffmail.com">mcssta@rediffmail.com</a>  <a href="mailto:mcsstaahmd@gmail.com">mcsstaahmd@gmail.com</a>

## 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:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Basmati Rice	10612	91.81

## III PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate/Joint Companies	% of shares held	Applicable Section
NIL*					

## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2019]				No. of Shares held at the End of the year [As on 31-March-2020]				% 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	246443000		246443000	49.29	246402098	-	246402098	49.28	(0.01)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-



<b>Sub-total (A) (1):-</b>	<b>246443000</b>		<b>246443000</b>	<b>49.29</b>	<b>246402098</b>	<b>-</b>	<b>246402098</b>	<b>49.28</b>	<b>(0.01)</b>
<b>(2) Foreign</b>	-----NIL-----								
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>246443000</b>		<b>246443000</b>	<b>49.29</b>	<b>246402098</b>	<b>-</b>	<b>246402098</b>	<b>49.28</b>	<b>(0.01)</b>
<b>B. Public shareholding</b>	-----NIL-----								
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>	-----NIL-----								

a) Bodies Corp.									
i) Indian	383777	-	383777	0.08	24544	-	24544	0.05	(0.03)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1382174	25040	1407214	0.28	1367466	25050	1392516	0.28	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	251882206	0	251882206	50.38	257822221	0	257822221	51.56	1.18
c) Others (specify)									
i) Non-Resident Individuals	19461	0	19461	0.00	14306	0	14306	0.00	0.00
ii) HUF	4430	0	4430	0.00	27645	0	27645	0.01	0.01
<b>Sub-total (B)(2):-</b>	<b>253557000</b>	<b>25040</b>	<b>253557000</b>	<b>50.71</b>	<b>253597902</b>	<b>25050</b>	<b>253597902</b>	<b>50.72</b>	<b>0.01</b>
<b>Total Public Shareholding B) = (B)(1)+(B)(2)</b>	<b>253557000</b>	<b>25040</b>	<b>253557000</b>	<b>50.71</b>	<b>253597902</b>	<b>25050</b>	<b>253597902</b>	<b>50.72</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-----NIL-----								
<b>Grand Total (A+B+C)</b>	<b>499974960</b>	<b>25040</b>	<b>500000000</b>	<b>100</b>	<b>499974950</b>	<b>25050</b>	<b>499974950</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters (including promoter group)**

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	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Hiteshkumar G Patel	80400000	16.08	-	80400000	16.08	-	-
2	Ravikumar G Patel	79000000	15.8	-	79000000	15.8	-	-
3	Navinchandra D Patel	32620000	6.52	-	32620000	6.52	-	-
4	Jatinkumar R Patel	32600000	6.52	-	32600000	6.52	-	-
5	Manjulaben Patel	21823000	4.36	-	21782098	4.36	-	-

SRN	Name	Shareholding No. of shares at the beginning (1st April 2019) / end of the year (31st March 2020)	% of total shares of the Company	Date of Change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year (1st April 2019 to 31st March 2020)	% of total Shares of the Company
1	Hiteshkumar Gaurishankar Patel	80400000	16.08	01-04-2019	-	-	80400000	16.08
		80400000	16.08	31-03-2019				
2	Ravikumar Gaurishankar Patel	79000000	15.8	01-04-2019	-	-	70900000	15.8
		79000000	15.8	31-03-2020				
3	Jatinkumar Ramanbhai Patel	32600000	6.52	01-04-2019	-	-	32600000	6.52
		32600000	6.52	31-03-2020				
4	Navinchandra Dahyalal Patel	32620000	6.52	01-04-2019	-	-	32620000	6.52
		32620000	6.52	31-03-2020				
5	Manjulaben Gaurishankar Patel	21823000	4.36	01-04-2019	-	-	21823000	4.36
		21823000	4.36	31-03-2020				

**(iii) Change in Promoters' Shareholding (including promoter group) (please specify, if there is no change)**

(iv) Shareholding Pattern of top ten Shareholders

Sr. No.	Name	Shareholding No. of shares at the beginning (1st April 2018) / end of the year (31st March 2019)	% of total shares of the Company	Date of Change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year (1st April 2018 to 31st March 2019)	% of total Shares of the Company
1	RAJESHKUMAR PRABHUDASBHAI PATEL	25656730	5.13	01-04-2019	-	-	25656730	5.13
		25656730	5.13	31-03-2020				
2	PARICHAY KUMAR MAGANBHAI PATEL	23407570	4.68	01-04-2019	-	-	23407570	4.68
		23407570	4.68	31-03-2020				
3	SURESHKUMAR RAMJI BAHAI PATEL	23384380	4.68	01-04-2019	-	-	23384380	4.68
		23384380		31-03-2019				
4	PATEL SHANKARBHAI KODARBHAI	23314800	4.66	01-04-2019	1	Sell	23314799	4.66
		23314799	4.66	31-03-2020				
5	REKHABEN KANAKBHAI PATEL	107355	0.02	01-04-2019				
				21-05-2019	34500	Buy	141855	0.02
				22-05-2019	16902	Buy	158757	0.02
				23-05-2019	7252	Buy	166009	0.02
				22-07-2019	202200	Buy	368209	0.07
				26-07-2019	1678	Buy	369887	0.07
				29-07-2019	1752	Buy	371639	0.07
				07-08-2019	40	Sell	371599	0.07
				08-08-2019	10	Sell	371589	0.07
				08-08-2019	22091000	Buy	22462589	4.49
			12-09-2019	1672	Sell	22460917	4.49	

		13-09-2019	23	Sell	22460894	4.49	
		16-09-2019	191	Sell	22460703	4.49	
		20-09-2019	844	Sell	22459859	4.49	
		23-09-2019	1230	Sell	22458629	4.49	
		24-09-2019	944	Sell	22457685	4.49	
		25-09-2019	657	Sell	22457028	4.49	
		26-09-2019	1275	Sell	22455753	4.49	
		27-09-2019	1653	Sell	22454100	4.49	
		30-09-2019	688	Sell	22453412	4.49	
		01-10-2019	2621	Sell	22450791	4.49	
		03-10-2019	222	Sell	22450569	4.49	
		04-10-2019	121	Sell	22450448	4.49	
		07-10-2019	402	Sell	22450046	4.49	
		09-10-2019	514	Sell	22449532	4.49	
		11-10-2019	856	Sell	22448676	4.49	
		14-10-2019	486	Sell	22448190	4.49	
		15-10-2019	303	Sell	22447887	4.49	
		16-10-2019	1675	Sell	22446212	4.49	
		13-12-2019	1013	Sell	22445199	4.49	
	22445199	4.49	31-03-2020				
	22046270	4.41	01-04-2019				
			01-04-2019	5000	Sell	22041270	4.41
			02-04-2019	5000	Sell	22036270	4.41
			03-04-2019	25000	Sell	22011270	4.40
			04-04-2019	8870	Sell	22002400	4.40
			05-04-2019	30000	Sell	21972400	4.40
			07-05-2019	18086	Buy	21990486	4.40
			08-05-2019	7500	Buy	21997986	4.40
			09-05-2019	12105	Buy	22010091	4.40

6 PATEL KANAKKUMAR V

		10-05-2019	11500	Buy	22021591	4.40		
		13-05-2019	12000	Buy	22033591	4.41		
		14-05-2019	10000	Buy	22043591	4.41		
		15-05-2019	8450	Buy	22052041	4.41		
		16-05-2019	7196	Buy	22059237	4.41		
		17-05-2019	19503	Buy	22078740	4.42		
		23-05-2019	4500	Buy	22083240	4.42		
		25-07-2019	4598	Buy	22087838	4.42		
		26-07-2019	25	Buy	22087863	4.42		
		19-08-2019	40	Sell	22087823	4.42		
		16-10-2019	8625	Buy	22096448	4.42		
		22-11-2019	1393	Sell	22095055	4.42		
		25-11-2019	205	Sell	22094850	4.42		
		02-12-2019	2568	Sell	22092282	4.42		
		Jan-2020	144197	Buy	22236479	4.45		
		22236479	4.45	31-03-2020				
7	JAYANTILAL MULCHANDBHAI PATEL	21507250	4.30	01-04-2019				
				01-08-2019	3000	Sell	21504250	4.30
		2154250	4.30	31-03-2020				
8	VASANTBHAI MULCHANDBHAI PATEL	21516138	4.3	01-04-2019				
				09-04-2019	5000	Sell	21511138	4.30
				13-08-2019	8739	Sell	21502399	4.30
				14-08-2019	24442	Sell	21477957	4.30
				20-08-2019	52437	Sell	21425520	4.29
				26-08-2019	37850	Sell	21387670	4.27
				27-08-2019	33344	Sell	21354326	4.27
				21354326	4.27	31-03-2020		
9	SURESHBHAI HIRABHAI PATEL	21893850		01-04-2019				
				27-08-2019	4800000	Sell	17093850	3.42

		17093850	3.42	31-03-2020				
10	ASHWIN MAGANBHAI PATEL	7456360	1.49	01-04-2019	-	-	7456360	1.49
		7456360	1.49	31-03-2020				
11	SANKARBHAI DHURABHAI PATEL	1001610	0.20	01-04-2019				
				22-07-2019	4717549	Buy	5719159	1.14
		5719159	1.14	31-03-2020				

#### Shareholding of Directors and Key Managerial Personnel:

SRN	Name	Shareholding No. of shares at the beginning (1st April 2019) / end of the year (31st March 2020)	% of total shares of the Company	Date of Change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year (1st April 2019 to 31st March 2020)	% of total Shares of the Company
1	Hiteshkumar Gaurishankar Patel	80400000	16.08	01-04-2019	-	-	80400000	16.08
		80400000	16.08	31-03-2019				
2	Navinchandra Dahyalal Patel	32620000	6.52	01-04-2019	-	-	32620000	6.52
		32620000	6.52	31-03-2020				
3	Keval Bhatt	7037	0.00	01-04-2019				
				04-04-2019	1100	Sell	5937	0.00
				21-05-2019	2632	Sell	3305	0.00
				13-08-2019	787	Sell	2518	0.00
				18-09-2019	31200	Buy	33718	0.00
		33718	0.00	31-03-2020				
4	Ajitkumar Narayanbhai Patel	-	-	-	-	-	-	-
		-	-	--	-	-	-	-
5	Utpal Raval	31200	0.00	01-04-2019	31200	Sell	0	0
		0	0	31-03-2020				
6	Himaben Janakkumar Patel	-	-	--	-	-	-	-
		-	-	-				
7	Bhumi Jayantkumar Gor*	190	0.00	01-04-2019	400	Buy	590	0.00
		590	0.00	31-03-2020				

