

RISHI TECHTEX LIMITED

Registered Office : 612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (W), Mumbai - 400 011.
Tel. No. : 022-23075677, 23074897 Fax : 91 (22) 23080022 E-mail : info@rishitechtext.com
Website : www.rishitechtext.com CIN - L28129MH1984PLC032008



Dy. General Manager,
Corporate Relations Department
The BSE, Mumbai

23.08.2023

Ref: Script Code-523021

Sub: Notice of 39th Annual General Meeting of the Company and Annual Report 2022-23

Dear Sir,

Further to our letter dated 17.08.2023 with regard to Intimation of 39th Annual General Meeting of the Company, Book Closure and Cut-of Date for E-Voting, please find attached herewith Annual Report for FY 2023 along with Notice of 39th Annual General Meeting forming part of it.

The Annual Report and Notice of 39th Annual General Meeting are also available on the Company's website i.e. www.rishitechtext.com.

This is for your information and record. The disclosure is made pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours faithfully,

For Rishi Techtex Limited

**GAURI SANJAY
GANGAL**

Digitally signed by GAURI SANJAY GANGAL
DN: cn=GAURI SANJAY GANGAL, o=RISHI TECHTEX LIMITED, email=gsanjay@rishitechtext.com, c=IN

Gauri Gangal

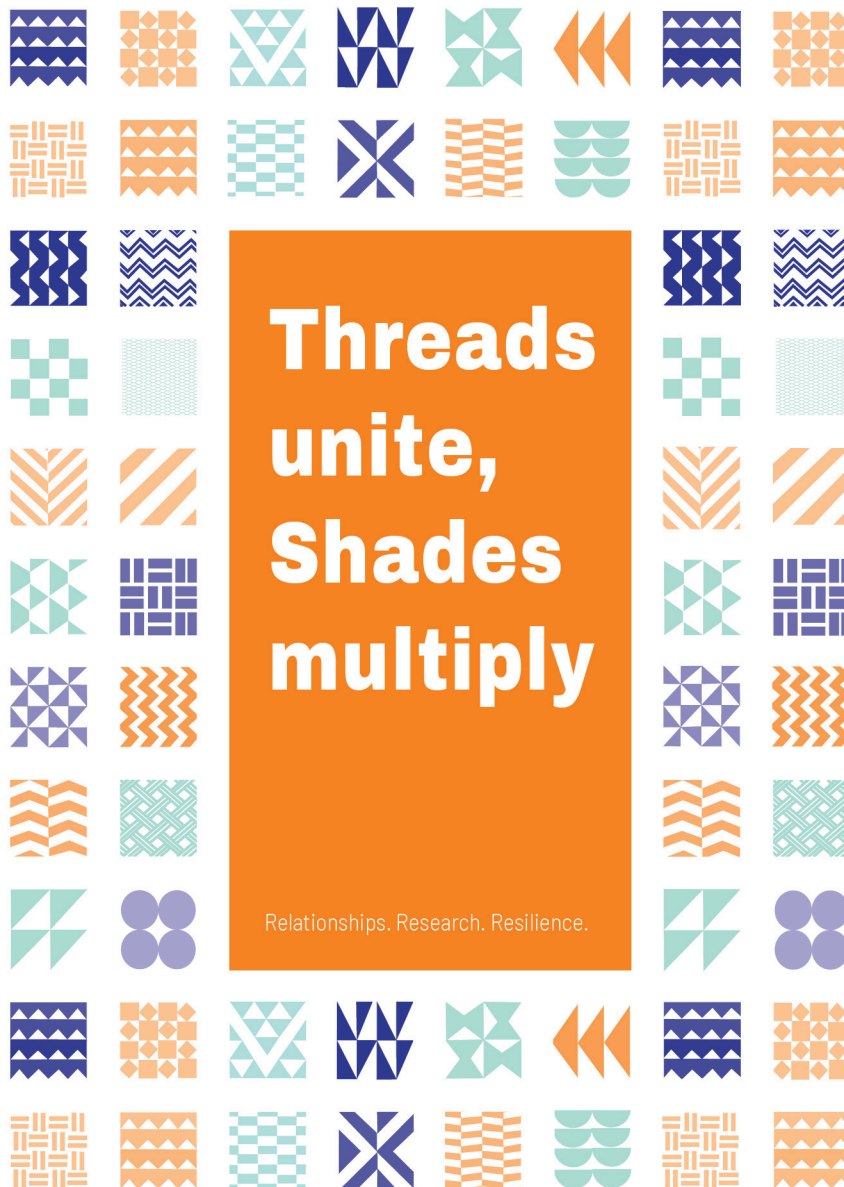
Company Secretary



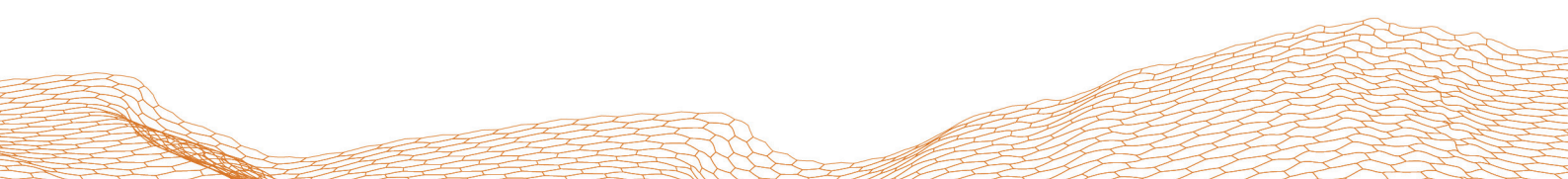
RISHI TECHTEX

Rishi Techtex Limited

**39th Annual Report
2022-2023**



Agrotech | Packtech | Protech | Buildtech





Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable one to fully appreciate our prospects and take informed decisions. This report and other communicate - written and oral - that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance.

In connection with any discussion of future performance, we cannot, of course, guarantee that these forward-looking statements will be realised. Although we believe we have been prudent in our assumptions, achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

For private and limited circulation only.

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At a Glance

About Us

Incorporated in

1984,

Rishi Techtex is India's leading technical textiles manufacturer.

Focus Segments



Agrotech



Packtech

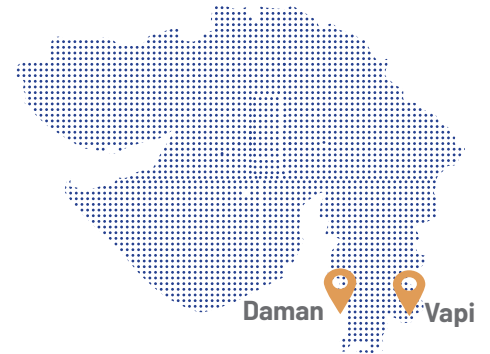


Protech



Buildtech

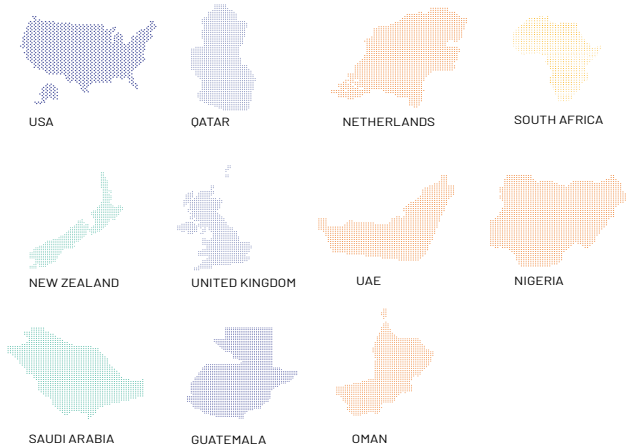
Plant Locations



Map not to scale

Footprints

11 countries



Map not to scale

Accreditations

- Accredited as a Star Export House with the Directorate General of Foreign Trade, Ministry of Commerce & Industry, Government of India
- Quality management systems certified by the International Organization for Standardization (ISO) under ISO 9001:2015
- Agro shade nets approved by the Bureau of Indian Standards (BIS)
- Registered as a MSME with the Ministry of Micro, Small & Medium Enterprises, Government of India



Corporate Information

Board of Directors

Mr. Abhishek Patel

Managing Director

DIN: 05183410

Mrs. Sheela Ayyar

Independent Director

DIN: 06656579

Mr. Kunal Rastogi

Independent Director

DIN: 01570584

Ms. Aakanksha Patel

Non-Executive, Non-Independent
Director

Appointed w.e.f. 08.08.2022

DIN:08314319

Mr. Pranav J. Patel

Non-Executive, Non-Independent
Director

Resigned w.e.f. 08.08.2022

DIN: 00171387

Company Official

Mr. Jagdish Dokwal

Chief Financial Officer

Ms. Gauri Gangal

Company Secretary

Company Details

Listed At

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001

STATUTORY AUDITOR

Attar & Associates

216, Sai Vihar,

Sai Park, Shivaji Path,

Kalyan (West), Pin-421 301.

SECRETARIAL AUDITOR

Sudhanwa S Kalamkar & Associates

No. 203, 2nd Floor, Flying Colors,

Pandit Deen Dayal Upadhyay Marg,

Above "Croma",

Mulund West, Mumbai - 400 080.

INTERNAL AUDITOR

HRK Corp Advice Private Limited

Shop No. 117-120, Center Point,

Above IDBI Bank, Mahavir Nagar, GIDC,

Vapi- 396 195.

BANKERS

Canara Bank

Tamarind Lane Branch.

Crossly House, British Hotel Lane, Fort,

Mumbai - 400 001

REGISTRARS AND TRANSFER AGENTS

Adroit Corporate Services Private Limited

17/20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road,

Marol Naka, Andheri (E),

Mumbai - 400 059.

REGISTERED OFFICE

612, Veena Killedar Industrial Estate,

10/14, Pais Street, Byculla (W),

Mumbai - 400 011.

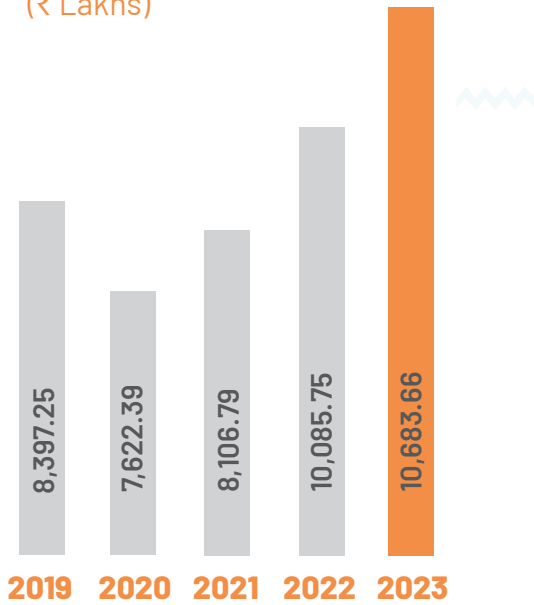
WORKS

1. Causeway Road,
Village Kachigam, Taluka Daman,
Union Territory of Daman & Diu.
2. Plot No. 2910, Shade No. E,
Near Divyesh Chemical, 4th Phase,
GIDC, Vapi- 396 195.

Our Financial Scorecard

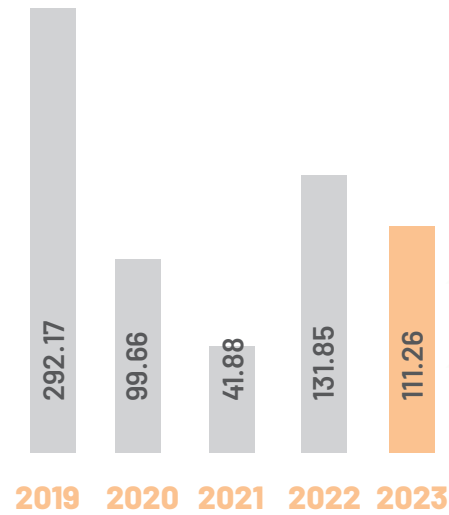
Income from operations

(₹ Lakhs)



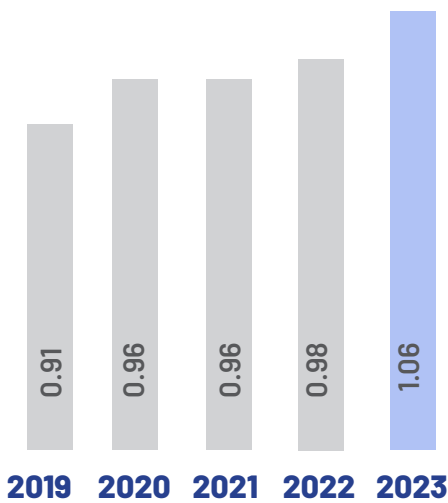
Profits after tax

(₹ Lakhs)



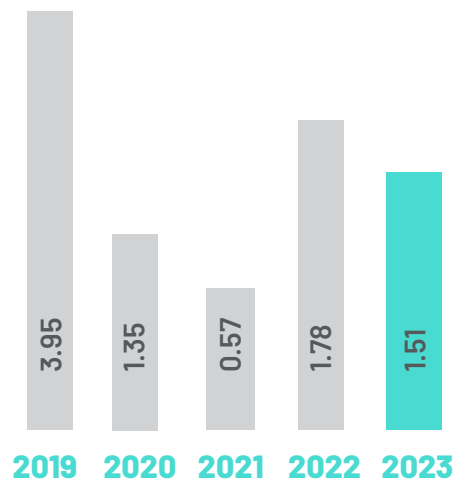
Debt equity ratio

(%)



Earnings per share

(₹)



Key Metrics



Revenues

₹ 10,684 lakhs

▲ 6%
OVER FY22



Net worth

₹ 3,050 lakhs

▲ 4%
OVER FY22



Reserves and surplus

₹ 2,311 lakhs

▲ 5%
OVER FY22



Debtors turnover ratio

13.12%

▲ 10%
OVER FY22



Book value per share

₹ 41.26

▲ 4%
OVER FY22

Key Numbers At A Glance

(All figures in ₹ Lakhs)

Particulars	2019	2020	2021	2022	2023
Profit & Loss Account:					
Revenue (Net)	8,397.25	7,622.39	8,106.79	10,085.75	10,683.66
Total Income	8,411.5	7,663.00	8,122.45	10,108.44	10,725.11
EBIDTA (Excluding Other Income)	827.61	607.76	496.69	634.89	594.41
Profit/(Loss) Before Tax (PBT)	404.25	221.54	60.06	209.47	125.20
Profit/(Loss) After Tax (PAT)	292.17	99.66	41.88	131.85	111.26
Balance Sheet:					
Equity Capital	739.10	739.10	739.10	739.10	739.10
Reserves & Surplus	1,781.20	1,880.17	2,068.36	2,199.32	2,310.58
Net worth	2,520.30	2,619.27	2,807.46	2,938.42	3,049.68
Loan Funds	427.22	558.02	921.48	1,058.86	850.44
Current Liabilities	2,511.40	2,616.81	2,377.71	2,456.33	3,157.78
Other Liabilities	121.42	193.30	200.15	226.45	219.50
Total Liabilities	5,580.34	5,987.40	6,306.80	6,680.06	7,277.40
Gross Block Including CWIP	4,565.31	4,821.37	4,982.38	5,376.03	5,726.71
Accumulated Depreciation	2,671.40	2,638.23	2,837.85	2,969.29	3,204.17
Net Block	1,893.91	2,183.14	2,144.53	2,406.74	2,522.54
Investments	36.34	20.59	20.96	20.07	18.47
Sundry Debtors	1,017.77	910.83	1,033.98	1,199.55	1,402.17
Inventories	2,082.37	2,447.21	2,596.20	2,563.57	2,688.80
Other Current Assets	473.01	351.41	424.10	408.80	517.55
Total Current Assets	3,573.15	3,709.45	4,054.28	4,171.92	4,608.52
Other Assets	76.94	74.22	87.03	81.33	127.87
Total Assets	5,580.34	5,987.40	6,306.80	6,680.06	7,277.40
Ratio Analysis:					
EBIDTA Margin (%) (Excluding Other Income)	9.86	7.97	6.13	6.29	5.56
PAT Margin (%)	3.48	1.31	0.52	1.31	1.04
Debt-Equity Ratio	0.91	0.96	0.96	0.98	1.06
Total Assets Turnover	1.50	1.27	1.29	1.51	1.47
Fixed Assets Turnover	4.43	3.49	3.78	4.19	4.24
ROCE (%)	21.47	13.49	7.97	10.55	9.00
Debtors-Turnover Ratio (%)	12.12	11.95	12.75	11.89	13.12
Inventory-Turnover Ratio (%)	24.80	32.11	32.03	25.42	25.17
Interest Coverage Ratio	2.77	1.89	1.24	1.89	1.89
Current Ratio	1.42	1.42	1.71	1.70	1.46
Operating Profit Margin (%)	9.86	7.97	6.13	6.29	5.56
Net Profit Margin (%)	4.81	2.91	0.74	2.08	1.17
Any Changes of Return of Net Worth (Return on Equity)	5.47	3.00	0.81	2.83	1.69
Ratios-Per Share					
Earnings Per Share (₹)	3.95	1.35	0.57	1.78	1.51
Dividend Per Share (₹)	0.00	0.00	0.00	0.00	0.00
Book Value Per Share (₹)	34.10	35.44	37.98	39.76	41.26

Our Mission & Principles



Our Vision

We aim to become a high-quality specialty, science-led, Indian technical textile company.



Our Mission

To manufacture world-class technical textiles that give our customers a competitive advantage through superior quality, state-of-the-art technology and continuous innovation.



Our Core Values



Customer centricity

We build trust by delivering exceptional value to our customers.



Innovation

We continuously improve our products and solutions through R&D and innovation.



Transparency

We are open, honest and accountable in our relationships with everyone, both internally and externally.



Responsibility

We practice global standards of worker and human resource welfare and act responsibly as an integral part of society.

From the Desk of the Managing Director

At Rishi Techtex, the fiscal year 2022-23 was marked by significant achievements as well as unforeseen challenges.

I am pleased to announce that our business performance remained stable throughout the year, consistently protecting and delivering stakeholder value in our ecosystem.

Throughout this period, we strengthened our unwavering commitment to accelerating growth for our customers, safeguarding stakeholder interests, conducting business responsibly, and promoting sustainability.

I share with you some of the key performance highlights of FY23 and the essential trends and initiatives that will be crucial for our next phase of growth. We firmly believe in the potential to capitalize on opportunities and are excited about the bright prospects that lie ahead for our company.



In FY23, our revenues were stable at ₹ 106.84 crores. In spite of severe challenges, we registered a 6% increase, from ₹ 100.86 crores in FY22.



Dear Investors,

The world of business is constantly changing. In fact, the pace of change has been accelerating year after year as the maze of geopolitical and social dynamics becomes increasingly complicated. The volatility, uncertainty, complexities, and ambiguity (VUCA) of this landscape can be challenging for businesses to navigate.

The Eden Project in Cornwall, England, is a good example to demonstrate survival and success in the VUCA world. The Eden Project, located in a reclaimed china-clay pit, consists of two huge biomes, the Rainforest Biome and the Mediterranean Biome. The Rainforest Biome contains 1,800+ plant species while the Mediterranean Biome has over 6,000 plant species. These plants are organized into different zones and represent distinct climatic regions.

The Eden Project is a relevant metaphor for the business environment today. It is a good example of resilience, hope and determination. It is even more relevant to the technical textiles industry as the biomes are made with ETFE membranes, a type of technical textile that is agile, flexible, and strong. The features of these membranes are symbolic of the overall industry itself – an industry fast evolving to meet the demands of the world of the future.



Bag manufacturing process at Rishi Techtex

Business in Numbers

Despite the challenging macro-environment, I am happy to report that Rishi Techtex stayed true to its larger vision of delivering consistent growth. In FY23, our revenues were stable at ₹ 106.84 crores. In spite of severe challenges, we registered a 6% increase, from ₹ 100.86 crores in FY22.

Nevertheless, there was a notable contraction in pre-tax profits, exhibiting a decline of approximately 40% - from ₹ 2.09 crores in the fiscal year 2022 to ₹ 1.25 crores in the fiscal year 2023. Correspondingly, the net profit also experienced a dip of around 15%, declining from ₹ 1.32 crores in FY22 to ₹ 1.11 crores in FY23.

Operational Updates

In the last fiscal, we decided to temporarily shift our focus from price battles and negotiations to increasing our market share and long-term customer relationships in the Woven Division. We believe that this is the best way to ensure profitability and growth in a competitive and constrained market.

On the other hand, the Knitted Division faced a performance setback in FY23 due to the downturn in export markets. The markets we traditionally serve did not bounce back to their pre-pandemic levels,





which resulted in our export performance falling below expectations. The challenges stemmed from a non-alignment of long-term viability with customer expectations regarding product quality vis-à-vis price considerations.

Further, macroeconomic factors too influenced our results. Market volatility due to inflation and new COVID-19 variants challenged economic recovery efforts. The Russia-Ukraine war and changing diplomatic dynamics further destabilized the market, decreasing our export sales significantly. Supply chain challenges and high raw material costs also adversely affected our bottomline.

Challenges apart, Rishi Techtex continued its unwavering commitment to excellence - continuing our legacy of delivering precision and performance in every project, we supplied nets for prominent global events in FY23. These include the distinguished Ryder Cup and Italian Open in Rome at the esteemed Marco Simone Golf and Country Club. We also supplied shade nets to the historic King Charles Coronation Ceremony at Windsor Castle in London, England. Both these projects demonstrated our commitment to delivering products that meet the highest expectations on the grandest stages.

Technical Textiles in India: A Promising Future

Considering the rapid pace of industrialization and infrastructure spending in India, the demand for technical textiles is poised for substantial growth. Delving into the sectors within which Rishi Techtex operates, here are a few facts, figures, and key growth drivers below :

Sector	Industry Size			Growth Drivers
	2022 (\$ Billion)	2027 (\$ Billion)	CAGR (%)	
 Agrotech	12.1	15.2	4.7	<ul style="list-style-type: none"> • Rising food demand • Government commitment to agriculture advancement.
 Packtech	12.9	16.9	5.5	<ul style="list-style-type: none"> • Growing popularity of e-commerce • Heightened emphasis on environmental sustainability
 Protech	12.6	16.5	5.5	<ul style="list-style-type: none"> • Surging demand for fire-retardant features in equipment • Emphasis on industrial safety
 Buildtech	16.3	21.8	5.7	<ul style="list-style-type: none"> • Expanding infrastructure investments • Priority on safety, efficiency and sustainability management

Recognizing the significant role they play in enhancing operational efficiency, the Government of India has implemented mandates promoting the utilization of technical textiles across various sectors in recent years. Several noteworthy examples are as follows:

- The Ministry of Agriculture and Farmer Welfare has made it compulsory to integrate agro-based products such as insect nets, shade nets, vermi-beds, micro irrigation pipes, and more into the Mission for Integrated Development of Horticulture (MIDH).
- The National Infrastructure Pipeline (NIP), a venture partly managed by the Ministry of Railways, enforces the incorporation of geotextiles, geogrids, and geostrips in the construction of railway tracks.
- The Bureau of Indian Standards (BIS) has stipulated the utilization of fire-resistant building materials for various building types, including high-rise structures, hospitals, and schools.

- The Ministry of Environment, Forest and Climate Change (MoEFCC) has issued mandates necessitating the adoption of recyclable packaging for a range of products, encompassing electronic waste, plastic bags, and food packaging. This initiative aims to curtail pollution and promote resource conservation.

Creating Pathways to Rishi 2.0

Since FY19, Rishi Techtex's business turnover has increased by 21%. The company has also registered an increase of 17% in its net worth.

Nevertheless, as mentioned above, the last fiscal recorded a break in this growth trend. The variance in performance led us to acknowledge that in order to thrive and not just survive in the new world order, we have to make significant changes to our business structure.

Our observations led us to make a deliberate shift in our business strategy. As we look to the future, we believe that now is the time to bring an agile mindset to our business strategy and prepare our approach for the emerging new world.

On the strength of these changes, we are confident of improving our financial position in FY24:

Operational Excellence

- **Improving Process Efficiencies**

To enhance our process efficiency, our consultants with a specialized background in manufacturing process optimization and workflow streamlining are advising us. This strategic collaboration could enable unlock hidden efficiencies within our processes, resulting in improved productivity, cost savings, and overall operational excellence.

