

# RISHI TECHTEX LIMITED



RISHI TECHTEX

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

The Dy. General Manager,

12.10.2020

Corporate Relations Department  
Stock Exchange,  
Mumbai

Ref: Script Code-523021  
ISIN: INE989D01010

**Sub: Notice of 36<sup>th</sup> Annual General Meeting of the Company and Annual Report**

Dear Sir,

Further to our letter dated 06.10.2020 with regard to Intimation of 36<sup>th</sup> Annual General Meeting of the Company, Book Closure and Cut-off Date for E-Voting, please find attached herewith Annual Report for FY 2020 along with Notice of 36<sup>th</sup> Annual General Meeting forming part of it.

The Annual Report and Notice of 36<sup>th</sup> Annual General Meeting are also available on the Company's website i.e. [www.rishitechtext.com](http://www.rishitechtext.com).

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

Thanking You

Yours faithfully

**For Rishi Techtex Limited**

**Gauri Gangal**  
Company Secretary



**RISHI TECHTEX**

Rishi Techtex Limited

36<sup>th</sup> Annual Report  
2019-2020



# Resilient. Responsive. Ready.

Working towards a better tomorrow.



Agritech | Packtech | Protech | Buildtech

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## Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment 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 materialize, 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.

# At a Glance

## Our Inception

# 1984

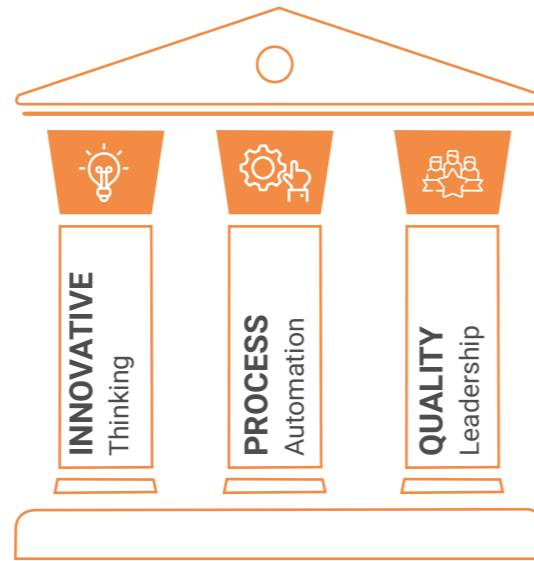
## Our Expertise

-  Agritech
-  Packtech
-  Protech
-  Buildtech

## Our Reach












## Our Pillars



# 11

Countries



- |  |  |
|--|--|
|  USA          |  Qatar          |
|  Netherlands  |  Africa         |
|  New Zealand  |  United Kingdom |
|  UAE          |  Nigeria        |
|  Saudi Arabia |  Guatemala      |
|  Oman         |  |

# Board of Directors

**Mr. Abhishek Patel**  
Chairman, Managing Director  
DIN: 05183410

**Mr. Pranav J. Patel**  
Non-Executive Director  
DIN: 00171387

**Mr. Arvind N. Nopany**  
Independent Director  
DIN: 00148521  
(Resigned w.e.f. 25.09.2019)

**Mrs. Sheela Ayyar**  
Independent Director  
DIN: 06656579

**Mr. Kunal Rastogi**  
Independent Director  
DIN: 01570584  
(Appointed w.e.f. 25.09.2019)

## LISTED AT

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

## 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, JIDC, Vapi- 396195.

## COMPANY SECRETARY

Ms. Gauri Gangal

## STATUTORY AUDITOR

**Attar & Associates**

216, Sai Vihar, Sai Park,  
Shivaji Path, Kalyan (West), 421 301.

## SECRETARIAL AUDITOR

**Sudhanwa S Kalamkar & Associates**

B-1/12 Vijay Wadi Niwas CHS Ltd,  
Lokmanya Tilak Road,  
Mulund East, Mumbai 400 081.

## INTERNAL AUDITOR

**HRK Corp Advice Private Limited**

Shop No. 117-120,  
Center Point, Above IDBI Bank,  
Mahavir Nagar, GIDC, Vapi- 396195.

## BANKERS

**Canara Bank**

Tamarind Lane Branch,  
Calcot House, Fort,  
Mumbai – 400 023.

## REGISTRARS AND TRANSFER AGENTS

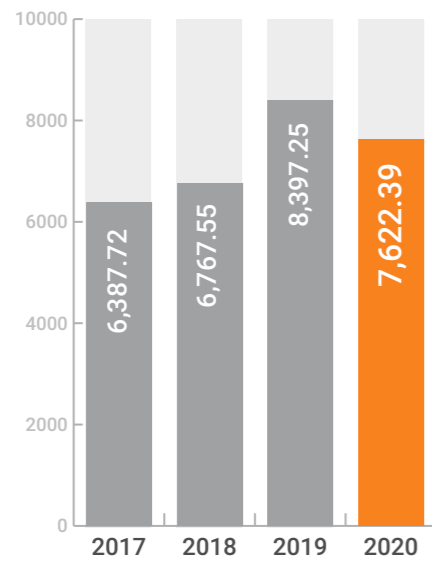
**Adroit Corporate Services Pvt. Ltd.**

17/20, Jaferbhoy Industrial,  
Estate, 1st Floor,  
Makwana Road, Marol Naka,  
Andheri (E), Mumbai – 400 059.

# Financial Highlights

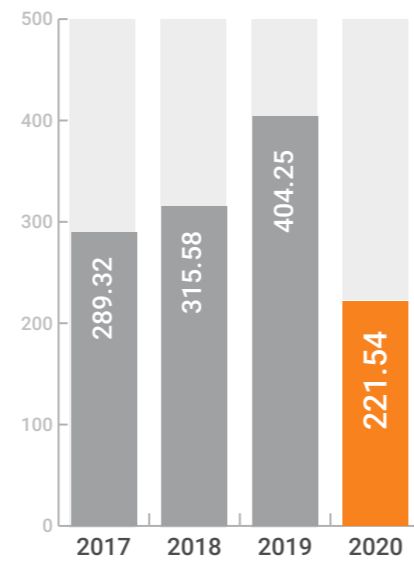
Revenues

₹ in Lakhs



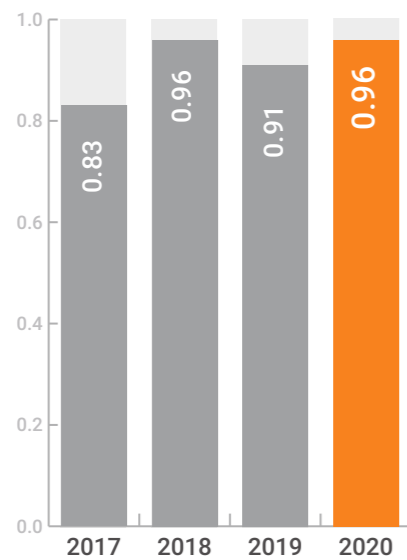
PBT

₹ in Lakhs



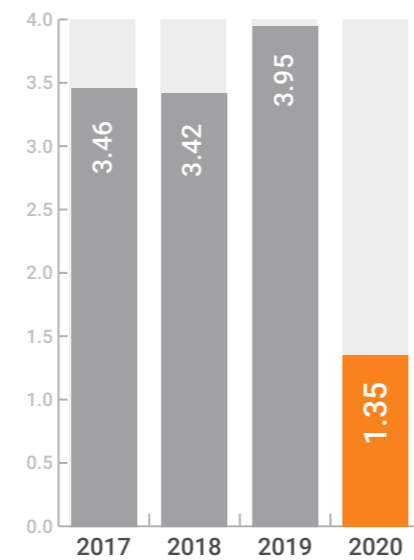
Debt Equity Ratio

in %



EPS

in ₹



# Key Metrics



EBIDITA Margin (%)

**7.97**



Reserves and Surplus (₹ in Lakhs)

**1,880.17**



Return on Capital Employed (ROCE) %

**33.05**



Book value per share (₹)

**35.44**

# Key Numbers At A Glance

(₹ in Lakhs)

Profit & Loss Account:	2016	2017	2018	2019	2020
Revenue (Net)	6,169.34	6,387.72	6,767.55	8,397.25	7,622.39
Total Income	6,200.37	6,406.98	6,789.12	8,411.50	7,633.00
EBIDTA (Excluding Other Income)	466.68	539.99	628.92	827.61	607.76
Profit/(Loss) Before Tax (PBT)	193.51	289.32	315.58	404.25	221.54
Profit/(Loss) After Tax (PAT)	175.22	244.99	252.91	292.17	99.66
Balance Sheet:					
Equity Capital	579.8	708.7	739.1	739.1	739.1
Reserves & Surplus	1,087.91	1,238.82	1,489.98	1,781.20	1,880.17
Net worth	1,667.71	1,947.52	2,229.08	2,520.30	2,619.27
Loan Funds	476.19	487.51	554.45	427.22	558.02
Current Liabilities	1,634.97	1,988.36	2,262.57	2,511.40	2,616.81
Other Liabilities	103.41	141.76	134.89	121.42	193.3
<b>Total Liabilities</b>	<b>3,882.28</b>	<b>4,565.15</b>	<b>5,180.99</b>	<b>5,580.34</b>	<b>5,987.40</b>
Gross Block Including CWIP	3,357.47	3,799.09	4,381.48	4,565.31	4,821.37
Accumulated Depreciation	2,173.93	2,321.90	2,476.57	2,671.40	2,638.23
Net Block	1,183.54	1,477.19	1,904.91	1,893.91	2,183.14
Investments	38.83	39.95	37.28	36.34	20.59
Sundry Debtors	729.28	760.65	1,004.30	1,017.77	910.83
Inventories	1,418.30	1,570.21	1,690.91	2,082.37	2,447.21
Other Current Assets	458.77	654.54	468.13	473.01	351.41
Total Current Assets	2,606.35	2,985.40	3,163.34	3,573.15	3,709.45
Other Assets	53.56	62.61	75.46	76.94	74.22
<b>Total Assets</b>	<b>3,882.28</b>	<b>4,565.15</b>	<b>5,180.99</b>	<b>5,580.34</b>	<b>5,987.40</b>
Ratio Analysis:					
EBIDTA Margin (%) (Excluding Other Income)	7.56	8.45	9.29	9.86	7.97
PAT Margin (%)	2.84	3.84	3.74	3.48	1.31
Debt-Equity Ratio	0.79	0.83	0.96	0.91	0.96
Total Assets Turnover	1.59	1.4	1.31	1.50	1.27
Fixed Assets Turnover	5.21	4.32	3.55	4.43	3.49
ROCE (%)	28.41	32.77	36.66	54.25	33.05
Debtors-Turnover Ratio (%)	11.82	11.91	14.84	12.12	11.95
Inventory-Turnover Ratio (%)	22.99	24.58	24.99	24.8	32.11
Interest Coverage Ratio	2.41	3.34	2.75	2.77	1.89
Current Ratio	1.59	1.5	1.4	1.42	1.42
Operating Profit Margin (%)	7.56	8.45	9.29	9.86	7.97
Net Profit Margin (%)	3.14	4.53	4.66	4.81	2.91
Any Changes of Return of Net Worth. (Return on Equity)	3.34	4.08	4.27	5.47	3.00
Ratios-Per Share					
Earnings Per Share (₹)	3.02	3.46	3.42	3.95	1.35
Dividend Per Share (₹)	0	0	0	0	0
Book Value Per Share (₹)	28.76	27.48	30.16	34.1	35.44

# Mission & Principles

## Our Mission

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

**Our three-pronged mission aims to create value for our customers, stakeholders and employees:**

- A competitive edge for customers by providing superior technical textile solutions through advanced technology and continuous innovation.
- Stakeholder advantage through business excellence, responsible performance and prudent investments
- Employer of choice

## Our Principles

### 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 the society.



# Message from the Managing Director

Navigating a downturn:  
**We're resilient,  
responsive  
and ready.**

Dear Shareowners,

**I hope this letter finds you and your family safe and healthy.**

The last few months have been extraordinary. The outbreak of COVID-19 has had a lasting impact on our lives, communities and businesses. We hope that the conditions will improve. The interim period is unknown and turbulent. Let me first share with you our readiness in these uncertain times before discussing our financial performance.

## Coping with the pandemic

At Rishi Techtex, we prioritised the health & safety of our teams, partners and stakeholders in our extended ecosystem during these uncertain times. Investments in technology infrastructure enabled us to transition to remote work seamlessly. Our factories reopened during the Unlock 1.0 phase; we have put in place measures to ensure staff safety at our plant sites. We are maintaining hygiene and social distancing norms.

We aim to scale-up commercial activity with the lifting of the partial lockdown. We have maintained a close dialogue with customers through virtual meetings. We've strengthened our supplier channels to mitigate the supply chain disruptions caused by the pandemic.

It would be pertinent to note that we navigated the lockdown period with minimum pain. We were able to avoid any drastic measures like retrenchment, thus protecting our employee jobs.

Today, we are operating optimally amid a new normal. We mitigated business risks significantly by leveraging a combination of innovation, automation and cost-optimisation strategies. Our successful transition to the new normal demonstrates the **resilience** of our business model, the **responsiveness** of our approach and our **readiness** to perform in every situation, effectively and efficiently.

Before I dwell on our 3R strategy, allow me to discuss our performance during the last year.

## Financial Performance Review

Our financial performance in the current year has been tepid; we had a dip in top-line but a major reduction in the bottom-line. FY20 was one of the toughest in our 36-year history. While our revenues recorded a decline of (-)9%, our profitability levels were hit severely. While gross profits reduced by (-)45%, the comprehensive income recorded a decrease of (-)66%.

In Q4FY20, business activities were suspended abruptly due to the COVID-19 induced lockdown. A combination of fixed costs and a decline in sales below our usual profitability threshold led to margin erosion. It is temporary and due to the current crisis. We are confident to return to our good performance and health as things normalise.

We entered FY20 on a high note, having recorded our best-ever performance in the previous fiscal. Unfortunately, the year was a period of recession. India's real GDP growth decelerated to an 11-year low of 4.2% in FY20. All economic parameters witnessed a historic slowdown during the year. Thus, at the macro-economic level, we were faced with uneven economic activity, weakening confidence levels and a contracted demand scenario.

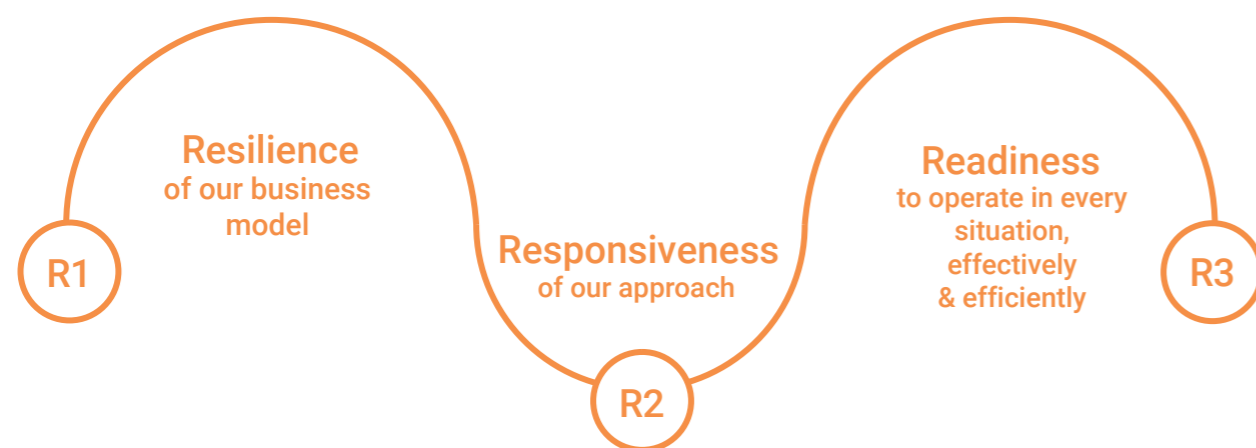
During the year, we faced instances of unhealthy price-cutting by competitors in our Packtech segment. As a counter measure, we stabilised our pricing strategy during the second half of the year, but our efforts did not translate into the expected revenues. This was due to significant sales numbers for Q4 quarter remaining unrealised with the lockdown announcement in the last week of March.

**At Rishi Techtex, we prioritised the health & safety of our teams, our partners and stakeholders in our extended ecosystem during these uncertain times.**

**Investments in technology infrastructure enabled us to transition to remote work seamlessly.**

Our automation and strategic pricing approach enabled us to win back our customers, but the digression in H1FY20 hurt the segment performance. Our performance in Agritech was stable, and we were able to grow revenues organically. The Buildtech and Protech segments registered subdued performance.

# The 3Rs strategy



It is said that adversity is the real test of character. Admittedly, India's macro-economic performance during the last year was disquieting. The pandemic further aggravated the situation. We expect the downturn to continue into the next financial year.

Rishi Techtex has endured severe events in our three-decade history. On each occasion, we have emerged with renewed strength and vigour. We're confident that we'll not only survive the current period of the downturn but rise to a new world of future possibilities.

## Our confidence is rooted in the 3R strategy:

R1

### Resilience of our business model

Our resilience stems from our two-pronged strategy to counter external risks; as a first step, we are focussing on ensuring business continuity during these times. Our success is a result of disciplined execution and continuous cost reduction.

The current downturn has tested the vitality of our strategy. It has allowed us to experiment with our business model. In FY20, we used our production capacity to manufacture custom-made nets for a South African customer. The products were made as per their brand specification viz. design, colour and pattern schemes. The exclusive partnership contributed to our export revenues significantly. Going forward, we foresee contract manufacturing opportunities as an additional area of growth.