## V INDEBTEDNESS

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the FY</b>				
i) Principal Amount	35,49,45,655.00	3,96,57,103.00	-	39,46,02,758.00
ii) Interest due but not paid	2,48,059.00	-	-	2,48,059.00
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>35,51,93,714.00</b>	<b>3,96,57,103.00</b>	<b>-</b>	<b>39,48,50,817.00</b>
<b>Change in indebtedness during the FY</b>				
* Addition	13,08,83,237.00	-	-	13,08,83,237.00
* Reduction	1,48,80,860.00	1,49,88,229.00	-	2,98,69,089.00
Net Change	11,60,02,377.00	-1,49,88,229.00	-	10,10,14,148.00
<b>Indebtedness at the end of the FY</b>				
i) Principal Amount	47,10,68,892.00	2,46,68,874.00		49,57,37,766.00
ii) Interest due but not paid	1,27,199.00	-		1,27,199.00
iii) Interest accrued but not due	-	-		
<b>Total (i+ii+iii)</b>	<b>47,11,96,091.00</b>	<b>2,46,68,874.00</b>		<b>49,58,64,965.00</b>



**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Managing Director, Whole-time Directors and/or Manager		Total Amount (p.a.)
		Mr Hiteshkumar Gaurishankar Patel	Mr Navinchandra Dahyalal Patel	
	<b>Gross salary</b>	2523646	410000	2933646
1	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	-	-	-
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-	-
	<b>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	-	-	-
2	<b>Stock Option</b>	-	-	-
3	<b>Sweat Equity</b>	-	-	-
4	<b>Commission - as % of profit - others, specify...</b>	-	-	-
5	<b>Others, please specify</b>	-	-	-
	<b>Total (A)</b>	<b>2523646</b>	<b>410000</b>	<b>2933646</b>
	<b>Ceiling as per the Companies Act, 2013</b>			

**(B) Remuneration to other directors:**

No Fees for attending board / committee meetings, Commission and Others were paid to Independent and Non-Executive Directors of the Company during the Financial Year 2019-2020.

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

We have Whole Time Director acting as CFO, hence it is repeated below.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total Amount (p.a)
<b>1</b>	<b>Gross salary</b>	232314	410000	642314
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>			
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-	-
	<b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission</b>	-	-	-
	<b>- as % of profit</b>	-	-	-
	<b>others, specify...</b>	-	-	-
<b>5</b>	<b>Others, please specify</b>	-	-	-
	<b>Total</b>	<b>232314</b>	<b>410000</b>	<b>642314</b>

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Regulation 17 of SEBI (LODR), 2015	Non-compliance of Regulation 17 of SEBI (LODR), 2015	531000	BSE Limited	Under Protest
Punishment					
Compounding					
<b>B. DIRECTORS</b>	<b>NIL</b>				
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	<b>NIL</b>				
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Date: 26-08-2020

Place: Ahmedabad

Sd/-  
Hiteshkumar Gaurishankar Patel  
Managing Director  
(DIN: 05340865)

Sd/-  
Navinchandra Dahyalal Patel  
Director  
(DIN: 05340874)

## Form No. AOC - 2

## MATERIAL RELATED PARTY TRANSACTIONS

(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 subsection (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto.

**A. Details of contracts or arrangements or transactions not at arm's length basis during the year ended March 31, 2020:** None

**B. Details of material contracts or arrangements or transactions at arm's length basis during the year ended March 31, 2020:** None

Details of Related party Transaction at arms-length basis in the ordinary course of business:

SRN	Name(s) of the related party	Nature of relationship	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transaction	Value of Transaction (in Rs.)	Date(s) of approval by the Board	Amount paid as advance
1	Manjulaben G. Patel	Relative of Director	-	Loan Given	28451	-	-
2	Vandanaben H. Patel	Relative of Director	-	Loan Given	28451	-	-
3	Manjulaben G. Patel	Relative of Director	-	Purchase of Goods	35250000	-	-
4	Vandanaben H. Patel	Relative of Director	-	Purchase of Goods	16000000	-	-

For and on behalf of the Board

Date: 26-08-2020

Place: Ahmedabad

Sd/-  
Hiteshkumar Gaurishankar Patel  
Managing Director  
(DIN: 05340865)

Sd/-  
Navinchandra Dahyalal Patel  
Director  
(DIN: 05340874)

## REPORT ON CORPORATE GOVERNANCE

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

### 1. COMPANY'S PHILOSOPHY

Your Company has implemented and continuously tries to improve the Corporate Governance Practices with an attempt to meet stakeholders' expectations' and Company's societal commitments through high standards of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and finally with strict compliance of regulatory guidelines on Corporate Governance.

"Transparency, honesty, efficiency, complete and timely disclosure and sustained enhancement of shareholders value, justice to vendors, employees and the society at large are the cardinal principles of Corporate Governance for your Company"

Mishtann Corporate Governance philosophy is based on the following principles:

- ✧ Ensure transparency and maintain a high level of disclosure
- ✧ Clearly distinguish between personal conveniences and corporate resources
- ✧ Communicate externally and truthfully, about how the Company is run internally
- ✧ Have a simple and transparent corporate structure driven solely by business needs
- ✧ The Management is the trustee of the shareholders' capital and not the owner
- ✧ Corporate Governance Standards should satisfy both the spirit of the law and the letter of the law

### CODE/GOVERNANCE POLICIES

- ✧ Whistle Blower Policy
- ✧ Policy for determination of Materiality
- ✧ Policy on Archival of Documents
- ✧ Corporate Social Responsibility Policy
- ✧ Board Diversity Policy
- ✧ Nomination & Remuneration Policy
- ✧ Policy for Determining Material Subsidiaries
- ✧ Related Party Transactions Policy?
- ✧ Familiarisation Programme for Independent Directors
- ✧ Policy on Preservation of Documents
- ✧ Code of practices and procedures for fair disclosures of Unpublished price sensitive information

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as “Listing Regulations”) is given below:

## 2. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of this Report for the year ended 31st March, 2020 and annexed to this Report.

## 3. BOARD OF DIRECTORS

### (a) Composition of Board

The Board of Mishtann is an optimum combination of Executive, Non-executive and Independent Directors including Independent Woman Director. For the Financial Year ended March 31, 2019 the board composition was as follows;

<b>Promoter &amp; Promoter Group</b>	2
<b>Executive Directors</b>	2
<b>Independent and Non-Executive Directors</b>	4

### (b) During the Financial Year 2018-19 fourteen Board Meetings were held on the following dates;

1	Monday, April 15, 2019
2	Monday, April 29, 2019
3	Wednesday, July 03, 2019
4	Wednesday, August 14, 2019
5	Monday, November 11, 2019
6	Friday, February 14, 2020

**(c) Meetings attended by the Board Members during the Year 2018-19**

Name of Director	Category	No. of Directorship held in other listed Entity	No. of Board Meeting Attended	Attended last AGM	No. of Memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson	No. of Equity shares held
Mr. Hiteshkumar G. Patel	Managing Director	-	6	YES	-		160800000
Mr. Navinchandra D. Patel	Whole time Director	-	6	YES	-		32620000
Ajitkumar Narayanbhai Patel	Non-executive & Independent Director	-	3	YES	-		-
Utpalbhai Raval	Non-executive & Independent Director	-	3	YES	-		-
Mrs. Heemaben J. Patel	Non-executive & Independent Director	-	6	YES	-		-
Keval Bhatt	Non-executive	-	#	#	-		33718

# Appointed with effect from February 14, 2019, thereafter no Board Meeting were held in the Financial Year.

There is no relationship between directors inter-se.

Minutes of the meetings of all the Board and Committees are circulated to all the Directors.

**(d) Familiarisation Programme for Independent Directors**

The Company conducts familiarisation programs for Independent Directors with regard to their roles, rights, responsibilities towards the Company, the business operations of the Company, etc. Descriptions of the familiarisation programs extended to the Independent Directors is disclosed on the Company website at <http://www.mishtann.com/uploads/specification/familiarization-programme-for-independent-directors.PDF>

**(e) The list of core skills/expertise/competencies identified by the board of directors as required in the context of the business(es) and sector(s) for it to function effectively and those actually available with the board**

- i) Knowledge: to understand the company's policies, procedures, mission, vision, values, goals and must have basic understanding of reading and interpreting Financial data.
- ii) Negotiating skills: the Agriculture business requires immense communication with farmers, traders and dealers.
- iii) Behavioral Skills: attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders.
- iv) Ability and Willingness to Facilitate Change: the ability to change and adapt the with various technologies in the business processes and its effective management.

v) A Willingness to Collaborate: agriculture is growing more interdependent, the directors and managers must such attitude.

Nomination and Remuneration Committee while considering of appointment of any person as Director ensure that he possess the skills as required for the efficient functioning of the Company and all other qualifications as prescribed under Listing Regulations and the Act and also such other skills, positive attributes etc. which may be fruitful in enhancing the growth of Company, which is then recommended to Board for their approval.

**(f)** The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

**(g)** During Financial year, Mr. Devalkumar Bharatbhai Patel, Mr. Bharatbhai Jethabhai Patel resigned from the Board of Directors of the Company, effective July 03, 2019, due to personal reasons and pre occupations.

However, Mrs. Himaben Janakkumar Patel resigned from the post of Independent Director w.e.f June 26, 2020 due to personal reasons.