- **Developing our Core Strengths**

We have a strong product portfolio and a dedicated team of employees, and we believe that we can achieve our goal of increasing market share through strategic measures such as R&D investments and investments in the latest equipment.



We supplied nets for prominent global events including the distinguished Ryder Cup and Italian Open in Rome at the esteemed Marco Simone Golf and Country Club. We also supplied shade nets to the historic King Charles Coronation Ceremony at Windsor Castle in London, England.



- **Delivering High-quality Products and Services**

We are implementing comprehensive strategies to substantially enhance our manufacturing processes. This multifaceted approach encompasses improvements in formulation, process optimization, and the transition from manual procedures to a consistent, automated workflow.

The overarching objective of the above measures is to ensure a seamless, monitored, and reliable process. It would ultimately enable us to offer our products with almost zero rejections and improve our operational efficiency.

Brand Recall and Recognition

- **Sustainability as an Important Pillar of Growth**

Each element we employ in our manufacturing process or produce holds is entirely recyclable, leaving no room for any deviations. This steadfast adherence to recyclability underscores our resolute commitment to environmental consciousness and the promotion of sustainable practices.

- **Expanding our Customer Base & Distribution Channels**

We will focus on expanding our customer base and distribution channels to reach new players in different segments in woven markets. We will also focus on developing partnerships with key distributors – across India and globally – to increase our market reach.

- **Promoting our Brand**

We will increase our marketing efforts to promote our brand and products. We will also focus on strengthening relationships with key stakeholders to generate a positive premium about our brand in terms of superior quality, on-time custom delivery and latest product innovations.

We believe that these strategies will help us to achieve our goal of increasing market share and command a price premium. While we are committed to weathering the short-term challenges, we are confident that our strategic decisions will also pay off in the long run.



Our nets at Rome for Ryder Cup and Italian Open, Marco Simone Golf and Country Club.

Prudent Management

- **Technological Integration**

Over the last few years, we have invested in new machinery and a comprehensive set-up overhaul. This seamless integration of technology in our processes has resulted in significant cost and resource optimization. While such investments have had a bearing on our profits in the short-term, they are poised to yield commensurate gains in the future.

- **Prudent Governance**

Our steadfast commitment to ethical conduct, regardless of the surrounding conditions, has helped us navigate challenging times. This factor also played a pivotal role in our achievements. The synergy within our organizational culture and the valuable insights of our board members will persist in propelling us toward continued favourable outcomes.

- **People Development**

During FY23, Rishi Techtex implemented a strategic choice to prioritize a multi-generational recruitment approach. This initiative aims to establish a competitive advantage and nurture a culture of innovation and stability within the company. By embracing a diverse mix of seasoned professionals and young talent, this strategy offers several notable benefits for the organization.

Our commitment to progress is clear through the strategic actions mentioned above. Technology integration will optimize costs, while ethical governance will guide us through challenges. Our collaborative culture, alongside board insights, will propel us toward continued success. These strategies will shape our path for a prosperous future.

Vote of Thanks

As we move forward, we are confident that with our dedicated team, innovative solutions, and strong values, Rishi Techtex will continue to thrive and achieve new heights in the industry. I also take this opportunity to thank our customers for their trust, our vendors for their cooperation, our regulators for their supervision and our investors for their confidence in our abilities.

We appreciate your ongoing support and trust in our capabilities, and we are enthusiastic about creating a sustainable and successful future together.

Yours sincerely,

Abhishek Patel
Managing Director

Our Businesses

Knitted Division




CAPACITY: 3,000 MTPA

SEGMENT






AGROTECH

PRODUCTS

-  Shade nets
-  Mulch Nets
-  Crop Covers

END - USER INDUSTRIES:






-  Agriculture
-  Aquaculture
-  Horticulture

SEGMENT





BUILDTECH

PRODUCTS

-  Architectural membranes
-  Scaffolding nets
-  Awnings & canopies for car parking, etc.
-  Floor and wall coverings like Swimming pool covers, deck & patio covers
-  High-end hoardings and signages

END - USER INDUSTRIES:

-  Construction
-  Engineering

Woven Division

CAPACITY: 5,000 MTPA

SEGMENT





PROTECH

PRODUCTS

-  Fire retardant nets

END - USER INDUSTRIES:

-  Construction
-  Industries

SEGMENT






PACKTECH

PRODUCTS

-  Woven sacks

END - USER INDUSTRIES:

-  Cement
-  Paint
-  Petrochemicals

RISHI TECHTEX LIMITED**CIN: L28129MH1984PLC032008**

Registered Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (West),
Mumbai - 400 011 (T) - 022-23075677/23074585 (F) - 022-23080022
Email: info@rishitechtextex.com Web: www.rishitechtextex.com

NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of the Members of Rishi Techtex Limited will be held on Friday, 15th September, 2023 at 11.00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

AS ORDINARY BUSINESS:

- 1 **To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2023 and the Report of the Board of Directors and Auditors thereon.**
- 2 **To appoint Director in place of Ms. Aakanksha Patel (DIN: 08314319) who retires by rotation and being eligible offers herself for reappointment.**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force, Ms. Aakanksha Patel (DIN: 08314319), who retires as a Director by rotation and, being eligible, has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company."

- 3 **To approve the appointment of Statutory Auditors and fix their remuneration**

To consider and if thought fit, to pass with or without modification, 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 the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof, and pursuant to recommendation of the Audit Committee and the Board of Directors, M/S. HRK & Co., Chartered Accountants, Vapi, Gujarat (FRN : 146985W), be and are hereby appointed as the Statutory Auditors of the Company to conduct audit for the Financial Year 2023-2024 and subsequent 4 financial years, at such remuneration plus reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the said Auditors;

"RESOLVED FURTHER THAT M/s. HRK & Co., Chartered Accountants shall hold office as the Statutory Auditors of the Company from the conclusion of this 39th Annual General Meeting till the conclusion of the 44th Annual General Meeting of the Company.

"RESOLVED FURTHER THAT the Board of directors be and are hereby authorised to take such necessary steps pertaining to the appointment of Auditors, subject to compliance with the applicable provisions and rules and on such remuneration as the Board of Directors may deem fit during the tenure of their appointment."

AS SPECIAL BUSINESS:

- 4 **To approve material transaction with Centennial Fabrics Limited, a Related Party**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 188 of Companies Act, 2013 ("the Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the time being in force (including any statutory amendment(s), modification(s) or re-enactment thereof), read with the applicable provisions of Companies Act, 2013, if any, read with related rules, if any, as amended from time to time and based on the Company's Policy on Materiality of Related Party Transactions as also dealing with Related Party Transactions, consent of the Members be and is hereby accorded for the Company to enter into and carry on, contract(s)/ arrangement(s)/ transaction(s) in the nature of buy/sell of material, BOPP Film and LLDPE Liner (Whether by way of an individual or transactions taken together or series of transactions or otherwise) with Centennial Fabrics Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for an aggregate value upto ₹ 115 crore (Rupees One Hundred and Fifteen Crore only) over a period of 24 months effective from 1st April, 2024, as set out in the Explanatory Statement annexed hereto on such terms and conditions as may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which term shall include any committee(s) constituted or to be constituted by the Board to exercise the powers conferred on the Board by this Resolution) provided that the transactions so carried out shall at all times be on an arm's length basis and in the ordinary course of the Company's business."

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this Resolution.”

“RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolution(s), be and are hereby approved, ratified and confirmed in all respects”

Date: 14.08.2023

Place: Mumbai

Registered Office:

612 Veena Killedar Industrial Estate,
10/14, Pais Street, Byculla (W),
Mumbai-400011.

By order of the Board

For Rishi Techtex Limited

Gauri Gangal
Company Secretary

Overview

Management Discussion & Analysis

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NOTES:

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs ("MCA") and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "Circulars"), companies are allowed to hold AGM through VC / OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC / OAVM. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of the Companies Act, 2013 ("the Act") and rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 39th AGM of the Company is being held through VC/OAVM on Friday, 15th September, 2023 at 11.00 a.m.. The deemed venue for the 39th AGM will be registered office of the Company i.e. 612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (West), Mumbai 400011.
2. The relevant explanatory statement pursuant to section 102 of the Act is annexed hereto.
3. Disclosure pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2), with respect to Directors seeking appointment/re-appointment at the 39th AGM is annexed hereto. The Directors have furnished the requisite declaration and consent for their appointment / re-appointment.
4. 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. However, 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.
5. 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 and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting 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 CDSL.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. 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 at least 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.
8. 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 e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to askus@kalamkarassociates.com.
9. In case of the Joint holders attending the 39th AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 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 also 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, Adroit Corporate Services Private Limited for assistance in this regard.
11. Updation of PAN and other details

SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities before October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 or any other date as may be specified by the Central Board of Direct Taxes ("CBDT") vide its circular dated March 16, 2023.

Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA. The forms for updating the same are available at www.rishitechtext.com. In case a holder of physical securities fails to furnish PAN and KYC details by October 1, 2023 or link their PAN with Aadhaar before June 30, 2023 or any other date as may be specified by the CBDT, in accordance with the SEBI circular dated March 16, 2023, Company / RTA will be obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the Company / RTA shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from www.rishitechtext.com. Members are requested to submit the said details to their DP in case the shares are held by them in demat form and to RTA in case the shares are held in physical form.

The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination.

12. 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 Adroit Corporate Services Private Limited in case the shares are held by them in physical form.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/ Exchange of securities certificate, Endorsement, Sub-division/ splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 available at www.rishitechtext.com
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Adroit Corporate Services Private Limited, 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.
15. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR /P/2021/11 dated 15th January, 2021 and Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, Notice of the 39th AGM along with the Annual Report for Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories"). A copy of this Notice along with the Annual Report for Financial Year 2022-23 is uploaded on the Company's website www.rishitechtext.com, at website of the Stock Exchange i.e. The BSE Limited at www.bseindia.com and on the website of Central Depository Services (India) Limited (CDSL) at www.evotingindia.com.
16. Members who wish to inspect the statutory documents or relevant documents referred to in the Notice can send an email to info@rishitechtext.com upto the date of the 39th AGM.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The deemed venue for the 39th AGM shall be the Registered Office of the Company.
18. The Register of Members and Share Transfer Books of the Company will remain closed from 09.09.2023 to 15.09.2023 (both days inclusive).
19. Any person, who acquires Shares of the Company and become Member of the Company after dispatch of the Notice and holding Shares as on the cut-off date for remote E-voting i.e. Friday, 8th September, 2023 may follow the same instructions as mentioned below for E-voting.
20. All documents referred to in the Notice shall be made available for inspection by the Members of the Company, without payment of fees upto the date of AGM. Members desirous of inspecting the same may send their requests at info@rishitechtext.com from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection.

21. Voting through electronic means (Remote E-Voting):

1. In compliance with 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 as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to cast their vote by electronic means i.e. remote e-voting, through the e-voting services provided by Central Depository Services (India) Limited ("CDSL") on all resolutions set forth in this Notice.
2. The e-voting period begins on Monday, 11th September, 2023 at 9.00 a.m. and ends on Thursday, 14th September, 2023 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 of 8th September, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
3. The Members who have not casted their vote by remote e voting prior to the Annual General Meeting ("AGM") can exercise their voting rights at the AGM. The Members who have already exercised their right to vote by remote e-voting may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to vote at the AGM.
4. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut off date viz. 8th September, 2023.
5. A person, whose name is recorded in Register of Members or in the Register of Beneficial Ownership maintained by the RTA/ Depositories, as the case may be, as on the cut-off date only shall be entitled to avail the facility of remote e voting or voting at the AGM. Any person who has ceased to be the member of the Company as on the cut-off date will not be entitled for remote e voting or voting at the AGM and should treat this Notice for information purpose only.

6. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
7. M/s Sudhanwa S. Kalamkar & Associates, Practicing Company Secretary (Membership No.18795, CP No.7692) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
8. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, and make not later than 48 hours of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
9. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.rishitechtext.com and on the website of CDSL www.cdslindia.com immediately after the result is declared and shall be simultaneously forwarded to Bombay Stock Exchange Limited.
10. **The Procedure and Instructions for Remote e-voting are as under:**

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Monday, 11th September, 2023 (9:00 a.m. IST) and ends on, Thursday, 14th September, 2023 (5:00 p.m. IST). 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 Friday, 8th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In order to increase the efficiency of the voting process and in pursuance of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-voting facility is being provided to all the demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DP. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication, but also ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	* Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name (Rishi Techtex Limited)> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- 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 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@cdslindia.com.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution or 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 mandatorily 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 and to the Company at the email address viz; askus@kalamkarassociates.com if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting during the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 at least **7 (Seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at info@rishitechtext.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at info@rishitechtext.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

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/ RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Date: 14.08.2023

Place: Mumbai

Registered Office:

612 Veena Killedar Industrial Estate,
10/14, Pais Street, Byculla (W),
Mumbai-400011.

By order of the Board

For Rishi Techtex Limited

Gauri Gangal
Company Secretary

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT 2013**Item No. 2****Appointment of Director in place of Ms. Aakanksha Patel (DIN: 08314319) who retires by rotation and being eligible offers herself for reappointment.**

The Members, at the 38th Annual General Meeting held on 26th September, 2022, had appointed Ms. Aakanksha Patel (DIN: 08314319) as a Director, liable to retire by rotation. Accordingly, in terms of Section 152(6) of the Companies Act, 2013, Ms. Aakanksha Patel shall retire as a Director by rotation at the forthcoming Annual General Meeting and being eligible, has offered herself for re-appointment.

As per the terms of her appointment as a Non-Executive, Non-Independent Director, her re-appointment as a Director on retirement by rotation at the forthcoming Annual General Meeting, would not constitute break in her term as a Non-Executive, Non-Independent Director.

Ms. Aakanksha Patel holds a Bachelor's Degree in Fashion Marketing and Promotion and has a vast experience of approximately 11 years in independently handling client account related activities, client management, business development which in the opinion of Board will help the Company in aggressive marketing of its products and may help to create a new segment of customers apart from conventional customers.

As required under Regulation 36(3) of SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is annexed to as **Annexure A**, and forms a part of this Notice.

Except Ms. Aakanksha Patel and her relatives, to the extent of their shareholding interest in the Company, if any, none of the Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise, in the Resolution set out at Item No. 2 of the Notice.

Your Directors recommend the resolution at Item No. 2 for approval of the Members by way of an Ordinary Resolution.

Item No. 3**Appointment of Statutory Auditors and to fix their remuneration**

The Company at its 34th Annual General Meeting held on 28th September 2018 appointed M/s. Attar & Associates., Chartered Accountants, Mumbai (FRN: 116443W), as the Statutory Auditors of the Company for a term of 5 financial years commenced from financial year 2018-2019 and to hold office from the conclusion of 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting.

In view of the above, the Board of Directors of the Company on recommendation of its Audit Committee has recommended to its Members appointment of M/s. HRK & Co., Chartered Accountants (FRN : 146985W) as Statutory Auditor of the Company for a term of 5 (five) years commencing from conclusion of this 39th Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company and to fix their remuneration in consultation with the Board of Directors of the Company.

M/s. HRK & Co, Chartered Accountants provides services in the areas of Audit & Assurance, Taxation, Accounting & Back Office, Corporate Strategy & Advisory. The Board of Directors have obtained necessary certificates, confirmations pursuant to provisions of Section 139(1) and the rules made thereunder from M/s. HRK & Co, Chartered Accountants (FRN : 146985W) and recommends to the members their appointment. The members may further delegate authority to the Board to determine in consultation with the auditors, remuneration payable to them alongwith the applicable taxes, levies and reimbursement of travelling and other out-of-pocket expenses after taking into consideration the volume of work involved. The Board of Directors recommends an Ordinary Resolution set out in item no. 3 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

Item No. 4**Approval of Material transaction with Centennial Fabrics Limited, a Related Party**

Pursuant to provisions of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, Centennial Fabrics Limited is a related party of the Company, as Mrs. Smita Patel, is a part of Promoter group of the Company and also holds majority stake and directorship in Centennial Fabrics Limited and Mr. Jagdish Dokwal, Key Managerial Personnel of the Company is also a Director of Centennial Fabrics Limited. The Company in the ordinary course of its business and on arm's length basis, has been purchasing Liner from Centennial Fabrics Limited for the purpose of insertion in Plastic Laminated bags manufactured by the Company.

Regulation 23 of the SEBI Listing Regulations, inter alia, states that all Material Related Party Transactions ('RPTs') shall require prior approval of the Members by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The members at its 38th Annual General Meeting held on 26th September, 2022 granted an approval for Related Party Transactions between the Company and Centennial Fabrics Limited for an Aggregate value up to ₹ 65 Crore for a period of two Financial Year ending 31st March, 2024 pursuant to above requirement. It is now proposed to seek members approval for undertaking transactions in the nature of buy/sell of material, BOPP Film and LLDPE liner aggregating estimated value of ₹ 115 crore for two financial years i.e. 2024-25 and 2025-26 duly extrapolated and marked appropriately for any exigencies, price variation, impact of annual inflation, and increase in demand, etc.

Pursuant to above requirement, the Company has in place a policy and process for approval of Related Party Transactions. The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant of approval for the proposed transactions. A justification for each and every related party transaction is provided to the Audit Committee which enables them to arrive at the right decisions. Additionally, an update on the actual related party transactions entered during every quarter is provided to the Audit Committee. The transaction with the related party not only smoothen business operations for both the Companies, but also ensure consistent flow of desired quality and quantity of material and services without interruptions and generation of revenue and business for both the Companies to cater to their business requirements.

The proposed transactions between the Company and Centennial Fabrics Limited, being material were approved by the Audit Committee, at its meeting held on 14th August, 2023, and also recommended by the Board at its meeting held on 14th August, 2023 for approval by the Members.

This Explanatory Statement may also be regarded as a disclosure of the information required pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended.

The details of the proposed transactions between Rishi Techtex Limited and Centennial Fabrics Limited as required under SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are given in **Annexure - B** hereto, and form a part of this Notice.

Members may note that as per the provisions of the Listing Regulations, no related party shall vote to approve the resolution, irrespective of whether they are a party to the transaction or not.

Your Directors recommend the resolution at Item No. 4 for approval by the Members as an Ordinary Resolution.

Except Mr. Abhishek Patel, Ms. Aakanksha Patel and Mr. Jagdish Dokwal and their relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives, have any concern or interest, financial or otherwise in the Resolution.

Date: 14.08.2023

Place: Mumbai

Registered Office:

612 Veena Killedar Industrial Estate,
10/14, Pais Street, Byculla (W),
Mumbai-400011.

By order of the Board

For Rishi Techtex Limited

Gauri Gangal
Company Secretary

Annexure A

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India].

Name of the Director	Ms. Aakanksha Harshad Patel
DIN	08314319
Date of Birth	14.09.1988
Age	34 years
Nationality	Indian
Date of appointment	08.08.2022
Qualification	Bachelor's Degree in Fashion Marketing and Promotion
Nature of expertise in specific functional Area	Marketing
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company inter-se	Mr. Abhishek Harshad Patel - Managing Director - Brother
Brief Profile / Resume of the Director	Ms. Aakanksha Patel holds a Bachelor's Degree in Fashion Marketing and Promotion and has a vast experience of approximately 11 years in independently handling client account related activities, client management, business development which in the opinion of Board will help the Company in aggressive marketing of its products and may help to create a new segment of customers apart from conventional customers.
Terms and Conditions of appointment, along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	Ms. Aakanksha Harshad Patel is being appointed as a "Non-Executive, Non-Independent Director", liable to be retire by rotation. The other terms and conditions of her appointment will be as per the Nomination and Remuneration Policy of the Company.
Directorship in Other listed entities	No Directorship in Other listed entities.
*Directorship in Other Companies(excluding Listed Entities, Foreign Companies and Section 8 Companies)	No Directorship in Other entities.
**Chairmanships / Memberships of Committees held in Committees of Other Companies	No chairmanships / memberships in committees of any other entities.
Names of listed entities from which she has resigned in the past 3(three) years	Has not resigned from any Listed Company in the past 3(three) years.
No. of shares held by Director:	Shares held by self: 400861.
By Self:	
As a beneficial owner of :	
Number of Meetings of the Board attended during the Financial Year 2022-23	3 of 4

*Excludes directorship in Private Companies.

**Excludes Membership/Chairmanship of Committees in Private Companies.

Annexure B

Details of Material Related Party Transactions, as required, under the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are as follows.

Sr No	Particulars	Details (item No.4)
1	Name of Related Party and nature of Relationship	Centennial Fabrics Limited Mrs. Smita Patel, is a part of Promoter group of Rishi Techtex Limited who holds majority stake and directorship in Centennial Fabrics Limited and Mr. Jagdish Dokwal, Key Managerial Personnel of Rishi Techtex Limited is Director of Centennial Fabrics Limited
2	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mrs. Smita Patel, is a part of Promoter group of Rishi Techtex Limited who holds majority stake and directorship in Centennial Fabrics Limited and Mr. Jagdish Dokwal, Key Managerial Personnel of Rishi Techtex Limited is Director of Centennial Fabrics Limited
3	Nature, duration, tenure, material terms, monetary value and particulars of the contract or arrangement	The transaction is in the nature of buy/sell of material, BOPP Film and LLDPE Liner, from Centennial Fabrics Limited used as part of packaging bag for Cement Industry by the Company for an estimated amount of Rs. 115 Crore in aggregate for a period of 2 years from 1st April, 2024 to 31st March, 2026
4	Transaction related to providing loan(s)/advances(s) or securities for loan taken by a related party	No such Transaction
5(a)	Details of the source of funds in connection with the proposed transaction	Not Applicable
5(b)	If any financial indebtedness is incurred to make or give such loans/advances/securities for loan and Nature of indebtedness/cost of funds/tenure	Not Applicable
5(c)	Applicable terms including covenants, tenure, interest rate, repayment schedule, whether secured or unsecured	Not Applicable
6	Any advance paid or received for the transaction	Nil
7	Percentage of the Company's annual turnover for the immediately preceding financial year 2022-2023, that is represented by the value of the proposed transaction	53.82% on an annual basis
8	Details about valuation, arm's length and ordinary course of business	Valuation- Not applicable Ordinary Course of Business - The transaction is in the nature of buy/sell of material, BOPP Film and LLDPE Liner, from Centennial Fabrics Limited used as part of packaging bag for Cement Industry manufactured by the Company. Arm's Length - The Transactions between Rishi Techtex Limited and Centennial Fabrics Limited, are undertaken on an arm's length basis and in the ordinary course of business. The Transaction is marked appropriately for any exigencies, price variation, impact of annual inflation and increase in demand.
9	Rationale/Benefit of the transaction and why this transaction is in the interest of the Company	The transaction with the related party not only smoothen business operations for both the Companies, but also ensure consistent flow of desired quality and quantity of material and services without interruptions and generation of revenue and business for both the Companies to cater to their business requirements.
10	Any other information relevant or important for the shareholders to take an informed decision	All relevant/important information forms a part of the Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013



Management Discussion and Analysis



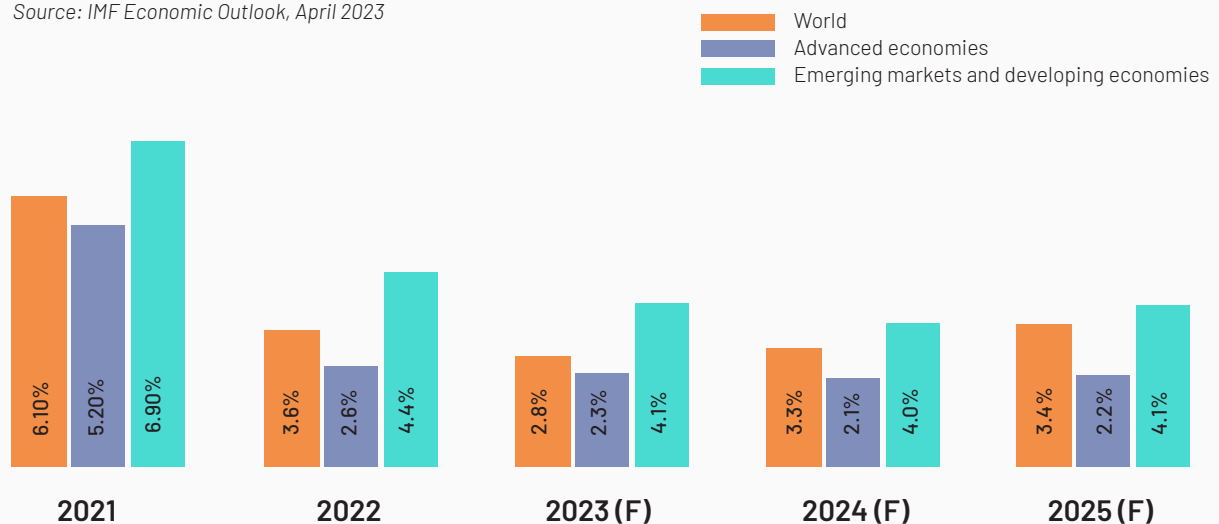
Global Outlook

In FY23, the global economy started to recover in the aftermath of the COVID-19 pandemic, which lasted two long years. However, its growth was hindered by a series of new challenges. The Russian-Ukraine war, escalating inflation, and tightening monetary policies were among the factors that contributed to this setback.

