



Rishi Techtex Limited

32nd Annual Report 2015-16

Multiple Shades to our Growth Story

Customized Technical Textile Solutions



Agro-tech



Pack-tech



Geo-tech



Protect-tech



Build-tech

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.

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Rishi Techtex ♦ 32nd Annual Report ♦ 2015-16

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Rishi Techtex at a glance

Leading specialty **technical textile** manufacturer in India

Leveraging over **30 years** of technical experience

Manufacturing bespoke **engineered textiles** designed to perform



Specialist
Knowledge



R&D
Expertise



World-class
Quality

underpinned by science, technology and our people



BOARD OF DIRECTORS

Abhishek Patel - Managing Director

Pranav J. Patel - Director

Arvind N. Nopany - Director

Sheela Ayyar - Director

COMPANY SECRETARY

Nidhi Shah

AUDITORS

Alladi Krishnan & Kumar

4. Marshal, Mogal Lane, Mahim, Mumbai- 400 006

BANKERS

Canara Bank,
Tamarind Lane Branch,
Calcot House, Fort, Mumbai – 400 023

REGISTRARS AND TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.,
19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai – 400 059

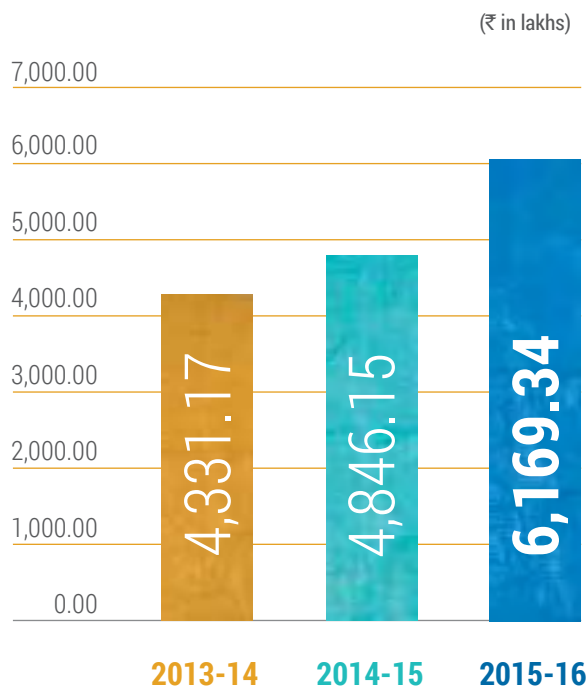
REGISTERED OFFICE

612, Veena Killedar Industrial Estate, 10/14, Pais Street,
Byculla (W), Mumbai – 400 011.

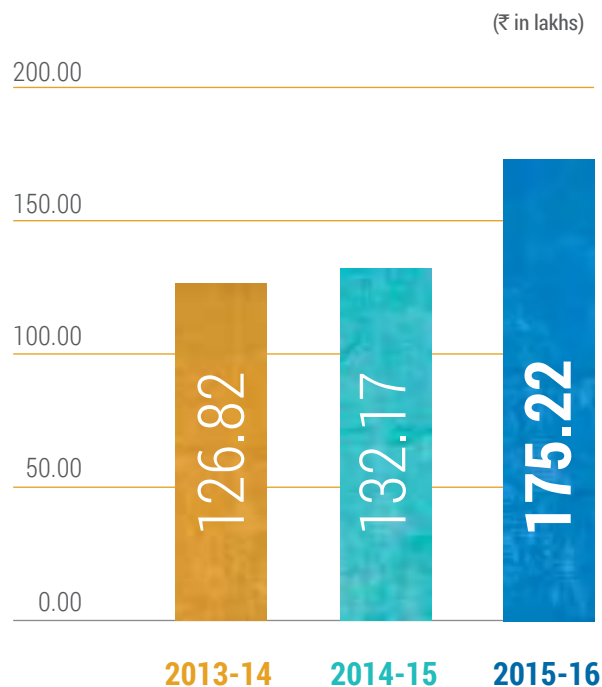
WORKS

Causeway Road,
Village Kachigam, Taluka Daman
Union Territory of Daman & Diu

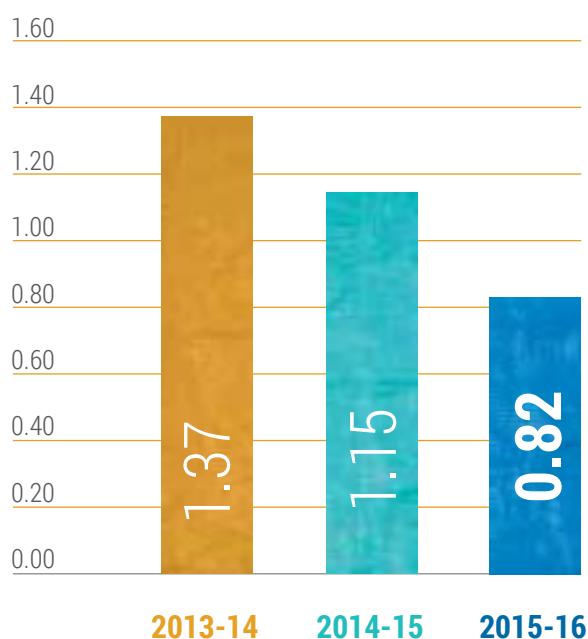
Revenue



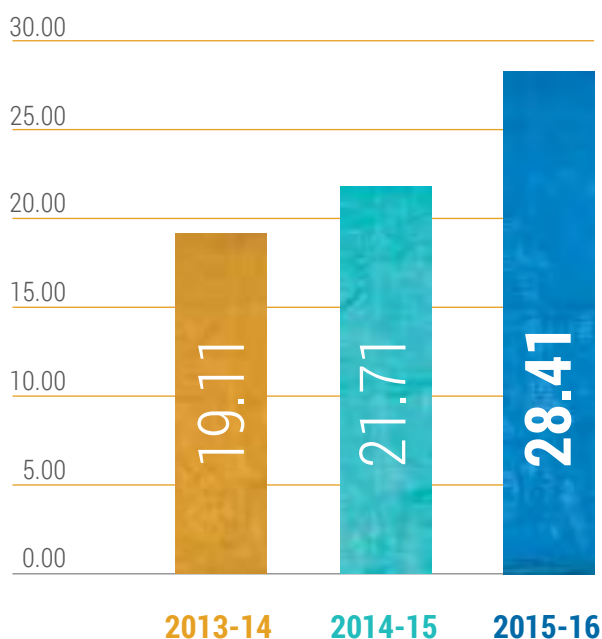
PAT



Debt-Equity Ratio



ROCE (%)





PROFIT

33% ↑



SALES
GROWTH

27% ↑



RESERVES

25% ↑



DEBT-EQUITY
RATIO

0.82 ↓

WHY

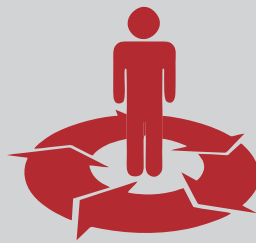
OUR
PURPOSE

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

HOW

OUR
PRINCIPLES

How we act is as important as what we do.