Our business approach is to ensure certainty of revenues with due focus on exports and institutional sales. During FY20, 27% of our revenues came from exports. We are working to increase this ratio because global markets are recovering faster than domestic markets. In India, we participated in a total of seven state tenders for the supply of Agritech nets during the year.

We supplied 143,850 sq. m. of BIS Type-II 50% shade net towards a tender by the Orissa government. Rishi Techtex is listed as an optional vendor on most government-listed bids. We have been empanelled as a vendor for the supply of anti-hail nets by the Himachal Pradesh government. We are in discussions with Bhabha Atomic Research Centre (BARC) to supply agri-nets for their polyhouse project. Our resilience is underpinned by our commitment to do business with integrity and responsibly. At all times, we've followed prudent financial discipline and reinforced a professional approach to our business.

R2

### Responsiveness of our approach

Just as frontline workers have emerged as the true heroes of the pandemic, the agriculture sector will be the saviour of our economy during the current slump. The Indian government announced important structural reforms – the notable ones being the One Nation, One Market ordinance and the Agriculture Infrastructure Fund.

Scientific rigour to increase and protect yield will help in generating demand for the Agritech segment. Additionally, in the post-harvest phase, our products can be used in agriculture warehouses, silos, and grading & packaging units. We will leverage our collaboration with agriculture universities to promote awareness about the science of Agritech products.

The Company stands to gain from multiple government-led initiatives to promote technical textiles. These include the launch of the National Technical Textiles Mission (NTTM), and its mandate of compulsory use of technical textile applications across a cross-section of end-user industries.

The clarion call by the Hon'ble Prime Minister towards an *Atmanirbhar Bharat* augurs well for domestic players. The policy provides an impetus for local demand of our products as well as exports. In the future, we anticipate interest from global technical textiles players for tie-ups with local players. In parallel, cheap imports from unfriendly countries will dry up.

Digitalisation of operations played an essential role in better responsiveness of our business model. Real-time insights through our ERP system is a critical driver of operational efficiency on the shop floor and is helping in reducing defects.



## Readiness to operate in every situation, effectively & efficiently

COVID-19 is a grave situation. However, it is not the last health-related calamity to hit humankind. To survive amid such catastrophes, businesses need to be ready in every situation. At Rishi Techtex, our readiness strategy is fortified by a combination of automated manufacturing, professional management, and R&D investments.

Our fully automated bagging machine plant – installed to shorten production timelines, decrease manual intervention, and increase output quality and quantities - is running at full capacity. The automatic taping machine is also functioning effectively. To achieve total mechanisation of our Packtech division and reduce our dependency on contract labour, we have an outlay for greater automation during the next fiscal. However, our efforts could be delayed as a result of COVID-19-related disruptions.

We firmly believe that our investments in R&D will drive our future growth and market success. During the year, we experimented with fog catcher nets to help resolve water crises in our country's hilly regions. We have developed fencing nets and wind shield nets in the Protech segment. Our new range of fire-resistant nets with heavy fire-resistant fabric is another innovation.

Our 3R strategy ensures our agility to function in adverse circumstances. We don't know how things will pan out in the future. However, we know that we will emerge stronger from the crisis – ready to seize opportunities on the other side of the pandemic.

I thank our shareholders for their continuous support in this difficult time. I would like to appreciate our employees for their efforts to ensure business continuity during these tough times. My sincere gratitude to our partners, including financial institutions, for their unflinching support at all times.

Let me assure you that our commitment to transform the Company into an innovation-led organisation that ignites aspirations remains unabated.

Stay healthy and stay safe.

Best wishes,  
**Abhishek Patel**  
Managing Director  
Rishi Techtex Limited

### 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 Sixth Annual General Meeting of the Members of Rishi Techtex Limited will be held Thursday, 5th November, 2020 at 11.00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

#### AS ORDINARY BUSINESS

- To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 and the Report of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Pranav Patel (DIN 00171387), who retires by rotation and being eligible offers himself for re-appointment.

#### AS A SPECIAL BUSINESS:

- To approve re-appointment and remuneration of Mr. Abhishek Harshad Patel (DIN: 05183410) as Managing Director of the Company.

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company and pursuant to recommendation of the Nomination and Remuneration Committee, and subject to approval of any other authorities that may be required, the Company hereby approves, the re-appointment of Mr. Abhishek Patel (DIN: 05183410), as the Managing Director of the Company for a period of three (3) years commencing from 01st April, 2020 till 31st March, 2023, at a minimum consolidated remuneration (including perquisites except those mentioned in Section IV of Part II of Schedule V) not exceeding ₹ 10 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;

**RESOLVED FURTHER THAT** where in any financial year during the currency of tenure of Mr. Abhishek Patel as Managing Director, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay to Mr. Abhishek Patel, the remuneration as set out in the Explanatory Statement, as

a "minimum remuneration" subject to the limits and conditions specified in Schedule V of the Companies Act, 2013 and rules made thereunder as amended from time to time;

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary and Compliance Officer and / or Chief Financial Officer of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Date: 14.09.2020 By order of the Board  
Place: Mumbai For Rishi Techtex Limited

Registered Office:  
612 Veena Killedar Industrial Estate,  
10/14, Pais St Byculla (W), Mumbai-400011.  
Gauri Gangal  
Company Secretary

#### NOTES:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 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/EGM. 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's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
4. 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.
  5. The Members can join the EGM/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 EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
  6. 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
  7. In case of the Joint holders attending the 36th AGM, only such joint holder who is higher in the order of names will be entitled to vote.
  8. 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 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.
  9. 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.
  10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Adroit Corporate Services Private Limited in case the shares are held by them in physical form.
  11. 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.
  12. Statutory Registers and documents referred to, in the Notice and Explanatory statement are open for inspection by the Members at the Registered office of the Company on all days (excluding Saturdays and Sundays) between 11.00 a.m to 1.00 p.m upto the date of the 36th Annual General Meeting.
  13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.rishitechtext.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL.
  14. Members can avail nomination facility in terms of extant legal provisions in this regard. On request, the necessary Form SH-13 can be obtained from the R&T Agents.
  15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
  16. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto.
  17. The Register of Members and Share Transfer Books of the Company will remain closed from 30.10.2020 to 05.11.2020 (both days inclusive).
  18. At the Thirty Fourth AGM held on September 28, 2018 the Members approved appointment of M/s Attar & Associates, Chartered Accountants (Firm Registration No. 116443W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirty Eighth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Thirty Sixth AGM
  19. Particulars required for appointment/Re-appointment of Director pursuant to sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below:
 

Mr. Pranav Patel shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment. Mr. Pranav Patel, aged 51 years is a commerce graduate with over 28 years business experience. He has been acting as Director since September, 2002. He retires by rotation and is eligible for reappointment. He is presently the Managing Director of MPD Industries Pvt. Ltd. He is holding Directorship in one listed Company, Rishi Techtex Limited and holds 1767 shares in the Company.

Other information as prescribed in Regulation 36 of the Listing Regulations and as per Secretarial Standard - 2 in respect of appointment or reappointment and/or fixation of Remuneration of Directors, is given at Annexure -A to this notice.
  20. 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. Thursday, 29th October, 2020 may follow the same instructions as mentioned below for E-voting.
  21. Voting through electronic means (Remote E-Voting):
    - a. 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.
      - b. The voting period begins on Sunday, November 01, 2020 at 9.00 a.m. and ends on Wednesday, November 04, 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of October 29, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
      - c. 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.
      - d. 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 October 29, 2020.
      - e. 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.
      - f. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
      - g. Sudhanwa S Kalamkar & Associates. (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.
      - h. 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.
      - i. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company 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.
- j. The Procedure and Instructions for Remote e-voting are as under:
- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com), during the voting period.
  - Click on "Shareholder Module" tab.
  - Now, select the "RISHI TECHTEX LIMITED" from the drop down menu and click on "SUBMIT".
  - Now Enter your User ID.
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login.</li> <li>If the details are not recorded with the depository or company please enter member id/folio number in the Dividend Bank Details field as mentioned in the instruction (iv).</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 

Click on the EVSN for the relevant <Rishi Techtex Limited> on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Note for Non – Individual Shareholders and Custodians
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and send the scan copy of Board Resolution/POA to [askus@kalamkarassociates.com](mailto:askus@kalamkarassociates.com)
- Instructions for shareholders attending the AGM through VC/OAVM are as under:
  - Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
  - Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  - Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - 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.
  - 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

- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Instructions for shareholders for E-voting during the AGM are as under:-
  - The procedure for e-Voting on the AGM is same as the instructions mentioned above for Remote e-voting.
  - 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.
  - If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Date: 14.09.2020  
Place: Mumbai

By order of the Board  
For Rishi Techtex Limited

**Registered Office:**  
612 Veena Killedar  
Industrial Estate,  
10/14, Pais St Byculla (W),  
Mumbai-400011

**Gauri Gangal**  
Company Secretary

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No 3**

Mr. Abhishek Patel was appointed as Managing Director in the AGM held on 30th September, 2014 subject to the provisions of sections 196,197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013. The Board of Directors in their meeting held on 14.02.2020 decided to re-appoint him as Managing Director of the Company for the further period of three years w.e.f. 1st April 2020.

Mr. Abhishek Patel is 34 years of Age and is a Commerce Graduate from University of Mumbai and also holds a Bachelor's degree in Economics and Management from London School of Economics and Political Science. He has a decade of business experience. Being a young personality with experience, the Board felt that it is advisable to re-appoint him as Managing director of the Company who will manage the business efficiently and take it forward on a proper growth path.

Further it is proposed to pay remuneration and Perquisites not exceeding the maximum limits specified in Schedule V and on such other terms and conditions as set out in the Agreement entered into between the Company and Mr. Abhishek Patel. The Agreement contains interalia, the following terms and conditions:

A) Period	1st April, 2020 to 31st March 2023 (3 Financial years)
B) Remuneration	Consolidated remuneration not exceeding ₹ 10 Lacs per month, which may from time to time be increased by such amount as the Board or Committee thereof may determine taking into consideration the performance of the Company.  Provided that maximum consolidated remuneration payable anytime during the aforesaid tenure shall not exceed maximum amount of remuneration payable to the Managing Director as provided by the relevant provisions of the Cos Act 2013.

**Breakup of Monthly Remuneration- payable w.e.f. April 01, 2020**

Basic Salary per month	₹ 5.00 Lacs
House rent allowance up to 50% of salary. In case of rented accommodation, rent up to 50% of Salary will be paid to the Managerial Person.	₹ 2.50 Lacs
Other allowances including monetary value of following perquisites	₹ 2.50 Lacs
a. Premium for personal accident insurance policy	
b. Vehicle with Driver	
c. Club Membership Fees	

The Company shall reimburse to the Managing Director entertainment, traveling and all other expenses incurred by him for the business of the Company.

Any commission payable based on the net profit (as and when earned for any financial year during the currency of tenure) will be confined to such amount which shall not exceed maximum amount of remuneration payable provided by the relevant provisions of the Cos Act 2013.

Monetary Value of following payments shall not be included while computing perquisites while computing the above limit set on the total remuneration payable to the Appointee:

- Contribution towards PF, Superannuation fund or annuity to the extent these either singly or taken together are not taxable under the Income Tax Act.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and;
- Encashment of leave at the end of tenure.

In case of absence or inadequacy of profits in any financial year, the remuneration stated above subject to limits specified in Schedule V will be paid as Minimum Remuneration to the Managing Director.

**STATEMENT CONTAINING THE INFORMATION AS REQUIRED UNDER SECTION-II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013**

I. GENERAL INFORMATION:																									
1	Nature of industry Rishi Techtex Limited is mainly engaged in the manufacture of Woven Sacks and Shade Nets.																								
2	Date or expected date of commencement of commercial production Rishi Techtex Ltd formerly known as Rishi Packers Limited was incorporated on 07.02.1984.																								
3	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus Not Applicable																								
4	Financial performance based on given indicators  <table border="1"> <thead> <tr> <th colspan="3">₹ In Lakhs</th> </tr> <tr> <th>Particulars</th> <th>FY 2019 - 2020</th> <th>FY 2018 - 2019</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td>739.10</td> <td>739.10</td> </tr> <tr> <td>Other Equity</td> <td>1880.17</td> <td>1781.20</td> </tr> <tr> <td>Total Revenue from Operations</td> <td>7663.00</td> <td>8411.50</td> </tr> <tr> <td>Total Expenses</td> <td>7441.46</td> <td>8007.25</td> </tr> <tr> <td>Profit before Tax</td> <td>221.54</td> <td>404.25</td> </tr> <tr> <td>Profit after Tax</td> <td>99.66</td> <td>292.17</td> </tr> </tbody> </table>	₹ In Lakhs			Particulars	FY 2019 - 2020	FY 2018 - 2019	Share Capital	739.10	739.10	Other Equity	1880.17	1781.20	Total Revenue from Operations	7663.00	8411.50	Total Expenses	7441.46	8007.25	Profit before Tax	221.54	404.25	Profit after Tax	99.66	292.17
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Total Expenses	7441.46	8007.25																							
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Profit after Tax	99.66	292.17																							
5	Foreign investments or collaborators, if any Foreign investors, mainly comprising NRIs and Foreign Nationals are investors in the Company on account of past issuance/secondary market purchase.																								

**II. INFORMATION ABOUT THE APPOINTEE**

1	Background details Mr. Abhishek Patel was appointed as Managing Director in the AGM held on 30th September, 2014 subject to the provisions of sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013. His expertise and experience has been very valuable and has been a guiding force for the Company.
2	Recognition or awards NIL
3	Past Remuneration Mr. Abhishek Patel was paid ₹ 6.00 Lakhs as remuneration for the financial year ended 31st March, 2020. Detailed break-up of Remuneration is provided in Form No. MGT-9.
4	Job profile and his suitability Mr. Abhishek Patel devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company, subject to the superintendence, control and supervision of the Board.  Mr. Abhishek Patel has invaluable experience and expertise in the line of the business of the Company which is compatible with the organizational requirements and the Company would definitely benefit under his leadership and valuable guidance. He is also Member of Company's Audit Committee, Stakeholders' Relationship Committee and Finance Committee.
5	Remuneration proposed As mentioned above.

6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration paid to Mr. Abhishek Patel, Managing Director is purely based on merit.  Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration of managerial person in other Companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mr. Abhishek Patel before recommending the remuneration as proposed herein above.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Besides remuneration proposed, Mr. Abhishek Patel also holds 998659 equity shares in the Company. No Director or Key Managerial Personnel or their relatives other than Mr. Abhishek Patel is interested in the Resolution.

### III. OTHER INFORMATION

1	Reasons of loss or inadequate profits	The Company does not envisage any loss or inadequate profits. However changes in the taxation regime and challenging business environment may affect the profitability of the Company in future. The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as mentioned above.
2	Steps taken or proposed to be taken for improvement	The Company is always looking forward to take all such steps and measures including expansion, diversification, restructuring which are in the best interest of the company. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins.
3	Expected increase in productivity and profits measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present situation and changes in the economy and with regulatory reforms to predict profits in measurable terms.

### IV. DISCLOSURES

The Disclosures prescribed under Part IV of section II of Schedule V are mentioned in the Board of Director's report under the heading "Corporate Governance", attached to the financial statement.

Details as required pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standards-2 on General Meetings, as applicable are provided as an Annexure to the Notice.

Mr. Abhishek Patel satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for re-appointment.

He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

A copy of the Agreement entered into between the Company and Mr. Abhishek Patel is open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, Sunday and Public Holidays upto and including the date of the Annual General Meeting.

The Board recommends the resolution set out at Item No. 3 of the Notice before the Members for their approval by way of Special Resolution.

### ANNEXURE – 'A'

Details of directors seeking appointment or re-appointment and /or fixation of their Remuneration at the ensuing Annual General Meeting (Pursuant to SEBI (Listing Regulations and Secretarial Standard SS-2)

<b>Name of Director</b>	<b>Mr. Abhishek Patel</b>
Director Identification No.	05183410
Age of the Director	34 years
Date of first appointment on Board	01.11.2012
Expertise in Specific functional areas	Industrialist
Qualification	Commerce Graduate with Bachelor's degree in Economics and Management.
Terms and condition of appointment / re-appointment	As per Item No. 3 of the explanatory Statement to the Notice
Remuneration last drawn by such person, if applicable	₹. 6.00 lakhs p.a.
List of Outside directorship held excluding alternate directorship	1. Total Schweisstechnik Private Limited 2. Krishak Saaj Private Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Member of Audit Committee, Stakeholders Relationship Committee and Finance Committee
Chairman / Member of the Committees of the Board of Directors of other companies in which he/she is a director	Nil
No. of Equity shares held in the Company	998659
No. of Board Meetings attended during FY 2019-20	4
Relationship with other Directors, Manager and other Key Managerial Persons of the Company	Nil

Date: 14.09.2020

Place: Mumbai

**Registered Office:**

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

By order of the Board  
For Rishi Techtex Limited

Gauri Gangal  
Company Secretary



# Management Discussion & Analysis

## Economic Overview

Current estimates by the International Monetary Fund (IMF) indicate that the pandemic will lead to a global contraction worse than that experienced during the 2008-09 global financial crisis.