Consequently, the International Monetary Fund (IMF) downgraded the global growth forecast to 2.8% in 2023, from 3.6% in 2022 (refer Chart I: Estimates of Global Growth).

Chart I: Estimates of Global Growth

Source: IMF Economic Outlook, April 2023





Rishi Techtex's nets in use at Windsor Castle, UK



Russian-Ukraine war

The conflict in Ukraine, which began in early 2022, has had a profound effect on the global economy, especially raw material prices. Major economies responded to the war by imposing sanctions on oil and gas imports from Russia.

As Russia is the second-largest oil exporter and third-largest gas exporter, these sanctions caused a surge in global energy prices. Businesses faced challenges in planning their energy purchases due to these uncertainties, resulting in higher prices. Consequently, this contributed to increased inflation and further slowed economic growth.



Rising inflation

In 2022-23, inflation surged to a 40-year high in the United States, and similar trends were observed in other regions worldwide. Central banks increased interest rates to combat inflation, but this resulted in a slowdown in economic growth.

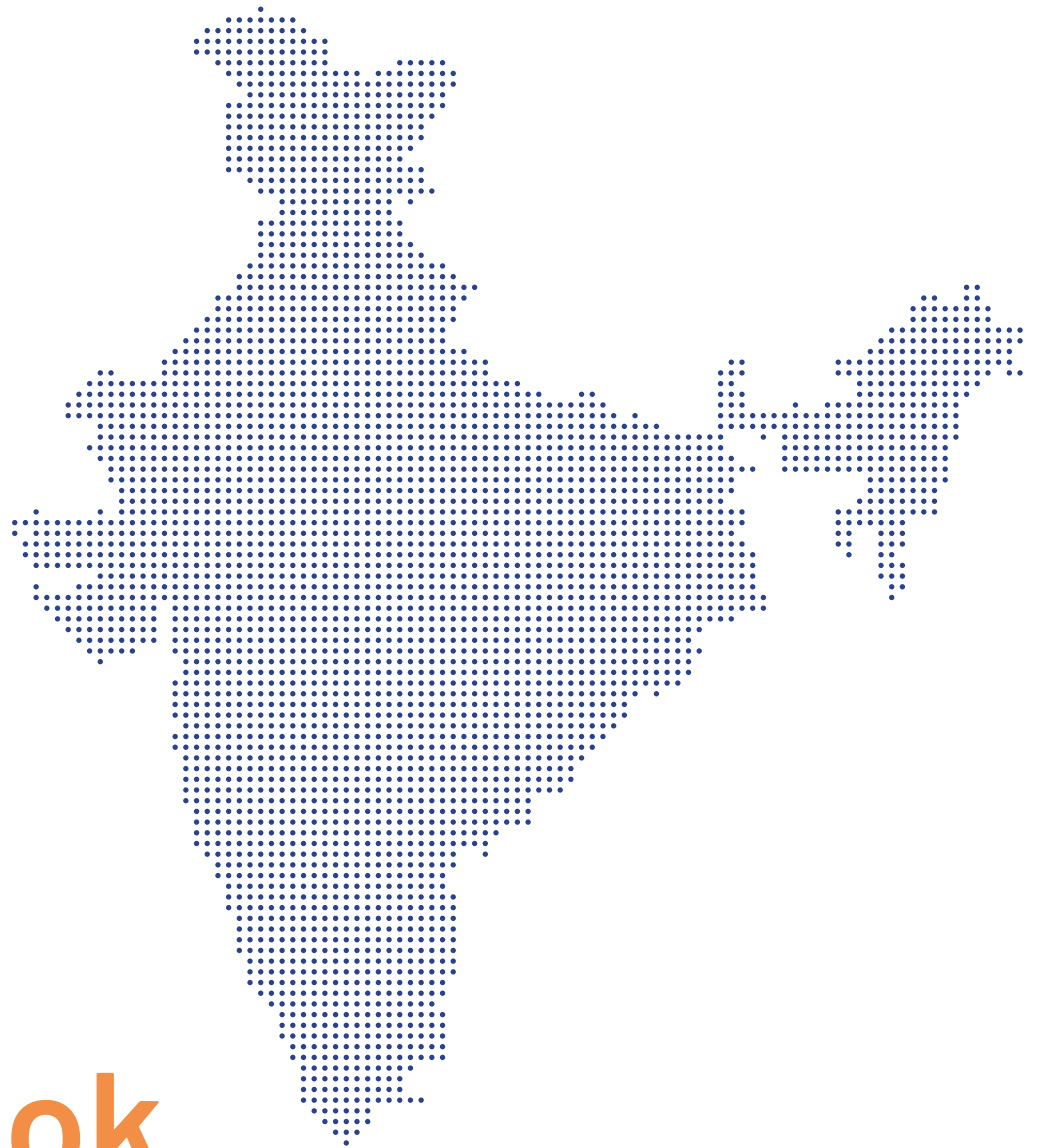
Compounding these challenges, the Russia-Ukraine war disrupted global supply chains, leading to scarcities in raw materials, further driving up production costs and contributing to the phenomenon of cost-push inflation.



Tightening monetary policies

During FY23, tightening monetary policies became a global trend. The central banks of numerous countries implemented measures to address surging inflation rates. Higher interest rates resulted in increased borrowing costs for both businesses and individuals, leading to reduced investment and slower economic growth.

While these measures were imperative in order to address rising inflation, they posed risks such as potential recession, financial instability, and a slowdown in global trade.



India Outlook

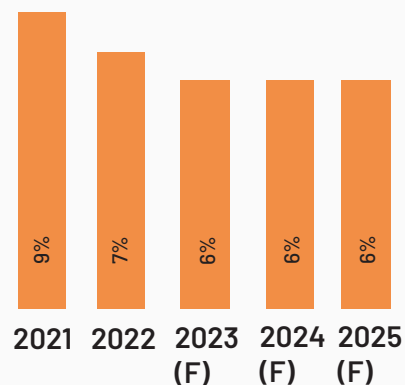
One of the Best-Performing Economies

The April 2023 edition of the *World Economic Outlook*, a bi-annual report published by the International Monetary Fund (IMF), reported that India's economy grew at a rate of 5.9% in FY23. This growth played a significant role in contributing to the overall 4.6% economic growth in Asia, an improvement from 3.8% the previous year.

Although the growth rate was lower than the FY22 rate of 6.8%, it is important to recognize that India remained among the fastest-growing economies globally, despite the significant challenges faced by the global economy during this period.

Chart II: India's Annual GDP

Source: IMF Economic Outlook, April 2023





Rishi Techtex's agronets in use on a farmland at Satara, Maharashtra, India

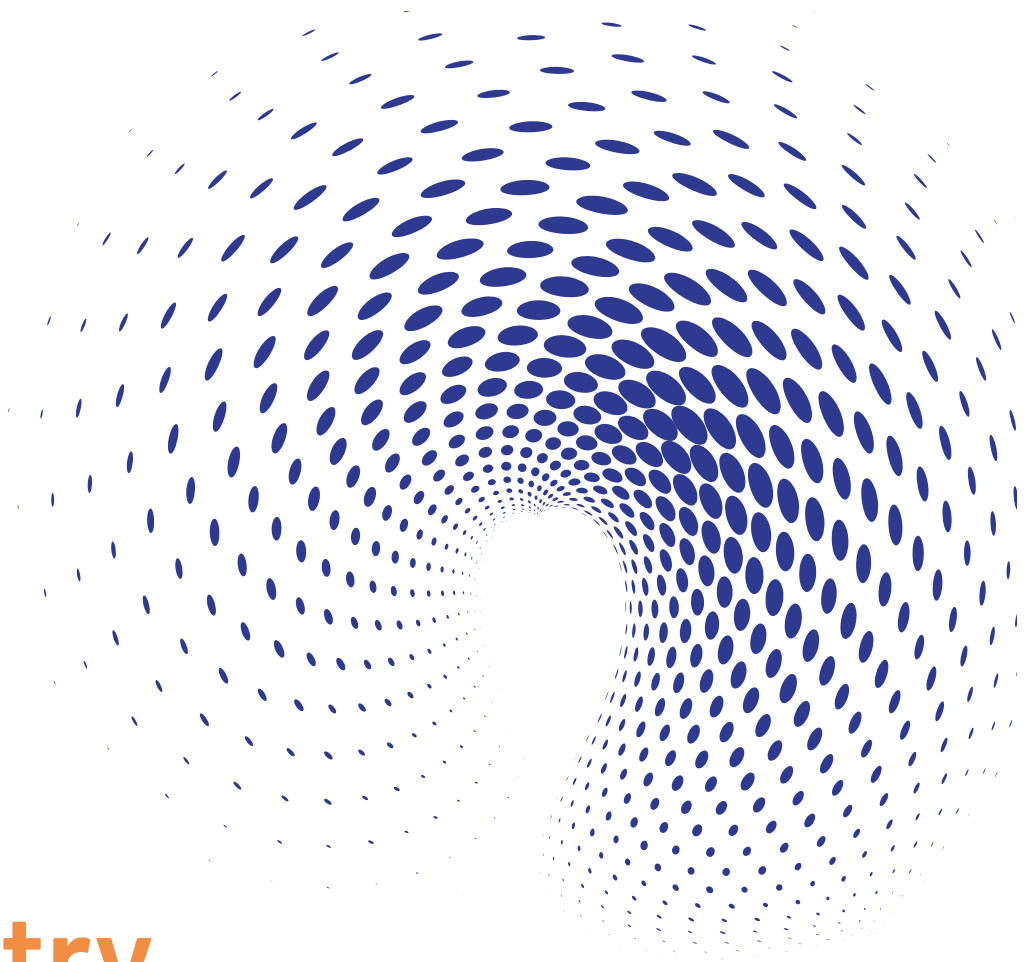
The robust growth of India's economy in FY23 can be attributed to various factors. It was driven primarily by private consumption and public infrastructure investment, which were supported by government policies aimed at enhancing transport infrastructure, logistics, and the overall business ecosystem. Specifically, the following factors contributed to the country's economic performance:

- Implementation of key reforms such as the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) by the government.
- India's emergence as a global manufacturing hub, attracting investments and driving industrial growth.
- The expanding middle class in India, which resulted in increased demand for goods and services.
- Widespread vaccination coverage, which is enabling people to resume spending on contact-based services such as restaurants, hotels, shopping malls, and cinemas.

Looking ahead, the growth forecast for India is optimistic. The National Economic Survey of 2023 highlights several positive trends, including a further rebound in private consumption and increased capital expenditure (Capex). The Survey also points to other factors that are contributing to the positive outlook, such as the momentum in the construction industry, stronger balance sheets of corporations, well-capitalized public sector banks ready to increase credit supply, and credit growth in the Micro, Small, and Medium Enterprises (MSME) sector.

Additionally, the manufacturing sector is benefiting from the expansion of public digital platforms and government initiatives like PM *GatiShakti*, the National Logistics Policy, and Production-Linked Incentive schemes, all of which aim to boost manufacturing output.

Looking ahead, India's growth in FY24 is expected to be supported by solid domestic demand and an upswing in capital investment, which bodes well for the country's economic prospects.



Industry Update

The global technical textiles market was estimated at \$ 212 billion in 2022 and is expected to reach \$ 274 billion by 2027, growing at a CAGR of 5.2% during 2022-27. This is backed by an increasing global demand for technical textiles across industries and an expanding base of new applicative products being developed at a rapid rate*. The growth of the market is being driven by a number of factors, including:

- Increasing demand from end-user industries such as automotive, construction, medical, and industrial
- Rising awareness of the benefits of technical textiles, such as their durability, strength, and performance
- Technological advancements in the production of technical textiles

The Asia-Pacific region is the largest market for technical textiles, followed by Europe and North America. China is the largest producer and consumer of technical textiles in the world. India is not far behind – the prowess of the Indian technical textiles industry became apparent in 2020, when the country went from being a non-producer of COVID-grade Personal Protective Equipment (PPE), to becoming the world's second-largest producer and exporter of PPEs and N-95 masks in a period of six months.

The success story gets even better. As the global technical textiles industry continues to grow, India is poised to benefit from this expansion owing to its new-found competency.

*https://texmin.gov.in/sites/default/files/India%202047_Vision%20%26%20Strategic%20Roadmap%20for%20Technical%20Textiles%20in%20India_KPMG.pdf

In 2023, the country became the fifth-largest producer of technical textiles in the world and employs around 10 million people. The industry contributes around 2% to India's GDP. Domestic consumption and export are both expected to grow rapidly in the next few years, making this an important time for the industry.



The Asia-Pacific region is the largest market for technical textiles, followed by Europe and North America.



Deciphering India's Technical Textiles Industry: What Factors are Driving its Future?







The Indian technical textiles industry is expanding quickly in terms of output and value. A variety of industries benefit from its products as these products have improved functional qualities such as greater tenacity and strength as well as better thermal and chemical resistance.

Technical textiles are used in a wide variety of industries (see image: *Technical Textiles Applications – Major Industries*), thereby making it a high-value sector.

Consequently, India's technical textiles sector is set to benefit significantly from the government's key projects across different sectors.

In order to optimize domestic and global growth opportunities, India must focus on creating a world-class technical textiles ecosystem, up-skill the workforce, facilitate the creation of advanced indigenous technologies and products, and foster strategic international collaborations.

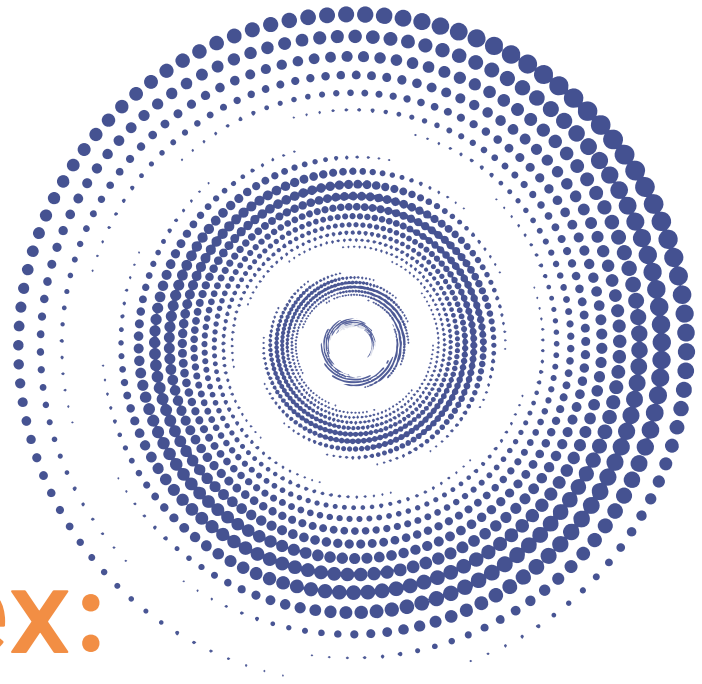
Image I: Technical Textiles Applications – Major Industries

-  Automation
-  Agriculture
-  Home care
-  Construction
-  Aerospace
-  Healthcare



Thread rolls at our factory

Rishi Techtex: FY23 Review



The Board of Directors presents its report along with the audited financials of the company for the year ended 31st March 2023 (refer Table I: Financial and Operational Highlights).

Table I: Financial and Operational Highlights

Particulars	FY23	FY22
Total Revenues	₹ 10,725.11 lakhs	₹ 10,108.44 lakhs
Total Expenses	₹ 10,599.91 lakhs	₹ 9,898.97 lakhs
Profit/(loss) Before Tax	₹ 125.20 lakhs	₹ 209.47 lakhs
Operating Profit Margin	5.56%	6.29%
Total Tax Expense	₹ 13.94 lakhs	₹ 77.62 lakhs
Profit/(loss) for the period	₹ 111.26 lakhs	₹ 131.85 lakhs
Net Profit Margins	1.17%	2.08%
Debtors' Turnover	13.12%	11.89%
Inventory Turnover	25.17%	25.42%
Interest Coverage Ratio	1.89%	1.89%
Current Ratio	1.46%	1.70%
Debt Equity Ratio	1.06%	0.98%

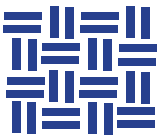
Performance Analysis

During the period under review, Rishi Techtex delivered a stable performance in terms of revenues in spite of raw material cost pressures – from ₹ 100.86 crore in FY22, we registered a 6% increase to ₹ 106.84 crore in FY23. It is noteworthy to mention here that despite operating in geopolitically risky markets and facing increased raw material costs, we have maintained or even slightly increased our turnover. Our ability to overcome these obstacles demonstrates our resilience and strategic capabilities. We decided not to pass on the increase in raw material costs to our customers in favour of long-term relationships and business purposes.

However, the profits before tax recorded a decrease of ~40% – from ₹ 2.09 crore in FY22 to ₹ 1.25 crore in FY23. Further, the net profit also witnessed a decline of ~15% – from ₹ 1.31 crore in FY22 to ₹ 1.11 crore in FY23.

“ Our primary focus is to foster strong partnerships, ensuring mutual benefits and growth opportunities. ”

One of the main reasons for the performance is a strategic shift in our business approach. In the following paragraphs, we provide a brief overview of the same:

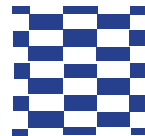


Woven Division

In FY23, we decided to temporarily set aside our focus on engaging in price battles and negotiations in the Woven Division. Instead, we chose to prioritize increasing our market share. A closer examination of our financials will illustrate this strategic shift. While there have been some challenges along the way, we acknowledge that our choices were somewhat limited. Essentially, if we wanted to pursue sales growth and customer relationships, we would have to accept a decrease in profits for this fiscal year.

Nonetheless, we chose this strategy.

We are confident that our choices will enable us to achieve a full-fledged recovery. In fact, we are well on track to nearly double our net profit in FY24, a positive indication of our progress and resilience.



Knitted Division

The knitted division faced a performance setback owing to the downturn in export markets during the last year. Unfortunately, the export markets we traditionally serve did not bounce back to their pre-pandemic levels. As a result, our export performance was below expectations in FY23. We aimed to rely more on sales within the country to strengthen our financial position.

Consequently, we further expanded our domestic network in pan-India markets. We strategically onboarded new customers, achieving notable margin improvements within this division. These enhancements effectively mitigated the revenue challenges we faced in the export division of the segment.

To further consolidate our presence, in FY23, we actively enhanced our relationships with suppliers, striving to establish a solid foundation that would lead to improvements in our throughput, cost efficiency, and overall business performance. Our primary focus is to foster strong partnerships, ensuring mutual benefits and growth opportunities.



Segment-wise Performance

Woven Bags

Performance in Numbers

During the year under review, the woven bags division registered revenues of ₹ 71.49 crore, contributing to 66.91% of the company's overall income, as against ₹ 66.55 crore in FY22, when it contributed to 66% of the company's revenues (see *Chart III: Revenues from Woven Bags*).

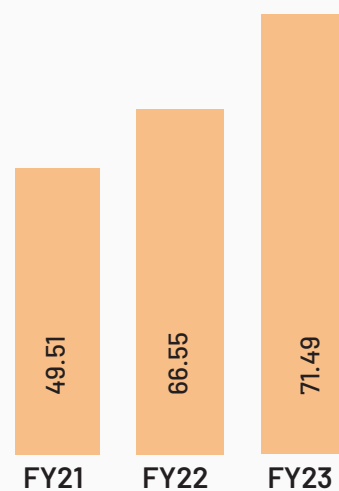
During the period under review, our manufacturing capacity averaged 25 lakhs - 27 lakhs bags per month.

FY23 in Review

Rishi Techtex is a supplier of woven bags for one of India's largest paint manufacturing companies, Asian Paints. In FY23, we successfully expanded our customer base and were successful in acquiring new domestic customers in this segment.

The reason Rishi Techtex is a supplier of choice is our superior execution of orders and our ability to provide a wide range of products that meets the diverse needs of our customers.

Chart III: Revenues from Woven Bags
(In ₹ Crore)



The variety of products we offer caters to the demands of large customers, making us their preferred choice over other suppliers in the market.

Having said that, it is challenging to generate significant profits in the woven bags segment due to minimal margins and the hyper-competitive landscape. Since woven bags are typically lower-cost items compared to high-end products, manufacturers need to achieve economies of scale to make the business financially viable.

Over the years, Rishi Techtex has fine-tuned its business model to address these contingencies. These include strategic aspects such as our capacity to handle large orders and meet customers' customization demands promptly, effective inventory management, and supply chain optimization. These factors have played critical roles in sustaining profitability and success in the volume-based woven bags manufacturing business. In addition, our continuous focus on enhancing our quality of offerings contributes to this positive trend. Consequently, we have been able to capture a reasonable market share.

On the strength of these factors, we anticipate further improvement, which will further enable us to retain our leadership position in the woven bags market in the foreseeable future.

Forward Strategy



Investment in new-age technologies

The woven market segment recently witnessed an increase in the demand for Biaxially Oriented Polypropylene (BOPP) style printed bags. This involves printing detailed designs on BOPP film and then laminating it on the back of the bag. This process enables high levels of detail in the bag's appearance, making it more visually appealing than the regular Flexo printed bags.

Although, Rishi Techtex has historically outsourced BOPP printing due to the cost of the specialized machinery, we may evaluate the possibility of investing in our own equipment to enhance our production capabilities and potentially improve profitability in the future.



Capturing new domestic entrants

We anticipate the entry of a few major players into the paints segment who would be our potential customers.

We are engaging with them and believe that when they enter, it will prove advantageous to our business.

Quality will remain a top priority as we uphold our commitment to delivering superior products and services to our valued clientele.



Increase bag production volume

In terms of volumes produced, our objective in the woven bags' division is to increase the monthly number of bags manufactured from the current average of 26 lakhs to nearly 34 lakhs. While we are making progress and are confident of surpassing 30 lakhs bags per month, market dynamics and uncertainties may impact the final outcome.

As circumstances evolve, the exact figure remains uncertain, but we are committed to continuously improving and striving towards our ambitious targets.

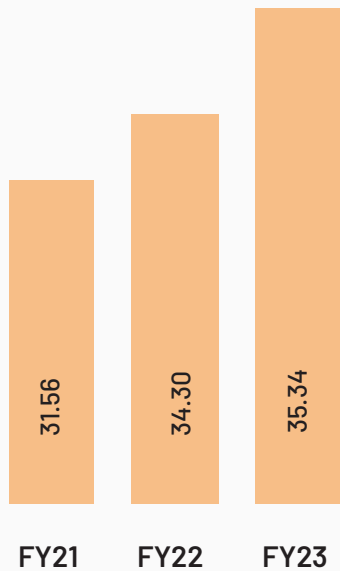
Knitted Division

Performance in Numbers

During the year under review, the knitted division registered revenues of ₹ 35.34 crore, against ₹ 34.30 crore in FY22.

Further, the segment contributed 33.08%, against 34% of the overall company income during the previous fiscal (see *Chart IV: Revenues from Knitted Division*).

Chart IV: Revenues from Knitted Division
(In ₹ Crore)



FY23 in Review

In FY23, we leveraged our innate strengths of innovation, automated manufacturing, cost optimization, and strong stakeholder relationships to further strengthen our leadership position in the knitted division market.

During the course of FY23, we also focused on streamlining our product processes and making the business more profitable. For instance, currently, the process of manufacturing these shade nets involves a manual approach, resulting in occasional errors due to custom sizing.

By streamlining the production process with due mechanical intervention, we can offer a competitive rate for the product, and even if there are any rejections, we can factor them into the costing.