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



Message from the MD



Dear Stakeholders,

I write to you with a sense of achievement, hope and acceptance. After joining the Board, this is my first communication to you, and I wish to thank all of you for giving me this responsibility. During the year, your company's achievements have been enormous and the future beckons us with hope and opportunities. I seek your acceptance in performing this leadership role with three key focus areas - strategic growth, profitable business outcomes and responsible conduct.

In spite of global headwinds, we were able to deliver a robust performance. While global markets somewhat show signs of tapered growth, we do not see any near-term worry due to our science and R&D-driven premium products. We aim to grow our customer base across global and domestic markets in the near future. While the 'conventional textile' industry faces a saturation point and challenges of commoditization, the 'technical textile' industry's growth story has just begun, especially in India.

A fresh beginning with a robust performance

To put things in perspective, Rishi Techtext is over a three-decade-old company currently undergoing rejuvenation! It has been four years that I have joined and since last year been at the helm of things. This year's performance clearly showcases your company's inherent strength and value creation ability in a short span of time. Our leadership position and laser sharp focus in the niche technical textile vertical makes us one of India's leading premium players and exporters with strong R&D-led products and solutions.

This year, Rishi Techtext's financial performance has been the best in its three-decade journey, and it is just the beginning. We have achieved a turnover of INR 62 crores registering a CAGR of 20% for two consecutive years and increased profitability by 38%. Our focus clearly continues to be on bettering our operating profits and margins – with premium products and effective on-ground solutions. We will focus on value-added

products and innovative solutions in the key areas of agro-tech, geo-tech, pack-tech and protect-tech. We are supplying to both industrial and retail consumer product needs.

With great conviction, I must say that today, we are one of the most efficient and profitable players in the organized Indian technical textiles segment while a large part of the industry remains unorganized. We have achieved three clear financial goals during the year – per unit realization from our products has almost doubled, inventory is moving towards Just in Time (JIT) parameters and our average outstanding period from customers has come down significantly, freeing up our working capital needs.

Technical textiles - The world is a stage & India a clear performer

Technical textiles is one of the fastest growing segments globally, in terms of volume. It has the potential to reach 42.2 million metric tons by 2020 and is estimated to be a \$160 billion market by 2018. The Indian technical textile market is registering a CAGR of 20% and expected to touch \$30 billion by 2020. While these numbers can be intimidating, it showcases the opportunity and scale available to current players. Till a decade back, technical textiles was considered a niche segment with limited scalability. However, the market demand and progress in application & materials science

Revenue Growth



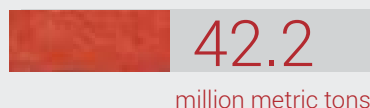
FY 2014 FY 2016

Topline growth of 20% CAGR in the last 3 years

Growth Potential

Technical textiles is one of the fastest growing segments globally, in terms of volume.

Expected Growth by 2020



Market size by 2018 \$160 bn

Indian market to touch



technology has proven otherwise. With natural resources and raw material becoming scarce across the world, industrial and consumer demand for more sophisticated yet sustainable products has resulted in a manifold increase in the usage of technical textiles. Technical textile solutions offer a suitable replacement for delivering efficiency, efficacy and environment-friendly solutions through innovative application of science and chemistry. On the other end, conventional textiles today have to compete more on volumes and price rather than innovation.

To give an example, agro-tech solutions in technical textiles are being used to solve the food scarcity problem across the world. Today agri-tech is helping increase farm productivity through crop protection from pests, birds & insects and controlling the environment by regulating sunlight, etc. Agro-tech and pack-tech are two of the key strengths of your company and we are one of the pioneers in value-added customized agro-tech products in India. The global market size of the agro-tech pie in technical textiles is expected to reach \$16.30 billion by 2020, a number nobody can ignore! Agro-tech is among the fastest growing sectors along with medi-tech, geo-tech and protect-tech – all the three areas that your company is focusing on currently to develop new products and solutions.

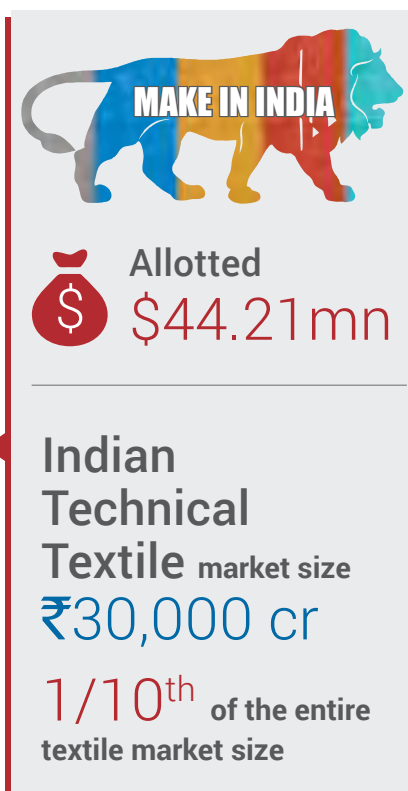
The pack-tech consumption annually is estimated at ₹15,000 crores today. With packaging for both industrial and retail goods getting more sophisticated, we are looking at putting up state-of-the-art machines for high-end scientific woven packaging solutions. We already supply to few of India's category leaders in decorative paints, cement and many other sectors, and we plan to further our offerings by going up the value chain.

Make In India – GOI push for technical textiles manufacturing

The domestic technical textile market is currently estimated at ₹30,000 crore - one tenth of the entire textile market size. However, it is registering the fastest Y-o-Y growth at 15%. The Indian 'conventional' textile market is seeing saturation with the industry grappling with high capital costs and long gestation periods for investments, increasing cost of labor, productivity issues and commoditization of offerings. In contrast, the Indian technical textile industry is at a nascent stage and will see unbridled growth for the next few decades before showing signs of maturing demand.

