MISHTANN
limitless happiness..

Date: 19th September, 2022

To	To
General Manager-Listing Corporate Relationship Department **BSE Limited** P.J. Towers Dalal Street, Mumbai-400001 **BSE Scrip Code: 539594**	Listing Division, **Metropolitan Stock Exchange of India Limited** 4th Vibgyor Tower, Opp. Trident Hotel, Bandra-Kurla Complex, Mumbai-400098 **MSE Symbol: MISHTANN**

Respected Sir(s),

MISHTANN FOODS LTD TO SET UP A 1000 KLPD GRAIN BASED ETHANOL MANUFACTURING FACILITY IN GUJARAT

Mishtann Foods Ltd. BSE listed (539594) engaged in manufacturing and marketing of a large variety of rice with focus on Basmati Rice, and pulses like dal proposes to set up a 1000 KLPD (Kilolitres Per Day) Grain based Ethanol manufacturing facility at Village Dalpur, Taluka Prantij in Sabarkantha District of Gujarat. This plant is being set up in coordination with the "Atmanirbhar Gujarat, Atmanirbhar Bharat" initiative of Government of India and the Petroleum policy of adding ethanol as additive to reduce burden on import of crude oil.

The Government of India under the Roadmap from Ethanol Blending in India 2020-25 has promoted the setting of such Ethanol Plants. Accordingly, Mishtann Foods has executed a Memorandum of Understanding (MoU) with the Government of Gujarat for setting up India's biggest Grain Based Ethanol project of 1000 KLPD in Gujarat. The estimated project cost is to the tune of Rs 2250 crore, giving employment to 5000 plus people directly or indirectly and is expected to generate annual revenue of approximate Rs.3500 crores. Mishtann has initiated the required steps to move forward with the project efficiently with a view to commence the grain-based Ethanol plant as desired from second quarter of the year 2024.

The company has journeyed into unchartered spheres and territories, elevating en route the industry standards due to stringent quality control practices, it is on a growth path with several new plans.

Mishtann had earlier bagged several orders for its Mishtann brand Salt from major retail stores.

Earlier, Mishtann had rewarded Shareholders with bonus equity shares in the proportion of One Share for every One share (1:1)

The Government of India's recent ban in exports of broken rice and imposing a 20% duty on exports of various grades of rice due to lower paddy sowing by farmers this Kharif season amid uneven monsoons in parts of the country, that have exacerbated inflationary expectations and nudged up retail prices for rice in recent weeks, had opened up attractive opportunities for rice companies to enter into ethanol manufacturing activities.

India exports rice to more than 150 countries, and any reduction in its shipments would increase upward pressure on food prices, which are already rising because of drought, heat-waves and Russia's invasion of Ukraine.

The government has excluded parboiled and basmati rice from the export duty. The Government has also banned exports of 100% broken rice, which a few poor African countries import for human consumption, though that variety is mainly used for feed purposes. India accounts for more than 40% of global rice shipments and competes with Thailand, Vietnam, Pakistan and Myanmar in the world market. China was the biggest buyer of broken rice, with purchases of 1.1 million tonnes in 2021, while African countries such as Senegal and Djibouti bought broken for human consumption.

The imposition of duty on Non-basmati rice in husk (paddy or rough)' and 'husked (brown) rice' and the ban on 100% broken rice will have the following effects-

1. Lowering of export of non-basmati rice especially broken rice to African Nations and China and looking out for alternative domestic consumption avenues like grain based ethanol. Broken rice which is imported by China as cattle feed will now be diverted to domestic consumption by industries like grain based ethanol;

2. Buffer stocks being accumulated to be in readiness due to lower acreage of paddy and vagaries of monsoon;

3. With higher supply of broken rice for extraction of ethanol, dependence on crops like millets for extraction of ethanol will reduce

4. Higher extraction of ethanol from domestic sources will reduce burden on import of ethanol thereby improve India's Balance of Payment position and reduce current account deficit

5. Government of India has already made a policy of increasing ethanol blended Motor Spirit (Petrol) to 20% blending and introducing ethanol blended HSD (Diesel). If India achieves the target of blending 20 per cent ethanol with petrol by 2025, it will save around Rs 1 lakh crore of foreign exchange. The lowering of exports will help in reducing cost of procurement of Petroleum Products by Oil Companies.

This is for your information and records.

Thanking You.

Yours Faithfully,
For Mishtann Foods Limited

Shivangi Shah
Company Secretary and Compliance Officer