Another factor that impacted our performance during FY23 was the inability of export markets to bounce back to pre-pandemic levels. Despite efforts to boost exports, they did not bounce back as anticipated. Given global geopolitical conditions, we do not expect exports to improve any time soon. Hence, we changed our strategy slightly and focused more on domestic markets.

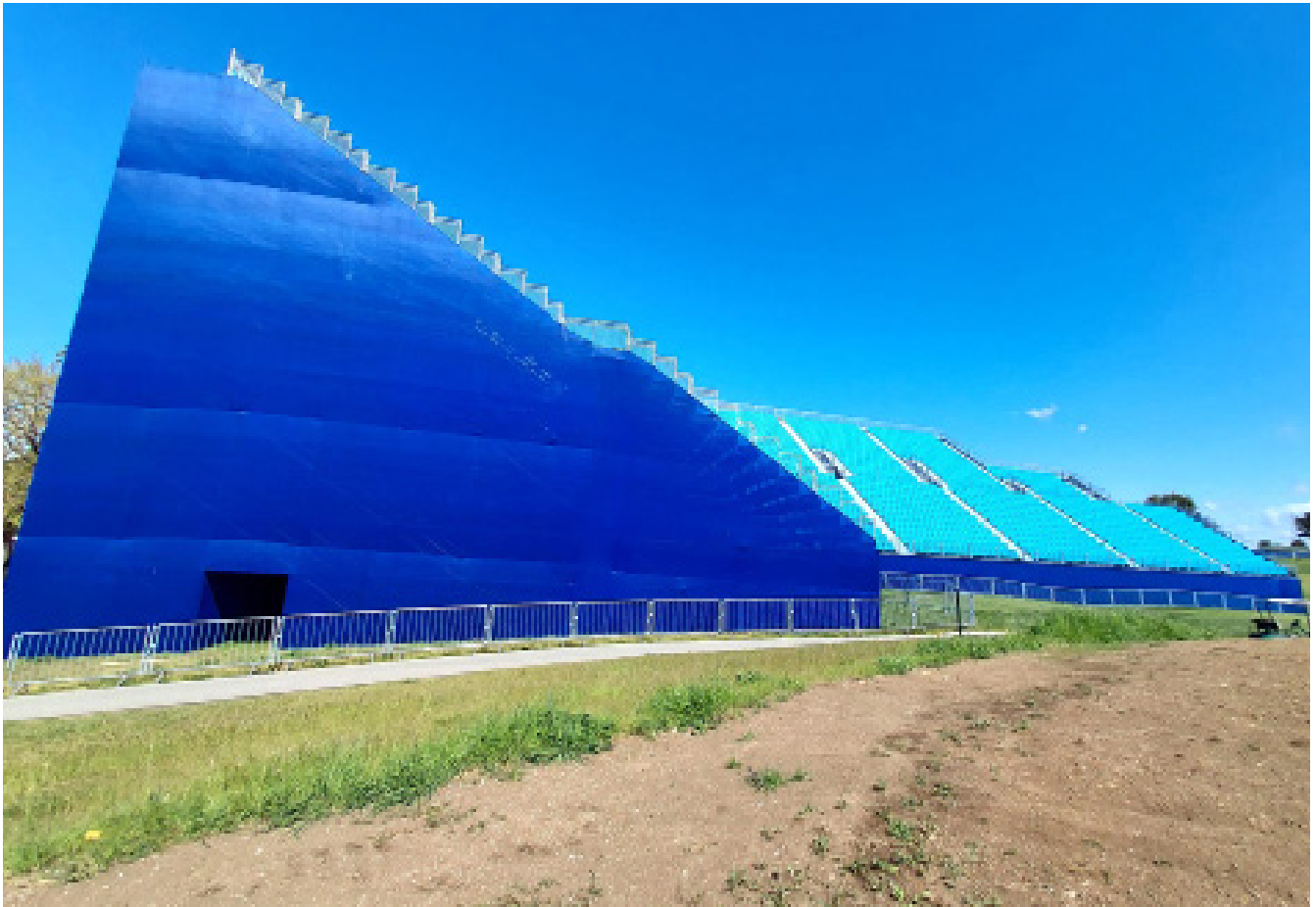
In FY23, we successfully expanded our sales network to numerous traders across various states, strengthening our pan-India presence and further augmenting our wide-reaching distribution network. Our local customers are performing well, and we have seen an improvement in our profit margins.

This is because we have managed to retain some of the profits instead of constantly passing them on to our customers.



In FY23, we successfully expanded our sales network to numerous traders across various states, strengthening our pan-India presence and further augmenting our wide-reaching distribution network.





Rishi Techtex's shade nets at Rome for Ryder Cup and Italian Open, Marco Simone Golf and Country Club.

Forward Strategy



Revitalizing export markets

We are actively working on revitalizing our export efforts. However, it is worth noting that quality standard requirements have become more stringent, which has presented a challenge. Nevertheless, we are committed to addressing this issue and anticipate resolving it by the end of FY24 by putting in place better processes and optimizing our operations. Through these initiatives, our goal is to gain access to premium export markets.



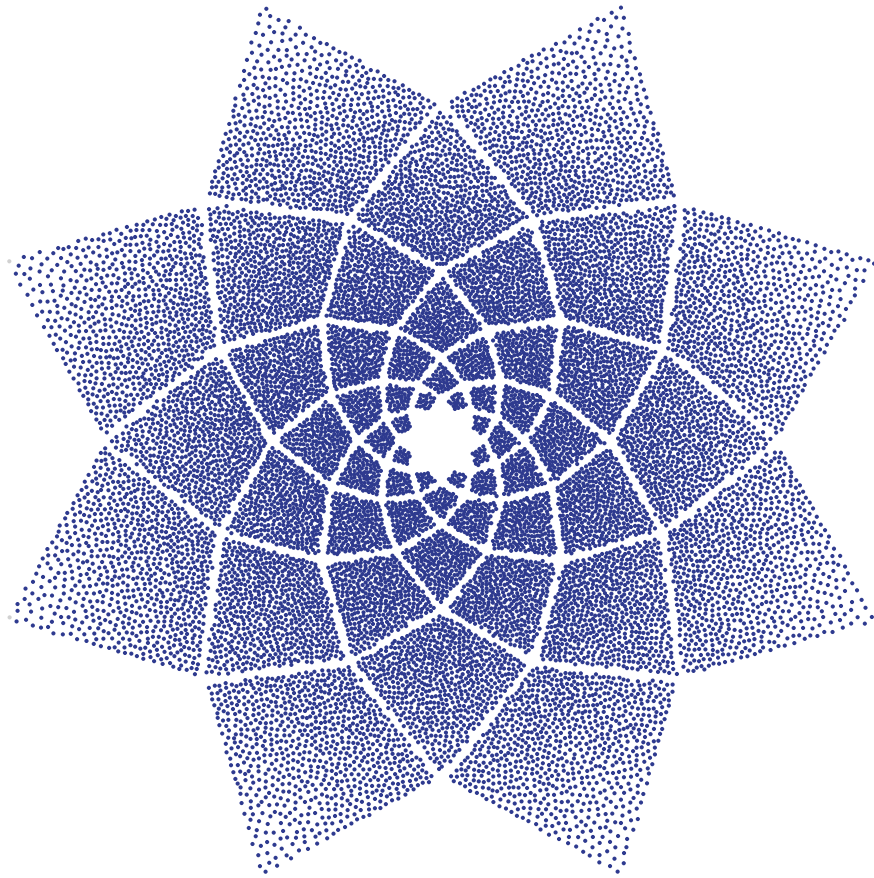
Process automation

We are focused on significantly improving our execution process, both in terms of formulation and implementation. Our goal is to replace manual methods with automated, consistent procedures. This shift will allow us to closely monitor the entire process and ensure product quality. As a result, we can confidently offer our products without concerns about potential rejections or negative repercussions.



Reinstating leadership position in domestic market

Our scale, product integrity, competitive pricing, and turnaround speed have been instrumental in reinforcing our leadership position in the Indian market. Going forward, we will maintain our competitive edge by leveraging these core strengths.



Human Resources

Being an innovation- and science-led enterprise, Rishi Techtex acknowledges the paramount importance of scientific talent and human ingenuity in driving its success. The collective performance of our team members directly influences our capacity to deliver, being our primary differentiating factor in the fiercely competitive industry landscape.

In FY23, Rishi Techtex has made a strategic decision to focus on a multi-generational recruitment strategy to gain a competitive edge and foster a culture of innovation and stability within the organization. Embracing a diverse blend of experienced personnel and young talent will result in several advantages for the organization:



Knowledge Transfer

By encouraging mentorship and collaboration, the multi-generational manpower strategy at Rishi Techtex ensures that valuable industry insights and expertise are passed on, preventing a knowledge gap and enhancing overall productivity within the organization.



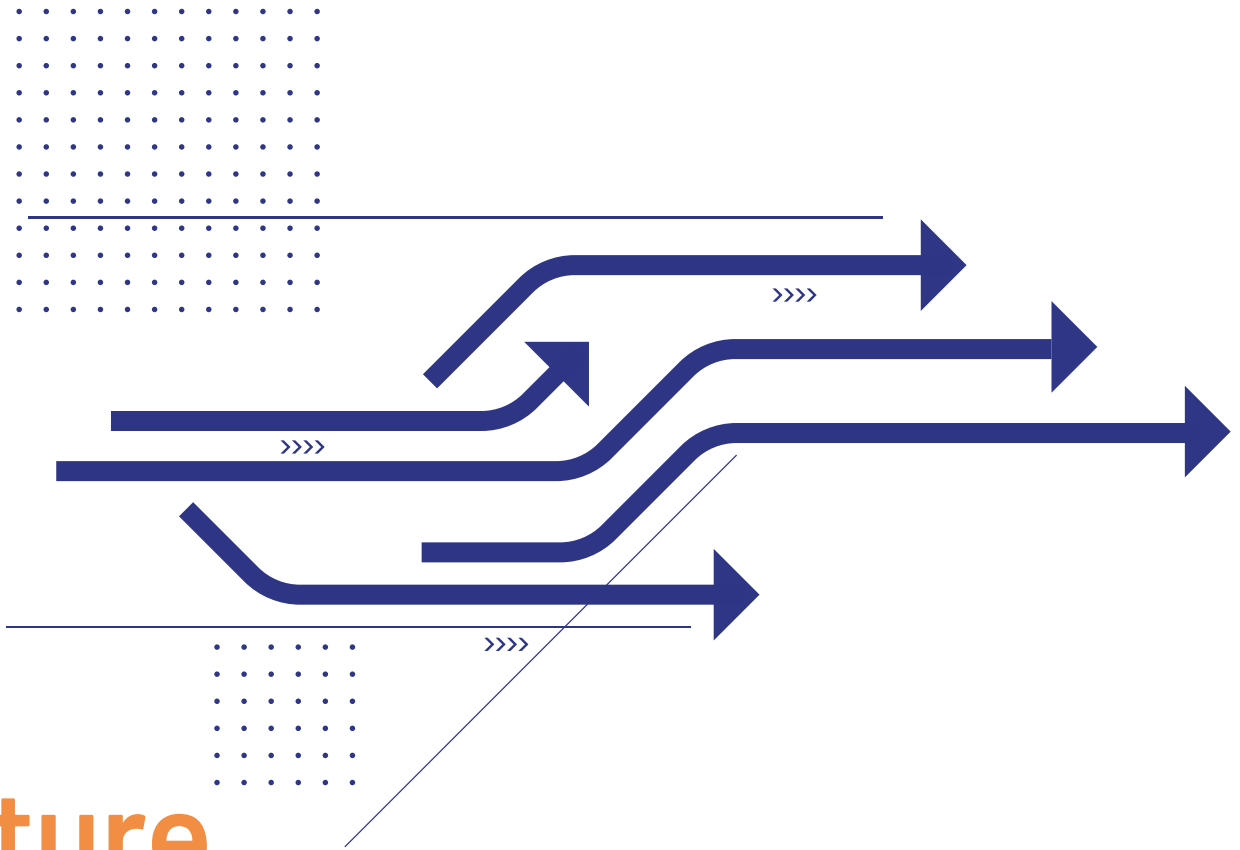
Creativity and Adaptability

In FY23, we witnessed young recruits bringing in fresh perspectives and cutting-edge technological skills. This was complemented by the deep-rooted experience of our seasoned employees and their ability to navigate market fluctuations effectively.



Strengthened employee engagement and retention

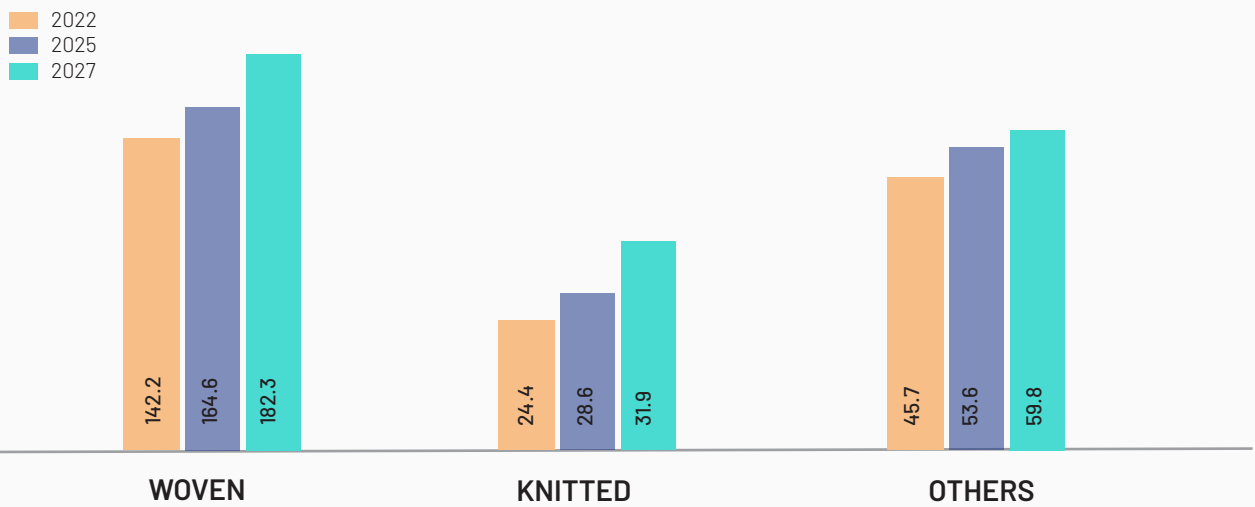
As part of our multi-generational recruitment strategy, seasoned employees felt valued and respected for their contributions, while younger workers found inspiration and career growth opportunities in a supportive environment.



Future Outlook

According to the *India 2047-Vision and Strategic Roadmap for Technical Textiles in India* report by KPMG, the Knitted and Woven divisions accounted for ~78% of the global technical textiles industry output in 2022. The trend is expected to continue in the foreseeable future (refer Chart V: Value of Global Technical Textiles Industry by Process)

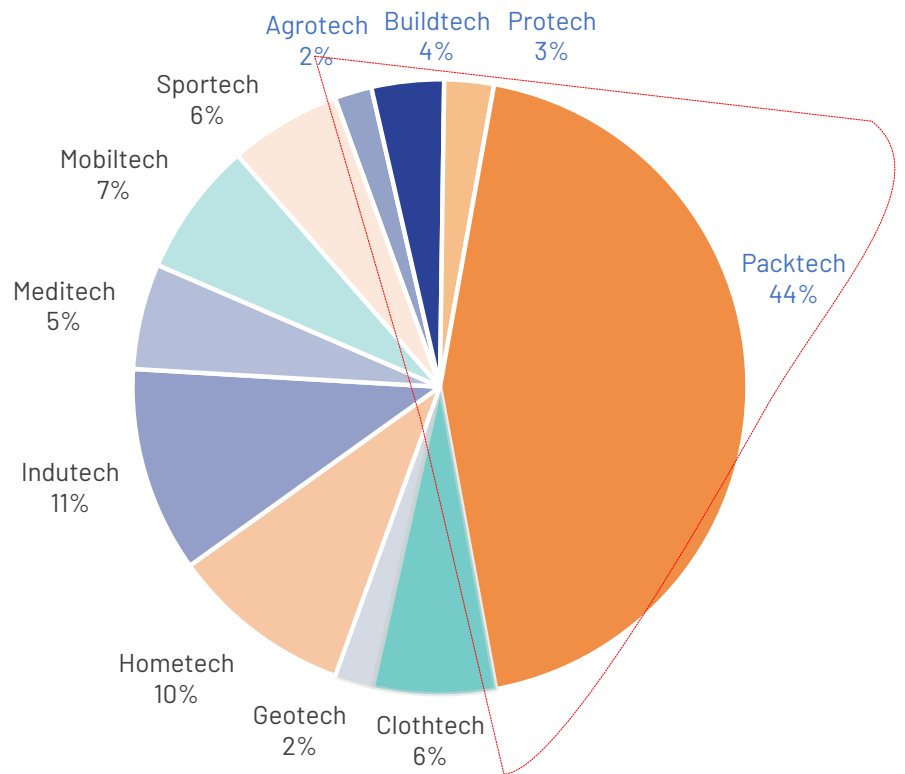
Chart V: Value of Global Technical Textiles Industry by Process (\$ Billion)







According to the same report, “Indigenously manufactured technical textiles are anticipated to serve a sizeable market for various end-use industries with focus on technical properties, innovation, rising demand from a number of industries encompassing almost all areas of manufacturing and infrastructure development. The industry has huge potential for growth, and is expected to grow at a fast pace in the coming years, driven by increasing demand for advanced materials and the growing population.”

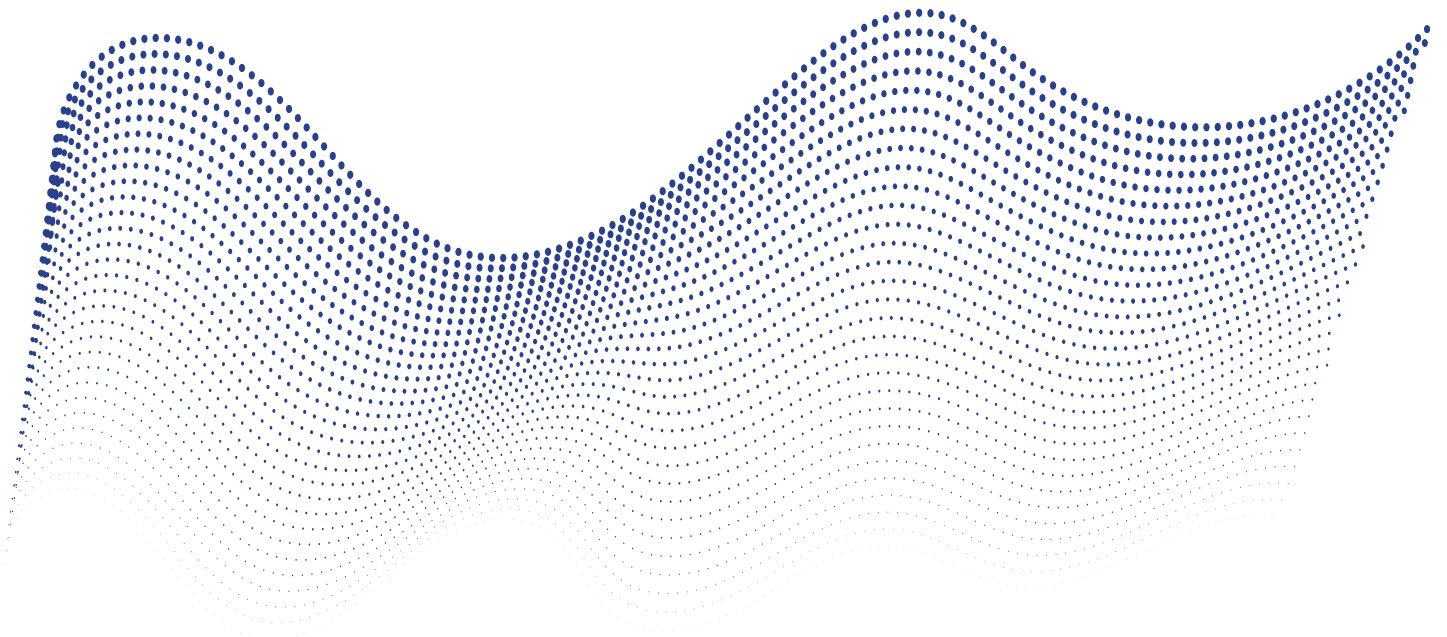
It is worthwhile to note that Rishi Techtextiles operates in four segments which cumulatively earned 53% of the entire technical textiles industry’s revenues in 2021-22, amounting to ₹ 72,698 crore (See chart VI: Technical Textiles Production in India).

Chart VI: Technical Textiles Production in India (2021-22)



Segment	Products	Opportunities
 Agrotech	Crop covers, mulch mats, bird netting, shade nets, windbreaker	Will continue to grow as the world's population increases and demand for food grows
 Packtech	Woven sacks, wrapping fabric, flexible intermediate bulk containers (FIBCs)	Will also see growth as the popularity of e-commerce industries increases
 Protech	Fire-resistant clothing, high-visibility clothing, chemical protective clothing, industrial gloves	Will be in high demand as businesses and governments look to protect themselves from cyber-attacks and other threats
 Buildtech	Geotextiles, air filtration fabrics, building insulation, architectural fabrics	Will continue to grow as global infrastructure needs expand

Going forward, these sectors are poised for super growth and rapid evolution – both domestically and globally, in the years to come.



Opportunities & Threats

Standards and Quality Control Initiatives

The Ministry of Textiles in India has embarked on a collaborative effort with the Bureau of Indian Standards (BIS) to establish and uphold standards for advanced technical-textile products. With a focus on specialized and technologically advanced items, this partnership has already resulted in the development of more than 500 Indian standards by BIS.

An additional 40 standards are currently being developed, aimed at elevating the quality of technical textiles and bolstering domestic production.

The primary objectives behind these Quality Control Orders (QCOs) are to safeguard human, animal, and plant health; ensure environmental integrity; prevent misleading trade practices; and bolster national security. This strategic approach seeks to continuously refine existing standards, align Indian technical textile norms with global benchmarks, and enforce mandatory adherence across diverse applications.

Promoting Mandatory Usage

In a bid to catalyse the domestic market, institutional procurement and obligatory utilization of technical textiles within various ministries and departments have been identified as crucial catalysts. By scrutinizing current standards, codes, guidelines, and other related frameworks, these entities will identify areas where the incorporation of technical textiles can be mandated. The integration of such mandates will be seamlessly woven into pertinent standards, specifications, codes, guidelines, and project-specific requirements.

Furthermore, a comprehensive exploration is underway to identify key domains within flagship schemes and initiatives of diverse ministries, wherein technical textiles can be optimally employed. This proactive approach aims to usher in a transformative shift and maximize the utilization of technical-textile products across a spectrum of government projects.

At Rishi Techtex, we intend to leverage these opportunities by:

- **Upholding our commitment to unwavering quality:**

The BIS approval for our agritech segment nets positions us favourably for domestic government tenders and also enhances our prowess in international exports.

- **Harnessing customs duty benefits:**

Strategic capital expenditure investments aimed at modernizing our facilities with cutting-edge technology enables us to leverage customs duty concessions effectively.

- **Pioneering high-margin innovations:**

Through innovation, we create high-margin offerings that align seamlessly with the evolving mandates of diverse government-regulated, end-user industries.

These proactive measures ensure our engagement in emerging opportunities and sustainable growth. By adhering to these principles, we fortify our standing in the technical textiles sector, fostering competitiveness, expanding market reach, and capitalizing on lucrative avenues for sustained success.

Risks and Concerns

The organization faces risks and concerns related to external events, such as conflicts, terrorism, natural disasters, pandemics, and man-made disasters. These events could hinder the organization's growth.

Additionally, policy changes at the national and international levels may lead to currency rate fluctuations, impacting the company's performance. Industry-specific risks, such as the availability of raw materials, fluctuations in oil prices, and changes in interest rates, also pose challenges.

Internal Control Systems and their Adequacy

The company has put in place appropriate internal control systems and procedures that cover all financial and operational functions, considering the size and nature of its operations. An Internal Auditor, appointed by the company, conducts audits to evaluate the effectiveness and sufficiency of the internal control system. This includes ensuring compliance with operating systems, accounting procedures, and policies across all company locations. Whenever necessary, the management takes corrective actions to strengthen the controls based on the Internal Auditor's report.