With global and Indian consumers expecting better quality products and increasing discretionary spends, the usage of technical textiles to create product differentiation and price premium will drive demand.

Technical textile products are custom engineered solutions made with functional specifications for clients, thus, fetching premium prices and higher margins. Unlike conventional textiles, the investment is more in intellectual property and R&D-led new scientific applications & discoveries.



The Government of India's "Make in India" program has a special focus on the technical textile industry. This will help the industry develop indigenous products and solutions through value engineering and innovation. A budget of USD 44.21 million has been allocated for promotion of technical textiles. It will help in raising the awareness of technical textiles. Currently, the

the industry is not well understood and is perceived as being too small, lacking scale and demand. The GOI push will help in myth busting and help various stakeholders harness the potential and attractiveness of the industry.

R&D-led custom product solutions to drive profitable growth

Rishi Techtex has chalked out a three-pronged strategy and it has been working for us in a definite manner in the last few years. We believe that as one of the first players and pioneers in technical textiles, we retain the product knowledge, customer goodwill and quality-led brand value – age-old ingredients for success relevant even in the new age!

As a first strategy, we are building a product portfolio that is tailored to our client requirements. Our R&D team works closely with customers to develop applications that are customized to their needs. Thus, addressing specific client problems has resulted in building discerning clients who are ready to pay a premium to get science-based custom solutions. This also sieves out clients that are price-sensitive but quality-agnostic and act as a drag on the bottom line.

Our R&D efforts and over three decades of application and material science understanding are helping

us develop solutions in a cost and time efficient manner. It has resulted in creating an order book that is predictable, and a manufacturing process that is attuned to customer demand. Customer stickiness married to price premium is a key goal for us.

As a second strategy, we are focusing on geographic de-risking. At a domestic level, we are looking at strengthening our distributor network with a key focus on South, North and East India. Our Western India dealerships are being evaluated for performance. To appoint dealers who are able to understand our premium offerings, we are growing our sales team. The sales team is building awareness and conducting knowledge-dissemination programs across the country.

Today, our products are shipped across the USA, Middle East, Africa and Europe. In terms of quality, we are better than our Chinese counterparts and are focusing on enhancing our quality to compete with Korean and Japanese players. We are seeing repeat orders and more enquiries from international markets and we expect increased global traction in the near future. We believe that our customer base is geographically diversified both in domestic and international markets. This ensures that we are ring fenced from any 'concentration risk' incase any of the markets see a demand fall.

In the long term, it not only assures us of revenue distribution but also multiple growth opportunities across markets.

As a third strategy, we have identified 5 key technical textile verticals that we want to focus on in the near future. Today, our major revenue comes from agro-tech and we want to be seen as a knowledge leader in this sector. Additionally, we want to focus on pack-tech, protect-tech, build-tech and geo-tech as the key areas of future growth. Our R&D and product development capabilities are being fine tuned in line with the above five verticals.

For the country's infrastructure development, more and more technology and science applications are being used; be it roads, cities, housing or Smart City projects. Thus, these five segments of technical textiles will see increased usage due to the superior quality and time critical requirements of such projects. The Indian consumer, both industrial and retail, has the spending power and is ready to pay a premium for quality & longevity, safety & health and timeliness & protection.

People, passion & purpose

Our journey has just begun and without people who work passionately for a purpose, nothing can be achieved. As an organization, we believe, our people will be the key differentiators in driving an

intellectual edge for the organization. As a science-based R&D organization, we would like each one of us to be passionate about our work. We want to serve our customers, stakeholders and the society at large with a sense of purpose. Our products and solutions should help solve tomorrow's problems in a better and quicker manner.

Safety at our plants and modernization of our machinery is an area of continuous improvement that we focused on during the year. Conducting ourselves in a predictable and professional manner and ensuring transparency in all our actions is the key to our success. Fiscal prudence with a fair approach to doing business with our customers, vendors and all other stakeholders form the bedrock of our corporate culture and ethos.

As I end my note, I wish to thank each and every one of you for your support, trust and faith in building this organization through the years. As we start another exciting journey in a world that is getting more disruptive day by day, I assure you of creating an organization that is nimble yet sure-footed to take on tomorrow's challenges. In turn, we will deliver profitable growth in a consistent and responsible manner.

Best wishes,

Abhishek Patel
Managing Director

Gearing up for the increased demand across segments



Agro-tech

Our Presence: ✓

End Users:

- Agriculture & horticulture
- Landscape gardening
- Forestry & animal keeping



Aqua-tech

Our Presence: ✓

End Users:

- Aquaculture & fish farming
- Fish hatcheries
- Marine filtration systems



Pack-tech

Our Presence: ✓

End Users:

- Protective cover systems
- Packaging
- Container systems



Geo-tech

Our Presence: ✓

End Users:

- Civil engineering
- Road & railways
- Hydraulic structures



Protect-tech

Our Presence: ✓

End Users:

- Person protection
- Property protection
- Thermal protection



Build-tech

Our Presence: ✓

End Users:

- Light-weight construction
- Massive construction
- Engineering & industrial buildings



Defense-tech

Our Readiness: ★★☆☆☆

End Users:

- Military Textiles & Clothing
- Ballistic Protection
- Decontamination



Sport-tech

Our Readiness: ★★☆☆☆

End Users:

- Sports and leisure
- Active wear
- Outdoor articles



Indu-tech

Our Readiness: ★★☆☆☆

End Users:

- Filtration & cleaning
- Mechanical engineering
- Chemical industry



Home-tech

Our Readiness: ★★☆☆☆

End Users:

- Furniture & upholstery
- Interior furnishings
- Floor coverings



Mobi-tech

Our Readiness: ★★☆☆☆

End Users:

- Automobiles
- Water transport
- Air & space carriers



Medi-tech

Our Readiness: ★★☆☆☆

End Users:

- Hygiene
- Medicines
- Medical devices

A photograph of a textile factory interior. Large industrial machines with multiple spindles are visible, processing long strands of yarn. The scene is brightly lit by overhead fluorescent lights. In the foreground, a large roll of teal-colored fabric is being processed. Two men are standing on the right side of the frame, observing the machinery; one is pointing towards the equipment. The overall atmosphere is industrial and active.