#### **4. COMMITTEES OF BOARD**

##### **1) Audit Committee**

###### **Brief description of terms of reference:**

A. To oversee 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. To recommend 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. To Review, with management the annual financial statements before submission to the Board, focusing primarily on:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

D. To review, with the management, the quarterly financial statements before submission to the board for approval

E. To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the



utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter

F. To reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process

G. approval or any subsequent modification of transactions with related parties;

H. To scrutinize inter-corporate loans and investments

I. To Evaluate the value of undertakings or assets of the Company, wherever it is necessary;

J. To evaluate the internal financial controls and risk management systems;

K. To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

L. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

M. To discuss with internal auditors of any significant findings and follow up there on;

N. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

O. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

P. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, if any, shareholders (in case of non-payment of declared dividends) and creditors;

Q. To review the functioning of the whistle blower mechanism;

R. To approve appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

S. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

S. To carry out any other function as is mentioned in the terms of reference of the audit committee.

- a. Review the financial reporting process and disclosure of its financial information
- b. Review with the management, Annual financial statements before submission to the Board
- c. Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- d. Review the company's accounting and risk management policies
- e. 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.
- f. Review quarterly financial statement.
- g. Review internal investigations made statutory/ Internal Auditors.
- h. Scope of Statutory/ Internal Audit
- i. Review fixed deposits/repayment systems etc.
- j. 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 record. The Board of Directors, regularly apprised 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. The company Secretary acts as Secretary of the Audit Committee.

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 four meetings of Audit Committee were held on the following dates:**

1	April 29, 2019
2	August 14, 2019
3	November 11, 2019
4	February 14, 2020

**The constitution, composition and attendance details of the Audit Committee are as under:**

The audit Committee as on March 31, 2020 comprises of three Non-executive and Independent Directors.

Name of Director	Title	No. of meetings attended
Mr. Utpalbhair Raval*	Member	3
Mr. Ajitkumar Narayanbhai Patel*	Chairperson	3
Mrs. Himaben Janakkumar Patel	Member	4

\*appointment with effect from July 03, 2019

## 2) Nomination And Remuneration Committee

**Brief description of terms of reference:**

The Committee has adopted a policy relating to the appointment and remuneration of Directors, Key Managerial Personnel and Senior Management employees.

**The role of Nomination and Remuneration Committee is as follows:**

- (1) To 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, Senior Management and other employees;
- (2) To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- (3) To devise a policy on diversity of board of directors;
- (4) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) To determine 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.

- (6) To recommend to the board, all remuneration, in whatever form, payable to senior management.  
 (7) To review HR Policies and Initiatives.

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

- a) 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;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) 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.

**During the Year three meetings of NRC were held on the following dates:**

1	April 04, 2019
2	July 03, 2019
3	February 14, 2020

**The constitution, composition and attendance details of the NRC are as under:**

The Nomination and Remuneration Committee as on March 31, 2020 comprises of three Non-executive and Independent Directors.

Name of Director	Title	No. of meetings attended
Mr. Utpalbhai Raval*	Member	1
Mr. Ajitkumar Narayanbhai Patel*	Chairperson	1
Mrs. Himaben Janakkumar Patel	Member	3

\*appointment with effect from July 03, 2019

**Performance evaluation criteria for Directors**

During the year, the Board adopted a formal mechanism for evaluating its performance 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.

## Remuneration of directors

(a) There were no pecuniary relationship or transactions with the Non-executive directors during the year. The company do not pay sitting fees or commissions to the Non-executive directors.

(b) The criteria for making payments to non-executive directors are placed on the company's website at <http://www.mishtann.com/uploads/specification/criteria-for-making-payment-to-non-executive-directors.PDF>

### (c) Remuneration details of Directors

Name of Director	Remuneration inclusive of all benefits per Annum in Rs.
Mr. Hiteshkumar G. Patel	25,23,646/-
Mr. Navinchandra D. Patel	4,10,000/-

## 3) STAKEHOLDERS' GRIEVANCE COMMITTEE / STAKEHOLDERS RELATIONSHIP COMMITTEE

The dates of the four meetings of the committee held during the year are following:

1	April 11, 2019
2	July 12, 2019
3	October 07, 2019
4	January 06, 2020

The committee composes of the following Non-executive and Non-Independent Directors:

Name of Director	Title	No. of meetings attended
Mr. Utpalbhai Raval*	Member	3
Mr. Ajitkumar Narayanbhai Patel*	Chairperson	3
Mrs. Himaben Janakkumar Patel	Member	4

\*appointment with effect from July 03, 2019

### Complaints status for the period 01-04-2019 to 31-03-2020

Number of complaints received	Number of complains pending	Number of complains resolved
6	32	-

### Name and Designation of the Compliance Officer

Ms. Ziral Soni, Company Secretary & Compliance Officer of the Company with effect from June 29, 2020.

**The Stakeholders Relationship Committee also have the following roles;**

- (1) To Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) To review measures taken for effective exercise of voting rights by shareholders.
- (3) To review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) To review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**5. GENERAL BODY MEETINGS**

**(a)** A brief summary of last three Annual General meetings and special resolution passed;

<b>Financial Year</b>	<b>Day, Date and Time</b>	<b>Venue of the Annual General Meeting</b>	<b>No. Of Special resolution passed</b>
2018-19	Thursday, September 26, 2019 at 11.30 a.m.	Hotel Aloft, 147/1 Opposite Bhagwat Vidhya Peeth, Sarkhej-Gandhinagar Hwy, Sola, Ahmedabad-380061, Gujarat	3
2017-18	Thursday, September 29, 2018 at 11:45 A.M.	Renaissance Hotel Ganesh Meridian, Opp. High Court of Gujarat, Sola, S. G. Highway, Ahmedabad – 380060	6
2016-17	Friday, September 29, 2017 at 11:00 A.M.	C-808, Ganesh Meridian Opp. High Court of Gujarat, S.G. Highway Ahmedabad - 380060	5

**(b) Special Resolutions passed in 39<sup>th</sup> Annual General Meeting are as follows:**

1. Appointment of Mrs. Himaben Patel (DIN: 08399809), as an Independent Director.
2. Appointment of Mr. Utpalbhai Dineshbhai Raval (DIN: 08498407), as an Independent Director.
3. Appointment of Mr. Ajitkumar Narayanbhai Patel (DIN: 08121392), as an Independent Director.

**(c) Special Resolutions passed in 38<sup>th</sup> Annual General Meeting are as follows:**

1. To approve for splitting of the Company's Equity Shares of Rs 10/- each into 10 Equity Shares having a face value of Re. 1/- each
2. Subdivision of Authorised Equity Share Capital and Consequent Alteration of Memorandum of Association
3. To approve appointment of Mrs. Vandana Patel, to a place of profit being head of Marketing of the Company
4. To approve appointment of Mrs. Tejal Patel, to a place of profit being head of advertising of the Company
5. To approve appointment of Mrs. Rinkal Patel, to a place of profit being head of advertising of the Company
6. To approve appointment of Ms. Kamini Patel, to a place of profit being head of accounts of the Company

**(d) Special Resolutions passed in 37<sup>th</sup> Annual General Meeting are as follows:**

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

**(e) Extra ordinary General Meeting**

An Extra ordinary general Meeting was duly called, held and conducted on Friday, June 08, 2019 at the Registered Office of the Company at 11:00 A.M. for transacting business as follows:

- (1) To consider increase in authorised share capital of the company
- (2) To amend Memorandum of Association of the company and;
- (3) Issue of Equity shares on preferential basis.

**4. MEANS OF COMMUNICATION**

**(a) Quarterly Results**

The quarterly, Half-early and Annually Financial Results of the Company are published in widely circulated Newspapers as required under Regulation 47 of the SEBI Listing Regulations.

**(b) Website where results were displayed**

The Company's website contains a separate dedicated section "Investor Relations" which provides comprehensive information for members such as Press Releases, Unclaimed Dividend, Company details, Disclosures and policies, Shareholding Pattern, Quarterly Governance Reports, Financial Results, Annual reports, the Board Members etc. Stakeholders may visit the website [www.mishtann.com](http://www.mishtann.com)

**5. GENERAL SHAREHOLDER INFORMATION**

**(a)** Annual General Meeting: 11:30 A.M. Thrusday, September 24, 2020 through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")

**(b)** Financial Year: April 01, 2019 to March 31, 2020

**(c)** Dividend Payment Date: Final Dividend will be paid within the stipulated time after declaration by the members at the ensuing Annual General Meeting.

**(d)** Record Date for payment of Dividend: 18<sup>th</sup> September, 2020

**(e) Listing on Stock Exchanges**

Name of the Stock Exchange	Stock Code	ISIN (International Securities Identification Number)
Bombay Stock Exchange Limited <b>Address:</b> P.J. Towers Dalal Street, Mumbai-400001	539594	INE094S01041
Metropolitan Stock Exchange of India Limited <b>Address:</b> 4 <sup>th</sup> Vibgyor Tower, Opp. Trident Hotel, Bandra-Kurla Complex, Mumbai-400098	MISHTANN	INE094S01041

The Annual Listing Fees for the year 2020-2021 to Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited has been paid where the Company's Equity Shares are listed.

**(f) Market Price data**

Month	High Price	Low Price
Apr-19	<b>72.45</b>	<b>54.95</b>
May-19	<b>53.90</b>	<b>42.00</b>
June-19	<b>54.45</b>	<b>40.60</b>
July-19	<b>39.80</b>	<b>29.15</b>
Aug-19	43.65	33.15
Sep-19	39.55	27.85
Oct-19	28.05	22.75
Nov-19	30.85	22.25
Dec-19	21.85	15.00
Jan-20	14.17	9.51
Feb-20	9.32	6.43
Mar-20	6.31	4.81

**(g) Performance in comparison to Broad-based Indices**

Month	Mishtann Closing Price	S&P BSE 150 MidCap Index	S&P BSE 500
Apr-19	54.95	4688.38	15293.75
May-19	48.5	4760.31	15517.9
Jun-19	40.6	4686.56	15291.7
Jul-19	32.5	4275.86	14324.12
Aug-19	40.35	4250.87	14234.07
Sep-19	27.85	4433.53	14810.02
Oct-19	28.05	4688.15	15387.13
Nov-19	22.25	4761.78	15567.67
Dec-19	15.00	4773.19	15667.44
Jan-20	9.51	5036.11	15649.81
Feb-20	6.43	4731.44	14627.62
Mar-20	5.38	3428.81	11098.23

**(h)** The Company's Equity Shares are not suspended from trading in the Financial Year 2019-2020.

**(i) Registrar & Share Transfer Agent**

Name: MCS Share Transfer Agent Limited  
Address: 1) 383 Lake Gardens, 1st Floor, Kolkata – 700045  
2) 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009  
Tel: 079 2658 0461, 0462,0463, 033-4072 4051,4052,4053,4054  
Fax: 033-40724050  
E-mail: mcsstaahmd@gmail.com

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to our RTA at the aforesaid address.