Cautionary Statement

Statements in the Management Discussion and Analysis regarding the company's objectives, projections, estimates, and expectations may be considered "forward-looking statements" under applicable securities laws and regulations.

It is important to note that actual results could differ significantly from what is expressed or implied in these statements. Factors such as economic conditions affecting demand, supply, and pricing in both domestic and overseas markets, changes in government regulations, tax laws, and other relevant factors can impact the company's operations.

“

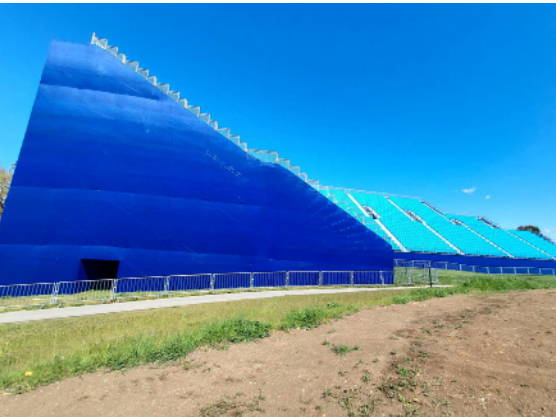
In a bid to catalyse the domestic market, institutional procurement and obligatory utilization of technical textiles within various ministries and departments have been identified as crucial catalysts.

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Our Customers



Gallery

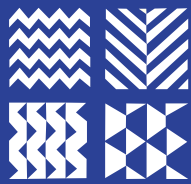


Overview

Management Discussion & Analysis

Reports & Financials

Standalone Financial Statements



Reports and Financials

Directors' Report

To,
The Members,
Rishi Techtex Limited

Your Directors have pleasure in presenting their 39th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2023.

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:

Particulars	(₹ in Lakhs)	
	2022-23	2021-22
Total Income	10725.11	10108.44
Profit before Tax	125.20	209.47
Provision for Tax	13.94	77.62
Profit after Tax	111.26	131.85
Total Comprehensive Income for the period	111.26	130.96

DIVIDEND:

To strengthen the cash flow of the Company, the Directors have not considered and recommended any dividend in the year.

RESERVES:

As on March 31, 2023, the reserves and surplus has increased to ₹ 2310.58 lakhs as compared to ₹ 2199.32 lakhs during the last year.

COMPANY'S WORKING DURING THE YEAR:

The company earned total income of ₹ 10725.11 lakhs as compared to ₹ 10108.44 lakhs earned in the previous year showing increase of 6.10%.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2023 and the date of this Report, other than those disclosed in this Report. There has been no change in the nature of business of your Company.

CREDIT RATINGS:

Subsequent to the end of the financial year under review, the Company has received the following credit ratings from CRISIL vide letter dated 23rd June, 2023.

Total Bank Loan Facilities Rated	₹ 29 Crore
Long- Term Rating	CRISIL BBB-/Stable
Short-Term Rating	CRISIL A3

SIGNIFICANT AND MATERIAL ORDERS:

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

The Members may re-collect that in the Directors Report of financial year 2019-2020, your Directors placed details of litigation with Enforcement Directorate. The Company has denied all the charges and allegations levelled by the Enforcement Directorate (ED). The Company entered a contract with bonafide intent. During the FY 2018-19 although, the Competent Authority in Enforcement Directorate, Cochin Office passed a provisional order attaching the property of the Company situated at Daman (UT); based on Company's application to the Hon'ble Appellate Tribunal, for Prevention of Money Laundering Act (AT PMLA) New Delhi, The Tribunal has directed that both the parties to maintain a status quo in respect of the said attached property until the next date of hearing.

ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS):

As mandated by the notification of Ministry of Corporate Affairs, dated 16th February 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015, your Company has implemented Indian Accounting Standards ("IND AS") to record financial transactions pursuant to Notification from financial year 2017-2018. During the year 2022-2023; the Company has continued to successfully implement the Ind AS.

SUBSIDIARIES /JOINT VENTURES/ASSOCIATE COMPANIES:

The Company has no subsidiary or joint venture or associate company.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditor appointed by the Company, conducts an Internal Audit and monitors and evaluates the efficacy and adequacy of internal control system, its compliance with operating systems, accounting procedures and policies of the Company. Internal Audit Findings and recommendations, areas for improvement are reviewed by the Audit Committee. Based on the report of internal auditor; management undertake corrective action in their respective areas and thereby strengthen the controls.

AUDIT OBSERVATIONS AND EXPLANATION BY THE BOARD:

There were no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Secretarial Auditor in their respective Reports. The observations made by the Statutory Auditors read with the relevant notes on accounts are self-explanatory.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

DEPOSITS:

The details relating to deposits, covered under Chapter V of the Act-

- a) accepted during the year : Rs. 45.00 Lakhs
- b) remained unpaid or unclaimed as at the end of the year : Nil
- c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved;
 - (i) at the beginning of the year - Nil
 - (ii) maximum during the year - Nil
 - (iii) at the end of the year - Nil
- (d) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: Nil

AUDITORS:**STATUTORY AUDITOR:**

In the 34th Annual General Meeting; M/s. Attar & Associates, Chartered Accountants, Thane, Maharashtra, (FRN : 116443W) were appointed as the Statutory Auditors of the Company for a term of 5 financial years commencing from 2018-2019 to hold office till the conclusion of the 39th Annual General Meeting of the Company.

The Board of Directors at their meeting held on 14th August 2023 has recommended the appointment of M/S. HRK & Co., Chartered Accountants, Vapi, Gujarat (FRN : 146985W) as Statutory Auditors of the Company, in place of M/s. Attar & Associates, subject to the approval of members.

M/s. HRK & Co., Chartered Accountants, Vapi, Gujarat (FRN : 146985W), are eligible for appointment and have confirmed that their appointment, if approved, will be in compliance with Section 141 of the Companies Act, 2013 and other applicable provisions. Your Board recommends the appointment of M/s. HRK & Co., Chartered Accountants, Vapi, Gujarat (FRN : 146985W) as Statutory Auditors of the Company for a term of 5 financial years commencing from current financial year 2023-24 and to hold office from the conclusion of 39th Annual General Meeting till the conclusion of the 44th Annual General Meeting of the Company.

Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed there under, your Company has obtained a declaration from the Statutory Auditors that they meet with the requisite criteria as provided under the provisions of the Act read with applicable Rules and Advisories, for being appointed as the Statutory Auditors of the Company for the financial year 2023-2024. The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

AUDIT REPORT:

As per the provisions of the Companies Act, 2013, the Auditors Report on Financial Statements for the year ended 31st March, 2023 as issued by the Statutory Auditor; M/s Attar & Associates, Chartered Accountants, forms part of this Annual Report.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2023 was ₹ 739.10 Lacs. There was no change in the Share Capital of the Company during the financial year under report.

As on March 31, 2023, following two directors are holding shares of the Company:

Mr. Abhishek Patel

Ms. Aakanksha Patel

EXTRACT OF THE ANNUAL RETURN:

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company at www.rishitechtext.com under Investor Tab_AnnualReport_Annual Return. You may also check the following link:

<https://www.rishitechtext.com/assets/pdf/AnnualReturn2022-2023.pdf>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required to be disclosed is set out in Annexure 'A'.

BOARD OF DIRECTORS:**Details of Board of Directors:**

As on the date of Balance sheet; the Board of Directors of the Company consisted of Four Directors. As the Chairman of the Board is in Executive capacity pursuant to requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, its Board comprises of 50% of the Independent Directors. Out of the Four Directors, One Director is categorized as Promoter- Director, two are Independent Directors appointed pursuant to provisions of section 149 of the Companies Act, 2013 and one is Non-Executive Non-Independent Director.

As on the date of Balance sheet; there is no Nominee Director on the Board of the Company. No Director of the Company is either member of more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director and necessary disclosures to this effect have been received by the Company from all the Directors. There is no change in composition of Board of Directors in the FY 2022-2023 except as mentioned in following paragraphs:

1. The members of the Company at 38th Annual General Meeting held on 26th September, 2022, approved the re-appointment and remuneration of Mr. Abhishek Harshad Patel (DIN: 05183410) as Managing Director of the Company for a period of three (3) years commencing from 01st April, 2023 till 31st March, 2026, at a remuneration (including perquisites except those mentioned in Section IV of Part II of Schedule V) not exceeding Rs. 12 Lacs per month which from time to time with the approval of the Board or any Committee thereof may further be enhanced/ altered/varied upto the maximum permissible limit as specified under Schedule V of Companies Act, 2013, and on such other terms and conditions as laid down in the agreement entered into between the Company and Mr. Abhishek Patel;
2. Mr. Pranav Patel, has expressed his unwillingness to continue as a Non-Executive- Non Independent Director on the Board due to his pre-occupation in other assignments and therefore has resigned with effect from August 8, 2022.
3. The members of the Company at their AGM held on 26th September, 2022 approved the appointment of Ms. Aakanksha Harshad Patel as Non-Executive-Non Independent Director on the Board, liable to retire by rotation, pursuant to the provisions of Section 161(1) of Companies Act, 2013, to hold office commencing from August 8, 2022.

In terms of Section 152(6) of the Companies Act, 2013, Ms. Aakanksha Patel shall retire as a Director by rotation at the forthcoming Annual General Meeting and being eligible, has offered herself for re-appointment. As per the terms of her appointment as a Non-Executive, Non-Independent Director, her re-appointment as a Director on retirement by rotation at the forthcoming Annual General Meeting, would not constitute break in her term as a Non-Executive, Non-Independent Director. Your Directors recommend to members for their approval her re-appointment as a Director at the forthcoming Annual General Meeting.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

During the year, in all Four Board Meetings were held i.e. on 27th May, 2022, 8th August, 2022, 8th November, 2022 and 7th February, 2023. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board. The recommendations of the Committees are placed before the Board for necessary approvals. All committee recommendations placed before the Board during the year under review were unanimously accepted by the Board.

Declaration by Independent Director(s):

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (LODR) Regulations, 2015.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Formal Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Board has carried out the evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other 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. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

Code of Conduct:

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which has been posted on the website of the Company www.rishitechtext.com.

All Board members and senior management personnel have affirmed compliance with the Code for the year ended on March 31, 2023. Declaration to this effect signed by the Managing Director of the Company for the year ended on March 31, 2023 has been included elsewhere in this report.

Familiarization Programme for Independent Directors:

The Company conducts familiarization programs for Independent Directors to enable them to understand their roles, rights and responsibilities. The Independent Directors when they are appointed are given a detailed orientation on the Company, industry, strategy, policies and Code of Conduct, regulatory matters, business, financial matters and human resource matters of the Company.

Details of orientation given to the new and existing Independent Directors in the areas of strategy/industry trends, operations & governance, and safety, health and environment initiatives are available on the website of the Company at www.rishitechtext.com

KEY MANAGERIAL PERSONNELS (KMPs):

As on March, 31, 2023, Mr. Abhishek Patel, Managing Director, Mr. Jagdish Dokwal, Chief Financial Officer and Ms. Gauri Gangal, Company Secretary are the Key Managerial Personnel of your Company. During the financial year under review, there were no changes in the Key Managerial Personnel (KMP) of the Company.

COMMITTEES OF THE BOARD:

The Board of Directors has constituted Committees of the Directors, as mandated by Law, Regulations to deal with specific areas and activities which require an independent expert review of the respective subject matter. The Board Committees are formed with approval of the Board and function according to Terms of Reference and statutory provisions mandating such constitution. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company.

The Board currently has the following Committees:

1. Audit Committee:

The Company has a Competent Audit Committee comprising of three Directors out of which two-third are independent directors. Mrs. Sheela Ayyar, having sound financial background and financial expertise is a Chairperson of the Committee with the other members being Mr. Abhishek Patel and Mr. Kunal Rastogi.

The details pertaining to the composition of the Audit Committee, terms of reference, number of meetings of the committee are included in the Corporate Governance Report, which is a part of this report.

2. Nomination & Remuneration Committee:

The Nomination & Remuneration committee consists of three Directors, viz. Mrs. Sheela Ayyar, Ms. Aakanksha Patel and

Mr. Kunal Rastogi. Mr. Pranav Patel resigned from the Directorship of the Company with effect from 8th August, 2022 and in his place Ms. Aakanksha Patel was appointed as the Member of the Committee with effect from 8th August, 2022.

Mr. Kunal Rastogi is chairman of the Committee. The Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The same is posted on the website of the Company viz. www.rishitechtext.com. The Committee approves the remuneration payable to the Managing Director and senior executives. The salient features of the said policy and the details pertaining to the composition of the Nomination & Remuneration Committee, terms of reference, number of meetings of the committee are included in the Corporate Governance Report, which is a part of this report.

3. Shareholders/Investors Grievance Committee:

The Committee consists of three Directors, Mr. Abhishek Patel, Mr. Kunal Rastogi and Ms. Aakanksha Patel. Mr. Kunal Rastogi is the chairman of the Committee. Mr. Pranav Patel resigned from the Directorship of the Company with effect from 8th August, 2022 and in his place Ms. Aakanksha Patel was appointed as the Member of the Committee with effect from 8th August, 2022.

The details pertaining to the composition of the Shareholders/Investors Grievance Committee, terms of reference, number of meetings of the committee held during the period under consideration are included in the Corporate Governance Report, which is a part of this report.

4. Finance Committee:

The Company has a Finance Committee comprising of three Directors viz. Mr. Abhishek Patel, Ms. Aakanksha Patel, and Mr. Kunal Rastogi for looking after the matters pertaining to expansion and finance of the Company. Mr. Pranav Patel resigned from the Directorship of the Company with effect from 8th August, 2022 and in his place Ms. Aakanksha Patel was appointed as the Member of the Committee with effect from 8th August, 2022. Finance Committee met on 16th November, 2022 during the financial year 2022-23.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on 1st February, 2023 inter alia to discuss the evaluation of the performance of all independent directors and the Board of directors as whole. It also evaluates the timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively.

RISK MANAGEMENT POLICY:

The Company has formed a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The Company has formulated Whistle Blower Policy as per the provisions of SEBI (LODR) Regulations, 2015 to raise any complaint, query and to deal with instance of fraud and mismanagement, if any. No personnel have been denied access to the Audit Committee. The said Policy is available on the Company's website - www.rishitechtext.com.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted Internal Complaint Committee (ICC) for all locations to the extent applicable, pursuant to the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 to consider and resolve all sexual harassment complaints reported by women. The Company has taken adequate care and caution in line with the requirements of the Act. During the year 2022-2023, the Company has not received any sexual harassment complaint.

LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS:

The Company has formulated a policy on related party transactions which is available on the website of the Company at www.rishitechtext.com. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for related party transactions which are of repetitive nature and/or entered in the ordinary course of business and are at an arm's length.

As per the SEBI Listing Regulations, if any Related Party Transactions ('RPT') exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statement whichever is lower, would be considered as material and would require Members approval. In this regard, during the year under review, the Company has taken necessary Members approval and has entered into material transaction with related party. All related party transactions entered during the year were in the ordinary course of the business and at an arm's length basis. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company for FY 2022-23.

The details of RPTs during FY 2022-23, including transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements. Members may refer to Notes to Accounts (Note No. 36) forming part of the financial statements for transactions with related parties.

PARTICULARS OF EMPLOYEES:

The Statement containing particulars of employees as required and the ratio of remuneration of Managing Director to the median employees' remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure 'B'**.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sudhanwa S. Kalamkar & Associates, Company Secretary in practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in prescribed Form MR-3 is annexed herewith as **Annexure 'C'**.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2022-23 which call for any explanation from the Board of Directors.

M/s Sudhanwa S. Kalamkar & Associates, Company Secretaries have been re-appointed to conduct the secretarial audit of the Company for the financial year 2023-24. They have confirmed that they are eligible for the said appointment.

COMPLIANCE WITH SECRETARIAL STANDARDS:

During the financial year, your Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR):

The provisions of section 135 of the Companies Act, 2013 related to constitution of Corporate Social Responsibility (CSR) Committee and mandate to spend amount as prescribed by statute is not applicable to Company for the financial year 2022-2023 as the Company does not fulfill any criteria set by the provisions of section 135 (1) of the Act.

STATEMENT OF SALIENT FEATURES OF FINANCIAL STATEMENT:

Statement on salient features of Financial Statement in Form AOC- 3 is not required since entire Annual Report is being sent to all the Shareholders in the manner specified by the regulations.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis on the operations of the Company is provided in a separate section and forms a part of the Annual Report.

LISTING:

The shares of your Company are listed at the BSE Limited. The applicable annual listing fees have been paid to the stock exchange before the due dates.

CORPORATE GOVERNANCE REPORT:

The Company is committed to maintain the highest standards of Corporate Governance and believes in adopting best practices of Corporate Governance. The report on Corporate Governance as stipulated under the SEBI Listing Regulations together with a certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance forms part of the Report.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

Industrial relations at all plant locations remained harmonious. With an aim at enhancing employees' experience, the highest priority was given to people-focused measures and policies in areas of health, safety and wellness of employees and their families, especially in the wake of COVID-19.

In order to drive employee motivation and performance, a structured culture and engagement framework was put in place with focus on three core pillars of Learning and Development, Communication and Connect, and Recognition.

The total number of persons employed in your Company as on March 31, 2023 were 190.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) and sub-section (5) 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;
- (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.

ACKNOWLEDGEMENTS:

The Directors place on record their appreciation of the efficient and loyal services rendered by the Staff and workmen, also acknowledge the help, support and guidance from the various Statutory Bodies, Government and Semi-Government Organisations and Bank and thank our customers, suppliers, investors for their continues support during the year.

By Order of the Board

Abhishek Patel
Managing Director
DIN: 05183410

Sheela Ayyar
Director
DIN:06656579

Place: Mumbai
Date: 14.08.2023

Annexure A

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

The Company has initiated various steps for conservation of energy. The Company has replaced old motors and connections to prevent power leakage. Additionally, for heat dissemination, better insulators were installed and recycling units were refurbished. Old computer systems and machinery were replaced for energy efficient operations. By preventing heat loss the company saved on energy.

B. TECHNOLOGY ABSORPTION

The company has been constantly improving the quality of the products to suit the requirements of customers. No specific amount is earmarked for R&D. The Company has installed new Machines as well as modified existing machines to improve the quality of its products.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

The Company has been increasing its focus of the investments in the packtech verticle to minimize human intervention to increase the efficiency of the process.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the earning in foreign exchange on Export of Shade Net amounts to ₹ 1077.25 lakhs. No Expenditure in foreign currency was incurred on account of Travelling. Expenditure on account of spares and components is ₹ 5.24 Lakhs. The import of Capital Goods is ₹ 1.82 Lakhs during the FY 2022-2023.

Annexure B

1. The ratio of the remuneration of each director to the median employee's remuneration for the financial year:

Name	Designation	Ratio
Mr. Abhishek Patel	Managing Director	32.35:1

For this purpose, sitting fees paid to non-executive directors have not been considered.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

There is no increase in remuneration of Chief Financial Officer and Company Secretary.

3. The percentage increase in the median remuneration of employees in the financial year:

The increment in the median remuneration of the employees is around 4.33%.

4. The Number of permanent Employees on the rolls of the Company:

The numbers of on-rolls permanent employees are 190 (Excluding MD).

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any:

The average percentile increase in the salaries of employees other than Managerial Personnel is 4.10%.

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes

Annexure C

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

(Pursuant to Section 204 (1) of the Companies Act, 2013 read with Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Rishi Techtex Limited, Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rishi Techtex Limited (CIN: L28129MH1984PLC032008)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's 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, Authorized Representatives, and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31 March 2023, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under, as applicable.
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. **[Not applicable to the Company during the audit period];**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not applicable to the Company during the audit period];**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not applicable to the Company during the audit period];**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not applicable to the Company during the audit period];**
 - f) The Securities and Exchange Board of India (Registrars to the 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 to the Company during the audit period];** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable to the Company during the audit period].**

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

- (i) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India (ICSI) and applicable to the Company for audit period.
- (ii) The Listing Agreements entered by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- (v) Further the Company has identified following other statutes as mentioned here below:
 - (a) Water (Prevention & Control of Pollution) Act, 1974.

(b) The Air (Prevention & Control of Pollution) Act, 1981

(c) Environment (Protection) Act 1986 and the Plastics Waste Management Rules, 2016

the provisions of which the Company has generally complied with during audit period.

I further report that:

- (a) the Board of Directors of the Company is Constituted comprising of Executive Director, Non-Executive Director, and Independent Directors.
- (b) notices were given to all Directors at least seven days in advance to schedule the Board Meetings, including Meetings of the Committees of the Board. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that:

- (a) as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
- (b) during the audit period, there has been no significant event having material implication on the existing business of the Company, requiring approval of the Board.

Place: Mumbai

Date: 29-05-2023

For Sudhanwa S Kalamkar & Associates,
Company Secretaries

Sudhanwa S Kalamkar

ACS: 18795 CoP: 7692

ICSI Peer Review Certificate No: 2478/2022

UDIN issued by the ICSI: A018795E000387561

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this Report.

'Annexure A to Secretarial Audit Report 22-23

To,
The Members,
Rishi Techtex Limited, Mumbai

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. I have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I 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 procedure 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.

Place: Mumbai

Date: 29-05-2023

For Sudhanwa S Kalamkar & Associates,
Company Secretaries

Sudhanwa S Kalamkar

ACS: 18795 CoP: 7692

ICSI Peer Review Certificate No: 2478/2022

UDIN issued by the ICSI: A018795E000387561

CORPORATE GOVERNANCE REPORT

STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is guided by emphasis on fairness, integrity, transparency, responsibility and accountability.

The Company recognizes its responsibility towards its stakeholders including shareholders, employees, the government and lenders and follows high standards of professionalism, honesty and integrity. The Company believes in monitoring its performance regularly and with utmost transparency so as to enable the optimum utilization of its resources.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

Details of Company's board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which has been posted on the website of the Company www.rishitechtext.com. All Board members and senior management personnel have affirmed compliance with the code for the year ended March 31, 2023. Declaration to this effect signed by the Managing Director of the Company for the year ended March 31, 2023 has been included elsewhere in this report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations), as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for prevention of Insider Trading (Insider Trading Code).

Ms. Gauri Gangal, Company Secretary and Compliance Officer is the 'Compliance Officer' in terms of this Insider Trading Code.

BOARD OF DIRECTORS (as on 31.03.2023):

As on the date of Balance sheet; the Board of Directors of the Company consisted of Four Directors. The Chairman and Managing Director of the Company, an Executive Director is a promoter of the Company, Two are independent Directors within the meaning of the Companies Act, 2013 and one is Non-Executive- Non Independent Promoter Director. Except Mr. Abhishek Patel and Ms. Aakanksha Patel; no other directors are inter se related to each other. The Company has complied with the requirement of having atleast half of the Board comprising of Independent Directors as the Chairman of the Board is an Executive Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

As required under Regulation 17A & 26(1) of Listing Regulations and as confirmed by directors, none of the Directors on the Board of Company was a Director (including holding any alternate directorships) in more than 10 public limited companies (as specified in Section 165 of the Act) and Director in more than 7 equity listed entities or acted as an Independent Director in more than 7 equity listed entities. Further, as on March 31, 2023, none of the Directors on the Board was a Member of more than 10 Committees across all the Indian public limited companies in which he/she was a Director. As on the date of Balance sheet; there is no Nominee Director on the Board of the Company.

A certificate from M/s. Sudhanwa S. Kalamkar & Associates, Company Secretary in practice stating 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 SEBI/ Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

The Board meets at least once in a quarter to consider the performance of businesses, quarterly performance of the Company and Financial Results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. The maximum time gap between any 2 (two) Meetings of the Board is not more than 120 (One Hundred and Twenty) days. The agenda of the Board is circulated in advance and contains all the relevant information. The Board periodically reviews compliance reports of all laws applicable to the Company. During the Financial Year 2022-2023, in all Four Board Meetings were held i.e. on 27th May, 2022, 8th August, 2022, 8th November, 2022 and 7th February, 2023. The Board had accepted all the recommendations of the Committees of the Board of Directors during the Financial Year 2022-23.