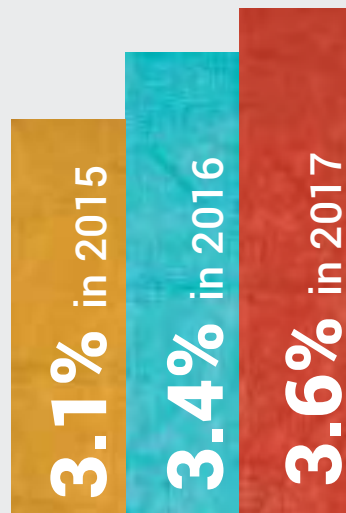
Management Discussion and Analysis

Macroeconomic Business Overview

In 2015, economies around the world faced turbulent times that not only led to macroeconomic growth pangs but also created geo-political risks for businesses. Never before has geo-political risk assumed such a priority for businesses as it is today. With risks of country sanctions to religion-based terrorism to threats of physical, chemical or e-warfare, businesses have become nebulous like never before. During the year, the world business economy remained subdued and uncertain. The Chinese recessionary hangover seemed to have spoilt the party for many countries.

Nevertheless, India continues to be the only "I" that has sustained growth among all BRICS nations. While Brazil, Russia and South Africa face domestic growth contraction and governance pangs, China's unsure economic statistics and excess manufacturing capacities are giving the rest of the world jitters! In the near future, manufacturing prowess will need to match with superior quality. Science & innovation-led products and solutions will drive consumer acceptance. Economies and organizations that are geared towards both these measures will be able to deliver growth and cope with any macro-recessionary pressure.

Estimated Global GDP Growth



India's GDP Growth

7.56%

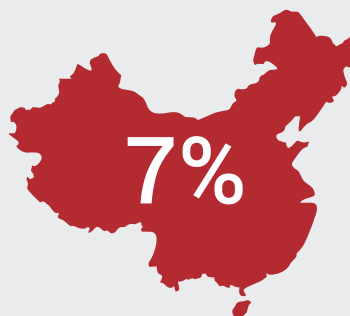
2015-16

Improvement over

7.24%

2014-15

China's Growth Rate



According to the World Economic Outlook (WEO), global growth is estimated at 3.1% in 2015, 3.4% in 2016 and 3.6% on 2017. According to the International Monetary Fund (IMF), three key transitions will shape the future global outlook on economy and commerce. These are the continuing crash in energy and commodity prices, gradual tightening of monetary policy by Central Bankers especially in USA and the restructuring of the Chinese economy as it shifts to consumption and services while trying to clear its manufacturing overhang.

While the overall growth figures have been depressing, emerging economies especially Asian countries achieved much faster growth riding on local economy demand and cost competitive exports.

Overall, the last year was disappointing from a global growth perspective but India stood out as a key exception! Energized by a new political will, an unrelenting central bank and local consumption economy, India registered an annual GDP growth rate of 7.56% in 2015-16. This is an improvement over the 7.24% it witnessed in 2014-15 and placed it ahead of China's 7% growth rate for the same period.

India is the last **BRIC** standing

The Indian economy in the last 24 months has continuously delivered growth surpassing other economies of the world. This has happened on the back of a new political regime that has energized the country to fire its imagination and become a manufacturing hub to the world! Innovation, R&D and skilled talent-led industrial resurgence of high value industries will lead the domestic demand growth not only in volume but value terms.

A young population that has the propensity for higher discretionary spending, affinity to pay a premium for brands and quality products and is well informed of global technological and manufacturing best practices will lead the consumption story.

The predicted GDP growth for the next year is 7.5-8%, something that will be achieved through value added industrial manufacturing and innovation-led capacity building.

With the impending GST legislation by the next fiscal, your company sees a huge advantage for the organized sector in technical textiles. The parity will help organized players like Rishi Techtex to garner larger market share. Customers will ultimately see value

in paying a price premium for a superior and customized product. With the government's push towards Nation Building, overall spending across infrastructure, health and education will further give a fillip to the industry.

The focus on making India a high-value, best-quality and not just high-volume manufacturing hub will see science & R&D-led industrial applications that your company is focusing on gain traction in a significant manner.

Asia will register the highest growth in demand for technical textiles, with China and India being the most lucrative markets generating 70% of the demand. For the year 2016, the global technical textiles market is expected to touch USD 162.3 billion.

Interestingly by 2020, the market share of Asia Pacific is expected to reach 44.6%, an increase of 5.2% over 2014. Continuing product R&D and increasing applications for strength, flexibility, weight reduction, durability and efficacy are leading to the increased demand for technical textiles. This is driving the industry's focus on customization and premium products rather than mass production.

For the year 2016, the global technical textiles market is expected to touch **\$162.3** billion. Interestingly by **2020**, the market share of Asia Pacific is expected to reach **44.6%**, an increase of **5.2%** over 2014.

