

MITSHI INDIA LTD.

(Formerly known as Dera Paints & Chemicals Ltd.)



**28th Annual Report
2017-2018**

**BOARD OF DIRECTORS**

Shri Kumar V. Shah
 Shri H.A. Salunkhe
 Shri Hasmukh Patel
 Ms. Drashti T Savla
 Mr. Mitesh K. Shah

- Chairman & Managing Director - DIN NO :-01451912
- Non Executive / Independent Director - DIN NO :-03626114
- Non Executive / Independent Director - DIN-00103811
- Non Executive / Independent Women Director - DIN-07117018
- Non Executive / Additional Director - DIN-08070826
 (16-03-2018 to 28/06/2018)

AUDITORS

A.A Siddiqui & Co.
 Chartered Accountants

SOLICITORS & LEGAL ADVISORS

Dhru & Company

AUDIT COMMITTEE

Shri H.A. Salunkhe
 Shri Hasmukh Patel

- Non Executive / Independent Director
- Non Executive / Independent Director

SHARE TRANSFER/STAKE HOLDERS COMMITTEE

Shri. Kumar V. Shah
 Shri H.A. Salunkhe

- Chairman & Managing Director
- Non Executive / Independent Director

NOMINATION & REMUNERATION COMMITTEE

Shri H.A. Salunkhe
 Shri Hasmukh Patel

- Non Executive / Independent Director
- Non Executive / Independent Director

RISK MANAGEMENT COMMITTEE

Shri. Kumar V. Shah
 Shri H.A. Salunkhe

- Chairman & Managing Director
- Non Executive / Independent Director

BANK

Sangali Sahakari Bank

REGISTERED OFFICE

2, Juhu Aradhana CHS Ltd.,
 Juhu Lane, Mumbai 400 058
 Maharashtra. INDIA

REGISTRAR & SHARES TRANSFER AGENT

Adroit Corporate Services Ltd.
 9, Jaferbhoy Industrial Estate
 Makawana Road, Marol Naka, Mumbai - 400059.

CONTENTS:

	Page No.
Notice (AgM) & Explanatory Statement	3
Directors' Report	10
Corporate governance	30
Management Discussion and Analysis	39
Auditors' Report	44
Balance Sheet	48
Profit & Loss Account	49
Cash Flow Statement	50
Notes To Accounts	52

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 28th Annual general Meeting of the Members of Mitshi India Limited will be held on Saturday, the 29th day of SEPTEMBER 2018 at 9.30 a.m. at Ungali Chat, Opp Sunshrushti Bldgs, Saki Vihar Road, Powai, Mumbai-4000 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kumar V. Shah, who retires by rotation, and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s A.A. Siddiqui & Co., Chartered Accountants, (Firm Registration No. 143081W, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of 28th AgM till the conclusion of the 30th AgM of the Company to be held in the year 2020, at such Remuneration plus service tax, out of pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with the related parties upto the maximum amounts, for a period ended 31st March, 2019, the details of which are per annum as mentioned below:"

(₹ in Lacs)

Maximum Amount of Contract/Transaction (per annum)							
Transaction as mention u/s 188 of Companies Act, 2013							
Name of Related Parties	Sale, purchase or supply of goods or materials		Selling or otherwise disposing of, or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services	Advance paid/ received for the Contract	Manner of determining the pricing and other commercial terms
	Sale	Purchase					
Taazakitchan Enterprises Private Limited-Subsidiary Company	₹ 25 Cr.	₹ 25 Cr.	₹ 25 Cr.	₹ 25 Cr.	₹ 25 Cr.	NIL	Arm's Length Price

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take such steps and do and perform all such acts, deeds, matters and things as may be necessary, in its absolute discretion deem necessary, proper or desirable or as may be incidental or ancillary and to settle any question, difficulty or doubt that may arise in regard to give effect to this resolution."

Registered Office:

2, Juhu Aradhana, Chs Ltd.
Juhu lane, Mumbai - 400 058.

Place : Mumbai
Date : 14/08/2018



By Order of the Board
Kumar Shah
Chairman and Managing Director



NOTES

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A statement giving the relevant details of the Director seeking re-appointment under Item Nos. 2 of the accompanying Notice, as required by Schedule V, Part II, Section I (v) of the Companies Act, 2013 is annexed herewith.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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

4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
9. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

The members are requested to get their shares dematerialized. The company's ISIN Code is INE844DO1017.

10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

a) info@adroticorporate.com/dpclig@gmail.com/Contact@mitshi.in

The Notice of the AgM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

11. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting



system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link www.evoting.nsdl.com during the following voting period:

Commencement of e-voting : From 9.00 a.m. on 25/09/2018

End of e-voting : Up to 5.00 p.m. on 28/09/2018

E-voting shall not be allowed beyond 28/09/2018. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is 28/09/2018.

- (b) The company has engaged the services of Central Depository Services Ltd. (CDSL) as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed Jignesh M. Pandya, Practising Company Secretary as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (d) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
13. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website www.mitshi.in



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 4 of the accompanying Notice dated 28/09/2018

ITEM NO. 4

The Company has formed a subsidiary company named "Taazakitchan Enterprises Private Limited" on 10th April, 2018 to carry on business of to grow, Cultivate of Agricultural & farm produces, repacking of fruits, vegetable, pulses, spices, masala beverages, sauce etc. all items used in kitchen fight / mobile kitchen etc by own brand & other brands.

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties and the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, require that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of transaction value to be entered into with related party exceeds the limits as mentioned in the Companies (Meetings of Board and its Powers) Rules, 2014, the approval of Shareholders by way of special resolution is required:

- 1 Sale, purchase or supply of any goods or materials
- 2 Selling or otherwise disposing of, or buying, property of any kind
- 3 Leasing of property of any kind
- 4 Availing or rendering of any services
- 5 Appointment of any agent for purchase or sale of goods, materials, services or property

In light of above provisions the Board of Directors has approved the proposed transactions alongwith the annual limits that the Company may enter into the Related Party Transactions.