The necessary quorum was present for all the meetings. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2023 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name	Category	Number of Board Meetings Attended during FY 2023	Whether attended last AGM held on 26th September, 2022	Number of Directorships in Other Public Companies		Number of Committee Positions held in Other Public Companies		Directorship in Other Listed Entities. (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Abhishek Patel	Promoter/ Executive Director	4	Yes	-	-	-	-	-
Mr. Pranav Patel*	Non Executive/ Non Independent Director	1	Yes	-	2	-	-	-
Ms. Aakanksha Patel*	Non Executive/ Non Independent Director	3	Yes	-	-	-	-	-
Mrs. Sheela Ayyar	Non Executive/ Independent Director	4	yes	-	1	-	1	Rishi Laser Limited (Non-Executive/ Independent Director)
Mr. Kunal Rastogi	Non Executive/ Independent Director	4	Yes	-	-	-	-	-

*Notes:

1. Mr. Pranav Patel resigned from the Directorship of the Company with effect from 8th August, 2022.
2. Ms. Aakanksha Patel was appointed as Director of the Company with effect from 8th August, 2022.

Details of equity shares of the Company held by the Directors as on March 31, 2023 are given below:

Name	Category	No. of Equity Shares
Mr. Abhishek Patel	Promoter/Executive Director	1017095
Ms. Aakanksha Patel	Non Executive/ Non Independent Director	400861

INDEPENDENT DIRECTORS

Independent Directors play a significant role in the governance process of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision making and prevent possible conflicts of interest that may emerge in such decision-making.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the Listing Regulations. The Nomination & Remuneration Committee identifies candidates based on laid down criteria and takes into consideration the balance of skills, knowledge and experience in addition to the need for diversity of the Board and accordingly makes its recommendations to the Board.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the Management.

Meeting of Independent Directors:

During the year under review, the independent directors met on February 01, 2023, inter alia, to discuss, review and assess:

- the performance of non-independent directors and the board of directors as a whole;
- the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors;
- other related matters.

All the Independent Directors were present at the above meeting.

Familiarization Program for Independent Directors:

The Company conducts familiarization programs for Independent Directors to enable them to understand their roles, rights and responsibilities. The Independent Directors when they are appointed are given a detailed orientation on the Company, industry, strategy, policies and Code of Conduct, regulatory matters, business, financial matters, human resource matters and corporate social responsibility initiatives of the Company. Presentations are also made at the Board and committee meetings which facilitates them to clearly understand the business of the Company and the environment in which the Company operates. Operational updates are provided to them to have a good understanding of Company's operations, businesses and the industry as a whole. They are periodically updated on material changes in regulatory framework and its impact on the Company. The Company's Policy of conducting familiarisation program has been disclosed at the website of the Company at www.rishitechtext.com.

BOARD TRAINING AND INDUCTION

At the time of appointing a Director, a formal letter of appointment is given to her/him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Companies Act, SEBI (LODR) Regulations, 2015 and other relevant regulations and his affirmation is taken with respect to the same. By way of an introduction to the Company, the Director is presented with relevant Annual Reports etc. The detailed familiarization program imparted to Independent Directors is available on the website of the Company www.rishitechtext.com.

Skills Matrix for the Board of Directors:

We recognize the importance of having a Board comprising of Directors who have a range of experiences, capabilities and diverse point of view which helps in creating an effective and well-rounded Board. The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Strategy and Planning - Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

Industry Expertise - Expertise with respect to the sector the organization operates in. An understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.

Governance- Capability to provide inputs for strategic financial planning, assess financial statements and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas including legal and regulatory.

COMMITTEES

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company.

The Board currently has the following Committees:

Audit Committee

In terms of Regulation 18 of the Listing Regulations and Section 177 of the Act, the Audit Committee of the Board of Directors, as on March 31, 2023 comprises of three Directors out of which two-third are independent directors. Mrs. Sheela Ayyar, having sound financial background and financial expertise is a Chairman of the Committee with the other members being Mr. Abhishek Patel and Mr. Kunal Rastogi.

The main functions of the Audit Committee were:

- (A) Reviewing Financial Statements before submission to the Board.
- (B) Reviewing internal control system and recommending improvement.
- (C) Recommending appointment of Statutory Auditors and fixing Audit fees.
- (D) Discussing with statutory Auditors the scope of Audit, conducting post audit discussions to ascertain area of concern.

While reviewing the financial statements the committee focused on:

- 1) changes in accounting policies and reasons thereon.
- 2) compliance with accounting standards.
- 3) compliance with listing and other regulations.
- 4) related party transactions.

During the Financial Year 2022-2023, in all Four Audit Committee Meetings were held i.e. on 27th May, 2022, 8th August, 2022, 8th November, 2022 and 7th February, 2023 and the gap between 2 (two) Meetings did not exceed 120 (One Hundred and Twenty) days. The necessary quorum was present for all the Meetings.

Name	Category	Number of Meetings Attended
Mrs. Sheela Ayyar	Non Executive/ Independent Director	4
Mr. Abhishek Patel	Promoter/Executive Director	4
Mr. Kunal Rastogi	Non Executive/ Independent Director	4

Nomination & Remuneration Committee:

In terms of Regulation 19 of the Listing Regulations and Section 178 of the Act, the Nomination and Remuneration Committee, as on March 31, 2023, comprised of 3 (Three) Directors. The Committee was re-constituted with effect from August 08, 2022. The Nomination & Remuneration committee consists of three Directors, Mrs. Sheela Ayyar, Ms. Aakanksha Patel and Mr. Kunal Rastogi. Mr. Kunal Rastogi is chairman of the Committee.

Mr. Pranav Patel resigned from the Directorship of the Company with effect from 8th August, 2022 and in his place Ms. Aakanksha Patel was appointed as the Member of the Committee with effect from 8th August, 2022.

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 same is posted on the website www.rishitechtext.com. Remuneration Committee approves the remuneration payable to the Managing Director and senior executives. The salient features of the said policy are as under:

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

- a) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director: An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel: The Remuneration/ Compensation / Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
2. Remuneration to Non-Executive / Independent Director: The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The terms of reference to the Committee broadly are as under:

The Board has framed the Nomination and Remuneration Committee Charter which ensure effective compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are as follows.

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board);
- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/reappointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- delegation of any of its powers to any Member of the Committee or the Compliance Officer.

Details of remuneration package of the Managing Director: (As prescribe by Schedule V of the Companies Act, 2013)

Period: Three years from 01.04.2023

Salary : INR 5,00,000/-

HRA : INR 3,00,000/-

Others : INR 4,00,000/-

Besides the above the Managing Director is entitled to perquisites such as PF, Gratuity and LTA. Actual remuneration received by the Managing Director for the year 2022-2023:

Mr. Abhishek Patel - INR 118.79 Lakhs

Non - Executive Directors are paid INR 2500/- per Board Meeting attended and INR 2500/- per Audit Committee Meeting attended.

During the financial year 2022-2023, the committee met two times, on 1st August, 2022 and 1st February, 2023 and the meetings were attended by all the Members.

Name	Category	Number of Meetings Attended
Mr. Kunal Rastogi	Non Executive/ Independent Director	2
Ms. Sheela Ayyar	Non Executive/ Independent Director	2
Mr. Pranav Patel	Non Executive/Non Independent Director	1
Ms. Aakanksha Patel	Non Executive/Non Independent Director	1

Shareholders/Investors Grievance Committee:

In terms of Regulation 20 of the Listing Regulations and Section 178 of the Act, the Stakeholders' Relationship Committee, as on March 31, 2023 consists of three Directors, Mr. Abhishek Patel, Mr. Kunal Rastogi and Ms. Aakanksha Patel. Mr. Kunal Rastogi is the chairman of the Committee.

The Committee was re-constituted with effect from August 08, 2022. Mr. Pranav Patel resigned from the Directorship of the Company with effect from 8th August, 2022 and in his place Ms. Aakanksha Patel was appointed as the Member of the Committee with effect from 8th August, 2022.

The Committee has been constituted to look into Redressal of Shareholders Complaints and correspondence with SEBI and the Stock Exchange. The Committee also takes on record the requests received for transfer, transmission, dematerialization, rematerialization, issue of duplicate share certificates etc. requests received from shareholders and hold its Meetings at such duration as may be required. There are no complaints pending with the Company. During the financial year 2022-2023, the committee met two times, on 1st August, 2022 and 1st February, 2023.

Name	Category	Number of Meetings Attended
Mr. Kunal Rastogi	Non Executive/ Independent Director	2
Mr. Abhishek Patel	Promoter/Executive Director	2
Mr. Pranav Patel	Non Executive/Non Independent Director	1
Ms. Aakanksha Patel	Non Executive/Non Independent Director	1

Name, designation and address of Compliance Officer:

Ms. Gauri Gangal

Company Secretary and Compliance Officer
612, Veena Killedar Industrial Estate,
10-14 Pais Street, Byculla (West), Mumbai 400011
Contact No. 022-23075677

Details of investor complaints received and redressed during FY 2022-2023 are as follows:

Opening Balance	No. of Complaints received during the year	No. of Complaints resolved during the year	Closing Balance
0	0	0	0

Finance Committee:

The Company has a Finance Committee comprising of three Directors viz. Mr. Abhishek Patel, Ms. Aakanksha Patel and Mr. Kunal Rastogi for looking after the matters pertaining to expansion and finance of the Company.

The Committee was re-constituted with effect from August 08, 2022. Mr. Pranav Patel resigned from the Directorship of the Company with effect from 8th August, 2022 and in his place Ms. Aakanksha Patel was appointed as the Member of the Committee with effect from 8th August, 2022.

During the year, Finance Committee Meeting was held on 16th November, 2022 and meeting was attended by Mr. Abhishek Patel, Mr. Kunal Rastogi and Ms. Aakanksha Patel.

GENERAL MEETINGS

• **Day, Time and Venue of Last Three Annual General Meetings:**

36th AGM- Thursday, 05.11.2020 at 11:00 a.m. through Video Conferencing

37th AGM- Monday, 20.09.2021 at 11:00 a.m. through Video Conferencing

38th AGM- Monday, 26.09.2022 at 11:00 a.m. through Video Conferencing

• **Special Resolutions:**

During the three previous Annual General meetings following Special Resolutions were passed:

Particulars	Date of Meeting	Whether Special Resolution passed	Details of the Special Resolution
36th AGM	November 05, 2020	Yes	1. Re-appointment and Remuneration of Mr. Abhishek Harshad Patel (DIN: 05183410) as Managing Director of the Company
37th AGM	September 20, 2021	No	2. -
38th AGM	September 26, 2022	Yes	3. Re-appointment and Remuneration of Mr. Abhishek Harshad Patel (DIN: 05183410) as Managing Director of the Company for the term commencing from 1st April, 2023

• **Extra-Ordinary General Meeting :**

During the year no Extra-Ordinary General Meeting was held.

• **Postal Ballot:**

During the year no resolution was passed under Postal Ballot.

- **Subsidiary companies**

The Company Does not have any Subsidiary company.

DISCLOSURES

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the year and no penalties and/or strictures have been imposed on the Company in this regard. There has been no instance of non-compliance with any legal requirements particularly with any requirements of the Corporate Governance during the year under review.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the company has not adopted a treatment different from that prescribed in any Accounting Standard.

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with the SEBI Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31.03.2023.

A Management Discussion and Analysis report forming part of this Directors' report is attached herewith.

MEANS OF COMMUNICATION

The Company has been publishing the Unaudited Quarterly, half yearly and Audited Annual results in Business Standard and Navakal. In addition it is being also displaying the Quarterly/ Half Yearly and Annual Results on the website of the Company viz. www.rishitechtext.com. The Company has not made any presentations to institutional investors or to the analysts.

- Financial Calendar
- Financial Year:

The financial year of the Company is from April 1 to March 31, each year.

- Publication of Unaudited/Audited Results

Quarter/Year Ending	Reporting date	Type of Result
June 30, 2022	Within 45 days from the end of quarter	Unaudited
September 30, 2022	Within 45 days from the end of quarter	Unaudited
December 31, 2022	Within 45 days from the end of quarter	Unaudited
March 31, 2023	Within 60 days from the end of quarter	Audited

BOOK CLOSURE DATE

09.09.2023 to 15.09.2023 (both days inclusive)

STOCK MARKET DETAILS

- **Listing on Stock Exchange:**

The shares of the Company are listed on the Bombay Stock Exchange.

- **Stock Code:**

Physical Segment :523021

CDSL/NSDL ISIN NO INE989D01010

- **Stock Market Data for the year 2022-2023**

The High and Low of share price of the Company during each month in the last financial year at the Bombay Stock Exchange and performance in comparison to BSE Sensex.

BSE SENSEX

Month	High	Low	Total Number of Equity Shares Traded
April 22	36.8	26.5	75365
May 22	34	24.3	37180
June 22	29	21.25	27655
July 22	27.7	23.1	14636
August 22	30.95	23.3	65138
September 22	32.7	26	47038
October 22	34.7	27.05	33507
November 22	33.95	26.3	36139
December 22	29	21.55	114543
January 23	27	23	45988
February 23	28.95	19.5	37508
March 23	23.22	18.6	51560

- **Outstanding GDRs/ADRs/Warrants:**

The Company has not issued any GDRs/ADRs/Warrants during the year.

- **COMMUNICATION DETAILS :**

- Compliance Officer of the Company:

Name: Ms Gauri Gangal, Company Secretary is the Compliance officer of the Company.
Address: Rishi Techtex Ltd., 612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (W), Mumbai 400011.
Tel No.: 022-23075677/23074585
Email: investors@rishitechtext.com

- Registrar and Transfer Agents (for Physical as well as for Electronic Transfers):

Name: Adroit Corporate Services Private Limited,
Address: 17/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai 400059
Phone No.: 022-42270400/ 42270422/42270423 Fax No. 022-28503748
Email id: sandeeps@adroitcorporate.com; prafuls@adroitcorporate.com; sandeeph@adroitcorporate.com

- **SHARE TRANSFER SYSTEM:**

The Company's equity shares are compulsorily traded on in dematerialised form as per the SEBI guidelines.

Securities of the listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

Also, share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participant ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account.

Shareholders should communicate with Adroit Corporate Services Private Limited, the Company's Registrars and Transfer Agent ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries in relation to their securities.

The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

As on 31st March, 2023, 7102518 equity shares representing 96.1% of the total paid - up Capital of the Company are held in dematerialised form.

CERTIFICATES FROM PRACTISING COMPANY SECRETARIES

As required by Regulation 34(3) and Schedule V, Part E of the SEBI Listing Regulations, the certificate given by M/s Sudhanwa S. Kalamkar & Associates, Practising Company Secretaries regarding compliance of conditions of corporate governance, is annexed to the Board's Report.

As required by Clause 10 (i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from M/s Sudhanwa S. Kalamkar & Associate, Practising Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI or MCA or such other statutory authority.

CEO AND CFO CERTIFICATION

As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Chief Financial Officer have given appropriate certifications to the Board of Directors.

ANNUAL CERTIFICATE ON SECURITY TRANSFER

In terms of Regulation 40(9) and 61(4) of the SEBI Listing Regulations, certificates, on annual basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

RECONCILIATION OF SHARE CAPITAL AUDIT

The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') (collectively 'Depositories') and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories). The Audit Report is disseminated to the Stock Exchange on quarterly basis and is also available on our website at www.rishitechtext.com

RELATED PARTY TRANSACTIONS

The Company has formulated a policy on related party transactions which is also available on the website at www.rishitechtext.com. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive in nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered into during the reporting period were in an ordinary course of the business and were at an arm's length basis and the Company has obtained prior approval of the Audit Committee.

The Company has sought its members' approval for the related party transactions that are material within the meaning of Regulation 23 of the Listing Regulations. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts - Note No. 36 forming part of the financial statements.

During FY 2022-23, the Company did not have any material pecuniary relationship or transactions with Non-Executive Director apart from paying Director's sitting fees.

VIGIL MECHANISM

The Vigil Mechanism approved by the Board provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures regarding the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Under the Policy, in addition, Directors, employees, and vendors, may approach the Chief Ethics Counsellor to make any such protected disclosure. During the year under review, no person has been denied access to the Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Board's Report.

The Whistle Blower Policy for Directors and Employees is available on the Company's website at www.rishitechtext.com

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to creating and maintaining an environment in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Company. To redress complaints of sexual harassment, an Internal Complaints Committee (ICC) of Rishi Techtex Limited has been formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. During the Year 2022-2023, the Company has not received any sexual harassment complaint.

NOMINATION FACILITY

Shareholders whose shares are in physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Act, may submit to RTA the prescribed Forms SH-13/SH-14. The Nomination Form can be downloaded from the Company's website www.rishitechtext.com under the section 'Investors'.

SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, e-mail ids, nomination and power of attorney should be given directly to the DP.

SHARES HELD IN PHYSICAL FORM

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, e-mails ids, nomination and power of attorney should be given to the Company's RTA i.e. Adroit Corporate Services Private Limited.

SHAREHOLDING PATTERN AS ON 31ST MARCH 2023:

Category	No. of Shares held	% to Paid up Capital
Promoters	2545923	34.45
Banks/Financial Institutions	-	-
Bodies Corporate	544758	7.37
Non Resident Indians	163195	2.21
Public	4137124	55.97
Total	7391000	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2023:

No. of Shares	No. of Shareholders	% to Total	No. of Shares	% to Total
Up to 500	3439	86.12	434453	5.88
501-1000	225	5.63	178946	2.42
1001-2000	128	3.21	194196	2.63
2001-3000	43	1.08	108034	1.46
3001-4000	25	0.63	85389	1.16
4001-5000	28	0.70	128081	1.73
5001-10000	45	1.13	324424	4.39
Above 10000	60	1.51	5937477	80.34
Total	3993	100	7391000	100

PLANT LOCATION

1. Survey No.381, Causeway Road, Village Kachigam, Taluka Daman, Union Territory of Daman & Diu.
2. Plot No. 2910, Shade No. E, Near Divyesh Chemical,4th Phase, GIDC, Vapi- 396195

ADDRESS FOR CORRESPONDENCE

The Compliance Officer,
Rishi Techtex Limited,
612, Veena Killedar Industrial Estate,
10-14, Pais Street, Byculla (W), Mumbai 400011.
Tel No. 022-23075677/23074585
Email: investors@rishitechtext.com

CHIEF FINANCIAL OFFICER CERTIFICATION

**To,
The Board of Directors
Rishi Techtex Limited
Mumbai - 400 011**

We have reviewed the attached financial statements and the cash flow statement of Rishi Techtex Limited for the financial year ended 31st March, 2023 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2023 which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company 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 we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the financial year ended 31st March, 2023.
 - (ii) significant changes, if any, in accounting policies made during the financial year ended 31st March, 2023 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Rishi Techtex Limited
Jagdish Dokwal
Chief Financial Officer

Date: 29.05.2023
Place: Mumbai

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,
The Members
Rishi Techtex Limited.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rishi Techtex Limited** having CIN L28129MH1984PLC032008 and having registered office at 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (West), Mumbai 400011 (hereinafter referred to as 'the Company') produced before me 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 my 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) as considered necessary, and explanations furnished to me by the Company and its' Officers. I hereby certify that, none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2023**, have been de-barred or disqualified from being appointed or continuing as Director of the 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	Date of appointment in the Company
1	Mr. Abhishek Patel	05183410	01-11-2012
2	Ms. Aakanksha Patel	08314319	08-08-2022
3	Ms. Sheela Ayyar	06656579	27-07-2015
4	Mr. Kunal Rastogi	01570584	09-08-2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company, my responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sudhanwa S Kalamkar & Associates,
Company Secretaries

Sudhanwa S Kalamkar

ACS: 18795 CoP: 7692

UDIN issued by the ICSI: A018795E000387592

ICSI Peer Review Certificate No: 2478/2022

Date: 29.05.2023

Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Rishi Techtex Limited.

I have examined the compliance of the conditions of Corporate Governance by **Rishi Techtex Limited** ('the Company') for the year ended on **March 31, 2023**, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on **March 31, 2023**.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sudhanwa S Kalamkar & Associates,
Company Secretaries

Sudhanwa S Kalamkar
ACS: 18795 CoP: 7692

UDIN issued by the ICSI: A018795E000387636
ICSI Peer Review Certificate No: 2478/2022

Date: 29.05.2023
Place: Mumbai

DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down Code of Conduct for all Board members and Senior Management of the Company.

Further certified that all Board members and Senior Management personnel have confirmed compliance with the Code of Conduct applicable to them during the year ended on March 31, 2023.

Place: Mumbai
Date: 29.05.2023

By Order of the Board

Abhishek Patel
Managing Director




**Standalone
Financial
Statements**

Overview

Management Discussion & Analysis

Reports & Financials

Standalone Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF RISHI TECHTEX LIMITED

Report on the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Rishi Techtex Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2023 and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA's) specified under Section 143(10) of the Companies Act, 2013. Our responsibility under those Standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current year. We have determined the matters described below to be the key audit matters and were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key Audit Matters

How our audit addressed the key audit matters

Uncertain Indirect unsettled and disputed tax provision (as described in note 34 of the financial statements)

- | | |
|---|--|
| <ul style="list-style-type: none"> • The Company has ongoing litigation with Enforcement Directorate. This dispute is pending with Appellate authorities. The management has assessed the future outcome of this ongoing proceeding and exposure which directly affects the valuation of indirect tax liability provision in the financial statement. • As the future outcome of this matter and the accounting effect thereof, is based on assessment of complex matter which may take time to finally resolve, the valuation of indirect tax provision related to uncertain indirect tax position has been considered as key audit matter in our audit of the standalone financial statement. | <ul style="list-style-type: none"> • We have obtained all the details of litigation upto 31st March, 2023. There is no change in the status of the case. • We performed test controls of management process of assessment and estimates with regard to uncertain indirect tax position • We inspected written communication between the Company and indirect tax authorities and involved indirect tax specialist to assess the management's underlying assumptions in estimating the indirect tax provision and the possible outcome of the dispute. • We also considered the effect of the new information in the financial year 2023-24 to evaluate if there is any change in the management's position on these uncertainties. • We tested the adequacy of disclosure relating to uncertain indirect tax position for the year in the standalone financial statement. |
|---|--|

Accounting for Expected Credit Loss on trade receivables

- Management has considered estimates in computing the expected credit losses after considering credit history of customers and current market realities.
- We have performed audit procedures that included management discussions on company's understanding in relation to the adoption of the standard and installing a process of its implementation.
- We reviewed the past data, customer history and assumptions arising therefrom in deciding and computing loss rate for different ageing buckets identified by the management.
- We evaluated management's assumption on the impact of Covid 19 on the above matters.
- We also reviewed the application of any specific provision for customers which was necessary in the given circumstances. With respect to forward looking assumption considered by the Company, held discussions with the management and corroborated the assumption using both internal and externally available information on attest basis.

Information other than the standalone financial statements and auditors report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The annual Report is expected to be made available to us after the date of this auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information, identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error,

design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 10. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of section 143(11) of the Act ("the Order"), we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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 (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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".
 - (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 on its financial position in its standalone financial statements.

The Company has disclosed the impact of pending litigation with Enforcement Directorate and subsequent development in its standalone financial statement Note No. 34. This amount has been shown as contingent liabilities in Accounts.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.
- (h) The Company has neither declared nor paid any dividend during the year.
13. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Attar & Associates

Chartered Accountants
Firm Registration No: 116443W

S.G. Gangal

Partner
Membership No.037699
UDIN: 23037699BGVVXM1806

Place: Mumbai
Date: 29th May, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on standalone financial statements of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details situation of Property, Plant and Equipment;
- (B) The company is not having any intangible assets; hence this clause is not applicable;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) The According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. The intervals at which the inventories have been verified are, In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Consequently, sub clause (a), (b) and (c) of the paragraph 3 (iii) are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2023 are as under :

Name of the applicable Act	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount involved	Amount paid	Amount unpaid
Income Tax Act, 1961	Demand on account of unexplained credit	CIT (Appeals)	AY 2014-15	35,71,290/-	7,14,500/-	28,56,790/-

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs and value added tax outstanding as at the year-end.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans from the Government. It has not issued any debentures. In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi)(a) is not applicable.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities and hence reporting under clause (xvi)(b) is not applicable.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause (xvi)(c) is not applicable.
- d. The Group does not have any CIC as part of the group and hence reporting under clause (xvi)(d) is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The company is not required to comply with second proviso to sub section 5 of section 135 of the Act, accordingly requirement to report on Clause 3(xx) of the Order is not applicable.
- (xxi) The Company does not have any subsidiaries, associates or joint ventures, hence consolidation financial statement is not applicable and accordingly reporting under clause (xxi) of the Order is not applicable.