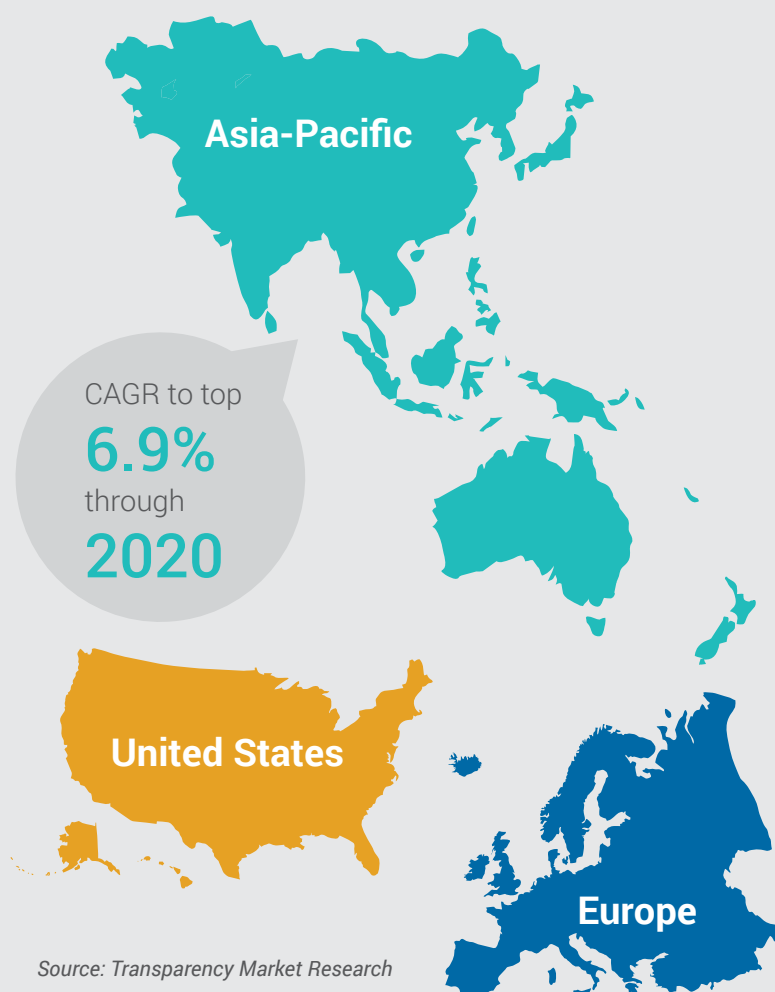


The Global Technical Textile Market

Asia-Pacific

The largest market projected to reach **\$168.3 bn** by **2020**

Top 3 high-growth markets



Fastest growing segment



Geo-tech

CAGR to top **6.1%** through **2020**

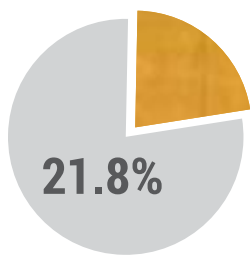
- Increasing demand for geo-textiles from developing regions
- Positive outlook for construction industry and demand for construction textiles
- Rise in automotive production
- Growing demand for environment, industrial and medical textiles

Source: Global Industry Analysts Inc.

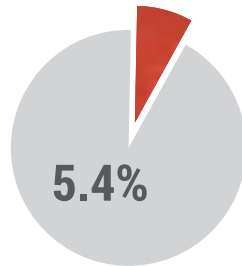
Value Forecast 2015 (\$ billion)



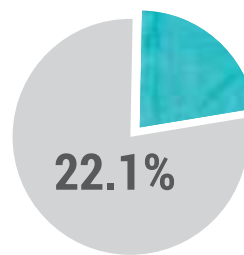
North America



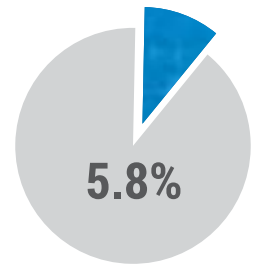
Latin America



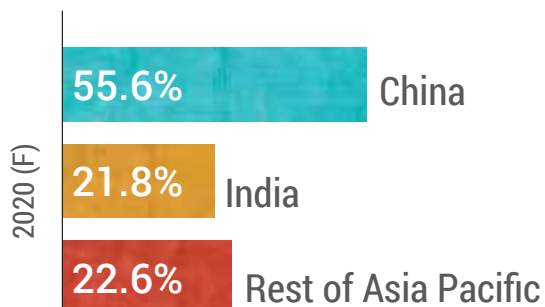
Western Europe



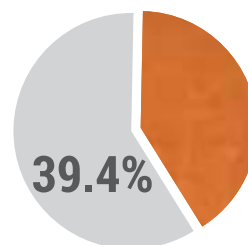
Eastern Europe



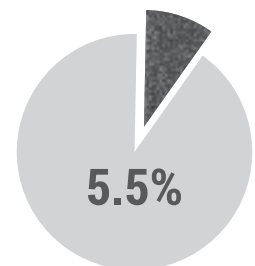
Asia Pacific, 2020



Asia Pacific



Middle East & Africa



Technical Textiles to Benefit from



Technical textiles as a high value science and applications-led industry opportunity has been until recently neglected in India. A report from the Ministry of Textiles, Government of India pegs the Technical Textile industry size at INR 1.58 lakh crores. While globally, technical textiles is a science, R&D and innovation led industry with applications across sectors like construction, medicine, fire & safety, agri and aqua industries and even the defense sector, the Indian industry is still at a nascent stage. And according to us, this is a huge and untapped opportunity that the 'Make in India' program can

leverage for the nation. The GOI has proposed 4 new research centers for technical textiles so that product testing and quality is standardized as per international norms. Again, this is a key benefit for organized players. The 12th Five Year Plan has allotted a massive INR 700 crores for development of technical textiles.

At Rishi Techtex, we are clearly defining our strategy in line with global and Indian government policies and market demand. Since the past 36 months, we have consciously re-positioned ourselves as a customized value-engineering technical textiles player working

closely with select customers for high-end application-led solutions. Our two areas of dominance, agro-tech and pack-tech have seen acceptance and appreciation of our approach. We stand validated with clients ready to pay a higher per unit price, an upfront advance and adherence to agreed (healthy) payment terms, till now, unheard of in the Indian Technical Textile industry. Interestingly, while India comes after China as the second largest textile economy, its share of the global Technical Textile Industry is just 9% - an abysmal single digit that can grow manifold in the coming years.

Primary growth opportunities

Agro-tech & aqua-tech



Protect-tech



Geo-tech



Build-tech



Pack-tech



Secondary growth opportunities

Defense-tech



Sport-tech



Indu-tech



Home-tech



We see substantial growth in the following areas of technical textiles for Indian players. At Rishi Techtext we have classified these into primary and secondary growth opportunities. We believe the country's growth momentum will drive initial growth in the primary areas while the secondary areas will see interest and growth maybe after 24-36 months. Currently, our business revenues mainly come from agro-tech (40%) and pack-tech (35%) while we have due presence in the areas of build-tech, geo-tech and protect-tech segments which we look forward to growing in the coming years. Having built capabilities in R&D and knowledge of chemical application sciences, we are ready to provide solutions in the areas like sport-tech and indu-tech.

Technical innovation, latest machinery with state-of-the-art technology and high skilled labour is required to make India a hub for technical textiles. The Technology Upgradation Fund Scheme (TUFS) by the Government of India is helping to support technology development and replace obsolete machinery. Your company is continuously upgrading its plant and machinery to create a technological edge both in the woven and non-woven product category. Skill development and awareness creation is another focus area for us.



Agro-tech

Scientific agriculture to solve global food scarcity

Agro-tech (including aqua) comprises 40% of our revenues and has been one of our key focus areas. Today, we supply customized shade-nets, mulch mats, crop covers, anti-hail nets & bird protection nets, windbreakers, shade sails and fishing nets. During the year we have supplied to both domestic and international clients. The key segments that we address today are:

- large and small farmers for crop production and protection
- floriculture, horticulture and forestry
- animal husbandry and aquaculture

The standalone agro-tech market size globally is expected to touch USD 16.3 billion by 2020.