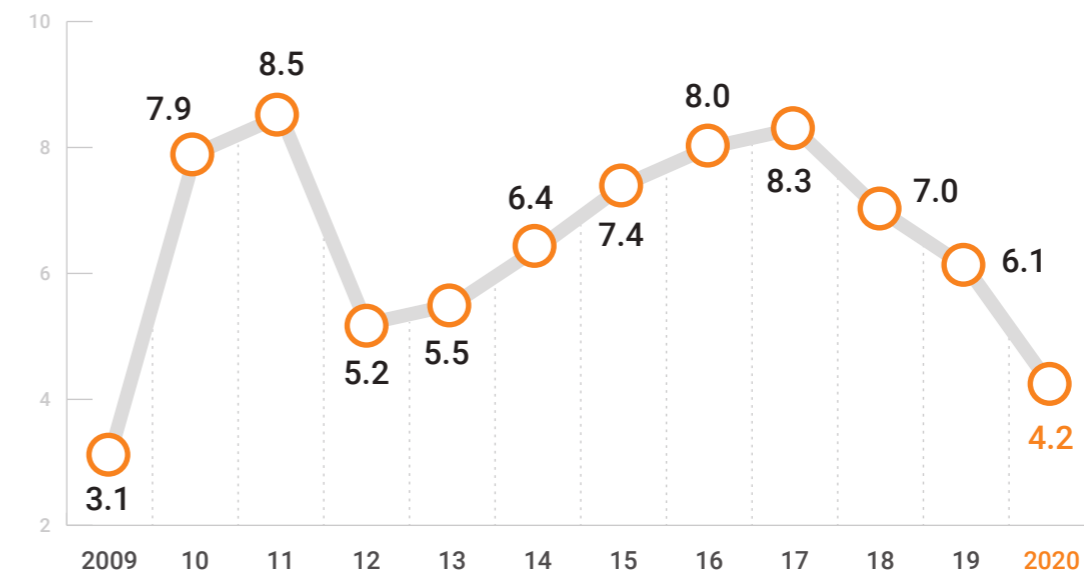
## Global snapshot

The global economy recorded its lowest growth of the decade in 2019. According to estimates by the United Nations, global GDP grew by a mere 2.3% during the year. The sluggish growth levels were attributed to protracted trade disputes and a slowdown in domestic investment. In its annual report, the global agency noted that the broad-based deceleration was "accompanied by a sharp slowdown in international trade flows and global manufacturing activity." It further added, "amid rising tariffs and rapid shifts in trade policies, business confidence has deteriorated, dampening investment growth across most regions."

Policymakers were hopeful of a recovery in 2020. However, the outbreak of COVID-19 threw a spanner in the works. Current estimates by the International Monetary Fund (IMF) indicate that the pandemic will lead to a global contraction worse than that experienced during the 2008-09 global financial crisis. As a matter of concern, the impact may be the worst since the Great Depression of 1929. The IMF has projected the global GDP to contract by (-)3.0% in 2020. A key phenomenon to be noted is that for the first time, sluggish markets and demand contraction is happening simultaneously in both Developed Markets (DM) and Emerging Markets (EM).

## India performance

Chart I: India Economic Performance (Real GDP Growth in %)



Even before the onset of the COVID-19 pandemic, the Indian economy was showing signs of slowing down. India's real GDP growth decelerated to an 11-year low of 4.2% in FY20 (refer Chart I: India Economic Performance). All economic parameters witnessed a historic slowdown during the year:

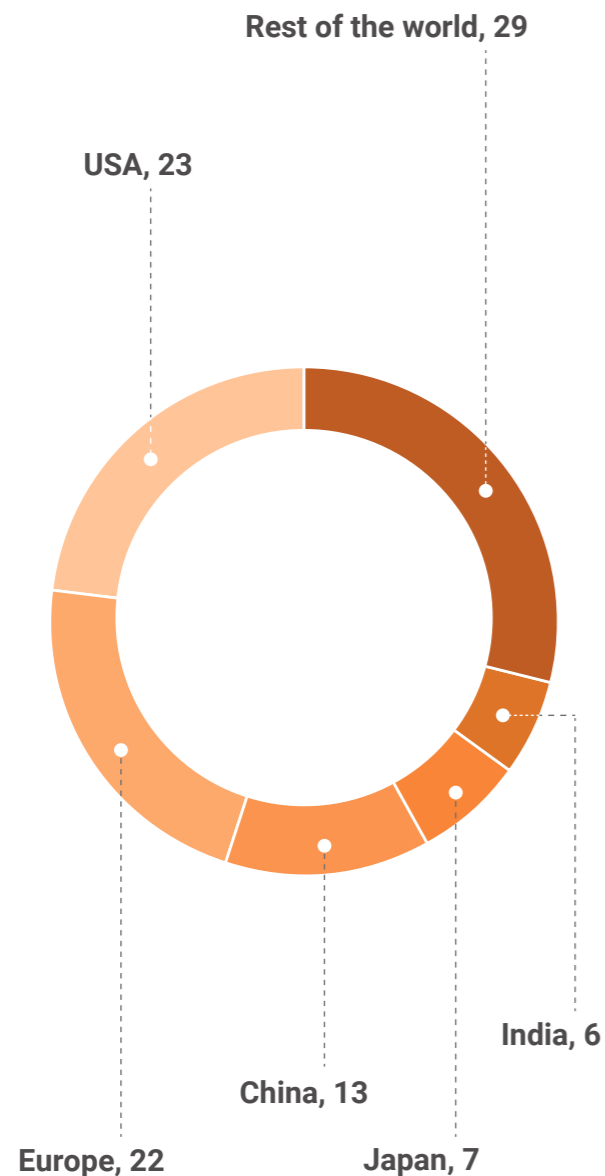
- Investment demand, as measured by gross fixed capital formation (GFCF), contracted by (-)2.8%.
- For the first time since FY16, both exports and imports contracted by (-)3.6% and (-)6.8%.
- Growth in private final consumption expenditure (PFCE) decelerated to an 11-year low of 5.3%.
- Nominal GDP growth fell to a 48-year low of 7.2%
- On the output side, a slowdown in five out of eight broad sectors led to GVA growth of only 3.9%.

**Several significant, cross-industry structural reforms have been introduced during the last few months.**

The IMF projected India's real GDP to contract by (-)4.5% in FY21. Anticipating a further slowdown of the economy following COVID-19 induced lockdowns, the Government of India embarked upon significant monetary and fiscal stimuli from March 2020. The Government also launched the ambitious *Atmanirbhar Bharat* package. Several significant, cross-industry structural reforms have been introduced during the last few months. Collectively, these measures are likely to have a far-reaching impact.

# Industry Structure and Developments

**Chart II:**  
**Countrywise Market share of Technical Textiles-2019** (in %)



The global technical textile market size was estimated at USD 176.6 billion in 2019 and is expected to reach USD 184.2 billion in 2020. It is forecast to grow at a compounded annual growth rate (CAGR) of 4.5% over the next seven years to reach USD 250.6 billion in 2027. Countries in the Asia Pacific region dominated the technical textile market with a share of ~45% in 2019 (refer to Chart II: Country-wise Market Share of Technical Textiles).

India's technical textiles industry is growing at an average rate of 12% annually – at nearly treble the global growth rate. The domestic market size of the technical textiles is expected to cross INR 2 lakh crores by FY21. Despite the immense potential, technical textiles account for only 12% of India's textile market. Further, our country's contribution to the world technical textiles market is dismal at 6%. Domestic penetration levels of technical textiles are also very low – at 5-10% as against 30-70% in advanced countries. In FY20, however, the sector witnessed a contraction as with the rest of the economy. Subdued demand in domestic and international markets was attributed to factors such as intensifying competition from other countries and a decline in export demand as a result of the COVID-19 outbreak. It would be pertinent to mention that the industry had begun its recovery from GST and demonetisation-related disruptions during the last year – after two years of upheaval. Consequently, most players across the sector closed another fiscal with muted sales growth and moderation in profitability and liquidity.

Taking cognizance of these factors and the potential of the technical textile applications, the Central Government announced a series of measures to promote the industry:



## Launch of the National Technical Textile Mission:

The National Technical Textile Mission (NTTM) was announced in the Union Budget 2020. The Mission aims to position India as a global leader in technical textile manufacturing and increase domestic consumption levels. Another target is to nullify the burden of the technical textiles segment on India's trade deficit over the next year. The Mission will have a four-year implementation period – from FY21 to FY24. NTTM comprises of four components including research, innovation and development; promotion and market development; export promotion; education, training and skill development.



## Quality assurance

The Bureau of Indian Standards (BIS) has developed standards for 348 technical textiles products. 207 technical textiles items have been brought under a separate head in the Harmonised System of Nomenclature (HSN) code under the Foreign Trade Policy.



## Mandatory use of technical textiles

Currently, 92 application areas have been identified for mandatory use across 10 Central Ministries/Departments. So far, compulsory use notifications have been issued for 68 applications.



# Operational Performance

**We have overcome the COVID-19 crisis with minimum disruption due to our focus on automation, cost rationalisation, and R&D led new product innovation. The revenue and profitability dip during the current year will get corrected in the coming times as we ready ourselves for a better tomorrow**

We recorded a decrease of (-)9% in total income during the year – INR 7,663 lakh in FY20 from INR 8,411.50 lakh in FY19 because our sales fulfilment abilities were hit drastically due to COVID-19. Our last quarter and year-end sales have always been the highest, hence it impacted us in a severe manner. The Profit Before Tax reduced by (-)45% at INR 221.54 lakh as against INR 404.25 lakh during the previous year as fixed costs remained same while we could not book any revenue in March 2020, which was forecast to be our highest-grossing month through the fiscal.

Consequently, the operating margins declined to 7.97% in the last year as against 9.86% in the earlier fiscal. The net income in FY20 was recorded at INR 99.66 lakh as against INR 292.17 lakh during FY19. This translated into margins of 2.91% in FY20 as against 4.81% in FY19. The comprehensive income for the period declined by (-)66% to INR 98.97 lakh from INR 291.25 lakh in FY19.

<sup>9</sup><https://www.moneycontrol.com/financials/rishitechtext/results/quarterly-results/RP16>

## A resilient performance

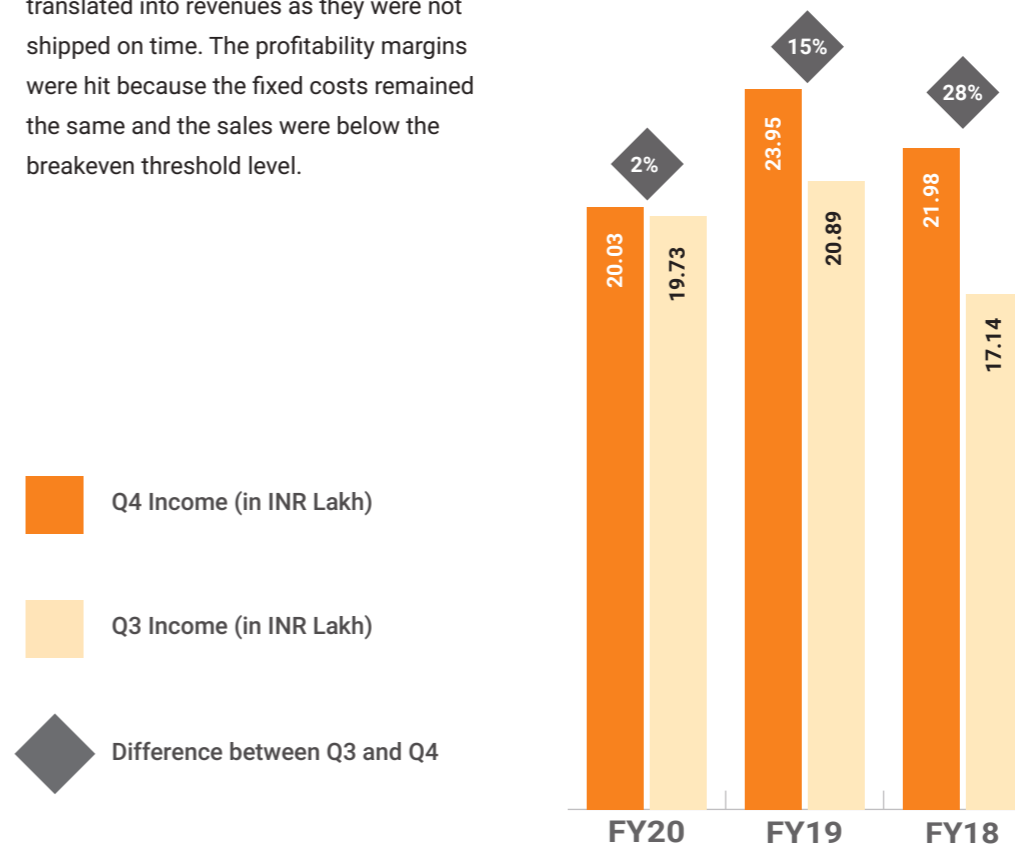
A combination of external factors such as the overall economic slowdown, aggressive price-cutting by competitors contributed to the decrease in our performance during the year. We set a course towards improved profitability during H2FY20 through the implementation of significant measures, including automation and strategic pricing strategies. Unfortunately, our efforts were held over due to the COVID-19 induced lockdown.

A large portion of Q4 revenues are realised in the last week of the quarter (refer Chart III: YoY Quarterwise Income from Operations). In Q4FY20, all business activities were suspended abruptly. For example, two ready-to-despatch containers of shade-nets were docked at our warehouse and could not be translated into revenues as they were not shipped on time. The profitability margins were hit because the fixed costs remained the same and the sales were below the breakeven threshold level.

We foresee contracted performance, especially in the domestic market to continue in FY21 till the lockdown is lifted nationwide. We are working on addressing the external risks - flattened domestic and export demand as well as logistics challenges due to COVID-19 related disruptions.

We survived the pandemic without any major disruptions and were able to protect all our employee jobs. Our (fixed) costs remained similar. We believe it is our way of investing in our people for the long-term and conducting ourselves with responsibility and empathy during this crisis.

**Chart III: YoY Quarterwise Income from Operations**





### A step back to race forward

During our 36-year history, we have witnessed wars, natural disasters and socio-economic turbulence. Timely and strategic decision-making with a long-term view has helped us to weather such extraordinary circumstances. For instance, over the last two years, we've implemented multiple measures on cost rationalisation, processes automation, and new market expansion strategies. We owe our resilience in the current situation to these very attributes. Our focus on profitable growth, long-term sustainability and good governance practices has helped us become a more agile, nimble, and future-ready organisation.

Our clients recognise us for our ability to manufacture world-class technical textiles and add a competitive advantage to their business. Our long-standing reputation in the industry is underpinned by the superior quality of our products, integration of advanced technology-driven efficiencies in our production and a culture of continuous innovation. Going forward, these factors will play a pivotal role in our progress and enable us to maximise sectoral opportunities.

### COVID-19 learnings – external risks are a reality while internal readiness is key

The pandemic has reiterated that as an organisation, we will never be able to predict or have control over external risks. However, as a counter-measure, we want to strengthen our internal manufacturing processes. We have overcome the COVID-19 crisis with minimum disruption due to our focus on automation, cost rationalisation, and R&D led new product innovation. The revenue and profitability dip during the current year will get corrected in the coming times as we ready ourselves for a better tomorrow.

The health and safety of our employees and the entire workforce is a key business priority. From measures like remote working for corporate office employees, social distancing and compulsory use of masks and gloves in our factory premises, regular screening and sanitisation of the work areas, we are together in our fight to defeat the virus. Initially, like everybody, we were taken aback; however, today, we are ready to get back to our full-fledged business operations in this new normal. As much as we are focussed on business health, we are taking care of the mental and physical health of our employees and people in our extended eco-system as well.

# Rewiring for growth

## Reassessing our strategy to foster resilience

During the year, multiple headwinds – ranging from non-conductive macro-economic factors like an overall contraction in demand, the outbreak of COVID-19 and aggressive price cutting strategies by competitors - affected the Company's performance. At the same time, favourable tailwinds – such as growing exports and institutional orders - helped us strengthen the foundation for future growth. In the current year, we have weathered the storm in a definite and resilient manner, the learnings will help us grow in the next few years in a healthy manner.

Few factors impacted the FY20 numbers. However, the company has made progress with counteractive measures to meet the challenges. We have taken steps to overcome and grow revenues and it will have a positive bearing on our performance in the time to come.

### Pricing disruptions and corrections

Aggressive pricing strategies including unhealthy price cutting practices by competing firms led to significant losses in the Packtech segment during H1FY20. By H2FY20, we devised strategies – based on automation and manufacturing efficiencies - to match the pricing margins. We were on track to recover our profitability levels. The COVID-19 induced lockdowns put a spanner in the works – impacting our recovery plans and overall performance adversely. The demand for Buildtech products also contracted during the year. The contraction

was more pronounced during the last quarter as a result of COVID-19 related disruptions.

To offer competitive price points in the future, we will continue to invest in our process automation. Further, we availed benefits under a Government-sponsored scheme for MSME manufacturers. Our working capital needs are at lowered interest rates. We received additional credit lines from banks for extended payment deadlines for customers in the Packtech business. Our export customers and domestic partners were prompt with their payments throughout the year.





**We aim to build contract manufacturing as a key growth initiative all over the world.**

### Human capital as an advantage in a competitive industry scenario

Since the past two years, we undertook an extensive organisational restructuring exercise to enhance our proficiency and effectiveness. The strategy helped in protecting our revenues and powered our growth in the Agritech business in FY20. The rejigged marketing team was our crucial advantage in a hyper-competitive industry scenario. They collaborated with customers to understand specific needs. On the production front, they led manufacturing teams to customise orders to match these requirements.

Going forward, we anticipate that investments in human capital will augment the Company's growth in a process-driven manner. While building our professional team, we are focussing on mechanisation for complete reduction of manual and low-value labour-oriented jobs.

### Embarking on contract manufacturing

During the year, the Company entered into a semi-partnership with a South African company for custom-made nets manufacturing --mainly used for general and decoration purposes. We used our production competencies to make products as per their brand specification viz. design, colour and pattern schemes. The exclusive partnership contributed to our export revenues significantly.