For Attar & Associates

Chartered Accountants
Firm Registration No: 116443W

S.G. Gangal

Partner
Membership No.037699
UDIN: 23037699BGVVXM1806

Place: Mumbai

Date: 29th May, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on standalone financial statements 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 Rishi Techtext Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the 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") issued by ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls with reference to financial statement. 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 respect.

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 standalone 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 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 standalone 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 standalone 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 standalone 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 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Attar & Associates

Chartered Accountants
Firm Registration No: 116443W

S.G. Gangal

Partner
Membership No.037699
UDIN: 23037699BGVVXM1806

Place: Mumbai

Date: 29th May, 2023

Balance sheet as at 31st March 2023

(₹ In Lakhs)

Particulars	Note no.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	2,522.54	2,406.74
b) Capital work-in-progress	4	-	-
c) Financial assets			
i) Investments	5	18.47	20.07
ii) Others financial assets	6	127.87	81.33
Total Non Current Assets		2,668.88	2,508.14
Current assets			
a) Inventories	7	2,688.80	2,563.57
b) Financial assets			
i) Trade Receivables	8	1,402.17	1,199.55
ii) Cash and cash equivalents	9	9.44	9.29
iii) Bank Balances Other than (ii) above	10	71.19	84.19
iv) Other financial assets	11	2.51	0.21
c) Current Tax Assets (net)	12	43.17	36.56
d) Other current assets	13	391.24	278.55
Total Current Assets		4,608.52	4,171.92
TOTAL ASSETS		7,277.40	6,680.06
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	14	739.10	739.10
b) Other equity	15	2,310.58	2,199.32
Total Equity (a+b)		3,049.68	2,938.42
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	435.31	610.08
ii) Other financial liabilities	17	47.83	45.41
b) Provisions	18	144.76	140.06
c) Deferred tax liabilities (Net)	19	219.50	226.45
Total Non Current Liabilities		847.40	1,022.00
Current liabilities			
a) Financial liabilities			
i) Borrowings	20	1,916.66	1,427.35
ii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	21	185.14	187.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	802.40	656.39
iii) Other financial liabilities	22	222.54	271.47
b) Other current liabilities	23	73.43	76.65
c) Provisions	24	159.26	100.14
d) Current Tax liabilities (net)	25	20.89	-
Total Current Liabilities		3,380.32	2,719.64
Total Liabilities		4,227.72	3,741.64
TOTAL EQUITY AND LIABILITIES		7,277.40	6,680.06
Significant Accounting Policies	2 & 3		
Notes to Accounts form an integral part of financial statements			

As per our attached report of even date

For **Attar & Associates**

Chartered Accountants

Firm Registration No.: 116443W

S.G. Gangal

Partner

Membership No.: 037699

UDIN: 23037699BGVVXM1806

Mumbai

29th May, 2023

For and on behalf of the Board of Directors

Abhishek Patel

Managing Director

DIN 05183410

Gauri Gangal

Company Secretary

M. No: 52130

Mumbai

29th May, 2023

Sheela Ayyar

Director

DIN 06656579

Jagdish Dokwal

Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March 2023

(₹ In Lakhs)

Particulars	Note no.	As at 31 March 2023	As at 31 March 2022
Income			
I Revenue from operations	26	10,683.66	10,085.75
II Other income	27	41.45	22.69
III Total Income (I+II)		10,725.11	10,108.44
IV EXPENSES			
Cost of materials consumed	28	8,270.81	7,553.04
Changes in inventories of finished goods, stock-in-trade and work in progress	29	(175.36)	2.33
Employee benefits expense	30	1,015.68	913.70
Finance cost	31	267.35	234.77
Depreciation and amortization expense	4	243.31	213.34
Other expenses	32	978.12	981.79
Total expenses (IV)		10,599.91	9,898.97
V Profit/ (loss) before tax (III-IV)		125.20	209.47
VI Tax expense			
a) Current tax		20.89	51.32
b) Deferred tax		(6.95)	26.30
c) Excess / Short Provision of tax		0.00	0.00
Total Tax Expense (VI)		13.94	77.62
VII Profit/ (loss) for the period (V-VI)		111.26	131.85
VIII Other comprehensive income			
a) i) Items that will not be reclassified to profit or loss		-	(0.89)
ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
Total Other comprehensive income, net of tax (VIII)		-	(0.89)
IX Total comprehensive income for the period (VII+VIII)		111.26	130.96
X Earnings per equity share (FV of ₹ 10/-)			
a) Basic		1.51	1.78
b) Diluted		1.51	1.78
Significant Accounting Policies	2 & 3		
Notes to Accounts form an integral part of financial statements			

As per our attached report of even date

For **Attar & Associates**

Chartered Accountants

Firm Registration No.: 116443W

S.G. Gangal

Partner

Membership No.: 037699

UDIN: 23037699BGVVXM1806

Mumbai

29th May, 2023

For and on behalf of the Board of Directors

Abhishek Patel

Managing Director

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Company Secretary

M. No: 52130

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29th May, 2023

Sheela Ayyar

Director

DIN 06656579

Jagdish Dokwal

Chief Financial Officer

Cash Flow Statement for the year ended 31st March 2023

(₹ In Lakhs)

Particulars	As at		As at	
	31 March 2023		31 March 2022	
PROFIT BEFORE TAX		125.20		209.47
Adjusted for:				
Other comprehensive income during the year	-		(0.89)	
Depreciation and amortisation expenses	243.31		213.34	
Interest & Other finance charges	267.35		234.77	
Interest Received	(5.67)		(5.67)	
Dividend received	(0.01)		-	
Deferred Tax	(6.95)		26.30	
Net foreign exchange (gain)/ loss	(26.59)		(13.70)	
Profit on sale of Assets	(9.18)		(3.32)	
Less: Expected Credit Loss	-		-	
Less: Tax Impact on Gratuity		462.26	-	450.83
		587.46		660.30
A. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE				
Adjusted for (Increase)/Decrease in operating Assets:				
Trade and other Receivable	(202.62)		(165.57)	
Inventories	(125.23)		32.63	
Other Financial Asset	(2.30)		0.06	
Current Tax Assets (net)	(6.61)		(10.52)	
Other current assets	(112.69)		27.73	
Bank Balances Other than above	13.00		(2.09)	
Adjusted for Increase/(Decrease) in operating Liabilities:				
Borrowing	489.31		(19.52)	
Trade payables	143.51		46.88	
Other Financial liabilities	(48.93)		(40.09)	
Short-term provisions	(3.22)		0.10	
Short-Term Liabilities and provisions	59.12		51.16	
Current Tax Liability (net)	20.89	224.23	-	(79.23)
CASH GENERATED FROM OPERATIONS		811.69		581.07
Less: Taxes Paid		13.94		77.62
Net Cash From Operating Activities		797.75		503.45
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(359.11)		(475.55)	
(including Capital Work in Progress)				
Sale of Investments	-		-	
Other Comprehensive Income	-		0.89	
Interest Received	5.67		5.67	
Sale of Fixed Assets	9.18		3.32	
Net foreign exchange gain / (loss)	26.59		13.70	
Dividend received	0.01		-	
Profit on sale of assets	-		-	
Other Financial Asset	(44.94)		5.70	
Net Cash (Used in) Investing Activities		(362.60)		(446.27)

Cash Flow Statement for the year ended 31st March 2023

(₹ In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Money Received Against Share Warrants	-	-
Proceeds from issue of Share Capital	-	-
Proceeds from issue of Share Premium	-	-
Proceeds from MAT of Earlier Years adjustments	-	-
Proceeds from Borrowings (Net of Repayments)	(174.77)	151.17
Other Financial Liability	2.42	5.24
Provisions	4.70	21.06
Interest and other finance charges	(267.35)	(234.77)
Net Cash (Used in) From Financing Activities	(435.00)	(57.30)
NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)	0.15	(0.12)
OPEINING BALANCE OF CASH & CASH EQUIVALENTS	9.29	9.41
CLOSING BALANCE OF CASH & CASH EQUIVALENT	9.44	9.29

As per our attached report of even date

For **Attar & Associates**

Chartered Accountants

Firm Registration No.: 116443W

S.G. Gangal

Partner

Membership No.: 037699

UDIN: 23037699BGVVXM1806

Mumbai

29th May, 2023

For and on behalf of the Board of Directors

Abhishek Patel

Managing Director

DIN 05183410

Gauri Gangal

Company Secretary

M. No: 52130

Mumbai

29th May, 2023

Sheela Ayyar

Director

DIN 06656579

Jagdish Dokwal

Chief Financial Officer

Notes forming part of Financial Statements for the year ended 31st March, 2023

1. Corporate information

Rishi Techtex Limited is a public company incorporated and domiciled in India. Its shares are listed on the recognized stock exchanges, namely BSE Limited, in India. The registered office of the Company is located at 612, V. K. Industrial Estate, 10-14, Pais Street, Byculla (West), Mumbai 400011.

The Company is engaged in manufacturing of Shade nets and Plastic Woven Sacks and supplying to fertilizer and cement industry. Company has consistently developed number of products to cater to a wide spectrum of industries such as cement, fertilizer, chemical Petrochemical, etc.

These financial statements were authorized for issue by the Board of Directors on May 29, 2023.

2. Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Compliance with Ind AS:

The financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] other relevant provisions of the Act.

i) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for the following:

- a) Certain financial assets and liabilities that are measured at fair value
- b) Defined benefit plans: Plan assets measured at fair value

Rounding of Amounts:

The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

b. Significant estimates, judgements and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the end of the financial statements and reported amounts of income and expense during the year.

Revenue Recognition:

The Company's contracts with customers could include promises to transfer multiple products and/or services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. For determining the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation, judgment is required. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted to the transaction price unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer. Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Useful life of Property, Plant and Equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods, provision for income tax and deferred tax assets. The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities:

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Allowances for Credit Losses on the Receivables:

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered possible effects on the future recoverability of the receivables due to Covid-19.

Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics which is best and reasonable as per management's estimate.

The management believes that these estimates are prudent and reasonable and are based on management's best knowledge of current events and actions. Actual results could differ from these estimates and difference between actual results and estimates are/shall be recognized in the period in which results are known or materialized.

c. Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (12 months) and other criteria set out in the Schedule III to the Act.

3. Summary of Significant Accounting Policies**Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognized in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the reporting date are disclosed as 'Capital work-in-progress'.

Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of assets as prescribed under para-C of Schedule II of the Companies Act, 2013.

Depreciation is calculated on a pro-rata basis from the date of acquisition/installation till the date, the assets are sold or disposed off.

The useful life is for the whole of the asset, except where cost of the part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part ("Component") is determined separately and the depreciable amount of the said component is allocated on systematic basis to each accounting period during the useful life of the asset.

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

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in profit or loss.

Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. An impairment loss on such assessment will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognized.

De-recognition of Assets

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)
- ii) Those measured at amortized cost.

The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in other Comprehensive Income or profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, method of recognition will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Recognition and measurement

Initial Recognition:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent Measurement:

After Initial recognition, financial assets are measured at:

- I. Financial assets carried at amortized cost
- II. Financial assets at fair value through other comprehensive income
- III. Financial assets at fair value through profit and loss

Debt instrument

Measured at amortized cost:

Financial Assets that are held for collection of contractual cash flow where those cash flows represent solely payment of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest income using the Effective Interest Rate (EIR) method the amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income (FVTOCI).

Fair value movements are recognized in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss.

On de-recognition, cumulative gain/ (loss) previously recognized in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortized cost or FVTOCI, is classified as Fair Value through Profit or Loss (FVTPL). Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as other income in the Statement of Profit and Loss.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of such receivables.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.

De-recognition of financial assets:-

A financial asset is de-recognised only when the Company

- i) Has transferred the rights to receive cash flows from the financial asset or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short-term deposit with original maturity up to three months, which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above. Bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents.

Inventories

Raw materials, packing materials, purchased finished goods, work-in-progress, manufactured finished goods, other than specific spares for machinery are valued at lower of cost (which includes duties and taxes, except those subsequently recoverable) net realizable value. Cost is arrived at on moving weighted average basis.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities:

i) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

iv) De-recognition:

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss.

Dividends from such investments continue to be recognized in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Employee Benefits**Short-term employee benefits:**

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognized as an expense at an undiscounted amount in the statement of profit and loss of the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

Gratuity liability is a defined benefit obligation and is computed on the basis of present value of amount payable determined using actuarial valuation techniques as per projected unit credit method at the end of each financial year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

It is recognized as an expense in the statement of profit & loss for the year in which the employee has rendered services.

Re-measurement cost of net defined benefit liability, which comprises of actuarial gain and losses, return on plan assets (excluding interest), and the effect of the asset ceiling (if any, excluding interest) are recognized in other comprehensive income in the period in which they occur.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

Revenue**Revenue Recognition**

Revenue is the gross inflows of economic benefits received / receivable net of variable consideration on account of various discounts given by the entity on its own account. Revenue is recognized to the extent, it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts disclosed as revenue are net of returns, trade allowances; value added taxes and volume rebates, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other Income

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective Interest rate.

Dividend income from financial assets are recognized in the Statement of Profit and Loss only when the right to receive the same is established.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease payments are recognized on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

Foreign Currency**Functional and presentation currency:**

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

Transactions and Translation:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies at the year-end are restated at closing rates.

Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/ (loss).

Foreign exchange gain/(loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain / (loss) are presented in the Statement of Profit and Loss on a net basis within other income/ (expense).

Income Tax

Tax expense comprises of current and deferred tax.

(i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity.

(ii) Deferred tax:

Deferred tax assets and liabilities are recognized using the balance sheet approach for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Earnings per share:

Earnings per share (EPS) is calculated by dividing the net profit or loss (excluding other comprehensive income) for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Provisions, contingent liability and contingent assets

The Company recognizes provisions when a present legal or constructive obligation as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not recognized for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements; however, they are disclosed where the inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

4 Property, plant and equipment & Capital work-in-progress

Particulars	Property, Plant & Equipment							Capital work-in-progress		
	Freehold Land	Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office equipment	Electrical installation		Tools & die	Total
(₹ In Lakhs)										
Gross carrying value, at cost										
Opening as on 1st April 2021	1.27	370.32	4,269.96	31.44	36.76	77.25	125.99	9.63	4,922.62	0.00
Addition		22.34	465.43	0.00	10.66	14.61	30.00	0.00	543.04	59.76
Disposal			89.63		0.00				89.63	
As at 31st March, 2022	1.27	392.66	4,645.76	31.44	47.42	91.86	155.99	9.63	5,376.03	59.76
Addition		28.72	324.17	1.65	0.00	4.67	0.80	0.00	360.01	0.00
Disposal		4.20	0.00		5.13			0.00	9.33	59.76
As at 31st March, 2023	1.27	417.18	4,969.93	33.09	42.29	96.53	156.79	9.63	5,726.71	0.00
Accumulated Depreciation/amortisation										
Opening as on 1st April 2022		227.62	2,496.67	12.39	30.82	66.94	125.29	9.56	2,969.29	
Charge for the year		20.11	196.62	2.47	4.33	12.05	7.73	0.00	243.31	
Disposal		3.44	0.00	0.00	4.99	0.00	0.00	0.00	8.43	
As at 31st March, 2023		244.29	2,693.29	14.86	30.16	78.99	133.02	9.56	3,204.17	
As at 31st March, 2023		244.29	2,693.29	14.86	30.16	78.99	133.02	9.56	3,204.17	
Net Book Value										
As at 31st March 2022	1.27	165.04	2,149.09	19.05	16.60	24.92	30.70	0.07	2,406.74	59.76
As at 31st March 2023	1.27	172.89	2,276.64	18.23	12.13	17.54	23.77	0.07	2,522.54	0.00

Notes:

- All tangible assets have been mortgage to Canara Bank to secure borrowings of the Company.
- No borrowing costs has been capitalised during the year.
- The Company has not revalued any of its Property, Plant and Equipment;
- The Company have no Capital WIP of tangible or intangible assets.
- There is no benami property held by the Company as per Benami Property Transactions Act, 1988 and rules made thereunder;
- Title deed of immovable property held in the name of the Company.

5 Non current Investment

(₹ In Lakhs)

Particulars	Face value	As at 31.03.2023		As at 31.03.2022	
		Number of Shares	Value	Number of Shares	Value
1. M/s. Centennial Finance Private Limited	10	138000	17.07	138000	17.07
TOTAL			17.07		17.07
Investment in Equity Instruments					
Quoted at Cost:					
Others:					
1. M/s. Adarsh Chemical & Fertilisers Ltd.	10	28000	1.40	28000	1.40
2. M/s. Stanrose Mafatlal Ltd.	10	1722	0.00	1722	1.45
3. Std Ind Ltd.	10	900	0.00	900	0.11
4. Shares of TGVSRAAK Ltd (52.05 Per Share)	10	50	0.00	50	0.04
TOTAL			1.40		3.00
Total			18.47		20.07
Market Value:					
Quoted			1.40 Lakhs		2.99 Lakhs
Unquoted					

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Total Non Current Investments	18.47	20.07
Aggregate value of quoted investments	1.40	3.00
Aggregate value of unquoted investments	17.07	17.07

6 Other Financial Assets - Non Current

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Security deposits for utilities and premises	127.87	81.33
Total	127.87	81.33

7 Inventories

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Raw materials	781.98	840.29
(b) Work-in-progress	1,642.45	1,499.87
(c) Finished Goods	110.55	77.77
(d) Stores and spares	153.82	145.64
Total	2,688.80	2,563.57

* Refer note number 3 of accounting policies

At cost or net realizable value, whichever is lower.

All inventories of Company have been hypothecated to secure borrowings of the Company. (refer note 16).

8 Trade Receivables

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered Good	1,402.17	1,199.55
Unsecured, considered doubtful	0.00	0.00
Total	1,402.17	1,199.55
Less : Allowance for doubtful debts (expected credit loss)	0.00	0.00
Total	1,402.17	1,199.55

Ageing for Trade Receivable outstanding as at 31st March 2023 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 Months	1-2 Years	2-3 years	More than 3 years	
Unsecured, Considered Good	1,314.73	87.44	0.00	0.00	0.00	1,402.17
Unsecured, considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,314.73	87.44	0.00	0.00	0.00	1,402.17
Less : Allowance for doubtful debts (expected credit loss)	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,314.73	87.44	0.00	0.00	0.00	1,402.17

Ageing for Trade Receivable outstanding as at 31st March 2022 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 Months	1-2 Years	2-3 years	More than 3 years	
Unsecured, Considered Good	1,143.62	55.93	0.00	0.00	0.00	1,199.55
Unsecured, considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,143.62	55.93	0.00	0.00	0.00	1,199.55
Less : Allowance for doubtful debts (expected credit loss)	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,143.62	55.93	0.00	0.00	0.00	1,199.55

The Company follows "simplified approach" for recognition of impairment loss. The application of simplified approach does not require the Company to track changes in credit risk.

All book debts have been hypothecated to secure borrowings of the Company (refer note 16).

For terms and conditions relating to related parties receivables, refer note 36.

9 Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Balances with banks		
In current accounts	8.21	8.16
(b) Cash on hand	1.23	1.13
Total	9.44	9.29

* For the purpose of statement of cash flows, the above has been considered as cash and cash equivalents.

10 Bank Balances Other Than Above

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Bank balances other than cash and cash Equivalents	71.19	84.19
Total	71.19	84.19

11 Other financial assets (Current)

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Other receivables	2.51	0.21
Total	2.51	0.21

12 Current Tax Assets (Net)

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Tax(Net of provisions)	43.17	36.56
Total	43.17	36.56

13 Other current assets

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
a) Advance recoverable in cash or kind or for value to be received	17.03	50.37
b) Prepaid Expenses	26.23	28.08
c) Balances with government authorities		
Unsecured, considered good		
(i) Balance in GST	247.59	93.45
(ii) VAT credit receivable	4.08	4.08
(iii) MAT Adjustment of Previous years	83.87	83.87
(iv) GST Refund Receivable	12.44	18.70
Total	391.24	278.55

14 Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Authorised shares		
80,00,000 Equity shares of ₹10/- each	800.00	800.00
	800.00	800.00
Issued, Subscribed and fully Paid up shares		
7,391,000 equity shares of ₹ 10/- each (Refer note (a) below)	739.10	739.10
Balance at end of year	739.10	739.10

a) Reconciliation of Number of Shares (Equity)

(₹ In Lakhs, except no. of shares data)

	2022-23		2021-22	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares outstanding as at the beginning of the year	7,391,000.00	739.10	7,391,000.00	739.10
Add: Number of Shares Issued during the Year	-	-	-	-
Number of Shares outstanding as at the end of the year	7,391,000.00	739.10	7,391,000.00	739.10

b) Rights, preferences, restrictions of equity shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

c) Shareholders holding more than 5 per cent of total Equity Shares of company

(₹ In Lakhs, except no. of shares data)

Name of the Shareholders	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	% held	No. of Share	% held
Abhishek Patel	1,017,095	13.76%	1,017,095	13.76%
Smita Patel	635,998	8.61%	635,998	8.61%
Centennial Finance Pvt.Ltd	509,964	6.90%	509,964	6.90%
Arvind Baburao Joshi	439,750	5.95%	439,750	5.95%
Aakanksha Patel	400,861	5.42%	400,861	5.42%

15 Other Equity

(₹ In Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Non Current Portion	Current Portion	Non Current Portion	Current Portion
Capital Reserve				
Balance at end of year		49.07		49.07
		49.07		49.07
Securities Premium Reserve				
Balance at the beginning of year		587.04		587.04
Add: Addition during the year (Share Warrant)		-		-
Add: Addition during the year (Preference Issue)		-		-
Less: Preliminary Expenses (Preference Issue)		-		-
Balance at end of year		587.04		587.04
General Reserve				
Balance at end of year		401.88		401.88
		401.88		401.88
Money Received Against Share Warrants				
Balance at end of year		-		-
		-		-
Retained Earning				
Balance at the beginning of year		1,161.33		1,030.37
Add : Profit for the year		111.26		131.85
Add : Other comprehensive income during the year		-		(0.89)
Add : Changes in fair value of current investments & non Current Investments		-		-
Add:MAT of Earlier Years Adjustment A/C		-		-
Less: Tax Impact on Gratuity		-		-
Less: Deferred Tax Impact		-		-
Balance at end of year		1,272.59		1,161.33
Total		2,310.58		2,199.32

16 Borrowings - Non Current

(₹ In Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Non Current Portion	Current Portion	Non Current Portion	Current Portion
Term loans				
From banks				
Secured				
1. Term loan From Canara Bank: Secured by First Charge on Companies Land and Building, Machineries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹ 5.50 lakhs (previous year ₹ 4/-lakhs) / lacs/Month from April 2019 to March 2023)	0.00	8.84	0.00	56.83
2. Term loan From Canara Bank - COVID -19: Secured by First Charge on Companies Land and Building, Machineries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹8.33/- lakhs (previous year ₹ 8.33 /-lakhs) / Month for 18 months from December 2020 to May 2022.)	0.00	0.00	0.00	16.67
3. Term loan From Canara Bank Under GECL: Secured by First Charge on Companies Land and Building, Machineries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹9.44/- lakhs (previous year ₹ 9.44 /-lakhs) / Month for 36 months from September 21 to July 2024.)	47.22	113.33	160.56	113.33
4. Term loan From Canara Bank: Secured by First Charge on Companies Land and Building, Machineries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹5.96 lacs / Month from April 2022 to September 2026)	202.34	82.12	250.52	71.58

Particulars	As at 31.03.2023		As at 31.03.2022	
	Non Current Portion	Current Portion	Non Current Portion	Current Portion
5. Term loan From Canara Bank under GECL: Secured by First Charge on Companies Land and Building, Machineries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹4.42 lacs / Month) from January 2024 to December 2026.)	145.75	13.25	159.00	0.00
Total Secured Loan	395.31	217.54	570.08	258.41
From other parties				
Secured				
1. Loan from Hero Fincorp Ltd. Repayment of ₹ NIL (previous year ₹ 3.01 lakhs P.M. EMI).	0.00	0.00	0.00	8.06
Total Secured Loan From other Parties	0.00	0.00	0.00	8.06
Unsecured				
Deposits received from members	40.00	5.00	40.00	5.00
Total of Unsecured Loan	40.00	5.00	40.00	5.00
Total	435.31	222.54	610.08	271.47

Term loans from banks are secured by way of equitable mortgage created or to be created on all the present and future immovable properties including all land, buildings, structures, all plant and equipment attached thereon of the Company and hypothecation of all the movable properties including movable machinery, spares, tools and accessories, etc., present and future, subject to prior charges created and / or to be created in favour of the Company's bankers on stocks of raw materials, semi finished and finished goods, consumable stores and other movable assets excluding vehicles specifically hypothecated against vehicle loans, as may be required for working capital requirements in the ordinary course of business.