Today the world and India faces the challenge of food security. It is predicted that by 2050 with the population increasing to over 2 billion, food scarcity in this part of the world maybe a reality if not tackled in a scientific manner. With arable land shrinking globally and populations moving towards urbanization, producing more with less land is the new mantra. Globally, 60% of agriculture uses agro-tech to enhance, protect and store their

crops while in India, it is still at 10%. This penetration opportunity throws up a demand that your company is tapping for growth in the near future.

Our current solutions are micro-area focused. We leverage our proprietary R&D-led scientific applications to produce shade nets that help in custom temperature control as per local and plant (crop) family requirements, nutrient intakes

Globally

60%

of **agriculture** uses agro-tech to **enhance, protect** and **store** their crops

In **India**, it is still at

10%

specific to that particular crop and tailor made pesticides coatings that prevent attack from pests. This type of customization for agro-farm needs based on individual requirements of topography, crop attributes and specific anti-pest solutions is our key strength. Today it is the reason for our customer stickiness.

As Indian farmers shift to scientific methods of farming, especially optimum farm practices like micro-irrigation, agro-tech solutions like ours will be used to deliver higher yields and better crop protection. The Government's push through subsidies and large-scale outsourced corporate farming is helping us sell to sophisticated and knowledgeable farm producers. Today, one of the world's largest micro-irrigation companies, Jain Irrigation, is our esteemed customer.

In India, habits, customs & topography changes every 100 kilometers, be it the environment or crop pattern growth or farmer preferences. Our ability to provide custom solutions at micro-local levels will be a key USP that will stand us apart from competition. Our three decades of knowledge of local farm needs and current R&D focus on developing tailor made solutions have helped us gain insights that we are applying in a scientific and solution driven manner. For example, by manufacturing wind breakers and shade sails after understanding local wind and sunlight patterns, we are helping increase crop produce by 10-40%, that otherwise goes waste or gets damaged under natural cultivation practices.

Shade net applications resulted in a **60-100%** yield increase in vegetables like tomatoes and capsicum.



For **capsicum**, where fertilizers were used extensively, yield with only shade nets and no fertilizers dropped by **25%** but average selling price saw a threefold increase.



Use of **anti-hail & bird nets** has shown an increase of **67%** in average selling price for apples.



Usage of shade netting and thermal screens can save up to **40%** of energy used in **heating greenhouses**.



Mulch mat use for **mango cultivation** showed a twofold benefit – an increase of **33%** yield and increase in average selling price by **30%**.



Did you know?



Pack-tech

Science based applications for building brands

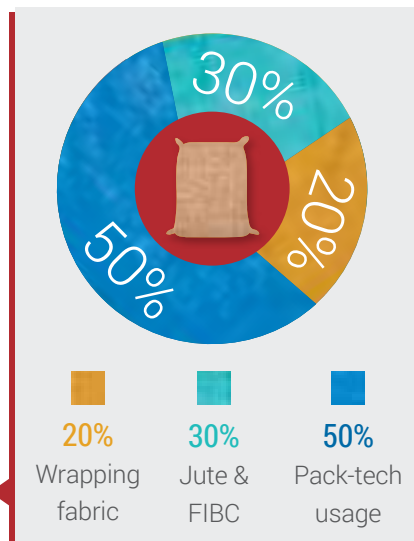
Technical textiles for packaging solutions is another key focus area for us, contributing 35% of our current revenues. Today we provide custom made woven bags and packaging & printing solutions to clients across industries:

- Cement, fertilizers, chemicals, urea, minerals, resins, polymers, rubber, decorative paints
- Food grains, spices & pulses, cattle feed, agro-products, fishmeal
- Salt, sugar
- Fruits and vegetables
- Sand, metal parts, concrete elements
- Tarpaulins and bale coverings as per custom orders
- Mails, letters and specialized documents

With a growth rate of 22%, by 2016-17 Pack-tech is expected to be a US\$ 11,782 million market as per the estimates of the Working Group on Textiles & Jute Industry, Ministry of Textiles, Government of India. Polyolefin (High Density Polyethylene - HDPE / Polypropylene - PP) woven sacks form 50% of the pack-tech usage while 30% is jute and FIBC & the wrapping fabric forms the balance 20%.

Today with quality and brand strength becoming key

differentiators, ensuring the efficacy of the produce from the factory to the end consumer is critical. Commodity based industries like cement, paints, putty, etc. are shifting to value-added products and solutions. These industries require packaging that clearly differentiates the products in the eyes of the consumer and also remains effective even in the harshest conditions.



Through our in-house R&D, we have built capabilities for chemical based applications. Our machines can make high-end printed bags made by sandwiching PP and HDPE. Better appearance ensures quicker brand recall especially for secondary (consumer) packaging of smaller unit bags or high value products like seeds, fertilizers or specialty chemicals. We see a

strong demand for these solutions and are in the process of building capacity by installing state-of-the-art machinery. We are suppliers to India's largest home décor paint company Asian Paints for their branded 'putty' offerings, Kansai Nerolac, JK Cement, Birla White, East Coast India Limited and Gemini paints among others.

Till now the industry practice for supplying woven bags was on the basis of mass production and low cost. We have successfully moved away from this commodity-led approach and shifted to high-end custom packaging solutions for customers. Be it attractive coloring, moisture proofing, seepage resistance properties or making the brand and specifications stand out, our technology and printing knowledge creates an edge for client products. With e-commerce and a DIY (Do It Yourself) culture gaining popularity in our country, we see, scientific packaging solutions as the key to ensure brand and product salience. Our woven bags have higher strength (based on custom orders), are lightweight with minimal seepage, and are thus long lasting and re-usable. Further, we customize our products with laminated or unlaminated, ultra violet stabilized and anti-slip coated properties.

Indian Technical Textiles

Currently, about **9%** of the world's total consumption of **technical textiles** is made in India.

India's market share in the technical textile sector is expected to grow from **\$11.6 bn** in **2013** to **\$26 bn** by **2017**

Ministry of Textiles has also established eight **Centers of Excellence** and has authorized the construction of integrated Textile Parks.

Challenges for Technical Textile businesses in India



MARKETING & AWARENESS

The marketing of technical textiles is more complex than conventional textiles.



COST

Manufacturing technical textiles demands specific raw materials, machinery and equipment that are not readily available in India. Importing those materials is expensive.