We see contract manufacturing to be a major focus area at Rishi Techtex where our efficient and mechanised plants produce world-class nets with localised requirements. We aim to build contract manufacturing as a key growth initiative all over the world. By handing over their production responsibilities to us, customers can focus their resources on marketing and sales. For the Company, the model will lead to revenue growth with certainty while optimising our manufacturing capabilities. Additionally, we avoid sales and marketing costs while generating significant demand in this manner.

## Advantage in adversity

### Our response to optimise opportunities in the COVID-19 era

COVID-19 has changed the way we live, work and play. To revive the economy from the adverse impact of the pandemic, the Government has introduced bold structural reforms. Beyond their short-term positive impact, these measures will catapult us closer to our honourable Prime Minister Shri Narendra Modiji's dream of taking the Indian economy to the USD 5 trillion goal.

Let us share the impact of these measures on our business and our response to the opportunities that they bring forth. We also detail the preparedness of our sales, operations and processes to function in the post-COVID-19 era.

### Recent Government agriculture driven policies will open up new opportunities for technical textiles

There are clear indicators that agriculture will play a crucial role in India's economic resurgence in the post-COVID-19 world. India is the second-largest producer of food grains in the world. However, there is a significant problem with pre & post-harvest methods of cultivation. The recently announced INR 1 lakh crore Agriculture Infrastructure Fund (AIF) will help in addressing these

challenges while also improving sectoral productivity. A scientific rigour to increase and protect yield by using global agri-best practices will help in generating demand for our sector.

The technical textiles industry stands to gain from AIF. In the cropping and harvest stages, anti-hail nets, shade nets, windbreakers, tree guards provide effective protection to crops against pests and weather conditions. In the post-harvest phase, our products can be used in agriculture warehouses, silos, and grading & packaging units. In addition to the AIF, measures under the NTTM will augur well for the Company.



# COVID-19 has changed the way we live, work and play.

## Customisation of Agritech products will be critical to India's food self-sufficiency

It is said that India's terrain changes every 100 kilometres. Understandably, the approach to agriculture varies in each landscape. As food security will be a significant focus in the post-COVID-19 era, agriculturists will need to ensure production optimisation to improve output. Agriculture nets customised for specific terrains, crops and regions, will be practical enablers towards this goal.

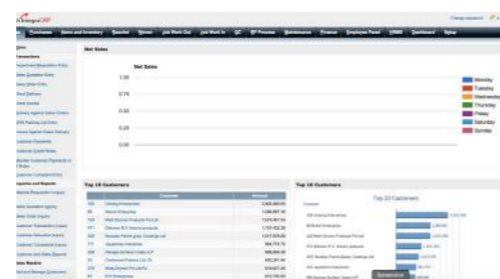
Domestic net manufacturers will meet the demand as the scale of imported nets does not allow for this level of customisation. The Government will support their efforts as a part of the vocal-for-local strategy. The focus on productivity augmentation combined with the Government's mandate for the use of technical textiles in the agriculture sector, will unfold new opportunities for Rishi Techtex. As a strategy, we will leverage our collaboration with universities to promote awareness about the science of Agritech-nets.

During the last year, Rishi Techtex has initiated discussions with leading agriculture universities across the state of Maharashtra for collaboration. These include Baramati Krishi Vigyan Kendra, Baramati, Shree Dhaneshwari Shaikshanik Sankul, Aurangabad, Naryagaon Krishi Vigyan Kendra, Narayangaon, and the Jalana Krishi Vigyan Kendra, Jalna.

## Digital transformation powers greater efficiencies and more streamlined operations

We completed the implementation of the enterprise resource planning (ERP) system. The system supports planning, procurement, production, sales, and payroll management. Since the implementation of the ERP, we have moved all these processes to the cloud. The Company's tech backbone can flex on demand and also allows us to operate from anywhere.

We witnessed the usefulness of the ERP system during the COVID-19 induced lockdown period. Our output efficiencies were minimally impacted even when our team members transited to work from home in their entirety. Real-time insights delivered through digitalisation are a critical driver of operational efficiency on the shop floor and helps in reducing defects.



A screenshot of our ERP system

# Designed for disruption

## Our readiness to succeed in an ever-changing world

The business landscape in India has witnessed several upheavals over the last two years. These range from financial (demonetisation) to regulatory (introduction of the Goods and Sales Tax (GST) to the outbreak of a pandemic. While most of these were beyond our control, their impact on our performance was evident.

The experience has demonstrated that business risks are omnipresent – they only change shape and form. Business resilience is demonstrated by our ability to function in every situation effectively and efficiently. Our strategy to counter business disruptions, which are steadily increasing in frequency is a key focus. By addressing risks proactively, it will reduce the impact on our business

## Deepening ties with our domestic customers by being responsive

Today, few of the best brands are our customers - for example, Asian Paints in our Packtech division to Jain irrigation in Agritech. We want to be more responsive to customer requirements and ensure that our products are competitive both in terms of price and quality. At the beginning of the year, we faced a situation of aggressive cost-

cutting by competition. However, we were able to grow back our relationship.

As an organisation, we are becoming proactive to customer needs. Today, we supply to few of the most respected brands. We endeavour to be their trusted partners and build long-term relationships. Through constant product innovation and cost optimisation with tech-driven smart and intelligent manufacturing, we will stay a step ahead of the competition.

## Increase exports and institutional sales

Today, our national reach spans 90% of the states. However, the demand for domestic customers contracted during the year. We anticipate the decline to continue until COVID-19 disruptions are stabilised. However, we are confident about the resiliency of our business model and offerings.

The Packtech division, for instance, is steadily returning to normalcy as the economy opens up. Internationally, we export our products to countries in the Middle East, Africa, Europe and Australia. During FY20, ~27% of our revenues were attributed to exports. Over the next few years, we will consciously work to increase this ratio because these markets are recovering faster than domestic markets. We will leverage our strengths of scale, product integrity, price points and turnaround time to counter challenges during these unprecedented times.

During FY20, domestic institutional sales were also a major focus area. For instance, we participated in a total of seven state tenders for the supply of Agritech nets during the year. We supplied 143,850 sq. m. of BIS Type-II 50% shade net towards a tender by the Government of Orissa in FY20. It would be pertinent to note that Rishi Techtex is listed as an optional vendor on nearly every bid listed by government agencies. We have been empanelled as a vendor for the supply of anti-hail nets in a bid by the Government of Himachal Pradesh. Our discussions with Bhabha Atomic Research Centre (BARC), India's premier nuclear research facility to supply agri-nets for their polyhouse project are progressing well. We will leverage our local partnerships to ensure that these orders are catered to promptly within the shortest possible turnaround time.

## R&D led Innovation to meet new-age challenges

Sustainability is an important focus area of our research & development efforts. During the year, we experimented with fog catcher nets to help resolve the water crisis in our country's hilly regions. While the technology is widely used in Chile, Peru, Ghana, Eritrea, South Africa and California, the concept is relatively new in India. For the innovation to be used effectively in our country, these nets must be customised to Indian terrains in a cost-effective manner. Our localised version of the fog catcher nets addresses these concerns. While the nets are still in the trial phase, we aim to complete the testing and roll them out commercially in the next few quarters. Besides the fog catcher nets, we developed fencing nets (Mono + Mono & Tape + Tape) and wind shield nets (100 GSM and 150 GSM) in the Protech segment.

Our high-performance fibres demonstrate maximum performance in the most adverse conditions. These products are used in places where there is a large congregation of people. We export fire-resistant nets to England and Ireland. During the last fiscal, we further innovated with our range of fire-resistant nets. We made heavy (420 GSM) fire-resistant fabric. It can be used for tents.

We foresee a huge opportunity in the Packtech segment as the Government moves towards compulsory use of technical textiles for anti-counterfeiting measures and brand-oriented marketing. Another opportunity would be in the Protech segment once the authorities mandate the use of anti-hail nets to protect crops.

# The fully automated bagging machine plant is currently running at full capacity.

## Greater automation to reduce contract labour and integrate efficiencies

The fully automated bagging machine plant was installed to shorten production timelines, decrease manual intervention and increase output quality and quantities. The plant is currently running at full capacity and producing the desired results. We aim to automate our bagging division fully. To achieve total mechanisation, we plan to install two more machines. This strategy will reduce our dependency on contract labour, increase production efficiency and help in further reducing our per-unit manufacturing costs.

The automatic taping machine is another useful addition. It is contributing to the efficacy of stored goods, zero pilferage loss and superior standards of visual branding for our consumers. While we have plans for greater automation during the current fiscal, our efforts could be delayed as a result of COVID-19-related disruptions.

## Aatmanirbhar Bharat – made in India, made for the world

The current mood of the nation, driven by the ruling polity towards self-dependency, will have both an immediate and long-term positive effect for domestic players like us. Today, while our nets are superior and last almost double as compared to cheap imports, new customers often get lured by short-term price gains. With various Government measures, local manufacturing will get increased preference, and cheap exports, especially, from unfriendly countries, will reduce.

In parallel, India is being looked upon as a manufacturing hub to the world due to a reset in geopolitical priorities, especially, the USA-China trade stand-off and COVID-19 related sanctions. Our exports will get a push, and in due time we will see interest from global technical textiles players for tie-ups with local players. With our manufacturing facility moving towards 100% automation, we are ready on both the fronts, ramping up our production volume and competing with the best in our finished goods pricing strategy.

## Opportunities & threats

Last year, the Government mandated the use of technical textiles in various applications. 92 areas have been identified for mandatory use across 10 Central Ministries/Departments. So far, compulsory use notifications have been issued for 68 applications. To further enhance the technical textile industry prospects, the Government launched the National Technical Textiles Mission (NTTM) in the Union Budget 2020. Through NTTM, the Government aims to position India as a global leader in technical textile manufacturing, increase domestic consumption levels and nullify the burden of the technical textiles segment on India's trade deficit over the next year.

At Rishi Techtex, we aim to optimise the opportunities offered by the increasing focus on the technical textile segment by:

- Retain our focus on building a customer-centric and process efficient business model
- Making strategic outlay in technology to align our competencies with the macro-economic trends
- Innovating high-margin products to suit the demands of the various Government-mandated end-user industries

## Risks and concerns

Geopolitical and environmental risks arising out of external events such as conflicts, terrorism, natural calamities, pandemic outbreaks and human-made disasters are key risks that may hinder the organisation's growth. Additional risks, including policy measures at national and international levels, can lead to an upheaval in currency rates. These can have an impact on the Company's

performance. Further, the Company is susceptible to industry risks such as raw material supply, oil price fluctuations and finance costs due to interest rate changes.

## Internal control systems and their adequacy

The Company has adequate systems of internal control and procedures covering all financial and operating functions commensurate with the size and nature of operations. The Internal Auditor appointed by the Company, conducts an internal audit, monitors, and evaluates the efficacy and adequacy of the internal control system, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the internal auditor, members of the management undertake corrective actions in their respective areas and strengthen the controls.

## Cautionary statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, amongst others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and incidental factors.

# Customers+ Certificates





# Board of Directors

## Abhishek Patel | Managing Director since 2012 (DIN : 05183410)

- Responsible for strategic growth and R&D-led initiatives
- Drives the R&D, sales & marketing and operations of the company
- Brings rich exposure of global best practices in transforming the company to a value-added, innovation-driven, premium technical textile player
- Studied Economics and Management at the London School of Economics and Political Science

## Pranav Jayantilal Patel | Director since 2001 (DIN : 00171387)

- Over 28 years of varied business experience
- Serves as Managing Director of MPD Industries Private Limited
- Holds a Bachelor's degree in Commerce

## Arvind Nopany | Director since 2002 - Resigned w.e.f. 25.09.2019 (DIN : 00148521)

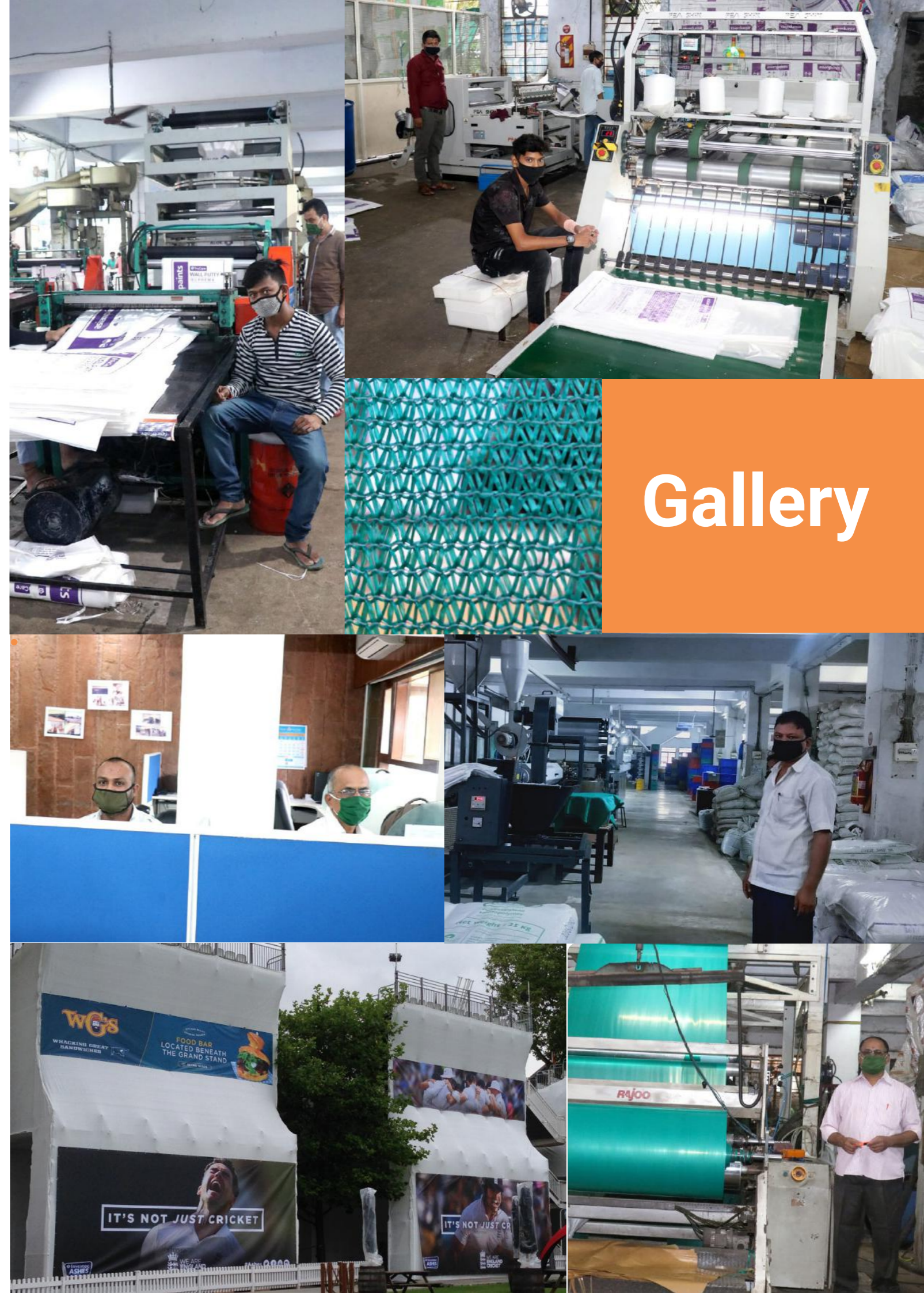
- Leading industrialist with over 24 years of experience
- Currently serves as the Managing Director of Rishi FIBC Solutions Private Limited and also is on the Board of Garrison Polysacks Pvt. Ltd.
- Graduate in Business Administration from Armstrong University, California

## Sheela Ayyar | Director since 2015 (DIN : 06656579)

- Reputed management professional with experience in business strategy
- Currently handles strategic affairs for Tejas Engineering and Management
- Holds a Bachelor's degree in Commerce

## Kunal Rastogi | Director w.e.f. 09.08.2019 (DIN : 01570584)

- Holds a Bachelors Degree in Commerce.
- Currently handles the business of Chemport India LLP
- More than seven years of experience working with MNC's





# Reports & Financials

## Director's Report

To,  
The Members,  
Rishi Techtex Limited

Your Directors have pleasure in presenting their 36th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

### FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Total Income	7,663.00	8,411.50
Profit before Tax	221.54	404.27
Provision for Tax	121.88	112.08
Profit after Tax	99.66	292.18
Total Comprehensive Income for the period	98.97	291.25

#### DIVIDEND:

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

#### RESERVES:

As on March 31, 2020 the reserves and surplus has increased to ₹ 1880.17 lakhs as compared to ₹ 1781.20 lakhs during the last year.

#### COMPANY'S WORKING DURING THE YEAR:

The company earned total income of ₹ 7663.00 lakhs as compared to ₹ 8411.50 lakhs earned in the previous year showing decrease of 8.90%. The operations during the year have resulted in a profit of ₹ 99.66 lakhs as compared to ₹ 292.18 lakhs in previous year.

#### 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:

In March, the Government of India imposed complete lockdown due to the outbreak of COVID-19 pandemic across the country and ordered temporarily shutdown of all non-essential business resulting in temporarily suspension of operations across various locations. This resulted an impact on the Company's business during the second half of the month of March, 2020

The novel coronavirus outbreak in the last quarter of fiscal year 2020 has significantly affected the industry across the globe. We at Rishi Techtex Limited, have been working on a safety first principle, ensuring that our employees are safe, minimizing disruption of services for all our customers globally and taking all necessary precautions to

control the spread of Coronavirus. In view of the lockdown in many of the States/Union Territories across India, operations in many of the Company's locations (manufacturing, warehouses, offices, etc.) had to be scaled down or shut down from the second half of March 2020 and are being operated as per the local guidelines complying with the required social distancing and high hygiene standards. While this has adversely impacted the sales performance in various geographies, we continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations.