For convenience of Members, documents will also be accepted at the Registered Office of the Company during working hours between Monday to Friday (10:00 a.m. to 6:00 p.m.), except public holidays.

**(j) Share Transfer System**

Applications for transfer of shares held in physical form are received at the office of the Registrars & Share Transfer Agents of the Company. All valid transfers are processed and registered within stipulated time.

Shares held in dematerialised form are electronically traded through the Depositories.



Requests for dematerialisation of physical shares are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the Members.

### (k) Distribution of Shareholding

#### Shareholding Pattern as on March 31, 2020

Category of Shareholders	No. of Shareholders	% of Total Shares
Indian Public (including Promoter & Promoter Group)	1728	99.987
Other Bodies Corporate	17	0.005
NRI	15	0.002
HUF	14	0.006
Shares underlying DRs	0	0
Shares held by Employee Trusts	0	0
<b>Total Shareholding</b>	<b>1774</b>	<b>100</b>

Description	Shares	Folios	Percent Shares	Percent Holders
1-500	142261	1451	0.03	81.79
501-1000	96226	117	0.02	6.60
1001-2000	93218	63	0.02	3.55
2001-3000	69608	28	0.01	1.58
3001-4000	46314	14	0.01	0.79
4001-5000	64176	14	0.01	0.79
5001-10000	221942	30	0.04	1.69
10001-50000	447429	18	0.09	1.01
50001-100000	211342	3	0.04	0.17
100001 and above	498607484	36	99.72	2.03
Total	500000000	1774	100	100

### (l) Dematerialization of Shares and Liquidity

Particulars of Equity holding	Equity Shares of Re. 1/- each.	
	Number of shares	Percent of total shares
NSDL	285898743	57.179
CDSL	214076207	42.815
Physical form	25050	0.005

**(m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments**

There are no outstanding GDRs / ADRs / Warrants or any convertible instruments as at March 31, 2019.

**(n) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable**

**(o) Plant Location**

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

**(p) Address for Correspondence**

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

**(q) Credit Ratings:**

No credit ratings obtained by the Company during the relevant financial year for any debt instruments, fixed deposit programme, any scheme or proposal, involving mobilization of funds, whether in India or abroad.

**6. OTHER DISCLOSURES**

- a) There were no materially significant related party transactions that may have potential conflict with the interests of the company at large during the year.
- b) There were no material non-compliance by the company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- c) The company has an effective vigil mechanism, whistle blower policy which is hosted on the Company's website i.e. [www.mishtann.com](http://www.mishtann.com). No personnel has been denied access to the audit committee.
- d) The policy for Determining material subsidiaries is available on the web link at <http://www.mishtann.com/uploads/specification/policy-for-determining-material-subsidies.pdf>
- e) The policy on dealing with Related Party Transactions is available on the web link at <http://www.mishtann.com/uploads/specification/related-party-transactions-policy.PDF>
- f) The funds raised through preferential Allotment were used as per the objects stated in the offer document and explanatory statement to the Notice of Extra ordinary General Meeting held on June 08, 2018.
- g) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is appended in **Annexure - I**
- h) During the year the Board has accepted and appreciated the recommendations received from its committees. There were no instances where Board did not accept the recommendations of its committees which are mandatory in nature.
- i) The Company has paid Rs. 1,70,000/- (One lakh seventy thousands) to its statutory Auditors for all services received from them during the year.
- j) Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the details of the complaints during the year as follows:
  - a. number of complaints filed during the financial year: 0
  - b. number of complaints disposed of during the financial year: 0
  - c. number of complaints pending as on end of the financial year: 0

6. The Company has made adequate disclosures as required under Regulations 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI Listing Regulations.

**7. Declaration by the chief executive officer/Managing Director**

I, Hiteshkumar Gaurishankar Patel, Managing Director of the Company, in pursuance of Regulation 26(3) and clause D of Schedule V declares that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of Directors and Senior Management for the year ended March 31, 2019

**For Mishtann Foods Limited**

**Date: 26-08-2020**

**Place: Ahmedabad**

**Sd/-**

**Hiteshkumar Gaurishankar Patel**

**Managing Director**

**(DIN: 05340865)**

### **CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER CERTIFICATION**

The following certificate was placed at the Board Meeting held on Wednesday, August 26, 2020

I, Navinchandra Dahyalal Patel, Whole-time Director and Chief Financial Officer to the best of our knowledge and belief certify that:

A. I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.

D. I have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For and on behalf of the Board**

**Date: 26-08-2020**

**Place: Ahmedabad**

**Sd/-**

**Navinchandra Dahyalal Patel**

**Director**

**(DIN: 05340874)**

**Certificate of Non-disqualification of Directors**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
Members,  
**MISHTANN FOODS LIMITED,**  
Ahmedabad-60, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MISHTANN FOODS LIMITED bearing CIN: L15400GJ1981PLC004170** and having its registered office at C-808, Ganesh Meridian Opp. High Court of Gujarat, S. G. Highway Ahmedabad-380060 Gujarat, India, (hereinafter referred to 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Disqualified Under Section 164 of Companies Act,2013	Deactivation of DIN Due to Non-Filing of DIR-3 KYC
1	Hiteshkumar G. Patel	05340865	N.A.	N.A.
2	Navinchandra D. Patel	05340874	N.A.	N.A.
3	Keval Manuprasad Bhatt	07620270	N.A.	N.A.
4	Ajitkumar Narayanbhai Patel	08121392	N.A.	N.A.
5	Utpalbhai Dineshbhai Raval	08498407	N.A.	N.A.
6	Himeben Janakkumar Patel	08399809	N.A.	N.A.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

**For, Kamlesh M. Shah & Co.,**

**Practicing Company Secretary**

**Kamlesh M. Shah**

**(Proprietor)**

**(ACS: 8356, COP: 2072)**

**Place: Ahmedabad**

**Date: July 14, 2020**

**STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 134(3)(M) OF THE ACT READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2020**

**A. Conservation of Energy**

i. Power and Fuel Consumption

Particulars	2019-2020	2018-19
<b>A. Electricity</b>		
<b>Units Purchased</b>	1429080	1459278
<b>Expenditure</b>	8984759.06	8894030
<b>Rate/Unit</b>	6.29	6.09
<b>B. Consumption per unit of Production</b>		
<b>Production (in ton.)</b>	67071.76	58803.3
<b>Units</b>	1429080	1459278
<b>Unit/Tonne</b>	21.31	24.82

i. The steps taken by the Company for utilising alternate sources of energy: NIL

ii. The capital investment on energy conservation equipments: NIL

**B. Technology Absorption**

i. The efforts made towards technology absorption: NIL

ii. The benefits derived: NIL

like product improvement, cost reduction, product development or import substitution;

iii. Technology imported, if any. (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported: NIL

(b) the year of import: NIL

(c) whether the technology been fully absorbed: NIL

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NIL

(iv) the expenditure incurred on Research and Development: NIL

**C. Foreign Exchange earnings and outgo**

Actual Foreign exchange earned during the year	NIL
Actual Foreign exchange outgo during the year	NIL

**For and on behalf of the Board**

**Date: 26-08-2020**

**Place: Ahmedabad**

**Sd/-**

**Hiteshkumar Gaurishankar Patel**

**Managing Director**

**(DIN: 05340865)**

**Sd/-**

**Navinchandra Dahyalal Patel**

**Director**

**(DIN: 05340874)**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Hunger, Poverty, Malnutrition and Health, Education, Environmental sustainability. Besides these focus areas the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on [www.mishtann.com](http://www.mishtann.com)

### 2. The Composition of the CSR Committee.

Name of Director	Title	Meeting/s (16-08-2019)
Mr. Utpalbhai Raval*	Member	Present
Mr. Ajitkumar Narayanbhai Patel*	Chairperson	Present
Mrs. Himaben Janakkumar Patel	Member	Present

\*appointment with effect from July 03, 2019

### 3. Average net profit of the company for last three financial years: 9,61,48,932

### 4. Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above): 19,22,979

### 5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year:	19,22,979
(b) Amount unspent , if any:	24,84,539



(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S No.	CSR project or activity identified	Sector in which project is covered	Projects or programs(1) Local area or other  (2) Specify the State and district where projects or Programs Was undertaken	Amount outlay (budget) project or wise	Amount spent on the projects or programs Sub heads:  (1)Direct expenditure on projects or programs.  (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent Direct or through implementing agency
NIL							

For and on behalf of the Board

Date: 26-08-2020  
Place: Ahmedabad

Sd/-  
Hiteshkumar Gaurishankar Patel  
Managing Director  
(DIN: 05340865)

Sd/-  
Navinchandra Dahyalal Patel  
Director  
(DIN: 05340874)

### BUSINESS RESPONSIBILITY REPORT

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2020, pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### General Information

1.	Corporate Identity Number (CIN) of the Company:	L15400GJ1981PLC004170
2.	Name of the Company:	MISHTANN FOODS LIMITED
3.	Address of the Registered Office:	C-808, Ganesh Meridian, Opp. High Court of Gujarat Sola, S. G. Highway AHMEDABAD 380060
4.	Website:	www.mishtann.com
5.	E-mail ID:	info@mishtann.com
6.	Financial Year reported:	2019-20
7.	Key products / services:	Basmati Rice
	Businesses	Products /Services
	Agri Business:	Agri-commodities such as Basmati Rice, Wheat & Dal
8.	Locations where business activities undertaken by the Company:	Survey No:10 at kabodari, Himmatnagar- Dhansura Highway Ta: Talod, Sabarkantha- 383305
9.	Markets served by the Company:	The Company's products and services are available nationally and products are exported.
10.	Subsidiary companies and their BR initiatives:	NA

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY (In Lakhs)

1.	Paid up Capital (As on 31.03.2020):	Rs. 5000
2.	Total Turnover	Rs. 48212.43
3.	Total profit after taxes:	Rs. 3.39
4.	Total Spending on Corporate Social Responsibility (CSR):	-
	As percentage of Profit after taxes:	-

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	NO
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities. [Less than 30%, 30-60%, More than 60%]	NA

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

Particulars	Details
DIN Number (If applicable)	05340865
Name	Mr. Hiteshkumar Gaurishankar Patel
Designation	Managing Director
Mobile Number	9925168399
Email ID	hiteshpatel@mishtann.com

### 2(a). Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Name of principles:

- P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
- P3 – Businesses should promote the well-being of all employees
- P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 – Businesses should respect and promote human rights
- P6 – Businesses should respect, protect, and make efforts to restore the environment
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 – Businesses should support inclusive growth and equitable development
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
1	Has the policy been formulated in consultation with the relevant stakeholders?	The Company has formulated and adopted the policies and best practices while considering and taking into account the interest of all our stakeholders.								
2	Does the policy conform to any national/ international standards?	The Company's policies are aligned with the policies incorporating the best practices.								
3	Has the policy been approved by the Board? Has it been signed by MD/ Owner/ CEO/ Appropriate Board Director?	Since all the policies are not required to be approved by the Board of Directors, the approval will be obtained wherever mandatory.								
4	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Indicate the link for the policy to be viewed online?	Since the company is in the initial phase of developing the same. The Link will be provided soon at the website <a href="http://www.mishtann.com">www.mishtann.com</a>								
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have in-house structure to implement the policy/policies?	Internal stakeholders are made aware of the policies External stakeholders are communicated to the extent required and applicable.								
8	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of all the policies is internally monitored.								