TIME

The technical textile sector is still in its infancy, and it takes a lot of time to commit to the research, development and production of a product. It could take a minimum of five years before entrepreneurs could see a return on their investment.



Build-tech

Strengthening the Nation's infrastructure

With a boom in the infrastructure sector in Asia and in India, we see significant demand in high end build-tech products and solutions. Our customers are looking at using them for concrete reinforcement, facade foundations, interior construction, noise reduction, visual protection and protection from sunlight & rains

The global build-tech market is expected to reach **US\$ 21.7 billion** in revenues by **2020**. The Indian market is growing at **17%** and is expected to reach a size of **US\$ 541 million** by **2016-17**.

We see an opportunity in Build-tech demand for the following three reasons:

- With active citizenship and local regulations being enforced for civic and environment norms, the construction industry is shifting to less polluting practices to reduce noise, dust etc. All new or repair work is carried out using high-end scaffolding nets that not only take care of environmental issues but also ensure zero accident sites as the construction material and debris is not strewn randomly leading to injury.
- The construction engineering and building industry is getting greener, intelligent and faster in delivery and execution. Build-tech consists of high performance textiles that have mechanical properties of weight reduction, strength, corrosion resistance and degradation due to water seepage and chemical pollution.

Modern infrastructure that demands quality and effective solutions will drive demand in this sector.

- With India's consumer economy ready to explode, brands need to advertise in a more targeted manner. Signage & hoardings, building wraps and other external communication material will need sophisticated, environment friendly, easy to handle (light weight) yet attractive looking materials. Moreover, demand for tensile structures for public infrastructure like airports, stadiums, railway platforms, malls and office buildings, etc. will drive growth.


Today the build-tech share in our overall revenues is small. However, strategically, it is an area of interest and growth for us. We have deep relations within the construction industry and currently supply scaffolding nets to various construction sites – these are custom produced both in terms of strength, environment standards and look & feel. Our R&D-led initiatives in this field will ensure that our products help the industry meet stringent regulatory and environment norms both in India and abroad.




Architectural membranes



Scaffolding nets



Awnings & canopies
for car parking, etc.



Floor and wall coverings
like swimming pool covers,
deck & patio covers



High-end hoardings
and signages



Geo-tech

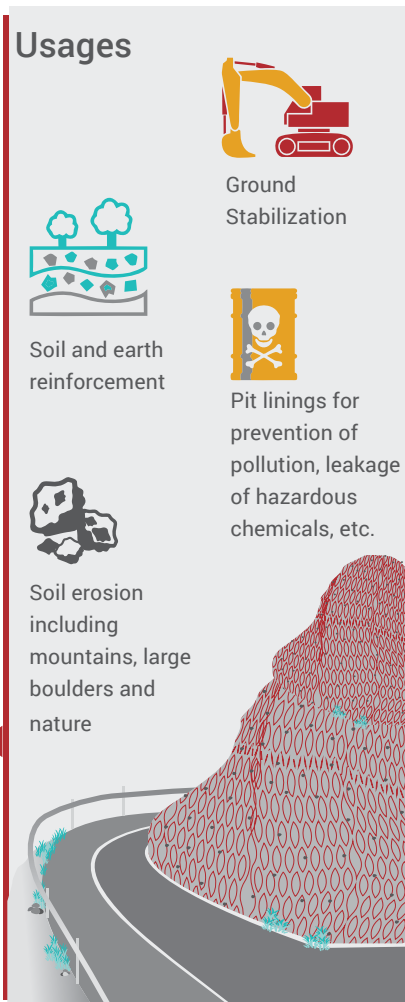
Building a sustainable world

Geo-textiles is one area of engineering that is mostly related to the construction industry. We have built capabilities in this civil engineering domain and have worked selectively with clients on various pilot projects. Geo-textiles make land usage efficient and cause minimum disturbance to local environments during construction activities, offering economic and societal benefits. Landfills and chemical pits use geo-textiles to meet strict regulatory norms and ensure minimum environmental damage.

Geo-textiles have the following usages:

- Ground stabilization
- Soil and earth reinforcement (above ground and under-ground)
- Pit linings for prevention of pollution, leakage of hazardous chemicals, etc.
- Soil erosion including mountains, large boulders and nature

The global geo-tech segment is expected to increase at nearly 6% CAGR through 2020. The Indian geotech market size is pegged around ₹272 crore, with imports comprising of ₹105 crore and domestic production of ₹167 crore.



Government infrastructure spending will drive geo-tech growth and hence we are looking at this sector with keen interest. In the areas of civil engineering, we see increased applications in roads and pavements, slope & rocky hill stability (especially in the North East), embankment enforcement (in flood prone areas), tunnels and rail-track bed strengthening.

The Government of India's increased focus on creating world-class social infrastructure and security is a key demand driver for geo-textiles in India. Both Central and State governments are working on ensuring minimum environmental damage as a result of infrastructure work like roadways, etc. Areas prone to natural calamities like floods, landslides, etc. will see increased use of geo-textiles such as in strengthening anti-flood or anti-landslide measures.

Another key reason for increased demand of geo-textiles is the implementation of strict environmental and pollution norms in the country. Widespread pollution like chemical seepage into ground water has a social and human cost that every nation is aware of. Thus, anti-seepage textiles for covering landfills, lining of chemical pits for hazardous chemical storage and disposal are seeing increased demand.

Rishi Techtex currently supplies geo-textile solutions for soil stabilization and anti-erosion measures. We are looking at product development of higher value and supplying to customers in more critical applications. Our dealer and distributor network across the country is working closely with us to give a push to our geo-textiles division.



Protect-tech

Saving human lives through increased safety

Protect-tech (Protective textiles) is another division of technical textiles that your company is focusing on in a strategic manner. Protect-tech today is broadly divided into two segments. First, protection wear (clothes & uniforms) for humans against fire, temperature, chemicals, bullet-proofing, etc. The second use of Protect-tech is in building products that increase the safety of usage of a product or protect it from destruction like cinema seats that are fire-resistant or anti-hail nets that can stop crop damage during hailstorms.