In the view of the management, there are no other material changes or commitments which may affect the financial position of the 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 April, 2020.

Total Bank Loan Facilities Rated	₹ 21 Crore
Long-Term Rating	CRISIL BBB-/Stable (Outlook revised from 'Positive' and Rating Reaffirmed).
Short-Term Rating	CRISIL A3 (Reaffirmed)

#### 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 Company has ongoing litigation with Enforcement Directorate. The Company would like to state that, between the years 2003 to 2008, the Company supplied Poly



Propylene (PP) laminated bags to Malabar Cement at their plant at Walayar and Cherthala in Kerala State. It is alleged that the Company has entered into a criminal conspiracy with agents to defraud Malabar Cements Ltd. by overcharging for the supply of bags. The Company at the outset denies all the allegations.

The Company has received on 12th November 2018; a provisional attachment order no. 02/2018/KZSZO (IN ECIR/KZSZO/4/2015) dated 09th November 2018 from the Directorate of Enforcement, Cochin, attaching the immovable property of the Company situated at Daman with a gross liability of ₹ 66,88,822/- in the hands of the Company. The Company has furnished to the Directorate of Enforcement a Bank Guarantee worth ₹ 20,32,797/-. The Company has filled as appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and, the authority has directed that both the parties shall 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 2019-2020; 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 Auditors or by the Practicing Company Secretary in their respective Reports. The observations made by the 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 : 30.00Lakhs
- 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

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.

Your Company has obtained a declaration from the Statutory Auditors that they meet with the requisite criteria as provided under the provisions of the Companies Act, 2013 read with applicable Rules and Advisories, to continue as the Statutory Auditors of the Company for the financial year 2020-2021.

#### **AUDIT REPORT:**

As per the provisions of the Companies Act, 2013, the Auditors Report on Financial

Statements for the year ended 31st March 2020 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, 2020 was ₹ 739.10 Lakhs. There was no change in the Share Capital of the Company during the financial year under report.

As on March 31, 2020, following two directors are holding shares of the Company:

Mr. Abhishek Patel

Mr. Pranav Patel

#### **EXTRACT OF THE ANNUAL RETURN:**

The extract of the Annual Return pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Form MGT-9 as **Annexure 'A'** to the Report.

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

The information required to be disclosed is set out in **Annexure 'B'**

#### **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 Obligation 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 has been received by the Company from all the Directors.

##### **Change in Directors:**

- I. Mr. Pranav Patel retires by rotation in this Annual General Meeting and offers himself for reappointment.

- II. The approval of members of the Company is sought in ensuing AGM to approve 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, 2020 till 31st March, 2023, at a minimum consolidated remuneration (including perquisites except those mentioned in Section IV of Part II of Schedule V) not exceeding ₹ 10 Lakhs 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;
- III. Mr. Arvind Nopany, who was a Non-Executive- Independent Director on the Board opted not to be re-appointed for second term on the Board with effect from 25.09.2019.
- IV. Mr. Kunal Rastogi, who is a Non-Executive- Independent Director on the Board was appointed on 09.08.2019 as an Additional-Independent Director on the Board and he has been regularised in the Annual General Meeting held on 25.09.2019 and appointed as Independent Director on the Board.

#### **Details of the meetings of the Board of Directors:**

During the year, in all four Board Meetings were held i.e. on 28th May, 2019, 9th August, 2019, 12th November, 2019, and 14th February, 2020. The time gap between any two meetings was not more than 120 days. The attendance of the Directors are detailed in the Corporate Governance Report.

#### **Declaration by an 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.

#### **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](http://www.rishitechtext.com)

All Board members and senior management personnel have affirmed compliance with the code for the year ended on March 31, 2020. Declaration to this effect signed by the Managing Director of the Company for the year ended on March 31, 2020 has been included elsewhere in this report.

#### Familiarization Programme for Independent Directors:

Every Independent Director is issued a Letter of Appointment setting out terms and conditions, duties and responsibilities of Director. They are also updated with the developments in the business of the Company at each Board Meeting. Independent Directors can

meet and discuss with senior management of the Company and get access to any information relating to the Company. During the Financial Year ended 31st March, 2020 the Company Conducted a Familiarisation Programme for Independent Directors which was attended by all the Independent Directors of the Company.

#### KEY MANAGERIAL PERSONNELS (KMP):

As on March, 31, 2020, 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 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 Chairman of the Committee with the other members being Mr. Abhishek Patel and Mr. Kunal Rastogi.

Mr. Arvind Nopany Ceased to be a member of the Audit Committee consequent to the completion of his term as Independent Director w.e.f. 25.09.2019 and Mr. Kunal Rastogi, Independent Director, was appointed as a member of the Audit Committee w.e.f. 25.09.2019.

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, Mrs. Sheela Ayyar, Mr. Pranav Patel and Mr. Kunal Rastogi. Mr. Kunal Rastogi is chairman of the Committee.

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](http://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:

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 Mr. Pranav Patel. Mr. Kunal Rastogi is the chairman of the Committee.

Mr. Arvind Nopany Ceased to be a member of the Committee consequent to the completion of his term as Independent Director w.e.f. 25.09.2019 and Mr. Kunal Rastogi, Independent Director, was appointed as a member and Chairman of the Committee w.e.f. 25.09.2019.

The details pertaining to the composition of the Shareholders/Investors Grievance Committee, terms of reference, number of meetings of the committee 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, Mr. Pranav Patel, and Mr. Kunal Rastogi for looking after the matters pertaining to expansion and finance of the Company.

During the year, two meetings of the Finance Committee were held i.e. 13th October, 2019 and 28th February, 2020.

#### Independent Directors' Meeting:

During the year under review, the Independent Directors met on 4th October, 2019 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 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.

#### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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 2019-2020 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:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Pursuant to section 134 read with rule of the Companies (Accounts) Rules 2014, there are no transactions to be reported under section 188(1) of the Companies Act, 2013. The related party policy as approved by the Board is available on the website of the Company.

The disclosure in Form AOC-2 as per the provisions of Section 188 of the Companies Act, 2013 and rules made there under is not required since there are no material contracts or arrangements entered into by the Company as per the Policy of Materiality framed forming part of Related Party Transaction policy of the Company.

Related Party Transactions as required under Accounting Standards are reported under the notes to the financial statements.

The policy for determining material subsidiary and policy for dealing with related party transaction is available on the website of the Company at [www.rishitechtext.com](http://www.rishitechtext.com)

#### PARTICULARS OF EMPLOYEES:

During the year, there was no employee in receipt of remuneration prescribed in the Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 'C'**.

#### 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 Sudhanwa S. Kalamkar & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure 'D'**.

#### 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 2019-20 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.

#### 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.

#### 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—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- 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.
- 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.

By Order of the Board

**Abhishek Patel**  
Managing Director  
DIN: 05183410

**Sheela Ayyar**  
Director  
DIN:06656579

Place: Mumbai  
Date: 21.07.2020

#### Annexure A

#### Form No. MGT 9

#### Extract of Annual Return

As on financial year ended on 31.03.2020

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

I. Registration and other Details:			
i.	CIN	L28129MH1984PLC032008	
ii.	Registration Date	07/02/1984	
iii.	Name of the Company	RISHI TECHTEX LIMITED	
iv.	Category/Subcategory of the Company	Public Limited Company	
v.	Address of the Registered Office and contact details	612, VeenaKilledar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai – 400 011.	
vi.	Whether listed company	Listed	
vii.	Name, Address and contact details of the Registrar and Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd., 17/20, Jaferboy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059. Ph. No. 42270400.	
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the business activities contributing 10% or more of the total turnover of the Company shall be stated			
Sr. No.	Name & Description of the main products / services	NIC Code of the product / service	% of the total turnover of the Company
1	Manufacturing of Plastic Woven, Sacks and Shed Nets	13999	100%
III. Particulars of holding, subsidiary and associate companies:			
N.A. – The Company do not have any subsidiary or associate company.			

Note : Data given in MGT 9 is as provided by our Registrar and Transfer Agent.



#### IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as Percentage of Total Equity)

Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	273737	0	273737	3.70	273737	0	273737	3.70	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Directors	962659	0	962659	13.02	998659	0	998659	13.51	0.49
g) Directors Relatives	1091859	0	1091859	14.77	1091859	0	1091859	14.77	0.00
<b>Sub Total : A(1)</b>	<b>2328255</b>	<b>0</b>	<b>2328255</b>	<b>31.50</b>	<b>2364255</b>	<b>0</b>	<b>2364255</b>	<b>31.99</b>	<b>0.49</b>
<b>(2) Foreign</b>									
a) NRI – Individuals	163232	0	163232	2.21	163232	0	163232	2.21	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : A(2)</b>	<b>163232</b>	<b>0</b>	<b>163232</b>	<b>2.21</b>	<b>163232</b>	<b>0</b>	<b>163232</b>	<b>2.21</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)=(A)(1) + (A)(2)</b>	<b>2491487</b>	<b>0</b>	<b>2491487</b>	<b>33.71</b>	<b>2527487</b>	<b>0</b>	<b>2527487</b>	<b>34.20</b>	<b>0.49</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)									
<b>Sub Total : B(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporates</b>									
ai) Indian	602488	1079	603567	8.17	547009	1079	548088	7.42	-0.75
aii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
bi) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	1387914	270917	1658831	22.44	1382586	265069	1647655	22.29	-0.15

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
bii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	2405047	0	2405047	32.54	2394851	0	2394851	32.40	-0.14
c) Any Other (Specify)									
c-1) Non Resident Indians (Individuals)	187810	41716	229526	3.11	231773	37705	269478	3.65	0.54
c-2) Directors	1767	0	1767	0.02	1767	0	1767	0.02	0.00
c-3) Clearing Member	775	0	775	0.01	1674	0	1674	0.02	0.01
<b>Sub Total : B(2)</b>	<b>4585801</b>	<b>313712</b>	<b>4899513</b>	<b>66.29</b>	<b>4559660</b>	<b>303853</b>	<b>4863513</b>	<b>65.80</b>	<b>-0.49</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>4585801</b>	<b>313712</b>	<b>4899513</b>	<b>66.29</b>	<b>4559660</b>	<b>303853</b>	<b>4863513</b>	<b>65.80</b>	<b>-0.49</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
a) Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
b) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Shares held by Custodian for GDRs &amp; ADRs (C)=(C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B + C)</b>	<b>7077288</b>	<b>313712</b>	<b>7391000</b>	<b>100.00</b>	<b>7087147</b>	<b>303853</b>	<b>7391000</b>	<b>100.00</b>	<b>0.00</b>

#### Shareholding of Promoters

Sl No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SMITA HARSHAD PATEL	635998	8.61	0.00	635998	8.61	0.00	0.00
2	RISHI LASER LTD	273737	3.70	0.00	273737	3.70	0.00	0.00
3	AAKANKSHA H PATEL	400861	5.42	0.00	400861	5.42	0.00	0.00
4	REKHA PATEL	55000	0.74	0.00	55000	0.74	0.00	0.00
5	KIRAN PATEL	163232	2.21	0.00	163232	2.21	0.00	0.00
6	ABHISHEK HARSHAD PATEL	962659	13.02	0.00	998659	13.51	0.00	0.49
	<b>TOTAL</b>	<b>2491487</b>	<b>33.71</b>	<b>0.00</b>	<b>2527487</b>	<b>34.20</b>	<b>0.00</b>	<b>0.49</b>



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

Sl. No.		Name of Promoters	As on Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	RISHI LASER LTD	31.03.2019	273737	3.70	273737	3.70
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	273737	3.70
2	At the beginning of the year	ABHISHEK HARSHAD PATEL	31.03.2019	962659	13.02	962659	13.02
	Date wise Increase / Decrease in Promoters Shareholding during the year		28.06.2019	29000	0.39	991659	13.42
			23.08.2019	7000	0.09	998659	13.51
	At the End of the year		31.03.2020	0	0.00	998659	13.51
3	At the beginning of the year	AAKANKSHA H PATEL	31.03.2019	400861	5.42	400861	5.42
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	400861	5.42
4	At the beginning of the year	KIRAN PATEL	31.03.2019	163232	2.21	163232	2.21
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	163232	2.21
5	At the beginning of the year	REKHA PATEL	31.03.2019	55000	0.74	55000	0.74
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	55000	0.74
6	At the beginning of the year	SMITA H PATEL	31.03.2019	635998	8.61	635998	8.61
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	635998	8.61

**Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	CENTENNIAL FINANCE LTD	31.03.2019	509964	6.90	509964	6.90
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	509964	6.90
2	At the beginning of the year	ARVIND BABURAO JOSHI	31.03.2019	439750	5.95	439750	5.95
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	439750	5.95
3	At the beginning of the year	NIKHIL JAISINH MERCHANT	31.03.2019	330000	4.46	330000	4.46
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	330000	4.46
4	At the beginning of the year	SUNIL KOTHARI	31.03.2019	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year		26.04.2019	250000	3.38	250000	3.38
	At the End of the year		31.03.2020	0	0.00	250000	3.38
5	At the beginning of the year	HETAL SUNIL KOTHARI	31.03.2019	250000	3.38	250000	3.38
	Date wise Increase / Decrease in Shareholding during the year		26.04.2019	-250000	3.38	0	0.00
	At the End of the year		31.03.2020	0	0.00	0	0.00
6	At the beginning of the year	R VENKATA SUBRAMANIAN	31-03-2019	246155	3.33	246155	3.33
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	246155	3.33
7	At the beginning of the year	RAJALAKSHMI R	31.03.2019	175000	2.37	175000	2.37
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	175000	2.37
8	At the beginning of the year	DHEERAJ KUMAR LOHIA	31.03.2019	109618	1.48	109618	1.48
	Date wise Increase / Decrease in Shareholding during the year		14.06.2019	9732	0.13	119350	1.61
			27.09.2019	4533	0.06	123883	1.68
			29.11.2019	6254	0.08	130137	1.76
			06.03.2020	100	0.00	130237	1.76
	At the End of the year		31.03.2020	0	0.00	130237	1.76
9	At the beginning of the year	SAVITRI RAM KARNANI	31.03.2019	83600	1.13	83600	1.13
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	83600	1.13
10	At the beginning of the year	SIDDHARTH OBEROI	31.03.2019	75000	1.01	75000	1.01
	Date wise Increase / Decrease in Shareholding during the year		08.11.2019	-2	0.00	74998	1.01
			15.11.2019	-998	0.01	74000	1.00
			22.11.2019	-6980	0.09	67020	0.91

Sl. No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			29.11.2019	-1784	0.02	65236	0.88
			13.12.2019	-2169	0.03	63067	0.85
			20.12.2019	-10217	0.14	52850	0.72
			27.12.2019	-3700	0.05	49150	0.66
			31.12.2019	-150	0.00	49000	0.66
			03.01.2020	-4000	0.05	45000	0.61
			10.01.2020	-4352	0.06	40648	0.55
	At the End of the year		31.03.2020	0	0.00	40648	0.55
11	At the beginning of the year	JAYESH SHETH	31.03.2019	60366	0.82	60366	0.82
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	60366	0.82
12	At the beginning of the year	SUNDEEP FERNANDES	31.03.2019	42095	0.57	42095	0.57
	Date wise Increase / Decrease in Shareholding during the year		14.06.2019	5000	0.07	47095	0.64
			05.07.2019	3000	0.04	50095	0.68
	At the End of the year		31.03.2020	0	0.00	50095	0.68

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

Sl. No.		Name of Shareholder's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	PRANAV J PATEL	31.03.2019	1767	0.02	1767	0.02
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31.03.2020	0	0.00	1767	0.02

#### V. INDEBTEDNESS

(Amount in ₹ Lakhs)

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
<b>Indebtedness at the beginning of the financial year</b>					
i.	Principal Amount	1798.62	13.30	45.00	1856.92
ii.	Interest due but not paid				
iii.	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>	<b>1798.62</b>	<b>13.30</b>	<b>45.00</b>	<b>1856.92</b>
<b>Change in Indebtedness during the financial year</b>					
	Additions	163.25	125.3	0.00	288.55
	Reduction	-91.21	-13.30	0.00	-104.51
	Net change	72.04	112.00	0.00	184.04
<b>Indebtedness at the end of the financial year</b>					
i.	Principal Amount	1870.66	125.30	45.00	2040.96
ii.	Interest due but not paid				
iii.	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>	<b>1870.66</b>	<b>125.30</b>	<b>45.00</b>	<b>2040.96</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

##### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Abhishek Patel – Managing Director
1.	Gross salary	
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	53.73
b)	Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.00
c)	Profit in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00
2.	Stock Option	0.00
3.	Sweat Equity	0.00
4.	Commission as % of profit	0.00
	Others (specify) – HRA	18.27
5.	Provident Fund	5.04
	<b>Total (A)</b>	<b>77.04</b>
	Ceiling as per the Act	Remuneration is within the limits prescribed under the Companies Act, 2013

##### B. Remuneration to Other Directors:

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Pranav Patel	Mr. Arvind Nopany	Ms. Sheela Ayyar	Mr. Kunal Rastogi	Total Amount
1.	Independent Directors					
a)	Fee for attending board committee meetings	0	0.05	0.20	0.10	0.35
b)	Commission	0	0	0	0	0
c)	Others, please specify	0	0	0	0	0
	<b>Total (1)</b>					
	Other Non-Executive Directors					
a)	Fee for attending board committee meetings	0.07	0	0	0	0.07
b)	Commission	0	0	0	0	0
c)	Others, please specify	0	0	0	0	0
	<b>Total (2)</b>	<b>0.07</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.07</b>
	<b>Total (B) = (1+2)</b>	<b>0.07</b>	<b>0.05</b>	<b>0.20</b>	<b>0.10</b>	<b>0.42</b>
	<b>Total Managerial Remuneration</b>	<b>0.07</b>	<b>0.05</b>	<b>0.20</b>	<b>0.10</b>	<b>0.42</b>
	Ceiling as per the Act		Remuneration is within the limits prescribed under the Companies Act, 2013			

(Mr. Arvind Nopany ceased to be an Independent Director w.e.f 25.09.2019 and Mr. Kunal Rastogi appointed as an Independent Director w.e.f 25.09.2019)

**C. Remuneration to Key Managerial Personnel other than MD/ WTD/ Manager:**

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Gauri Gangal Company Secretary	Jagdish Dokwal CFO	Total
1.	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	382248	1750272	2132520
b)	Value of perquisites under section 17(2) of the Income Tax Act, 1961	0	0	0
c)	Profit in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	-as % of profit	0	0	0
	-Others (specify) – Gratuity	0	0	0
5.	Provident Fund	20399	129220	149619
6.	Bonus	14160	89700	103860
7.	NPS	0	107683	107683
8.	LTA	0	25000	25000
	<b>Total</b>	<b>42736</b>	<b>403399</b>	<b>446135</b>
	<b>Total</b>	<b>424984</b>	<b>2153671</b>	<b>2578655</b>

**VII. PENALTIES / PUNISHMENT /COMPOUNDING OF OFFENCES, ETC.**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment					
Compounding					

**Annexure B**

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 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 ₹ 1445.32 lakhs. Expenditure in foreign currency on account of Travelling is ₹ 2.88 lakhs and on account of spares and components is ₹ 8.07 Lakhs. There was import of Capital Goods which was ₹ 33.26 lakhs.