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

NA.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1

**BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.**

The Company, as a responsible corporate citizen, is fully aware of its obligations to make appropriate and timely disclosures as mandated under various laws. The Company also refrains from engaging in any practices that are abusive, corrupt or anticompetition.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Our Business Code of Conduct and Ethics informs our approach to sustainability and how we conduct ourselves day-to-day – with each other, our customers, our shareholders, our competitors, our employees, our neighbouring communities, our host government and our suppliers and contractors.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

About 32 requests and correspondences (including complaints) were received from our shareholders and all of these have been responded and we are in processing of solving them at early as possible.

## **Principle 2**

### **BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

The Company believes that in order to function effectively and profitably, the Company needs to endeavor to improve the quality of life of people and to ensure this, The Company aims to bring in world class farming practices and techniques to Indian farmers and to offer end-to-end solutions for issues faced by them, thereby enabling them to enhance their financial gains.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

None. We make all efforts to ensure that we produce, in a safe and environmental friendly responsible manner. Over the years, we have constantly improved our recoveries, reduced hazardous waste generation, recycling and reuse of waste, improved specific water and energy consumption and reduced our tailings to optimally use available natural resources. All the packaging material of our product reusable and environment friendly

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

We recognise the impact of our operations on the environment and adopt strategies to minimise our resource use in all our processes. To further channelise our endeavours, we consciously track usage of these resources – water, energy and raw materials, throughout our activities.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

As producers, we have limited control of the full lifecycle. We are committed to ensure that the beginning of the lifecycle adheres to appropriate trading standards.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

No. Company does not have procedures in place for sustainable sourcing (including transportation).

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

We engage the farmers including communities in the surrounding to our plant for cultivation of our product and involve them and help them by providing employment and in all the possible ways as and when required.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

We have an exclusive Resource use and Waste Management Technique and supporting guidance notes, which directs us to mitigate the environmental impacts of our products and process. As there is no specific mechanism yet we are unable to detect the percentage of the same.

### **Principle 3**

#### **BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

Our employees are our key assets and our growth and success are attributable to them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses.

We are committed to providing our employees with a safe and healthy work environment.

Through a high degree of engagement and empowerment we enable them to realise their full potential, creating a high-performance work culture. The Company has amicable employee relations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees.

The Company constantly makes concerted efforts towards creating learning and development opportunities on a non-discriminatory basis, that continually enhance the employee value in line with the organizational objectives. Also, the safety and health of employees is utmost important to the Company and the Company is committed to building and maintaining a safe and healthy workplace.

The details of the Company's workforce are given in the table below:-

1	Please indicate the total number of employees	Total: 15
2	Please indicate the total number of employees hired on temporary/ contractual/ casual basis	NIL
3	Please indicate the number of permanent women employees	Full time Women Employee: 1
4	Please indicate the Number of permanent employees with disabilities	NIL
5	Do you have an employee association that is recognised by management?	NO
6	What percentage of your permanent employees is members of this recognised employee association?	None
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
----------	--	--



Child labour/ forcedlabour/ involuntary labour	NA	NA
Sexual harassment	NA	NA
Discriminatory employment	NA	NA

#### **Principle 4**

#### **BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE, TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

The Company recognizes that it has the responsibility to think and act beyond the interests of its shareholders, to include all its stakeholders. Ours is an inclusive model where we value each and every stakeholder and their opinion matters to us.

1. Has the company mapped its internal and external stakeholders? Yes/No

YES. The Company has conducted a mapping exercise, from which we have classified our stakeholders into the different categories i.e (Employees, Shareholders, Lenders, Communities and Industry).

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Identification of the disadvantaged, vulnerable and marginalised stakeholders is an on-going process. Meanwhile we have started an initiative for identifying the same in day to day life.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

NO. There is no special initiative to engage the disadvantaged, vulnerable and marginalized stakeholder. As said it is an on-going process and the steps are taken as per requirement.

## **Principle 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN**

### **RIGHTS**

The Company strongly believes in the principle of respect for human rights of all, which imbibes its spirit from the Constitution of India. Additionally, our Code of Business Conduct and Ethics (Code) commits us to comply with all relevant national laws and regulations, underpinning our approach to protecting the fundamental rights of all our direct and indirect employees.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Human Rights policy is aligned to the UN Guiding Principles on Business and Human Rights and is a mandate for its Company's employees. We also encourages our suppliers, contractors and others to comply the policy. And if in future any group company is formed it will be also covered under the same.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints pertaining to violation of human rights were received by the Company during the Financial Year 2019-20.

### **Principle 6**

## **BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

We believe in conserving the various resources of our Mother Earth. We are conscious of negative environmental impacts, and hazardous waste to waste water generation and landscape modification. To this end, we manage our footprint in the most stringent global standards throughout the process of cultivation.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

We do encourages our suppliers, contractors and others to comply the policy and global standards. And if in future any group company is formed it will be also covered under the same.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for

webpage etc.

As a natural resource and agriculture industry, we have a profound responsibility to address the planet's undisputed warming and adapt to the future impacts.

3. Does the company identify and assess potential environmental risks? Y/N.

We do identify and assess potential environmental risks as an on-going process and work accordingly.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Currently we don't have any specific project related to Clean Development Mechanism. But we emphasises on the policy and its concept in our working procedure.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

At our manufacturing plants we have a relentless focus on productivity and environmental sustainability. To strengthen our approach, we have invest in a robust technology solutions that has revolutionized the speed and work towards achieving our targets. We are continuously working on energy efficiency and trying to get the best possible technology available in the market.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, emissions/waste generated by the Company is monitored regularly and are within the limits prescribed by CPCB / SPCB. All sites are regularly monitored for emission to meet the national standards.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/legal notices were issued to the companies in respect of the same in the FY- 19-20

**Principle 7 BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

We believe we should proactively promote the development, public policies and regulatory frameworks that support a fair and competitive environment. For any policy advocacy, the Company ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of APEDA (Agricultural and Processed Food Products Export Development Authority)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We believe in promoting public policies and regulatory framework that serve the common good of the society.

**Principle 8 BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.**

The Company recognizes the fact that corporate growth and equitable development are interdependent and that the Company owes a responsibility to play its role in the social and economic development agenda of the country. Wherever we operate we add value to the local stakeholders. This may be through employment, trade development, enhanced infrastructure, or greater well-being and empowerment.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

We don't have any specified programmes/initiatives/projects in pursuit of to the policy. But as a responsible corporate citizen, our Company focusses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

We implement our programmes through different modes – directly or indirectly. We also actively encourage our own employees to contribute towards these social initiatives.

3. Have you done any impact assessment of your initiative?

Currently we haven't done any impact assessment of our initiative.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Our company do not contribute directly to any community development projects as it is an on-going process so we are unable to find monetary value of our contribution.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Most of our programmes emerges from a community needs assessment and are delivered accordingly. Thus, our role is chiefly that of a catalyst in the whole process.

## **Principle 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE**

### **MANNER**

The Company has a customer-centric approach and greatly values the trust, satisfaction and loyalty of its customers. Its primary focus is delighting customers, both external and internal. The Company honours the freedom of choice of its customers and does not restrict free competition in any manner.

We understand that meeting customer expectations is crucial to the growth of our business, particularly when we have such a significant presence in the market

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

NIL complaints pending at the end of FY 19-20.

2. Does the company display product information on the product label, over and above

what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

YES. Our products meet all necessary and benchmark national and global regulations, standards and guidelines.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

NIL cases regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years are pending at the end of FY 19-20.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Feedback is a continuous process at our operations, and we leverage feedback for continual improvement in product and service quality, for benchmarking ourselves with industry standards and identifying scope and future opportunities to increase customer value.

# **FINANCIAL STATEMENTS**

## **2019-2020**

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
MISHTANN FOODS LIMITED (CIN: L15400GJ1981PLC004170)**

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **MISHTANN FOODS LIMITED (CIN: L15400GJ1981PLC004170)** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, for the year ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

1. 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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.
2. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; 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

1. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
2. 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.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, and subject to note no. 3 of this report for reduction of profit to due to reasons mentioned in said note, in the case of the balance sheet, of the state of affairs of the Company as at 31 March, 2020, and its Profit for the year ended on that date, in case of Cash Flow Statement of the Cash Flow for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors Report) Order, 2016 ("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", 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 sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss 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 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The company has disclosed the impact of pending litigations, if any on its financial position in its financial statements.
    - (ii) The company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As informed by the management of the company the PROFITS for the financial year 2019-2020 reduced due to the below mentioned reasons:-
  - a. Due to the current pandemic of Covid-19, markets got disturbed. Though our product falls in essential goods but still sales were effected and even at time we have to sell on

net cost or even at below par rates foregoing the profit in order to empty the stock and infuse payment.

- b. India country faced complete Lockdown initially from 22nd March where human movements were strictly prohibited so no sales were possible during such period and also when relaxation were provided to essential commodities, still we faced transportation issues causing delay in activities.
- c. Iran being one of our top buyer / importer country. Corona outbreak has applied breaks on exports to such countries.
- d. Similarly in other gulf countries exports through others entities were halted for a certain period due to Covid-19.
- e. The Refinery Blast in Saudi Arabia in the month of January'2020 has affected the trade of our costumer entities with the middle east countries resulting into sudden breaks in exports with these countries.