(₹ in Lacs)

Maximum Amount of Contract/Transaction (per annum)							
Transaction as mention u/s 188 of Companies Act, 2013							
Name of Related Parties	Sale, purchase or supply of goods or materials		Selling or otherwise disposing of, or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services	Advance paid/ received for the Contract	Manner of determining the pricing and other commercial terms
	Sale	Purchase					
Taazakitchan Enterprises Private Limited-Subsidiary Company	₹ 25 Cr.	₹ 25 Cr.	₹ 25 Cr.	₹ 25 Cr.	₹ 25 Cr.	NIL	At Arms Length

Below mentioned are the details required u/s 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 for members' perusal:

1. Name of the related party and Nature of relationship: As provided in the table above.
2. Nature, duration, particulars of the contract or arrangement:
 - a. The Company has obtained the consent of Board of Directors vide its meeting held on 14th February, 2017 for occupying the premises for business purpose and executed a Leave and License agreement with Mrs. Deepa Shah and Dr. Shikha Shah, relatives of Mr. Kuamr V.Shah, Chairman and Managing Director for a period of three years from 1st April 2017 to 31st March, 2020. Licensee fee is ₹ 12,000/- p.m. plus applicable Taxes for 300 sq ft.
3. Material terms of the contract or arrangement including the value, if any: As referred in point (2) above.
4. Any advance paid or received for the contract or arrangement, if any: Nil



5. Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract: All proposed transactions would be carried on as a part of the business requirements of the Company and are ensured to be on Arm's Length Basis.
6. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All the factors have been considered.
7. Any other information relevant or important for the Board to take decision on the proposed transaction : Nil

Members are hereby informed that no member of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition "Related Party" shall abstain from voting in respect of the resolution proposed at item no. 4 of the notice, irrespective of whether the entity is a party to the particular transaction or not. Accordingly, the promoters and promoter group will not participate in the voting.

The Board of Directors at its meeting held on 14th August, 2018 has approved the item and recommends Resolution no. 4 for approval of members of the Company as Special Resolution.

None of the Directors except Shri Kumar V. Shah, Chairman and Managing Director, or their relatives is concerned or in any way interested in this resolution. No Key Managerial Personnel of the Company or their relatives is concerned or in any way interested in this resolution.



By Order of the Board

Kumar Shah
Chairman and Managing Director

Registered Office:

2, Juhu Aradhana, Chs Ltd.
Juhu lane, Mumbai - 400 058.

Place : Mumbai

Date : 02/05/2018



The e-Voting process to be followed by the shareholders to cast their votes:

The security holders should log on to www.evotingindia.com during the duration of the voting period and cast their votes for the resolutions on the e-Voting System.

Shareholders who have voted on an earlier instance of voting can login using their existing password.

First time shareholders can login to the e-Voting system using their user-id (i.e. demat account number / folio number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio. Physical shareholders will have to login with the Folio number, PAN and either DOB or Dividend Bank details for every voting.

After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Security holders have to then select the EVSN for which they desire to vote.

Security holders can then cast their vote on the resolutions available for voting.

Security holders can also view the resolution details on the e-Voting website.

Once the security holder casts the vote, the system will not allow modification of the same.

During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.

e-Voting for Non-Individuals and Custodians:

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate Shareholders and Custodians respectively.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk, evoting@cdslindia.com.

After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evotingindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

e-Voting for Scrutinizers:

At the end of the voting period, the scrutinizer can download the entire voting data using the Scrutinizer login.



ANNEXURE TO ITEMS 2 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual general Meeting

Name of the Director	Mr. Kumar V. Shah
Director Identification Number (DIN)	01451912
Date of Birth	06TH JANUARY, 1958
Nationality	INDIAN
Date of Appointment on Board	21-09-1990
Qualification	INTER B.COM
Shareholding in Mitshi India Limited	09.63%
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL



By Order of the Board

Kumar Shah
Chairman and Managing Director

Place : Mumbai

Date : 14/8/2018



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. Financial summary or highlights/Performance of the Company (Standalone)

PARTICULARS	2017-2018	2016-2017
gross Income	31081839	2362614
Profit Before Interest and Depreciation	4511996	(2390218)
Finance Charges	2205	166
Gross Profit	4509791	(2390384)
Provision for Depreciation	332648	288960
Net Profit Before Tax	4177143	(2679344)
Provision for Tax	0	0
Net Profit After Tax	4177143	(2679344)
Balance of Profit brought forward	(136080228)	(133400884)
Balance available for appropriation	(131903085)	(136080228)
Proposed Dividend on Equity Shares	0	0
Tax on proposed Dividend	0	0
Transfer to general Reserve	0	0
Surplus carried to Balance Sheet	(131903085)	(136080228)

2. Brief description of the Company's working during the year/State of Company's affair

Your Company has already started various activities to generate revenue.

During the year company made profit to the tune of Rs41.77 Lacs as compared to previous year's loss of ₹26.79 Lacs. Your company is trying best to achieve the goal.

Change in the nature of business, if any

Since your company has started various activity and started to earn from that, major transaction of fruits and vegetables, purchases & sales based on cash under the regulation of I.T Act, controlled by the Company.

3. Dividend

In view of not sufficient profit, the Directors are unable to recommend any dividend for the year.

4. Reserves

No amounts are transferred to Reserves in view of Losses

5. Share Capital

ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS

The company has not issued any shares with differential rights under the provision of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 [Chapter IV]. Hence, no details are provided for it.