### Annexure C

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

Name	Designation	Ratio
Mr. Abhishek Patel	Managing Director	32.20:1

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:  
The increase in remuneration of Chief Financial Officer is 30.91% and Company Secretary 21.42%.
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 12.63 Percentage.
4. The Number of permanent Employees on the rolls of the Company:  
The numbers of on-rolls permanent employees are 197(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 9.97%.
6. Affirmation that the remuneration is as per the remuneration policy of the Company:  
Yes

### Annexure D

#### Secretarial Audit Report – MR 3

FORM No. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

(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 my 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, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit Period') 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 2020, 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 Bye-laws 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;
  - 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 an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable 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 into by the Company with BSE Limited.

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

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 duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.  
(b) adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. 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	For Sudhanwa S Kalamkar & Associates, Company Secretaries
Date: 20-07-2020	
	Sudhanwa S Kalamkar
	ACS: 18795 CoP: 7692
	UDIN issued by the ICSI: A018795B000479563

**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 19-20'

To,  
The Members,  
Rishi Techtex Limited, Mumbai

Our report of even date is to be read along with this letter.

- 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.
- We 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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: 20-07-2020

For **Sudhanwa S Kalamkar & Associates,**  
Company Secretaries

**Sudhanwa S Kalamkar**  
ACS: 18795 CoP: 7692  
UDIN issued by the ICSI: A018795B000479563

## 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 the Board members and Senior Management personnel have confirmed compliance with the Code of Conduct applicable to them during the year ended on March 31, 2020.

By Order of the Board

**Abhishek Patel**  
Managing Director

Place: Mumbai  
Date: 21.07.2020

## Corporate Governance Report

### STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF 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.

### BOARD OF DIRECTORS (as on 31.03.2020):

As on the date of Balance sheet; the Board of Directors of the Company consisted of Four Directors.

Out of the Four Directors, One is Promoter Director, two are independent Directors within the meaning of the Companies Act, 2013 and one is Non-Executive- Non Independent Director. 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.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other. As on the date of Balance sheet; there is no Nominee Director on the Board of the Company.

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 fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

During the year, in all Four Board Meetings were held i.e. on 28th May 2019, 9th August 2019, 12th November 2019 and 14th February 2020. The time gap between any two meetings was not more than 120 days. 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, 2020 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 2020	Whether attended last AGM held on 25th September, 2019	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	3	No	-	2	-	-	-
Mrs. Sheela Ayyar	Non-Executive/ Independent Director	4	yes	-	1	-	1	Rishi Laser Limited
Mr. Arvind Nopany	Non-Executive/ Independent Director	1	No	-	2	-	-	-
Mr. Kunal Rastogi	Non-Executive/ Independent Director	2	Yes	-	-	-	-	-

- Mr. Arvind Nopany Ceased to be Director w.e.f. September 25, 2019 upon completion of his term as Independent Director.
- Mrs. Seela Ayyar Re-appointed as Independent Director for a second term w.e.f. September 25, 2019.

Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	No. of Equity Shares
Mr. Abhishek Patel	Promoter/Executive Director	998659
Mr. Pranav Patel	Non Executive/ Non Independent Director	1767

#### Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to 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 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](http://www.rishitechtext.com)

#### 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](http://www.rishitechtext.com)

All Board members and senior management personnel have affirmed compliance with the code for the year ended on March 31, 2020. Declaration to this effect signed by the Managing Director of the Company for the year ended on March 31, 2020 has been included elsewhere in this report.

#### 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. Has 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

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 Chairman of the Committee with the other members being Mr. Abhishek Patel and Mr. Kunal Rastogi.

The main functions of the Audit Committee were:

- Reviewing Financial Statements before submission to the Board.
- Reviewing internal control system and recommending improvement.
- Recommending appointment of Statutory Auditors and fixing Audit fees.
- 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:

- changes in accounting policies and reasons thereon.
- compliance with accounting standards.
- compliance with listing and other regulations.
- related party transactions.

During the financial years 2019-20, the committee met four times, on 27th May 2019, 9th August 2019, 12th November 2019 and 14th February 2020 the gap between two meetings did not exceed one hundred and twenty days.

Name	Category(1)	Number of Meetings Attended
Mrs. Sheela Ayyar	Non-Executive/ Independent Director	4
Mr. Abhishek Patel	Promoter/Executive Director	4
Mr. Arvind Nopany	Non-Executive/ Independent Director	1
Mr. Kunal Rastogi	Non-Executive/ Independent Director	2

\*Mr. Arvind Nopany Ceased to be a member of this Committee consequent to the completion of his term as Independent Director w.e.f. September 25, 2019. And Mr. Kunal Rastogi Appointed as a member of this Committee w.e.f. September 25, 2019.

#### Nomination & Remuneration Committee:

The Nomination & Remuneration committee consists of three Directors, Mrs. Sheela Ayyar, Mr. Pranav Patel and Mr. Kunal Rastogi. Mr. Kunal Rastogi is chairman of the Committee.

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](http://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 Remuneration and Nomination 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 01.04.2017

Salary : ₹ 3,50,000/-

HRA : ₹ 1,45,000/-

Others : ₹ 1,05,000/-

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 2019-20:

Mr. Abhishek Patel - ₹ 77.04 Lacs

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

During the financial years 2019-20, the committee met three times, on 27th May 2019, 8th August 2019, and 3rd February 2020.

Name	Category(1)	Number of Meetings Attended
Mr. Kunal Rastogi	Non-Executive/ Independent Director	1
Mr. Pranav Patel	Non-Executive/ Non-Independent Director	3
Mr. Arvind Nopany	Non-Executive/ Independent Director	2
Mrs. Seela Ayyar	Non-Executive/ Independent Director	3

\*Mr. Arvind Nopany Ceased to be a member of this Committee consequent to the completion of his term as Independent Director w.e.f. September 25, 2019. And Mr. Kunal Rastogi Appointed as a member of this Committee w.e.f. September 25, 2019.

#### Shareholders/Investors Grievance Committee:

The Committee consists of three Directors, Mr. Abhishek Patel, Mr. Kunal Rastogi and Mr. Pranav Patel. Mr. Kunal Rastogi is the chairman of the Committee.

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 years 2019-20, the committee met two times, on 20th December 2019 and 25th February 2020.

Name	Category(1)	Number of Meetings Attended
Mr. Kunal Rastogi	Non-Executive/ Independent Director	2
Mr. Abhishek Patel	Non-Executive/ Non-Independent Director	2
Mr. Pranav Patel	Non-Executive/ Non-Independent Director	2
Mr. Arvind Nopany	Non-Executive/ Independent Director	0

Mr. Arvind Nopany Ceased to be a member of this Committee consequent to the completion of his term as Independent Director w.e.f. September 25, 2019. And Mr. Kunal Rastogi Appointed as a member of this Committee w.e.f. September 25, 2019.

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 2020 are as follows:

Opening Balance	No. of Complaints received during the year	No. of Complaints resolved during the year	Closing Balance
0	1	1	0

#### 4. Finance Committee:

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

During the year, two Finance Committee Meetings were held i.e. 13th October, 2019 and 28th February, 2020.

Name	Category(1)	Number of Meetings Attended
Mr. Kunal Rastogi	Non-Executive/ Independent Director	2
Mr. Abhishek Patel	Non-Executive/ Non-Independent Director	2
Mr. Pranav Patel	Non-Executive/ Non-Independent Director	2
Mr. Arvind Nopany	Non-Executive/ Independent Director	0

Mr. Arvind Nopany Ceased to be a member of this Committee consequent to the completion of his term as Independent Director w.e.f. September 25, 2019. And Mr. Kunal Rastogi Appointed as a member of this Committee w.e.f. September 25, 2019

#### • GENERAL MEETINGS:

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

33rd AGM – Wednesday, 20.09.2017 at 10.30 a.m. - Killachand Conference Room, 2nd Floor, IMC, Churchgate, Mumbai- 400020
34th AGM - Friday, 28.09.2018 at 3.15 p.m. - Killachand Conference Room, 2nd Floor, IMC, Churchgate, Mumbai- 400020
35th AGM - Wednesday, 25.09.2019 at 10.15 a.m. - Killachand Conference Room, 2nd Floor, IMC, Churchgate, Mumbai- 400020

- 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
33rd AGM	September 20, 2017	Yes	1. Re-appointment and remuneration of Mr. Abhishek Patel (DIN: 05183410) as Managing Director of the Company.
34th AGM	September 28, 2018	No	2. -
35th AGM	September 25, 2019	Yes	3. Appointment of Mr. Kunal Rastogi (DIN: 01570584) as a Director on the Board 4. Appointment of Mr. Kunal Rastogi (DIN: 01570584) as an Independent Director of the Company. 5. Re-appointment of Mrs. Sheela Ayyar (DIN:06656579) as an Independent Director of the Company for second term. 6. Increase borrowing powers of the Board and authorization limit to secure the borrowings under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013

- 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 is in Compliance with all mandatory requirements under Listing Regulation.



There are no transactions of material nature with the Promoters, the Directors or the Management, their Subsidiaries or relatives, etc. that had any potential conflict with the interest of the Company at large.

During the year, there were no cases of non-compliance by the Company. No penalties, strictures imposed on the Company by Stock Exchange or SEBI or by any statutory authority, on any matter relating to Capital market.

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 Finance Officer have certified to the Board in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, pertaining to CEO/ CFO certification for the financial year ended 31.03.2020.

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](http://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, 2019	Within 45 days from the end of quarter	Unaudited
September 30, 2019	Within 45 days from the end of quarter	Unaudited
December 31, 2019	Within 45 days from the end of quarter	Unaudited
March 31, 2020	*Within 60 days from the end of quarter	Audited

\*Note: \* Published on 21st July, 2020 on account of extended time limit for compliance by reason of COVID-19 pandemic as permitted by SEBI vide circular dated March 19, 2020, March 23, 2020 and June 24, 2020.

- Book Closure Date:

30.10.2020 to 05.11.2020 (both days inclusive)

- **STOCK MARKET DETAILS:**

- Listing on Stock Exchange:

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

- Stock Code:

Physical Segment 523021

CDSL/NSDL ISIN NO INE989D01010

- Stock Market Data for the year 2019-2020

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

#### BSE SENSEX

Month	High	Low	Total Number of Equity Shares Traded
April 19	44.85	37.75	19332
May 19	43.3	30	25632
June 19	36	26.25	121346
July 19	34.5	28.3	67342
August 19	32.55	25.95	46697
September 19	33.8	25.65	30355
October 19	35.5	26.05	37111
November 19	35	26.4	34646
December 19	30.05	26.05	60305
January 20	33.35	26	74388
February 20	31.5	23.15	46848
March 20	31.9	12.65	74399

- 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](mailto: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](mailto:sandeeps@adroitcorporate.com); [prafuls@adroitcorporate.com](mailto:prafuls@adroitcorporate.com); [sandeeph@adroitcorporate.com](mailto:sandeeph@adroitcorporate.com)

- **SHARE TRANSFER SYSTEM:**

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

During the financial year, physical shares transfers are registered and returned within a period of 15 days from the date of receipt if the documents are correct and valid in all respects.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. 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.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certificate on half yearly basis have been issued by a company secretary in practice for due compliance of share transfer formalities by the Company for the half year ended September 30, 2019 and March 31, 2020.

Certificates have also been received from a company secretary in practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

As on 31st March, 2020, 7087147 equity shares representing 95.89% of the total paid-up Capital of the Company are held in dematerialised form.

• **SHAREHOLDING PATTERN AS ON 31ST MARCH 2020:**

Category	No. of Shares held	% to Paid up Capital
Promoters	2527487	34.19
Banks/Financial Institutions	-	-
Bodies Corporate	548088	7.41
Non Resident Indians	269478	3.65
Public	404594	54.73
<b>Total</b>	<b>7391000</b>	<b>100.00</b>

• **DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2020:**

No. of Shares	No. of Shareholders	% to Total	No. of Shares	% to Total
Up to 500	3589	83.45	510546	6.91
501-1000	301	7.00	238533	3.23
1001-2000	164	3.81	249712	3.38
2001-3000	82	1.91	202622	2.74
3001-4000	31	0.72	109029	1.48
4001-5000	30	0.70	138062	1.87
5001-10000	50	1.16	356946	4.83
Above 10000	54	1.25	5585550	5.58
<b>Total</b>	<b>4301</b>	<b>100</b>	<b>7391000</b>	<b>100</b>

• **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, JIDC, Vapi- 396195

• **Address for Correspondence**

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

# 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, 2020, 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 2020 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"> <li>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</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>We obtained all the details of litigation upto 31st March, 2020</li> <li>We performed test controls of management process of assessment and estimates with regard to uncertain indirect tax position.</li> <li>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.</li> </ul>

	<ul style="list-style-type: none"> <li>We also considered the effect of the new information in the financial year 2020-21 to evaluate if there is any change in the management's position on these uncertainties.</li> <li>We tested the adequacy of disclosure relating to uncertain indirect tax position for the year in the standalone financial statement.</li> </ul>
Accounting for Expected Credit Loss on trade receivables	
<ul style="list-style-type: none"> <li>Management has considered estimates in computing the expected credit losses after considering credit history of customers and current market realities.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>We evaluated management's assumption on the impact of COVID-19 on the above matters.</li> <li>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.</li> </ul>

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.

The 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, 2020 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, 2016, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (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 2020.