The Company has tried their best to continuously make movement of their products during this tough period keeping aside the profit, thinking the needy gets commodity in time at considerable rates.

**Place: Ahmedabad**  
**Date: 29/06/2020**

**For, J. M. PATEL & BROS.**  
**Chartered Accountants**  
**F.R.No. 107707W**

**SD/-**  
**(J. M. Patel)**  
**M.COM. F.C.A.**  
**M. No: 030161**

## **ANNEXURE A TO THE AUDITOR'S REPORT**

### **REFERRED TO IN PARAGRAPH 10 OF OUR REPORT OF EVEN DATE**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) 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) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- (viii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government. The Company has not raised any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material 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) During the year Managerial Remuneration was paid in excess of 11% of net profit of the company, however at the same time the Management has given assurance that as per relevant provisions of the Companies Act, 2013 the same will be complied/returned.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any new allotments or any private placement of shares or fully or partly convertible debentures during the year under review and if so, compliance under section 42 of the Companies Act, 2013 complies with.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-

cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**Place: Ahmedabad**  
**Date: 29/06/2020**

**For, J. M. PATEL & BROS.**  
**Chartered Accountants**  
**F.R.No. 107707W**

**SD/-**  
**(J. M. Patel)**  
**M.COM. F.C.A.**  
**M. No: 030161**

## **ANNEXURE B TO THE AUDITOR'S REPORT**

### **REFERRED TO IN PARAGRAPH 11 (f) OF OUR REPORT OF EVEN DATE**

#### **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 **MISHTANN FOODS LIMITED (CIN: L15400GJ1981PLC004170)** ("the Company") as of 31 March 2020 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 stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 31 March 2020, 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.

**Place: Ahmedabad**

**Date: 29/06/2020**

**For, J. M. PATEL & BROS.**

**Chartered Accountants**

**F.R.No. 107707W**

**SD/-**

**(J. M. Patel)**

**M.COM. F.C.A.**

**M. No: 030161**

## Balance Sheet As at 31st March 2020

Partuculars	Notes	As at 31st March 2020	As at 31st March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property Plant and Equipment	2	70,682,588	84,368,099
Capital work-in-progress		-	-
Other Intangible assets			
Financial Assets			
Investments	3	22,392	22,392
Loans	4	18,258,073	15,461,994
Differed Tax Assets (Net)		1,179,667	1,179,667
Other Non-current Assets	5	-	1,826,319
		<b>90,142,720</b>	<b>102,858,470</b>
<b>Current assets</b>			
Inventories	6	258,005,259	396,041,436
Financial Assets			
Trade receivables	7	992,452,289	566,285,601
Cash and cash equivalents	8	267,144	735,414
Loans	9	1,021,518	82,971,555
Other current assets		-	
		<b>1,251,746,210</b>	<b>1,046,034,006</b>
<b>Total Assets</b>		<b>1,341,888,930</b>	<b>1,148,892,476</b>

<b>Equity</b>			
Equity Share capital	10	500,000,000	500,000,000
Other Equity	11	192,183,296	191,844,539
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	12	5,472,255	33,977,931
Deferred tax liabilities (Net)		-	-
Other non-current liabilities		-	-
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	13	454,985,852	324,102,615
Trade payables	14	46,588,875	2,487,280
Other current financial liabilities	15	59,200,930	58,751,827
Other current liabilities	16	83,457,722	37,728,285
Current Tax Liabilities (Net)		-	-
<b>Total Equity and Liabilities</b>		<b>1,341,888,930</b>	<b>1,148,892,476</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 J.M. Patel & Bros.**  
  
**Chartered Accountants**  
**F.R.No : 107707W**

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

**(J. M. Patel)**  
**M.COM., F.C.A.**  
**M. No. 030161**

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

**Navinchandra D. Patel**  
**DIN: 05340874**  
**Director & CFO**

**Place :Ahmedabad**  
**Date: 14.07.2020**

**Ziral Soni**  
**M. No. A44792**  
**Company Secretary**

**Place :Ahmedabad**  
**Date: 14.07.2020**

## Statement of Profit & Loss for the year ended on 31st March,2020

Particulars	Notes	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
<b>Income</b>			
Revenue from operations	17	4,820,282,338	4,817,194,276
Other Income	18	961,431	1,040,623
<b>Total Revenue</b>		<b>4,821,243,769</b>	<b>4,818,234,899</b>
<b>Expenditure</b>			
Cost of Materials Consumed	19	4,671,908,686	4,596,262,392
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	41,499,003	(55,441,255)
Employee benefit expense	21	12,055,515	4,243,886
Selling, Administration & other expenses	22	14,907,381	13,345,814
Financial costs	23	43,859,179	40,083,962
Depreciation & Amortisation Charges	24	15,511,830	18,388,101
Other Expenses	25	21,163,418	25,302,392
<b>Total Expenses</b>		<b>4,820,905,012</b>	<b>4,642,185,292</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>338,757</b>	<b>176,049,607</b>
Exceptional Items			-
<b>Profit before extraordinary items and tax</b>		<b>338,757</b>	<b>176,049,607</b>
Extraordinary Items		-	-

<b>Profit before tax</b>	<b>338,757</b>	<b>176,049,607</b>
Tax expense:		
Current tax	-	58,696,998
Deferred tax	-	(668,027)
<b>Profit/(Loss) for the year</b>	<b>338,757</b>	<b>118,020,636</b>
Earning per equity share:		
(1) Basic	26	0.00 1.81
(2) Diluted		

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

1

**For J.M. Patel & Bros.**

**Chartered Accountants  
F.R.No : 107707W**

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

**(J. M. Patel)  
M.COM., F.C.A.  
M. No. 030161**

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

**Navinchandra  
D. Patel  
DIN: 05340874  
Director & CFO**

**Place :Ahmedabad  
Date: 14.07.2020**

**Ziral Soni  
M. No. A44792  
Company Secretary**

**Place :Ahmedab  
ad  
Date:  
14.07.2020**

## Cash Flow Statement as on 31.03.2020

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
<b>Profit for the financial year ( Profit Before Tax)</b>	<b>338,757</b>	<b>176,049,607</b>
Adjustments for:		
Tax on profit		
Depreciation and amortisation	13,685,511	16,561,783
(Profit)/loss on disposal of property, plant, equipment and investment	-	-
Increase in provisions	449,103	29,962,050
<b>Operating cash flows before movements in working capital</b>	<b>14,473,371</b>	<b>222,573,440</b>
(Increase)/Decrease in Inventories	138,036,177	(55,441,248)
(Increase)/Decrease in short term loan and advances	81,950,037	(82,027,356)
Increase/(Decrease) in Other Current Liabilities	45,729,437	(3,059,889)
(Increase)/Decrease in Long Term Advances	(2,796,079)	(727,949)
(Increase)/Decrease in other non current assets	1,826,319	1,826,317
Decrease/(Increase) in receivables	(426,166,688)	(257,317,256)
Increase in assets (misc. assets)	-	-
Increase/(Decrease) in Short Term Borrowing	130,883,237	154,068,278
Increase/(Decrease) in trade payables	44,101,595	(13,599,027)
<b>Cash generated by operation</b>	<b>13,564,035</b>	<b>(256,278,130)</b>
Taxes paid	-	(58,696,998)
<b>Net cash inflow from operating activities</b>	<b>28,037,406</b>	<b>(92,401,688)</b>

<b>Investing activities</b>		
Proceeds of disposal of fixed assests	-	-
Proceeds of disposal of Investments	-	-
(Purchase)/Sale of fixed assests	-	(8,644)
(Purchase)/Sale of investments	-	(22,392)
<b>Net cash used in investing activities</b>	-	(31,036)
<b>Financing activities</b>		
Proceeds from issue of share capital	-	189,809,000
Proceeds from long term borrowings	(28,505,676)	(96,990,902)
Dividend paid	-	-
<b>Net cash used in investing activities</b>	(28,505,676)	92,818,098
<b>Net (decrease)/increase in cash and cash equivalents</b>	(468,270)	385,374
Cash and cash equivalents at beginning of year	735,414	350,040
<b>Cash and cash equivalents at end of year</b>	267,144	735,414
Cash-in hand	239,549	530,923
Balance with Bank	27,595	204,491



**For J.M. Patel & Bros.**

**Chartered Accountants**

**F.R.No : 107707W**

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

**(J. M. Patel)  
M.COM., F.C.A.**

**M. No. 030161**

**Place :Ahmedabad**

**Date: 14.07.2020**

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

**Navinchandra D.  
Patel**

**DIN: 05340874**

**Director & CFO**

**Ziral Soni  
M. No. A44792  
Company  
Secretary**

**Place :Ahmedabad**

**Date: 14.07.2020**

## **NOTE :01 - SIGNIFICANCE ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

### **1. COMPANY OVERVIEW**

**MISHTANN FOODS LIMITED (CIN: L15400GJ1981PLC004170)** ('the Company') is dealing in Agriculture Business i.e. manufacturing and processing of Rice, wheat etc.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **A. BASIS OF ACCOUNTING:**

- a. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on accrual basis, the provisions of the companies Act, 2013 ("the Act') (to the extent notified) and guidelines issued by the securities and Exchange Board of India (SEBI), The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the companies Indian Accounting Standards) Rule 2015 and relevant amendment rules issued thereafter.
- b. Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

#### **B. USE OF ESTIMATES:**

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of income and expenditure during the period. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known/ materialized.

#### **C. Dividend:**

Final dividends on shares are recorded as liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the company board of directors.

The company declared and pay dividends in Indian rupees is subject to applicable distribution of taxes.

The Board of Directors recommended a final dividend 0.1% of equity share for the financial year ended March 31, 2020. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company and if approved would result in a cash outflow of approximately Rs. 5,00,000/-, including dividend distribution tax.

**D. Property, Plant and Equipments:**

Property, Plant and Equipments has been recorded at actual cost inclusive of duties, taxes and other residual expenses related to acquisition, improvement and installation. The company depreciates property, plant and equipments over their estimated useful lives using the WDV method.

**The estimated useful lives of assets are as under:**

<b>Nature of Assets</b>	<b>Useful Life</b>
Building	60 Years
Electric Installation	10 Years
Plant and Machineries	15 Years
Computers	3 Years
Furniture And Fittings	10 Years
Office Equipments	5 Years
Vehicles	8 Years

For transaction to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipments recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible Assets:

Intangible Assets are stated at cost of acquisition or less accumulated amortization. If any.