The interest rates range from 7% to 8% per annum. For term loan and interest rate for OCC is from 9 to 10%.

17 Other financial liabilities - Non Current

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Creditor for capital goods	0.59	5.91
(ii) Payable on Contractually Reimbursable Expenses	47.24	39.50
Total	47.83	45.41

18 Provisions

(₹ In Lakhs)

Particulars	Non Current	
	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits:		
- Provision for gratuity liability	144.76	140.06
Total	144.76	140.06

19 Deferred Tax Liabilities (net)

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liabilities		
Depreciation on Property, Plant, & Equipment	266.32	271.86
Total (A)	266.32	271.86
Deferred Tax Assets		
Provision for Bonus	5.27	5.16
Provision for Gratuity	40.27	38.97
Provision for Leave Encashment	1.28	1.28
Total (B)	46.82	45.41
Total (A-B)	219.50	226.45

20 Borrowings - Current

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Loans repayable on demand		
From banks		
Secured	1,916.66	1,427.35
Total	1,916.66	1,427.35

Cash credits/working capital loans are secured by hypothecation of raw materials, semi finished and finished goods, other movable assets excluding vehicles specifically hypothecated against loans and book debts, present and future, of the Company. The interest rates for Cash credits/working capital loans from banks range from 9% to 10% per annum before subvention.

The Company has been sanctioned working capital limits from banks during the year on the basis of security of current assets of the Company.”

21 Trade payables

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Total outstanding dues of micro enterprises and small enterprises	185.14	187.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	802.40	656.39
Total	987.54	844.03

Ageing for Trade Payable outstanding as at 31st March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 Months	1-2 Years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	185.14	-	-	-	-	185.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	802.40	-	-	-	-	802.40
Disputed dues of Creditors micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	987.54	-	-	-	-	987.54

Ageing for Trade Payable outstanding as at 31st March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 Months	1-2 Years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	184.43	3.21	-	-	-	187.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	656.39	-	-	-	-	656.39
Disputed dues of Creditors micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	840.82	3.21	-	-	-	844.03

*For terms and conditions relating to related parties payable, refer note 36.

22 Other financial liabilities - Current

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Current Maturities of Long Term Debt	222.54	271.47
Total	222.54	271.47

23 Other current liabilities

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory dues	31.78	28.34
Employee benefits payable	41.65	48.31
Total	73.43	76.65

24 Provisions

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Provision for employee benefits:		
(i) Provision for leave encashment	3.44	4.60
(ii) Provision for gratuity liability	13.14	25.78
(b) Provision - Others:		
(i) Provision - others	142.68	69.76
Total	159.26	100.14

25 Current Tax Liabilities

(₹ In Lakhs)

Current tax Assets	As at 31.03.2023	As at 31.03.2022
Advance Tax	-	-
TDS	-	-
Sub Total	-	-
Current tax liabilities		
Provision for Tax	20.89	-
Sub Total	20.89	-
Total	20.89	-

26 Revenue from operations

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Sale of Products (including excise duty)	10,662.47	10,072.42
Other operating revenue:		
Scrap sale	21.19	13.33
Total	10,683.66	10,085.75

27 Other income

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest income:		
Interest from bank deposits	5.67	5.67
Dividend Income		
From long Term Investment	0.01	-
Other Non Operating Income - Profit on sale of Assets	9.18	3.32
Net gain / (loss) on foreign currency transactions and translation	26.59	13.70
Total	41.45	22.69

28 Cost of Raw Material and components consumed

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening stock	840.29	869.93
Add: Purchases	8,212.50	7,523.40
	9,052.79	8,393.33
Less: Closing stock	781.98	840.29
Cost of material consumed	8,270.81	7,553.04

29 Changes in inventories of finished goods, work in progress and stock in trade

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Inventories at the Commencement		
Finished Goods	77.77	16.40
Work in progress	1,499.87	1,563.57
Inventories at Close		
Finished Goods	110.55	77.77
Work in progress	1,642.45	1,499.87
(Increase) / Decrease in Finished Goods	(32.78)	(61.37)
(Increase) / Decrease in Work in progress	(142.58)	63.70
Net (increase) / decrease	(175.36)	2.33

30 Employee benefit expense

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Salaries and Wages	950.91	838.11
Contributions to provident and other funds	39.03	37.17
Leave Encashment	3.44	4.60
Gratuity expenses	13.14	25.78
Staff welfare expenses	9.16	8.04
Total	1,015.68	913.70

31 Finance cost

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest	250.53	209.89
Other borrowing costs	16.82	24.88
Total	267.35	234.77

32 Other expenses

(₹ In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Consumption of stores and spares		
Opening Stock	145.64	146.30
Add: Purchases during the year	169.72	172.09
	315.36	318.39
Less: Closing Stock	153.82	145.64
Consumption of Stores and Spares	161.54	172.75
Processing charges	85.75	106.01
Power and fuel	311.04	273.05
Repairs and maintenance:		
Plant and Machinery	28.94	29.82
Others	5.40	8.63
Rent	68.80	70.76
Insurance	15.77	16.85
Rates and taxes	2.10	3.44
Printing and Stationary	5.89	5.19
Travelling and conveyance	19.75	14.99
Postage, Telephone, Telex	4.89	5.26
Donations and contributions	-	-
Legal and professional	71.02	70.30
Payments to auditors	3.50	3.50
Security charges	20.54	22.37
Sundry Dr./Cr. Balance written off	4.62	0.71
Selling and distribution expense	122.98	141.40
Miscellaneous expenses	45.59	36.76
Total	978.12	981.79

33 Employee Benefits

a. Defined benefit plan: Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on retirement / resignation or retirement under VRS at 15 days salary (last drawn salary) for each completed year of service. The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation

(₹ In Lakhs)

I. Expenses recognized in the statement of profit and loss		As at 31.03.2023	As at 31.03.2022
1	Current Service Cost	10.15	10.23
2	Interest Cost [(Income)/Expense]	9.66	7.90
3	Actuarial Losses / (Gains) / Remeasurements in OCI	(6.67)	7.65
4	Past Service cost	-	-
Total		13.14	25.78

(₹ In Lakhs)

II. Amount recognized in other comprehensive income (OCI)		As at 31.03.2023	As at 31.03.2022
Return on plan assets, excluding amount included in interest expense /(income)		-	-
Remeasurement during the period due to:			
	Change in financial assumptions- (Gain)/Loss		
	Experience adjustments- (Gain)/Loss	3.96	5.33
	Demographic Assumptions	-	-
Total		3.96	5.33

(₹ In Lakhs)

III. Reconciliation of defined benefit obligation		As at 31.03.2023	As at 31.03.2022
Opening Defined Benefit Obligation		140.06	119.00
Current service cost		10.15	10.23
Interest cost		9.66	7.90
Actuarial loss/(gain) due to change in demographic Assumptions		-	-
Actuarial loss/(gain) due to change in financial assumptions		(2.71)	2.32
Actuarial loss/ (gain) due to experience adjustments		3.96	5.32
Benefits paid		(8.44)	(4.71)
Closing Defined Benefit Obligation		152.68	140.06

(₹ In Lakhs)

IV. Reconciliation of plan assets		As at 31.03.2023	As at 31.03.2022
Opening value of plan assets		-	-
Interest Income		-	-
Return on plan assets excluding amounts included in interest income		-	-
Employer Direct Benefit Payments		8.44	4.71
Benefit Payments from Employer		(8.44)	(4.71)
Assets Withdrawn		-	-
Closing value of plan assets		-	-

(₹ In Lakhs)

V. Net (Asset) / Liability recognised in the Balance Sheet as at 31 March		As at 31.03.2023	As at 31.03.2022
Present value of defined benefit obligation (DBO)		140.06	119.00
Net (Asset) / Liability		144.76	140.06

(₹ In Lakhs)

VI. The significant actuarial assumptions were as follows	As at 31.03.2023	As at 31.03.2022
Discount rate	7.35% p.a.	7.11% p.a.
Attrition rate		
Rate of return on plan assets		
Salary escalation rate	4.00% p.a.	4.00% p.a.

(₹ In Lakhs)

VII. Bifurcation of present value of obligation at the end of the valuation period as per Schedule III of Companies Act 2013	As at 31.03.2023	As at 31.03.2022
Current Liability	37.94	34.74
Non - Current Liability	106.82	105.32
Total	144.76	140.06

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

(₹ In Lakhs)

	As at 31.03.2023	As at 31.03.2022
Increase by 1% in discount rate	134.42	153.11
Decrease by 1% in discount rate	156.78	128.68
Increase by 1% in rate, rate of salary increase	157.99	143.05
Decrease by 1% in rate, rate of salary increase	133.2	136.69
Increase by -1% in rate, rate of employee turnover	148.03	129.85
Decrease by -1% in rate, rate of employee turnover	141.07	151.97

34 Contingent liability

(₹ In Lakhs)

Contingent liability	As at 31.03.2023	As at 31.03.2022
a. Guarantee given by bank on behalf of Company	20.32	20.32
b. Claims against the company not acknowledge as debt	66.88	66.88
c. Income tax Demand on account of Unexplained Credit	28.57	28.57
Commitments		
Estimated amount of Capital contract remaining to be executed for tangible Assets	-	46.00

Note: Enforcement Directorate vide provisional attachment order No. 01/2017/KZSZO (IN ECIR/KZSZO/4/2015) dated 15.03.2017 issued directions for freezing Bank accounts of the Company. The Company filed writ petition in the High Court of Kerala and the court vide order dated 12.05.2017 asked the Company to furnish the bank guarantee equivalent to the amount lying in the frozen bank accounts. The Company vide letter dated 23.05.2017 furnished the required bank guarantee of Rs. 20.33 Lacs in favour of DIRECTORATE OF ENFORCEMENT, KOCHI. The Enforcement Directorate vide their letters dated 08.06.2017 released the frozen accounts of the Company. The said bank guarantee has been renewed further as requested by Enforcement Directorate from time to time.

Subsequently, ED vide O/C No.1063/2018 dated 09.11.2018 provisionally attached the immovable property of the Company at Daman with a gross liability of Rs.66,88,822/- (Net of Bank Guarantee Rs.46,56,026). The ED referred the matter to Adjudicating Authority, New Delhi. The Adjudicating Authority vide order dated 26.04.2019 confirmed the attachment giving Company 45 days time to appeal against this order to the Hon'ble Appellate Tribunal, New Delhi. Accordingly, Company has preferred an appeal on 23.05.2019, the appeal has been admitted by the honourable appellate tribunal.

Appeal filed against adjudication order passed by the Adjudicating authority is pending. The Tribunal is Non functional for the last more than 3 years for the reason the chairman and other members are retired and Government has not so far appointed any new chairman or member. The cases are just adjourned without any hearing.

35 Reconciliation of Tax Expense

(₹ In Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a) Income tax expenses :		
Current tax- In respect of the current year	20.89	51.32
Deferred tax- In respect of the current year	(6.95)	26.30
Total	13.94	77.62
(b) Income tax recognised in Other Comprehensive Income		
Remeasurements of the defined benefit plans	-	-
Total income tax expense recognised in the year (a + b)	13.94	77.62

36 Related Party Disclosures

Details of transactions between the company and other related parties as disclosed below :

Related Parties	Key Management personnel and their relatives	Non Executive directors & their relationships
Ms. Smita Patel	Mr. Abhishek Patel	Ms. Sheela Ayyar
	Mr. Jagdish Dokwal	Mr. Pranav Patel (upto 8th August,2022)
M/S Centennial Fabrics Ltd	Ms. Gauri Gangal	Ms. Aakanksha Patel (From 8th August, 2022)
		Mr. Kunal Rastogi

Details relating to parties/ persons referred to in above items are as under:

Nature of transaction	31.03.2023	31.03.2022
Related Party		
Rent Paid - Smita Patel	3.00	3.00
Transaction with Centennial Fabrics Ltd (Purchase of Material)	3,057.40	2,297.92
Key management personnel		
Remuneration/ Reimbursement	148.19	132.24
Balance outstanding as at year end		
Receivable/ (Payable)		
Non-executive directors and their relatives		
Remuneration/ Reimbursement/sitting fees	0.50	0.45
Professional Fees		
Balance outstanding at year end		
Receivable/ (Payable)		

37 Financial Instrument and Risk Management**i) Financial risk management objective and policies**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk - interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations to its preference shareholders.

Interest rate sensitivity

The borrowing of the Company includes vehicle loans which carries fixed coupon rate and hence the Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits and loans given, investments and balances at bank. The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

Amount in Rupees

Movement in allowance for credit loss during the year was as follows :	31.03.2023	31.03.2022
Balance at 1 April	119,914,826	103,398,481
Add : Provided during the year	-	-
Less : Reversal during the year	-	-
Balance as at 31 March	140,217,466	119,914,826
Net Trade receivable	140,217,466	119,914,826

ii) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

Categories of financial instruments and fair value thereof

Amount in Rupees

Financial assets	31.03.2023	31.03.2022
Measured at amortised cost:-		
Trade Receivables	140,217,466	119,914,826
Cash and cash equivalents and bank balances	8,062,934	9,348,180
Other financial assets	251,432	21,563
Loans		
Restricted deposits		
Total	148,531,832	129,284,569
Financial Liabilities		
Measured at amortised cost:-		
Borrowings	191,665,646	142,734,809
Acceptance		
Trade payables	98,754,503	84,401,605
Other financial liabilities	22,253,565	27,147,191
Total	312,673,714	254,283,605

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

Amount in Rupees

Financial assets:-carrying value/fair value	31.03.2023	31.03.2022
Measured at fair value through profit and loss:		
Investments	1,847,004	2,006,569
Total	1,847,004	2,006,569

38 Micro, Small and Medium Enterprises

Pursuant to the Micro, Small and Medium Enterprise Development Act, 2006, the Company had asked for confirmation from its vendors regarding their status under the said Act. The Company is yet to receive verifiable confirmation from all the vendors and hence the amounts unpaid as at the year end together with interest payable if any, under this Act have been given as under.

(₹ In Lakhs)		
Particulars	As at 31.03.23	As at 31.03.22
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year		
Principal	488.62	242.74
Interest	3.79	6.44
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
d) the amount of interest accrued and remaining unpaid at the end of each accounting year;	3.79	6.44
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

39 Operating Leases

- a. At the reporting date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

(₹ In Lakhs)		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease rental charges for the year	68.80	70.76
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	79.79	67.76
Later than one year but not later than five years	83.60	71.05
Later than five years	-	-

- b. The total of future minimum sublease payment expected to be received under non - cancellable subleases at the end of reporting period is NIL
- c. Lease payment is recognised as an expense in the period

40 Earning per share

(₹ In Lakhs)		
Particulars	31.03.2023	31.03.2022
a) Profit after tax attributable to equity shareholders of the company	111.26	131.85
b) Weighted average number of equity shares (in numbers)	73.91	73.91
Nominal value of equity shares	10.00	10.00
c) Basic EPS	1.51	1.78
d) Weighted average number of equity shares for diluted EPS (in numbers)	73.91	73.91
Nominal value of equity shares	10.00	10.00
Diluted EPS	1.51	1.78

41 Auditors Remuneration

Particulars	(₹ In Lakhs)	
	31.03.2023	31.03.2022
As auditor:		
Statutory audit (including IFC)	3.50	3.50
In other capacity:		
Reimbursement of expenses	-	-

For and on behalf of the Board of Directors

Abhishek Patel
Managing Director
DIN 05183410

Gauri Gangal
Company Secretary
M. No: 52130
Mumbai
29th May, 2023

Sheela Ayyar
Director
DIN 06656579

Jagdish Dokwal
Chief Financial Officer

FORM DPT 1

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING UNSECURED DEPOSITS

[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

RISHI TECHTEX LIMITED

Registered Office: 612, Veena Killedar Industrial Estate,
10-14 Pais Street, Byculla (West), Mumbai- 400011
Website: www.rishitechtext.com Tel No. 022-23075677/23074585
Fax No. 022-23080022 CIN No. L28129MH1984PLC032008

GENERAL INFORMATION

a) Date of incorporation of the company - **February 7, 1984**

b) Business carried on by the company and its subsidiaries with the details of branches or units, if any;

Nature of Business: The Company is engaged in manufacture of HDPE/PP, Paper Laminated Bags and Shade nets.

Units: Village Kachigam, Taluka Daman, Union Territory of Daman And Diu.

The Company has **no subsidiaries**.

c) Brief particulars of the management of the company;

The Company is being managed by Managing Director under the superintendence, control and direction of the Board of Directors.

d) Names, addresses, DIN and occupations of the directors;

Name of Directors	Address of Directors	DIN	Occupation
Mr. Abhishek Patel	8- B, Suvas Apartment, 68F, Neapeansea Road, Mumbai- 400006	05183410	Business
Mr. Pranav J. Patel (upto 08.08.2022)	Flat No. 1001-1002 Premium Tower II, Shalimar Township, A. B. Road, Indore 452001- Madhya Pradesh	00171387	Business
Ms. Sheela Ayyar	B-704, Florentine Building, Hiranandani Gardens, Powai, Mumbai-400076	06656579	Business
Ms. Aakanksha Patel (w.e.f- 08.08.2022)	8- B, Suvas Apartment, 68F, Neapeansea Road, Mumbai- 400006	08314319	Business
Mr. Kunal Rastogi	51 Mehr Naz, Cuffe Parade, Colaba, Mumbai 400005	01570584	Business

e) Management's perception of risk factors;

Cost of Raw Material: Volatility in the cost of raw materials due to instability of oil prices and fluctuation in exchange rate is leading variation in standard pricing.

Interest Rate: High Rate of Interest is adversely affecting the earnings of the Company.

f) Details of default, including the amount involved, duration of default and present status, in repayment of -

i) statutory dues- **Nil**

ii) debentures and interest thereon - **Nil**

iii) loan from any bank or financial institution and interest thereon - **Nil**

PARTICULARS OF THE DEPOSIT SCHEME

a. Date of passing of board resolution : **May 29, 2014**

b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits : **September 30, 2014**

c. Type of deposits: **Unsecured**

d. Amount which the company can raise by way of deposits as per the Act and the rules made thereunder:

a. 10% of the aggregate of the paid up share capital and free reserves and Security Premium Account (Under Rule 3(1)(a)) - **300.06 lakhs**

Such Deposits are repayable not earlier than three months from the date of deposit or renewal thereof.

- b. 35% of the aggregate of the paid-up share capital and free reserves and Security Premium (under Rule 3(3)) – **1050.21 lakhs**

The aggregate of deposits actually held on the last day of the immediately preceding financial year – **Rs. 45.00/- Lakhs**

The date of issue of the Circular or advertisement – **The effective date of issue of circular will be the date of dispatch of the circular.**

Amount of deposit proposed to be raised – **35% of the aggregate of the paid-up share capital and free reserves and Security Premium i.e. 1050.21 lakhs**

Amount of deposit repayable within the next twelve months – **Rupees 5.00 Lakhs only**

- e. Terms of raising of deposits :

Duration – **One to three years**

Rate of interest – **12.5%** (Subject to changes from time to time)

Mode of payment and repayment – **By Cheque or any other mode except Cash**

- f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid – **The Scheme will be opened after filing the approved circular with ROC.**
- g. Reasons or objects of raising the deposits – **The monies received as deposits will be utilised for the operations of the Company.**
- h. Credit rating obtained; Company has received credit rating from CRISIL ratings wide its letter dated 9th June, 2022 for Long Term Rating: CRISIL BBB-/Stable (Reaffirmed) and Short Term Rating: CRISIL A3 (Reaffirmed).
- i. Short particulars of the charge created or to be created for securing such deposits – **Not Applicable**
- j. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons – **Nil**

DETAILS OF ANY OUTSTANDING DEPOSITS

- a. Amount Outstanding – **₹ 45.00Lakhs**

- b. Date of acceptance –

Date of Acceptance	No. of Depositors	Amount of Deposit
28.02.2023 & 31.03.2022	3	3000000
28.02.2021 & 31.03.2022	1	1000000
28.02.2022	1	500000

- c. Total amount accepted – **Rs. 45.00 lacs**

- d. Rate of interest – **12.5%**

- e. Total number of depositors – **5**

- f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved **Nil**

- g. Any waiver by the depositors, of interest accrued on deposits. – **Nil**

FINANCIAL POSITION OF THE COMPANY

- a. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement;

(₹ In lacs)

Accounting Year	Profit Before Tax	Profit After Tax
Year ended 31.03.2021	60.06	41.88
Year ended 31.03.2022	209.47	131.85
Year ended 31.03.2023	125.20	111.26

- b. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid)

Accounting Year	Dividend on Equity Shares
Year ended 31.03.2021	Nil
Year ended 31.03.2022	Nil
Year ended 31.03.2023	Nil

- c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement;

	(₹ In lacs)		
	As at 31.03.2021	As at 31.03.2022	As at 31.03.2023
Liabilities			
Share Capital	739.10	739.10	739.10
Reserves & Surplus	2068.36	2199.32	2310.58
Non-Current Liabilities	810.07	1022.00	847.40
Current Liabilities	2689.27	2719.64	3380.32
	6306.80	6680.06	7277.40
Assets			
Fixed Assets	2084.77	2406.74	2522.54
Investment	20.96	20.07	18.47
Other Non-Current Financial Assets	87.03	81.33	127.87
Current Assets	4054.28	4171.92	4608.52
	6306.80	6680.06	7277.40

- d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement;

	(₹ In lacs)		
	As at 31.03.2021	As at 31.03.2022	As at 31.03.2023
Net profit before tax & extraordinary items	60.06	209.47	125.20
Adjustment for Depreciation, Int. and other items	443.86	450.83	462.26
Operating profit before working capital change	503.92	660.30	587.46
(a) Cash generated from operations	96.06	581.07	811.69
(b) Cash flow from Investing Activities	(158.54)	(446.27)	(362.60)
(c) Cash Flow from Financing Activities	69.39	(57.30)	(435.00)
Net increase in cash & Cash equivalents (a+b+c)	(11.26)	(0.12)	0.15
Opening Balance Cash & Cash equivalents	20.67	9.41	9.29
Closing Balance Cash & Cash equivalents	9.41	9.29	9.44

- e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company - Nil

DECLARATION BY THE DIRECTORS THAT-

- the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest on such deposits there on;
- the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- the company has complied with the provisions of the Act and the rules made thereunder;
- the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- the deposits accepted by the company before the commencement of the Act have been repaid.
- In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- the deposits accepted by the company are unsecured and rank paripassu with other unsecured liabilities of the company.

- Mr. Abhishek Patel** :
- Ms. Aakanksha Patel** :
- Mr. Kunal Rastogi** :
- Ms. Sheela Ayyar** :

Date: 29th May, 2023

Place: Mumbai

UPDATION OF EMAIL ID

Kindly ensure to update your fresh Email ID with the Company/Depository, in case if you have not updated or changed the same.

UPDATION OF PAN AND BANK MANDATE

Kindly ensure to update your PAN and Bank mandate with the Company/Depository.

UPDATION OF ADDRESS

Kindly ensure to update your latest address with the Company/Depository.

Shareholders are requested to write to the Company on investors@rishitechtext.com; info@rishitechtext.com to opt an option to receive Annual Report in electronic mode. Alternatively, Shareholders can send a letter to the Registered Office of the Company for the same.

GREEN INITIATIVE

As a Green Initiative, you are requested to opt for receipt of Annual Report in Electronic mode.

BENEFICIAL OWNER DISCLOSURE

All Shareholders who directly or indirectly hold more than 10% shares in the Company and any change therein; are requested to communicate the same in Form BEN -1 available on the website of the Company.



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Registered Office

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Byculla (W), Mumbai - 400 011.

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