For **Attar & Associates**  
Chartered Accountants  
Firm Registration No: 116443W

**S.G. Gangal**  
Partner

Membership No.037699  
UDIN:20037699AAAAEK1794

Place: Mumbai  
Date: 21st July, 2020

## 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) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to the information and explanations given to us, fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that 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 are held in the name of Company which are mortgaged to Canara bank as collateral security for Cash Credit facility based on the confirmations directly received by us from banks.
- (ii) 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, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, sub clause (a), (b) and (c) of the paragraph 3 (iii) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security given for the year under report.
- (v) In our opinion and according to the information and explanations given to us, the Company has in respect of deposits accepted by it has complied with the directives issued by the Reserve Bank of India to the extent applicable and the provisions of Section 73 to 76 of the Act read with rules framed thereunder. According to the information and explanations given to us and to the best of our knowledge and belief, no order has been passed by the Company Law Board or the National Company Law Tribunal or the RBI or any other court or tribunal which is to be complied with by the Company.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (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 2020 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/-

- (a) 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, 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.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us and the records of the Company examined by us, the Company has utilised the monies raised by way of term loans for the purpose for which the loan was obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as specified under section 192 of the Act. Therefore, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

For **Attar & Associates**  
Chartered Accountants  
Firm Registration No: 116443W

**S.G. Gangal**  
Partner  
Membership No.037699  
UDIN:20037699AAAAEK1794

Place: Mumbai  
Date: 21st July, 2020

## 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 Techtex Limited ("the Company") as of March 31, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: 21st July, 2020

For **Attar & Associates**  
Chartered Accountants  
Firm Registration No: 116443W

**S.G. Gangal**  
Partner  
Membership No.037699  
UDIN:20037699AAAAEK1794



Balance sheet as at 31<sup>st</sup> March 2020

(₹ In Lakhs)

Particulars	Note no.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	4	2,183.14	1,676.92
b) Capital work-in-progress	4	-	216.99
c) Financial assets			
i) Investments	5	20.59	36.34
ii) Others financial assets	6	74.22	76.94
<b>Total Non Current Assets</b>		<b>2,277.95</b>	<b>2,007.19</b>
<b>Current assets</b>			
a) Inventories	7	2,447.21	2,082.37
b) Financial assets			
i) Trade Receivables	8	910.83	1,017.77
ii) Cash and cash equivalents	9	20.67	124.84
iii) Bank Balances Other than (ii) above	10	69.88	68.63
iv) Other financial assets	11	0.92	0.70
c) Current Tax Assets (net)	12		
d) Other current assets	13	259.94	278.84
<b>Total Current Assets</b>		<b>3,709.45</b>	<b>3,573.15</b>
<b>TOTAL ASSETS</b>		<b>5,987.40</b>	<b>5,580.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	14	739.10	739.10
b) Other equity	15	1,880.17	1,781.20
Total Equity (a+b)		2,619.27	2,520.30
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	16	295.09	170.60
ii) Other financial liabilities	17	53.72	54.38
b) Provisions	18	84.98	107.25
c) Deferred tax liabilities (Net)	19	193.30	121.42
<b>Total Non Current Liabilities</b>		<b>627.09</b>	<b>453.65</b>
<b>Current liabilities</b>			

Balance sheet as at 31<sup>st</sup> March 2020

(₹ In Lakhs)

Particulars	Note no.	As at 31.03.2020	As at 31.03.2019
a) Financial liabilities			
i) Borrowings	20	1,621.65	1,591.33
ii) Trade Payables	21		
Total outstanding dues of micro enterprises and small enterprises		68.89	0.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		778.02	773.36
iii) Other financial liabilities	22	124.23	94.99
b) Other current liabilities	23	66.20	79.12
c) Provisions	24	60.72	36.82
d) Current Tax liabilities (net)	25	21.33	29.99
<b>Total Current Liabilities</b>		<b>2,741.04</b>	<b>2,606.39</b>
<b>Total Liabilities</b>		<b>3,368.13</b>	<b>3,060.04</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,987.40</b>	<b>5,580.34</b>
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  
M. No.: 037699

Mumbai  
21st July, 2020

For and on behalf of the Board of Directors  
**Abhishek Patel**  
Managing Director  
DIN: 05183410

**Gauri Gangal**  
Company Secretary  
M. No: 52130

Mumbai  
21st July, 2020

**Sheela Ayyar**  
Director  
DIN: 06656579

Mumbai  
21st July, 2020

Statement of Profit and Loss for the year ended  
31<sup>st</sup> March 2020

(₹ In Lakhs)

Particulars	Note no.	As at 31.03.2020	As at 31.03.2019
<b>Income</b>			
I Revenue from operations	26	7,622.39	8,397.25
II Other income	27	40.61	14.25
III <b>Total Income (I+II)</b>		<b>7,663.00</b>	<b>8,411.50</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	5,456.54	6,179.62
Changes in inventories of finished goods, stock-in-trade and work in progress	29	(196.90)	(325.69)
Employee benefits expense	30	789.00	663.67
Finance cost	31	247.76	228.51
Depreciation and amortization expense	4	179.07	194.84
Other expenses	32	965.99	1,066.28
<b>Total expenses (IV)</b>		<b>7,441.46</b>	<b>8,007.23</b>
V <b>Profit/ (loss) before tax (III-IV)</b>		<b>221.54</b>	<b>404.27</b>
VI <b>Tax expense</b>			
a) Current tax		50.00	125.55
b) Deferred tax		71.88	(13.47)
c) Excess / Short Provision of tax		0.00	0.00
<b>Total Tax Expense (VI)</b>		<b>121.88</b>	<b>112.08</b>
VII Profit / (loss) for the period (V-VI)		99.66	292.18
VIII Other comprehensive income			
a) i) Items that will not be reclassified to profit or loss		(0.69)	(0.94)
ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
<b>Total Other comprehensive income, net of tax (VIII)</b>		<b>(0.69)</b>	<b>(0.94)</b>
IX Total comprehensive income for the period (VII+VIII)		<b>98.97</b>	<b>291.25</b>
X Earnings per equity share (FV of ₹ 10/-)			
a) Basic		1.35	3.95
b) Diluted		1.35	3.95
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  
M. No.: 037699

Mumbai  
21st July, 2020

For and on behalf of the Board of Directors  
**Abhishek Patel**  
Managing Director  
DIN: 05183410

**Gauri Gangal**  
Company Secretary  
M. No: 52130

Mumbai  
21st July, 2020

**Jagdish Dokwal**  
Chief Financial Officer

**Sheela Ayyar**  
Director  
DIN: 06656579

Mumbai  
21st July, 2020

Cash Flow Statement for the year ended 31<sup>st</sup> March 2020

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>PROFIT BEFORE TAX</b>	221.54	404.25
Adjusted for:		
Other comprehensive income during the year	(0.69)	(0.94)
Depreciation and amortisation expenses	179.07	194.84
Interest & Other finance charges	247.76	228.52
Interest Received	(5.57)	(4.93)
Dividend received	-	(0.12)
Deferred Tax	71.88	(13.47)
Net foreign exchange (gain) / loss	(19.50)	(9.20)
Profit on sale of Assets	(15.54)	-
Less: Expected Credit Loss	-	-
Less: Tax Impact on Gratuity	457.41	- 394.70
	<b>678.95</b>	<b>798.95</b>
<b>A. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>		
Adjusted for (Increase)/Decrease in operating Assets:		
Trade and other Receivable	106.94	(13.47)
Inventories	(364.84)	(391.46)
Other Financial Asset	(0.22)	2.53
Current Tax Assets (net)		-
Other current assets	18.90	94.80
Bank Balances Other than above	(1.25)	6.83
Adjusted for Increase/(Decrease) in operating liabilities:		
Borrowing	30.32	348.70
Trade payables	72.77	(42.66)
Other Financial liabilities	29.24	17.40
Short-term provisions	(12.92)	(111.41)
Short-Term Liabilities and provisions	23.90	31.59
Current Tax Liability (net)	(8.66)	22.61 (34.54)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>573.13</b>	<b>764.41</b>
Less: Taxes Paid	121.88	112.08
<b>Net Cash From Operating Activities</b>	<b>451.25</b>	<b>652.33</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including Capital Work in Progress)	(468.30)	(183.84)
Sale of Investments	15.06	-
Other Comprehensive Income	0.69	0.94
Interest Received	5.57	4.93
Sale of Fixed Assets	-	-
Net foreign exchange gain / (loss)	19.50	9.20
Dividend received	-	0.12
Profit on sale of assets	15.54	-
Other Financial Asset	2.72	(1.48)
<b>Net Cash (Used in) Investing Activities</b>	<b>(409.22)</b>	<b>(170.14)</b>

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2020

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Money Received Against Share Warrants	-	-
Proceeds from issue of Share Capital	-	-
Proceeds from issue of Share Premium	-	-
Proceeds from Borrowings (Net of Repayments)	124.49	(62.29)
Other Financial Liability	(0.66)	(94.62)
Provisions	(22.27)	12.29
Interest and other finance charges	(247.76)	(228.52)
Net Cash (Used in) From Financing Activities	(146.20)	(373.14)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)</b>	<b>(104.17)</b>	<b>109.04</b>
OPEINING BALANCE OF CASH & CASH EQUIVALENTS	124.84	15.80
CLOSING BALANCE OF CASH & CASH EQUIVALENT	<b>20.67</b>	<b>124.84</b>

As per our attached report of even date  
For **Attar & Associates**  
Chartered Accountants  
Firm Registration No.: 116443W

**S.G. Gangal**  
Partner  
M. No.: 037699

Mumbai  
21st July, 2020

For and on behalf of the Board of Directors  
**Abhishek Patel**  
Managing Director  
DIN: 05183410

**Gauri Gangal**  
Company Secretary  
M. No: 52130

Mumbai  
21st July, 2020

**Sheela Ayyar**  
Director  
DIN: 06656579

Mumbai  
21st July, 2020

## Notes forming part of Financial Statement for the year ended 31<sup>st</sup> March 2020

### 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 authorised for issue by the Board of Directors on July 21, 2020.

### 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.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ("Previous GAAP") and 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:

- Certain financial assets and liabilities that are measured at fair value
- 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.

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 recognised in the period in which results are known or materialised.

#### 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. 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 recognised 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 recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised 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'.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### 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 recognised 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 recognised 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 recognised 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 recognised.

#### 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.

#### Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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 capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### 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 amortised 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 recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised 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 amortised cost. Interest income from these financial assets is included in interest income using the Effective Interest Rate (EIR) method the amortisation of EIR and loss arising from impairment, if any is recognised 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 recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss.

On de-recognition, cumulative gain/ (loss) previously recognised 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 amortised 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, recognised 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 amortised 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 recognised 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.

#### 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 counter party.

#### 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.

## Revenue

### Revenue Recognition

Revenue is the gross inflows of economic benefits received / receivable 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.

The Company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

Since, the recovery of excise duty flows to the company on its own account, revenue includes excise duty. However, Goods & Services Tax (GST) is not received by the company on its own account. Hence tax collected on account of on the commodity on behalf of the government is excluded from revenue.

### Interest income

Interest income for all debt instruments, are measured at amortized cost or fair value through other comprehensive income, is recognized using effective interest rate method and shown under interest income in statement of profit and loss. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

### Dividend income

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

### 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 upto 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.

### 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.

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

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

(₹ In Lakhs)

Particulars	Property, Plant & Equipment						Capital work-in-progress			
	Freehold Land	Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office equipment		Electrical installation	Tools & die	Total
<b>Gross carrying value, at cost</b>										
Opening as on 1st April 2018	1.27	353.80	3,643.45	15.92	30.09	43.02	119.52	9.63	4,216.70	164.77
Addition		2.57	87.36	15.52	11.75	9.92	4.50	0.00	131.62	52.22
Disposal										
<b>As at 31st March, 2019</b>	<b>1.27</b>	<b>356.37</b>	<b>3,730.81</b>	<b>31.44</b>	<b>41.84</b>	<b>52.94</b>	<b>124.02</b>	<b>9.63</b>	<b>4,348.32</b>	<b>216.99</b>
Addition		13.95	654.50	0.00	0.00	14.87	1.97		685.29	0.00
Disposal			207.16		5.08			0.00	212.24	0.00
<b>As at 31st March, 2020</b>	<b>1.27</b>	<b>370.32</b>	<b>4,178.15</b>	<b>31.44</b>	<b>36.76</b>	<b>67.81</b>	<b>125.99</b>	<b>9.63</b>	<b>4,821.37</b>	<b>0.00</b>
<b>Accumulated Depreciation/amortisation</b>										
Opening as on 1st April 2019		178.30	2,303.98	6.34	26.16	39.01	108.05	9.56	2,671.40	
Charge for the year		11.99	149.67	1.31	3.32	7.28	5.50		179.07	
Disposal		0.00	207.16	0.00	5.08	0.00	0.00	0.00	212.24	
<b>As at 31st March, 2020</b>		<b>190.29</b>	<b>2,246.49</b>	<b>7.65</b>	<b>24.40</b>	<b>46.29</b>	<b>113.55</b>	<b>9.56</b>	<b>2,638.23</b>	
<b>As at 31st March, 2020</b>		<b>190.29</b>	<b>2,246.49</b>	<b>7.65</b>	<b>24.40</b>	<b>46.29</b>	<b>113.55</b>	<b>9.56</b>	<b>2,638.23</b>	
<b>Net Book Value</b>										
<b>As at 31st March 2019</b>	<b>1.27</b>	<b>178.07</b>	<b>1,426.83</b>	<b>25.10</b>	<b>15.68</b>	<b>13.93</b>	<b>15.97</b>	<b>0.07</b>	<b>1,676.92</b>	<b>216.99</b>
As at 31st March 2020	1.27	180.03	1,931.66	23.79	12.36	21.52	12.44	0.07	2,183.14	0.00

## 5 Non current Investment

(₹ In Lakhs)

Particulars	Face value	As at 31.03.2020		As at 31.03.2019	
		Number of Shares	Value	Number of Shares	Value
1. M/S Centennial Finance Ltd.	10	138000	18.05	138000	18.05
2. M/S Vision Products Pvt. Ltd.	0	0	0.00	150000	15.06
<b>TOTAL</b>			<b>18.05</b>		<b>33.11</b>
<b>Investment in Equity Instruments</b>					
Quoted at Cost:					
<b>Others:</b>					
1. M/S Adarsh Chemical & Fertilisers Ltd.	10	28000	1.40	28000	1.40
2. M/S Stanrose Mafatlal Ltd.	10	1722	1.04	1722	1.67
3. Std Ind Ltd.	10	900	0.09	900	0.14
4. Shares of TGVSRAAK Ltd (52.05 Per Share)	10	50	0.01	50	0.02
<b>TOTAL</b>			<b>2.54</b>		<b>3.23</b>
<b>Total</b>			<b>20.59</b>		<b>36.34</b>
<b>Market Value:</b>					
Quoted					
Unquoted					

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Total Non Current Investments</b>	<b>20.59</b>	<b>36.34</b>
Aggregate value of quoted investments	2.54	3.23
Aggregate value of unquoted investments	18.05	33.11

## 6 Other Financial Assets - Non Current

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Security deposits for utilities and premises	74.22	76.94
<b>Total</b>	<b>74.22</b>	<b>76.94</b>

## 7 Inventories

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Raw materials	742.03	599.05
(b) Work-in-progress	1,543.55	1,352.78
(c) Finished Goods	13.93	7.80
(d) Stores and spares	147.70	122.74
<b>Total</b>	<b>2,447.21</b>	<b>2,082.37</b>

\* Refer note number 3 of accounting policies

## 8 Trade Receivables

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered Good	910.83	1,017.77
ii) Unsecured, considered doubtful	8.52	22.39
<b>Total</b>	<b>919.35</b>	<b>1,040.16</b>
Less : Allowance for doubtful debts (expected credit loss)	8.52	22.39
<b>Total</b>	<b>910.83</b>	<b>1,017.77</b>

## 9 Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Balances with banks		
In current accounts	14.03	120.63
(b) Cash on hand	6.64	4.21
<b>Total</b>	<b>20.67</b>	<b>124.84</b>

## 10 Bank Balances Other Than Above

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Bank balances other than cash and cash Equivalents	69.88	68.63
<b>Total</b>	<b>69.88</b>	<b>68.63</b>

## 11 Other financial assets (Current)

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Other receivables	0.92	0.70
<b>Total</b>	<b>0.92</b>	<b>0.70</b>

## 12 Current Tax Assets (Net)

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Tax(Net of provisions)	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## 13 Other current assets

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
a) Advance recoverable in cash or kind or for value to be received	59.18	64.14
b) Prepaid Expenses	23.78	22.43
c) Balances with government authorities		
Unsecured, considered good		
(i) Balance in GST	135.38	86.49
(ii) VAT credit receivable	4.08	41.27
(iii) GST Refund Receivable	37.52	64.51
<b>Total</b>	<b>259.94</b>	<b>278.84</b>

#### 14 Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Authorised shares</b>		
80,00,000 Equity shares of ₹ 10/- each	800.00	800.00
	800.00	800.00
<b>Issued, Subscribed and Fully Paid up shares</b>		
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

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

a) Reconciliation of Number of Shares (Equity)	2019-20		2018-19	
	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	-	-	-	-
<b>Number of Shares outstanding as at the end of the year</b>	<b>7,391,000.00</b>	<b>739.10</b>	<b>7,391,000.00</b>	<b>739.10</b>

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 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Share	% held
Abhishek Patel	998,659	13.51%	962,659	13.02%
Smita Patel	635,998	8.61%	635,998	8.61%
Centennial Finance 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 31.03.2020	As at 31.03.2019
<b>Capital Reserve</b>		
Balance at end of year	49.07	49.07
	49.07	49.07
<b>Securities Premium Reserve</b>		
Balance at the beginning of year	587.04	587.04
Add: Addition during the year (Share Warrant)	-	-
Add: Addition during the year (Pref. Issue)	-	-
Less: Preliminary Expenses (Pref. Issue)	-	-
Balance at end of year	587.04	587.04
<b>General Reserve</b>		
Balance at end of year	401.88	401.88
	401.88	401.88
<b>Money Received Against Share Warrants</b>		
Balance at end of year	-	-
	-	-
<b>Retained Earning</b>		
Balance at the beginning of year	743.21	451.98
Add : Profit for the year	99.66	292.17
Add : Other comprehensive income during the year	(0.69)	(0.94)
Add : Changes in fair value of current investments & non Current Investments		
Less:Expected Credit Loss	-	-
Less:Tax Impact on Gratuity	-	-
Less:Deferred Tax Impact	-	-
Balance at end of year	842.18	743.21
<b>TOTAL</b>	<b>1,880.17</b>	<b>1,781.20</b>



## 16 Borrowings - Non Current

(₹ In Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Non-Current Portion	Current Portion	Non-Current Portion	Current Portion
<b>Term loans</b>				
<b>From banks</b>				
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 ₹ 3/- lacs (previous year ₹ 2/- lacs)/- lacs/Month for 48 months.	109.83	36.00	13.07	24.00
<b>Total Secured Loan</b>	<b>109.83</b>	<b>36.00</b>	<b>13.07</b>	<b>24.00</b>
<b>From other parties</b>				
Secured				
2. Hire Purchase Loan From SBI Finance Ltd. Secured by Hypothecation of Vehicle	0.00	0.00	0.00	0.20
3. Loan from Diwan Housing Fin. Corporation Ltd. Repayment of ₹ 2.57 lacs P.M.(EMI) Starting from January 2017 to December 2019.	0.00	0.00	0.00	21.74
4. Loan from Diwan Housing Fin. Corporation Ltd. Repayment of ₹ 1.93 lacs P.M.(EMI) Starting from October 2017 to September 2022.	26.73	18.23	45.99	17.83
5. Loan from Hero Fincorp Ltd. Repayment of ₹ 3.01 lacs P.M. (EMI) Starting from February 2017 to January 2022.	28.25	29.98	58.24	26.22
<b>Total Secured Loan</b>	<b>54.98</b>	<b>48.21</b>	<b>104.23</b>	<b>65.99</b>
Unsecured				
2. Loan from Bajaj Fin. Services Repayment of ₹ 1.24 lacs P.M. (EMI) Starting from April 2020 to March 2023.	25.28	9.78	0.00	0.00
3. Loan from IIFL Repayment of ₹ 1.43 lacs P.M. (EMI) Starting from April 2020 to March 2023.	29.02	11.22	0.00	0.00
4. Loan from Tata Finance Ltd. Repayment of ₹ 1.77 lacs P.M. (EMI) Starting from April 2020 to March 2023	35.98	14.02	0.00	0.00
<b>Total Unsecured Loan</b>	<b>90.28</b>	<b>35.02</b>	<b>0.00</b>	<b>0.00</b>
<b>Deposits received from members</b>				
Unsecured	40.00	5.00	40.00	5.00
	<b>40.00</b>	<b>5.00</b>	<b>40.00</b>	<b>5.00</b>
<b>Loan From Related Party - Director</b>				
Unsecured	0.00	0.00	13.30	0.00
	<b>0.00</b>	<b>0.00</b>	<b>13.30</b>	<b>0.00</b>
<b>Total</b>	<b>295.09</b>	<b>124.23</b>	<b>170.60</b>	<b>94.99</b>