**E. Impairment of Assets :**

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

**F. INVESTMENTS:**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of

investments includes acquisition charges such as brokerage, fees and duties.  
Investments carried at cost. (In Rs. Lakh)

Particulars	As at	
	March 31,2020	March 31, 2019
Non-Current Investments Equity Instruments of Other Companies	0.22	0.22

**G. BORROWING COST AND FINANCE CHARGES:**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted. Qualifying fixed asset is an asset that necessarily takes a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to statement of Profit and Loss over the tenure of the borrowing.

**H. INVENTORIES:**

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary.

**I. REVENUE RECOGNITION:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principle or agent. The company has concluded that it is acting as a principal is all of its revenue arrangements.

**J. TAXATION:**

Taxes on Income are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made on the basis of estimated taxable income, in accordance with the provisions of the Income Tax Act, 1961 and rules framed the under Deferred tax is the tax effect of timing difference The timing differences are differences between the taxable income and accounting Income for a period that originate in one period and are capable of reversal in one or more subsequent periods.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the

specified period

**Income tax expense in the statement of profit and loss comprises: (Rs. In Lakh)**

Particulars	Year ended March 31,	
	2020	2019
Current Tax	0	586.97
Deferred Tax	0	(6.68)
Income Tax expense	0	580.29

**K. PROVISIONS, CONTINGENT LIABILITIES AND ASSETS:**

Provisions are recognised when the Company has a present obligation as a result of past events and it is more likely that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not discounted to present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities are disclosed by way of notes to the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. As stated by Management, there were no Contingent Liabilities.

**L. Earning Per Share(EPS):**

Basic earnings per share are computed by dividing the profit/(loss) after tax by the total number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax by the total number of equity shares considered for deriving basic earnings per share.

### 3. RELATED PARTY DISCLOSURES:

The Company has not any transaction of a material nature with the promoters, Directors of management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large. The register of contacts containing the transactions in which Directors are interested in place before the board regularly for it approval.

The Company confirms that none of the transactions, if any, with the related parties was in material conflict with the interest of the Company.

Except Director's Remuneration and other amount paid as under.

Sr. No.	Name	Nature of Payment	Amount
1	Vandanaben H. Patel	Loan	28,451/-
2	Manjulaben G. Patel	Loan	28,451/-
3	Vandanaben HiteshKumar Patel	Purchase	1,60,00,000/-
4	Manjulaben Gaurishankar Patel	Purchase	3,52,50,000/-
5	Hiteshkumar G. Patel	Director Remuneration	25,23,646/-
6	Navinchandra D. Patel	Director Remuneration	4,10,000/-

### 4. SEGMENT REPORTING:

The Company is primarily dealing in Agriculture Business i.e. manufacturing and processing of Rice, wheat etc, which in the context of Accounting Standard 17 on "Segment Reporting" constitutes a single reporting segment. Further, there are no geographical segments.

However due to rescission reported in the audit report the valuation of stock reduced hence profit has reduced to that extent. Sales price lower due to reason mentioned in audit report.

### 5. Auditor's remuneration:

During the year under consideration provision has made for Auditor's remuneration.

	(in Rupees)	
	31 March 2020	31 March 2019
<b>Statutory Audit Fees</b>	1,70,000	1,70,000



15. All of the Debit, Credit, Balances including, Loan & advances lying in various party's Customer's accounts are subject to their balance confirmation.

**For, MISHTANN FOODS LIMITED**

**For, J.M. Patel & Bros.  
Chartered Accountants**

**F.R.No.107707W**

**Hitesh G. Patel      Navinchandra D. Patel  
Managing Director    Director & CFO**

**(J.M. Patel)  
M.COM., F.C.A.  
M. No. 030161**

**UDIN: 20030161AAAAEP9496**

**Ziral Soni  
No. A44792  
Company Secretary**

**Place : Ahmedabad  
Date : 14/07/2020**



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH,  
31, 2020**

**2. Fixed Assets**

Tangible asset	Opening balance 01.04.2019	Gross Value			Opening balance	Depreciation			Closing balance	
		Additions	Deletions	Total		Additions	Deletions	Total	31.03.2020	31.03.2019
a Factory & Building	18,934,822	-	-	18,934,822	5,952,148	1,236,733	-	7,188,881	11,745,941	12,982,674
b Plant & Machinery	111,222,006	-	-	111,222,006	48,100,811	11,456,238	-	59,557,049	51,664,957	63,121,195
c Air Conditioner	931,000	-	-	931,000	535,791	102,600	-	638,391	292,609	395,209
d Computer & Printer	908,945	-	-	908,945	865,896	27,264	-	893,160	15,785	43,049
e Electrical Installation	1,581,720	-	-	1,581,720	1,349,976	104,733	-	1,454,709	127,011	231,744
f Office Furniture	514,467	-	-	514,467	342,470	44,652	-	387,122	127,345	171,997
g Telephone	44,437	-	-	44,437	36,323	3,667	-	39,990	4,447	8,114
h Electric Equipment	39,925	-	-	39,925	19,520	5,297	-	24,817	15,108	20,405
i Office Building	8,576,096	-	-	8,576,096	1,182,384	704,327	-	1,886,711	6,689,385	7,393,712
<b>Total</b>	<b>142,753,418</b>	<b>-</b>	<b>-</b>	<b>142,753,418</b>	<b>58,385,319</b>	<b>13,685,511</b>	<b>-</b>	<b>72,070,830</b>	<b>70,682,588</b>	<b>84,368,099</b>
<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>142,753,418</b>	<b>-</b>	<b>-</b>	<b>142,753,418</b>	<b>58,385,319</b>	<b>13,685,511</b>	<b>-</b>	<b>72,070,830</b>	<b>70,682,588</b>	<b>84,368,099</b>
<b>Figures for the previous year</b>	-	-	-	-	-	-	-	-	-	-

### 3. Investments

Particulars	As at 31st March 2020	As at 31st March 2019
Investment in Equity Shares of,		
Adani Enterprise	351	351
Arvind Ltd	816	816
Asian Granito	1,429	1,429
Bank of Baroda	2,213	2,213
KRBL Ltd.	200	200
Punjab National Bank	883	883
SBI	4,640	4,640
TCS	11,860	11,860
	<b>22,392</b>	<b>22,392</b>

### 4. Long Term Loans and Advances

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposites		
Bharat Pesticides Industries Pvt. Ltd.	80,000	80000
Indian Oil Corporation Ltd.	5,100	5100
Punjab National Bank Deposit	6,264,200	5871637
CST Deposit	10,000	10000
VAT Deposit	10,000	10000
Uttar Gujarat Vij Company Ltd.		
Deposit	2,193,920	2193920
Gujarat Agro Industrial Corporation	-	-
FD with Mas Financial Service	7,627,323	7266337
M N Shivyogi Traders - Rent Deposit	150,000	
Other Advances		
Advance Tax -VAT	25,000	25000
Other Advances	1,892,530	
	<b>18,258,073</b>	<b>15,461,994</b>

## 5. Other Non Current Assets

Particulars	As at 31st March 2020	As at 31st March 2019
Preliminary Expenses Not Written Off	-	-
BSE Ltd	-	-
Listing Fee	-	738,308
Stamp Duty	-	384,140
Stamp Duty MCA ( ROC )	-	545,126
Upfornt Fees	-	158,745
	-	<b>1,826,319</b>

## 6. Inventories

Particulars	As at 31st March 2020	As at 31st March 2019
Raw materials	235,548,002	332,085,176
Finished goods	22,457,257	63,956,260
Semi Finished goods	-	-
Waste	-	-
	<b>258,005,259</b>	<b>396,041,436</b>

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

## 7. Trade Receivable

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Outstanding for less than six months</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :	992,452,289	566,285,601
c) Doubtful		-
<b>Outstanding for more than six months</b>		
a) Secured, Considered Good :		-

b) Unsecured, Considered Good :		-
c) Doubtful		-
<b>Others</b>		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :		-
c) Doubtful		-
	<b>992,452,289</b>	<b>566,285,601</b>

## 8. Cash and cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019
Balance with banks		
HDFC BANK INTERIM DIVIDEND A/C	-	54,143
HDFC BANK UNCLAIMED DIV. A/C	3,932	686
STATE BANK OF INDIA -CURRENT A/C	23,663	149,662
Cash on Hand	239,549	530,923
	<b>267,144</b>	<b>735,414</b>

## 9. Short term loan and advances

Particulars	As at 31st March 2020	As at 31st March 2019
Advance against purchases	-	79,863,009
Advance against expenditure	473,578	553,074
Pre-Paid Expenses	318,375	386,523
TDS Receivable	229,565	145,836
GST Receivable	-	2,023,113
	<b>1,021,518</b>	<b>82,971,555</b>

## 10. Share Capital

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Authorised Share Capital:</b>		
(50,00,00,000 Equity shares of Rs. 1/- each)	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, Subscribed and Fully Paid up Share Capital:</b>		
50,00,00,000 Equity shares of Rs. 1/- each	500,000,000	500,000,000
	<b>500,000,000</b>	<b>500,000,000</b>

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

Number of Equity Shares at the beginning of the year at Rs. 10/- each	500,000,000	31,019,100
Add: No. of Equity Shares issued during the year as Preferential Allotment at Rs. 10/- each	-	18,980,900
Number of Equity Shares at the end of the year * at Rs. 1/- each	500,000,000	500,000,000

\* The Authorised Capital of the Company is Rs. 50,00,00,000 comprising of 50,00,00,000 number of Equity Shares of Rs. 1/- each. The company has obtained approval of shareholders at their Annual General Meeting held on 27th September, 2018 for Sub-division of face value of Shares of Rs. 10/- each into Rs. 1/- each, Sub-division of existing equity shares from every ONE equity share of Rs.10/- each into TEN equityshares of Rs.1/- each w.e.f. 27th September, 2018

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

Name of Shareholder	As At 31-March-2020		As At 31-March-2019	
	No. of Shares	holding %	No. of Shares	holding %
Hiteshkumar Gaurishankar Patel	80,400,000	16.08%	80,400,000	16.08%
Navinchandra Dahyalal Patel	32,620,000	6.52%	32,620,000	6.52%
Ravikumar Gaurishankar Patel	79,000,000	15.80%	79,000,000	15.80%
Jatinkumar Ramanbhai Patel	32,600,000	6.52%	32,600,000	6.52%
Rajeshkumar Prabhudasbhai Patel	25,656,730	5.13%	25,656,730	5.13%

**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.

## 12. Long Term Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured loans</b>		
Loans from Banks		
State Bank of India TL (Beyond 12 Months Liabilities taken with reference to note no.16 )	1,470,239	16,331,099
<b>Unsecured Loans</b>		
Loan from Promoters	-	-
Loans and Advances From Related Parties	-	-
Loans from MAS Financial Services - 1 (Beyond 12 Months Liabilities taken with reference to note no.16 )	3,228,210	11,575,735
Loans from MAS Financial Services -2 (Beyond 12 Months Liabilities taken with reference to note no.16 )	773,806	6,071,097
	<b>5,472,255</b>	<b>33,977,931</b>

## 13. Short-term borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
Loans from Banks		
State Bank of India (CC Account No.37820307899)	454,985,852	324,102,615
	<b>454,985,852</b>	<b>324,102,615</b>

## 14. Trade Payables

Particulars	As at 31st March 2020	As at 31st March 2019
Creditors for raw materials	31,359,410	175,132
Creditors for expenses	13,845,530	1,546,292
Creditors for Packing Material	1,383,935	765,856
	<b>46,588,875</b>	<b>2,487,280</b>

## 15. Other current financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Income Tax	58,696,998	58,696,998
Provision for Proposed Dividend	500,000	-
Provision for Dividend Distribution Tax	-	-
Unclaimed Dividend A/c	3,932	686
Interim Dividend A/c	-	54143
	<b>59,200,930</b>	<b>58,751,827</b>

## 16. Other Current Liability

Particulars	As at 31st March 2020	As at 31st March 2019
State Bank of India TL (12 Months Liabilities taken from Notes. No.11. Installment Amount Rs. 1230000 Per Month for 11 month & Rs. 1210000 for 1 Month)	14,740,000	14,760,000
MAS Financial Services (12 Months Liabilities taken from Notes. No. 12 )	20,666,858	22,010,271
TDS Payable	826,912	184,396
Advance Received From Customers	47,223,952	773,618
	<b>83,457,722</b>	<b>37,728,285</b>

## 17. Revenue from Operations

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
<u>Sale of Products</u>	-	-
Sales	4,820,282,338	4,817,194,276
	<b>4,820,282,338</b>	<b>4,817,194,276</b>



## 18. Other Income

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Dividend Income	751	62
Interest Income on FD	960,680	942,107
Short Term Capital Gain	-	98,455
	<b>961,431</b>	<b>1,040,623</b>

## 19. Cost of Materials Consumed

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Opening stock	332,085,176	332,085,183
<b>ADD:-PURCHASE</b>		
Purchases	4,566,386,753	4,587,086,054
Add: Manufacturing Expenses	8,984,759	9,176,331
	<b>4,575,371,512</b>	<b>4,596,262,385</b>
<b>LESS:-</b>		
Closing stock	235,548,002	332,085,176
	<b>4,671,908,686</b>	<b>4,596,262,392</b>

## 20. Change in Inventories

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
OP. Stock	63,956,260	8,515,005
Less. Closing Stock	22,457,257	63,956,260
	<b>41,499,003</b>	<b>(55,441,255)</b>

## 21. Employee benefit expense

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Staff Salary	8,268,699	2,979,638
Contribution to P.F. & Others	-	-
Staff Welfare Exp.	71,073	64,248
Directors Remuneration	2,933,646	1,200,000
Marketing Staff TA -DA	782,097	-
	<b>12,055,515</b>	<b>4,243,886</b>

## 22. Selling, Administration & other expenses

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Advertisement Exp	8,390,161	153,563
Office Rent	458,892	446,775
Office Expenses	524,904	452,261
Repairs & Maintenance Exps.	24,690	32,229
Travelling Exps. - Foreign Travelling	-	336,364
Travelling Exps. - Domestic Travelling	186,322	285,345
Marketing & Promotional Exps.	1,104,000	816,943
Refreshment & Foods Exps.	94,110	-
Website Maintenance Charge	500,000	-
Telephone & Internet Exp.	213,034	-
Conveyance Exps.	573,936	510,105
Bardan & Katta Exp	-	7,584,480
Stationery & Printing Exp.	157,299	-
Penalty & Late fees	537,914	-
Garden Exp.	1,389	-
Annual Fees	500,000	570,000
AGM Exp	43,254	38,884
GPCB Licence Fees	-	6,000
Packing Material Exp.	1,459,935	1,979,469
Municipal Tax	61,131	57,656
Electricity Exp.- Office	76,410	75,740
	<b>14,907,381</b>	<b>13,345,814</b>

### 23. Financial Costs

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Interest	42,060,196	37,229,275
Bank charges	802,699	2,854,687
Loan Processing Fees	996,284	
	<b>43,859,179</b>	<b>40,083,962</b>

### 24. Depreciation and Amortisation Charges

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Depreciation	13,685,511	16,561,783
Preliminary Exps Written off	1,826,319	1,826,318
	<b>15,511,830</b>	<b>18,388,101</b>

### 25. Other Exp.

Particulars	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Audit Fees	170,000	170,000
Legal & Professional Fees	2,216,114	2,603,161
Insurance Expenses	596,429	415,653
ROC & MCA Charges	27,184	405,240
Incometax Exps	-	6,720,850
Interim / Final Dividend	1,000,000	1,000,000
Dividend Distribution Tax	-	203,576
Postage & Courier Exp.	61,898	42,094
Stamp Duty	677,500	1,519,839
CSR Activity Exp	-	236,905
Loading & Unloading Exp	11,249,503	10,160,355
Factory Exp	252,611	1,824,720
Proposed Dividend	500,000	-
Vatav & kasar	5,522	-
GST Exp.	4,406,657	
	<b>21,163,418</b>	<b>25,302,392</b>

## 26. Earnings per Share

26. Earnings per Share	For the Year ended on 31st March 2020	For the Year ended on 31st March 2019
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Share Holder (A)	338,757	118,020,636
Basic Earnings per Shares	0.00	0.24
Face Value Per Equity Shares	1.00	1.00

## 27. 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 2019-20	Relatives / Associates 2018-19
NAVINCHANDRA D PATEL	Director	Director
MANJULABEN G PATEL	Relatives	Relatives
JATINKUMAR R PATEL	-	Director
RAVIKUMAR G.PATEL	-	Director
HITESHKUMAR G PATEL	Director	Director
RAVI TRADING CO.	-	Firm
GAYATRI TRADING COMPANY	-	Firm
VRAJ CORPORATION	-	Firm
DHARTI MARKETING	-	Firm
ARIHANT CORPORATION	-	Firm
PATEL BROTHERS	-	Firm
UMIYA AGENCY	-	Firm
VANDANABEN H. PATEL	Relatives	-

Transactions During the year with related parties

Name of the Related Party	Nature of Transaction	2019-20	Nature of Transaction	2018-19
HITESHKUMAR G PATEL	Loan Given	-	Loan Taken	21,929,855
JATINKUMAR R PATEL	Loan Given	-	Loan Taken	7,132,930
RAVIKUMAR G.PATEL	Loan Given	-	Loan Taken	20,269,188
NAVINCHANDRA D PATEL	Loan Given	-	Loan Taken	18,303,400

Transactions During the year with Firm

Name of the Related Party	Nature of Transaction	2019-20	2018-19
RAVI TRADING CO.	Sales	-	1,619,998
GAYATRI TRADING COMPANY	Purchase	-	1,725,320,361
VRAJ CORPORATION	Purchase	-	815,184,668
DHARTI MARKETING	Purchase	-	65,603,403
ARIHANT CORPORATION	Sales	-	1,309,774,533
PATEL BROTHERS	Sales	-	608,077,786
UMIYA AGENCY	Sales	-	472,807,283
MANJULABEN G PATEL	Purchase	35,250,000	-
VANDANABEN H. PATEL	Purchase	16,000,000	-

**DIRECTOR REMUNARATION**

<b>Name of the Related Party</b>	<b>Nature of Transaction</b>	<b>2019-20</b>	<b>Nature of Transaction</b>	<b>2018-19</b>
HITESHKUMAR G PATEL	Remunerati on	2,523,646	Remunerati on	300,000
RAVIKUMAR G.PATEL	-	-	Remunerati on	300,000
JATINKUMAR R PATEL	-	-	Remunerati on	300,000
NAVINCHANDRA D PATEL	Remunerati on	410,000	Remunerati on	300,000

## 11. Other Equity

PARTICULARS	Share applica tion money pending allotment	Equity compo nent of compo und financi al instru ments	Reserves and Surplus					Deben ture Rede mption Reserve	Emplo yee Stock Optio n Outsta nding	Total
			Capit al Rese rve	Securit ies Premi um Reser ve	Gener al Reserv es	Retain ed Earnin gs/ profit & loss				
<b>Balance as at 1.04.2018</b>	-	-	-	-	-	73,823,903	-	-	<b>73,823,903</b>	
Total Comprehensive Income for the year	-	-	-	-	-	118,020,636	-	-	118,020,636	
Dividends	-	-	-	-	-	-	-	-	-	
Tax on Dividends	-	-	-	-	-	-	-	-	-	
Transfer from profit & loss	-	-	-	-	-	-	-	-	-	
On ESOP	-	-	-	-	-	-	-	-	-	
<b>Balance as at 31.03.2019</b>	-	-	-	-	-	191,844,539	-	-	<b>191,844,539</b>	
Total Comprehensive Income for the year	-	-	-	-	-	838,757	-	-	838,757	
Dividends	-	-	-	-	-	(500,000)	-	-	(500,000)	
Tax on Dividends	-	-	-	-	-	-	-	-	-	
On ESOP	-	-	-	-	-	-	-	-	-	
Transfer from DRR to General Reserve	-	-	-	-	-	-	-	-	-	
Bonus Issue	-	-	-	-	-	-	-	-	-	
<b>Balance as at 31.03.2020</b>	-	-	-	-	-	192,183,296	-	-	<b>192,183,296</b>	

**AGED  
RICE**



**AGED BASMATI RICE  
THE GOLD STANDARD!**



**HARVESTED WITH  
LOVING HANDS**