## 17 Other financial liabilities - Non Current

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Creditor for capital goods	28.85	23.03
(ii) Payable on Contractually reimbursable expenses	24.87	31.35
<b>Total</b>	<b>53.72</b>	<b>54.38</b>

## 18 Provisions

(₹ In Lakhs)

Particulars	Non Current	
	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits:		
- Provision for gratuity liability	84.98	107.25
<b>Total</b>	<b>84.98</b>	<b>107.25</b>

## 19 Deferred Tax Liabilities (net)

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax Liabilities</b>		
Depreciation on Property, Plant, & Equipment	218.16	149.77
<b>Total (A)</b>	<b>218.16</b>	<b>149.77</b>
<b>Deferred Tax Assets</b>		
Provision for Bonus	9.15	9.26
Provision for Gratuity	13.22	16.35
Provision for Leave Encashment	2.49	2.74
<b>Total (B)</b>	<b>24.86</b>	<b>28.35</b>
<b>Total (A-B)</b>	<b>193.30</b>	<b>121.42</b>

## 20 Borrowings - Current

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Loans repayable on demand		
From banks		
Secured	1,621.65	1,591.33
<b>Total</b>	<b>1,621.65</b>	<b>1,591.33</b>

## 21 Trade payables

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Total outstanding dues of micro enterprises and small enterprises	68.89	0.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	778.02	773.36
<b>Total</b>	<b>846.91</b>	<b>774.14</b>

## 22 Other financial liabilities - Current

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Current Maturities of Long Term Debt	124.23	94.99
<b>Total</b>	<b>124.23</b>	<b>94.99</b>

### 23 Other current liabilities

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advances received from customers	0.00	15.29
Statutory dues	20.33	12.80
Employee benefits payable	45.87	51.03
<b>Total</b>	<b>66.20</b>	<b>79.12</b>

### 24 Provisions

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Provision for employee benefits:		
(i) Provision for leave encashment	2.50	2.74
(ii) Provision for gratuity liability	21.23	4.54
(b) Provision - Others:		
(i) Provision - others	36.99	29.54
<b>Total</b>	<b>60.72</b>	<b>36.82</b>

### 25 Current Tax Liabilities

(₹ In Lakhs)

Current tax Assets	As at 31.03.2020	As at 31.03.2019
Advance Tax	269.14	211.00
TDS	4.85	4.33
<b>Sub Total</b>	<b>273.99</b>	<b>215.33</b>
Current tax liabilities		
Provision for Tax	295.32	245.32
<b>Sub Total</b>	<b>295.32</b>	<b>245.32</b>
<b>Total</b>	<b>21.33</b>	<b>29.99</b>

### 26 Revenue from operations

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Sale of Products (including excise duty)	7,611.73	8,386.21
<b>Other operating revenue:</b>		
Scrap sale	10.66	11.04
<b>Total</b>	<b>7,622.39</b>	<b>8,397.25</b>

### 27 Other income

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Interest income:		
Interest from bank deposits	5.57	4.93
Dividend Income		
From long Term Investment	0.00	0.12
Other Non Operating Income	15.54	
Net gain / (loss) on foreign currency transactions and translation	19.50	9.20
<b>Total</b>	<b>40.61</b>	<b>14.25</b>

### 28 Cost of Raw Material and components consumed

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening stock	599.05	534.04
Add: Purchases	5,599.52	6,244.63
	6,198.57	6,778.67
Less: Closing stock	742.03	599.05
<b>Cost of material consumed</b>	<b>5,456.54</b>	<b>6,179.62</b>

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

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Inventories at the Commencement</b>		
Finished Goods	7.80	5.88
Work in progress	1,352.78	1,029.02
<b>Inventories at Close</b>		
Finished Goods	13.93	7.80
Work in progress	1,543.55	1,352.78
(Increase) / Decrease in Finished Goods	-6.13	-1.92
(Increase) / Decrease in Work in progress	-190.77	-323.76
<b>Net (increase) / decrease</b>	<b>(196.90)</b>	<b>(325.69)</b>

### 30 Employee benefit expense

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Salaries and Wages	731.09	605.34
Contributions to provident and other funds	34.36	29.41
Gratuity expenses/Leave Encashment	13.22	18.08
Staff welfare expenses	10.33	10.85
<b>Total</b>	<b>789.00</b>	<b>663.67</b>

### 31 Finance cost

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Interest	236.73	200.78
Other borrowing costs	11.03	27.74
<b>Total</b>	<b>247.76</b>	<b>228.51</b>

### 32 Other Expenses

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Consumption of stores and spares		
Opening Stock	122.74	121.97
Add: Purchases during the year	179.57	156.68
	302.31	278.65
Less: Closing Stock	147.70	122.74
Consumption of Stores and Spares	154.61	155.91
Processing charges	95.97	182.82
Power and fuel	217.84	219.12
Repairs and maintenance:		
Plant and Machinery	27.72	28.56
Others	8.07	5.30
Rent	35.96	34.81
Insurance	17.73	13.14
Rates and taxes	2.08	10.49
Printing and Stationary	9.51	18.29
Travelling and conveyance	25.20	20.00
Postage, Telephone, Telex	7.41	8.24
Donations and contributions	0.63	0.17
Legal and professional	93.75	62.81
Payments to auditors	3.50	3.50
Security charges	19.95	19.69
Sundry Dr./Cr. Balance written off	0.06	0.81
Selling and distribution expense	203.24	241.91
Miscellaneous expenses	42.76	40.70
<b>Total</b>	<b>965.99</b>	<b>1,066.28</b>

### 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	31.03.2020	31.03.2019
1. Current Service Cost	8.81	9.08
2. Interest Cost [(Income)/Expense]	7.83	7.48
3. Actuarial Losses / (Gains) / Remeasurements in OCI	(3.42)	(0.22)
4. Past Service cost	-	-
<b>Total</b>	<b>13.22</b>	<b>16.34</b>

(₹ In Lakhs)

II. Amount recognized in other comprehensive income (OCI)	31.03.2020	31.03.2019
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	2.47	(0.22)
Demographic Assumptions	-	-
<b>Total</b>	<b>2.47</b>	<b>(0.22)</b>

#### III. Reconciliation of defined benefit obligation:

(₹ In Lakhs)

Particulars	31.03.2020	31.03.2019
Opening Defined Benefit Obligation	111.79	97.75
Current service cost	8.81	9.08
Interest cost	7.83	7.48
Actuarial loss/(gain) due to change in demographic Assumptions	-	-
Actuarial loss/(gain) due to change in financial assumptions	(5.89)	-
Actuarial loss/ (gain) due to experience adjustments	2.47	(0.22)
Benefits paid	(18.80)	(2.30)
Closing Defined Benefit Obligation	106.21	111.79



(₹ In Lakhs)		
<b>IV. Reconciliation of plan assets:</b>		
<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Opening value of plan assets	-	-
Interest Income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Employer Direct Benefit Payments	18.80	2.30
Benefit Payments from Employer	(18.80)	(2.30)
Assets Withdrawn	-	-
Closing value of plan assets	-	-
<b>V. Net (Asset) / Liability recognised in the Balance Sheet as at 31 March</b>		
Present value of defined benefit obligation (DBO)	106.21	111.79
Net (Asset) / Liability	106.21	111.79
<b>VI. The significant actuarial assumptions were as follows:</b>		
<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Discount rate	6.65% p.a.	7.75% p.a.
Attrition rate	-	-
Rate of return on plan assets	-	-
Salary escalation rate	3.50% p.a.	5% p.a.
<b>VII. Bifurcation of present value of obligation at the end of the valuation period as per Schedule III of Companies Act, 2013:</b>		
<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Current Liability	21.23	4.54
Non - Current Liability	84.98	107.25
<b>Total</b>	<b>106.21</b>	<b>111.79</b>
<b>Sensitivity Analysis</b>		
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)		
	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Increase by 1% in discount rate	116.61	122.99
Decrease by 1% in discount rate	97.18	102.05
Increase by 1% in rate rate of salary increase	108.59	102.85
Decrease by 1% in rate rate of salary increase	103.51	122.21
Increase by 1% in rate rate of employee turnover	98.06	113.90
Decrease by 1% in rate rate of employee turnover	115.74	122.21

**34 Contingent liability**

(₹ In Lakhs)

	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Contingent liability</b>		
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
Commitments		
Estimated amount of Capital contract remaining to be executed for tangible Assets	-	107.00

**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 ₹ 20.33 Lakhs 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 ₹ 66,88,822/- (Net of Bank Guarantee ₹ 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 referred an appeal on 23.05.2019

**35 Reconciliation of Tax Expense**

(₹ In Lakhs)

	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>(a) Income tax expenses :</b>		
Current tax- In respect of the current year	50.00	125.55
Deferred tax- In respect of the current year	71.88	(13.47)
<b>Total</b>	<b>121.88</b>	<b>112.08</b>
<b>(b) Income tax recognised in Other Comprehensive Income</b>		
Remeasurements of the defined benefit plans	-	-
<b>Total income tax expense recognised in the year (a + b)</b>	<b>121.88</b>	<b>112.08</b>

### 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	Mr. Arvind Nopany
	Mr. Jagdish Dokwal	Ms. Sheela Ayyar
	Ms. Gauri Gangal	Mr. Pranav Patel
		Mr. Kunal Rastogi

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

(In Lakhs)

Nature of transaction	31.03.2020	31.03.2019
<b>Related Party</b>		
Rent Paid	3.00	3.00
Loans & Deposit Paid	-	-
<b>Key management personnel</b>		
Remuneration/ Reimbursement	101.13	99.97
Balance outstanding as at year end	-	-
Receivable/ (Payable)	-	-
<b>Non-executive directors and their relatives</b>		
Remuneration/ Reimbursement/sitting fees	0.42	0.73
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 share holders.

#### 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.

Movement in allowance for credit loss during the year was as follows :	March 2020	March 2019
Balance at 1 April	2,239,284	3327890
Add : Provided during the year	852,631	2,239,284
Less : Reversal during the year	2,239,284	3327890
Balance as at 31 March	852,631	2,239,284
Net Trade receivable	91,082,686	101,777,115

#### 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

Financial assets	March 2020	March 2019
<b>Measured at amortised cost:-</b>		
Trade Receivables	91,082,686	101,777,115
Cash and cash equivalents and bank balances	9,056,600	19,348,896
Other financial assets	92,052	70,052
<b>Loans</b>		
<b>Restricted deposits</b>		
<b>Total</b>	<b>100,231,338</b>	<b>121,196,063</b>
<b>Financial Liabilities</b>		
<b>Measured at amortised cost:-</b>		
Borrowings	162,164,693	159,132,876
<b>Acceptance</b>		
Trade payables	84,690,536	77,411,554
Other financial liabilities	12,423,969	9,498,450
<b>Total</b>	<b>259,279,198</b>	<b>246,042,880</b>

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

Financial assets:-carrying value/fair value	March 2020	March 2019
<b>Measured at fair value through profit and loss:</b>		
Investments	2,058,191	3,633,386
<b>Total</b>	<b>2,058,191</b>	<b>3,633,386</b>

### 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 31.03.2020	As at 31.03.2019
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	0.78
	Interest	0.16
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;	1.26	0.16
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	0.16	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 31.03.2020	As at 31.03.2019
Lease rental charges for the year	35.95	52.21
Future Lease rental obligation payable (under non-cancellable lease)	-	-
Not later than one year	43.34	34.64
Later than one year but not later than five years	45.52	19.18
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 payments recognised as an expense in the period.



**40 Earning per share**

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
a) Profit after tax attributable to equity shareholders of the company	99.66	292.18
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	1.35	3.95
d) Weighted average number of equity shares for diluted EPS (in numbers)	73,91,000	73,91,000
Nominal value of equity shares	10.00	10.00
Diluted EPS	1.35	3.95

**41 Auditors Remuneration**

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>As auditor:</b>		
Statutory audit (including IFC)	3.50	3.50
<b>In other capacity:</b>		
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

**Jagdish Dokwal**  
Chief Financial Officer

**Sheela Ayyar**  
Director  
DIN: 06656579

Mumbai  
21st July, 2020

## 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, VeenaKilledar Industrial Estate,  
10-14 Pais Street, Byculla (West), Mumbai- 400011  
Website: [www.rishitechtext.com](http://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	Flat No. 1001-1002 Premium Tower II, Shalimar Township, A. B. Road, Indore 452001- Madhya Pradesh	00171387	Business
Mr. Arvind kumar Nopany (Resigned w.e.f. 25.09.2019)	11-A, Nilamber-1, SayedVasan Road, Nr. VasanOctori Naka, Baroda 390015	00148521	Business
Ms. Sheela Ayyar	B-704, Florentine Building, Hiranandani Gardens, Powai, Mumbai-400076	06656579	Business
Mr. Kunal Rastogi (Appointed w.e.f. 25.09.2019)	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 rate 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 –
- statutory dues; Nil
  - debentures and interest thereon - Nil
  - 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
- a) Date of passing of resolution in the general meeting authorizing the invitation of such deposits: September 30, 2014
- b) 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)) – ₹ 257.02 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)) – ₹ 899.57 lakhs

The aggregate of deposits actually held on the last day of the immediately preceding financial year – ₹ 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. ₹ 899.57 lakhs

Amount of deposit repayable within the next twelve months – Rupees 10.00 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 3rd April, 2019 for Long Term Rating: CRISIL BBB-/Positive and Short Term Rating: CRISIL A3.

i. Short particulars of the charge created or to be created for securing such deposits - Not Applicable

k. 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 – ₹ 45.00 lakhs

b. Date of acceptance –

Date of Acceptance	No. of Depositors	Amount of Deposit
28.02.2018	2	1000000
28.02.2019	1	500000
28.02.2020	4	3000000

c. Total amount accepted – ₹ 45.00 lakhs

d. Rate of interest – 12.5%

e. Total number of depositors –7

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 lakhs)

Accounting Year	Profit Before Tax	Profit After Tax
Year ended 31.03.2018	315.58	252.90
Year ended 31.03.2019	404.25	292.17
Year ended 31.03.2020	221.54	99.66

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 31.03.2018	Nil
Year ended 31.03.2019	Nil
Year ended 31.03.2020	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 lakhs)

	As at 31.03.2018	As at 31.03.2019	As at 31.03.2020
<b>Liabilities</b>			
Share Capital	739.10	739.10	739.10
Reserves & Surplus	1,489.98	1,781.20	1,880.17
Non-Current Liabilities	611.75	453.65	627.09
Current Liabilities	2,340.16	2,606.39	2,741.04
	<b>5,180.99</b>	<b>5,580.34</b>	<b>5,987.40</b>
<b>Assets</b>			
Fixed Assets	1,904.91	1,893.91	2,183.14
Investment	37.28	36.34	20.59
Other Non-Current Financial Assets	75.46	76.94	74.22
Current Assets	3,163.34	3,573.15	3,709.45
	<b>5,180.99</b>	<b>5,580.34</b>	

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

(₹ In lakhs)

	As at 31.03.2018	As at 31.03.2019	As at 31.03.2020
Net profit before tax & extraordinary items	315.58	404.25	221.54
Adjustment for Depreciation, Int. and other items	296.36	394.70	457.41
Operating profit before working capital change	611.93	798.95	678.95
(a) Cash generated from operations	682.85	764.41	573.13
(b) Cash flow from Investing Activities	(571.02)	(170.14)	(409.22)
(c) Cash Flow from Financing Activities	(66.32)	(373.14)	(146.20)
Net increase in cash & Cash equivalents (a+b+c)	(17.15)	109.04	(104.17)
Opening Balance cash & Cash equivalents	32.95	15.80	124.84
Closing Balance cash & Cash equivalents	15.80	124.84	20.67

e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company – The Balance sheet and Profit and loss from the year ended 31.03.2018 are drawn as per Ind AS.

**DECLARATION BY THE DIRECTORS THAT-**

- a. 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;
- b. 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;
- c. the company has complied with the provisions of the Act and the rules made thereunder;
- d. the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- e. the deposits accepted by the company before the commencement of the Act have been repaid.
- f. in case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- g. the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- h. the deposits accepted by the company are unsecured and rank paripassu with other unsecured liabilities of the company.

1. **Mr. Abhishek Patel** :

2. **Mr. Pranav Patel** :

3. **Mr. Kunal Rastogi** :

4. **Ms. Sheela Ayyar** :

Date: 21st July, 2020

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.





**RISHI TECHTEX**

Rishi Techtex Limited

Registered Office:

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