From bulletproof jackets to astronaut suits, protective textile applications are manifold. The global market size of Personal Protection Equipment (PPE) alone is estimated to be US\$ 2 billion and growing at a fast pace. Various uses of Protect-tech are mentioned below:

- **High temperatures** (insulating, firefighters)
- **Burns** (flame, convective and radiant heat, firefighters, ATEX area)
- **Electric arc flash discharge** (plasma explosion, electric companies)
- **Acid environment** (petrochemical, gas, refineries, chemicals)

- **Bullet impact** (military, security)
- **Cut resistant** (gloves, glass industry)
- **Astronaut suits**

standards of fire protection. Hail-nets from your company are being used all over the world including India for protection against hail

1

With the '**Make In India**' program, high value (engineering & chemical) industries will require increased safety gear for their workforce. Protect-tech applications are seen as lightweight yet effective in extreme conditions and are being increasingly used in protective clothing like uniforms, gloves, dresses, etc.

2

Globally, regulators are insisting that public infrastructure-led construction use more and more protect-tech to ensure safety from natural and man-made attacks at public and crowded places. More and more stadiums, malls, offices, movie-theatres, etc. are using fire, heat and glass resistant protective textiles to ensure minimum damage and loss of lives in case of any emergency or attack.

At Rishi Techtex we see a surge in demand for Protect-tech due to two reasons: one, that it is domestic market focused and second that it helps us address export demands.

Our fire-insulated nets have been supplied for use in one of the world's most iconic cricket stadiums in London, a testimony to your company's ability to meet EU quality

storms and damage to outdoor property. We already supplying to agro-producers hail-nets and windbreakers for protecting their produce from damage.

With increased R&D efforts and new application launches, we see this segment contributing further to Rishi Techtex's high margin driven product portfolio.

Traditional vs Technical Textile Markets

The market trends for traditional textiles is heavily inclined towards countries with cheap labor. In such an environment, technical textiles give an opportunity to the companies in the industrialized countries to survive the competition and to achieve sustainable growth due to their specialized skills, materials, processes and equipments.

There are certain basic differences between technical textiles and traditional textiles industries:

- Technical textiles are preferred for their highly specific performance quality and as such they are more expensive than the traditional textiles.
- Technical textile manufacturers have to use accepted testing methods in order to gain customers' faith regarding standard specifications.
- Technical textiles are for a distinct segment of a market as opposed to mass market. This target market needs more flexible and smaller production spells. Thus the technical textile manufacturers too have to be flexible in their production schedules.
- Technical Textiles survive on innovations. Thus, technical textile manufacturers must be ready to invest in research and development and newer equipments too.
- In certain categories of technical textiles, the legal necessities have to be followed by the manufacturers.

Asia Pacific dominated the global technical textiles market with demand share exceeding **45%** in **2014**. Growing industrialization, increasing access to medical care and huge infrastructure spending particularly in **China, India, Indonesia** and **Thailand** is expected to drive regional growth.

China and **India** will continue to remain the most lucrative markets for technical textiles. By **2020**, the market in these two regions will reach nearly USD **68** billion in terms of value, and **13** million tonnes in terms of volume.

↑ **\$13.3 bn**
By **2016**

Domestic Consumption
2.5 mn tonnes
→
By **2016**

The technical textile market in India is expected to reach USD 13.3 billion in 2016, up from USD 11.2 billion in 2014. In terms of domestic consumption, imports and exports, demand is set to reach 2.5 million tonnes by the end of 2016, up from 2.1 million tonnes in 2014.

Did
you
know?



RESEARCH & DEVELOPMENT

with an (IT) Automation-led focus

At Rishi Techtex, application science and IPR-driven product and solutions insights are the key to our success. Our topline growth of over 20% CAGR for the past 3 years validates our approach. Your company has continuously invested in Research and Development for chemical applications custom-made to customer needs.

We believe that technical textiles will ultimately move towards “Smart Solutions”. Product engineering will need to be integrated with consumer

insights. Human intervention at the plant level will be minimized with increased automation and IT systems orientation.

Sustainable & Efficacy-led R&D

Technical textiles is about replacement of a current raw material input to improve the properties of the final product to enhance product efficacy, safety and longevity. Through our R&D, we aim to ensure that sustainable and environment-friendly applications are developed and we phase out harmful chemical substances.

Customized Solutions to Local Problems

We believe technical textiles solutions will need to address problems with a ‘micro market’ approach. Customization of our offerings based on local needs will be the key to partnering our customers to solve their larger problems. Our new monitoring system is closely linked with our CRM application. Quicker yet effective application development based on customer requirements and the ability to accelerate the time to market will be the key to our success.

Intellect Driven Product Innovation

With over three decades of experience in the field of technical textiles, our product insights are the key to our success. Through close collaboration of our in-house R&D scientists, senior leadership team and outsourced R&D labs, we are developing products that are unique for customers. With end customers demanding more contemporary, sustainable yet efficient solutions, new product development and innovative chemical applications are our focus.

We believe R&D, IT (Information Technology) and machine automation needs to work in tandem. Your company has during the year looked at upgrading its hardware, software and engineering machinery to international standards and will continue to do so for the next 24 months.

Software-driven science applications and increased automation will help us reduce unproductive labor while ramping up our skill based talent base.

R&D forms the core of our offerings and we are committed to build an organization with science, discovery and innovation as the key pillars.

Smart Solutions



Sustainable & Efficacy-led R&D

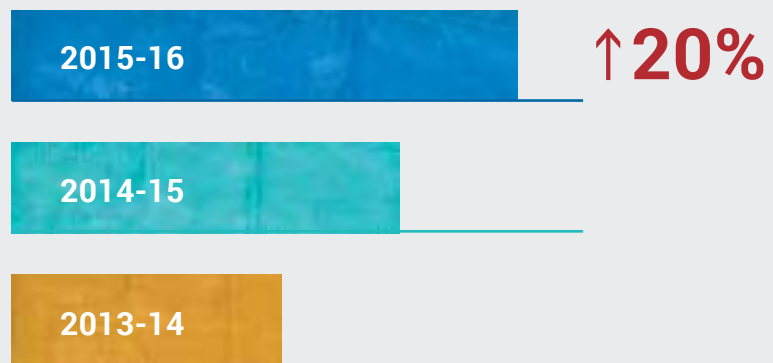


Customized Solutions to Local Problems



Intellect-driven Product Innovation

Our topline growth of over **20%** CAGR for the past **3 years** validates our approach.





3P'S OF OUR PEOPLE STRATEGY

Passion, Performance & Professionalism

Today, Rishi Techtex is at the cusp of a unique growth story; a story that is driven by the company's three-decade-old Technical Textile experience, a resurgent India that is becoming the manufacturing hub to the world and a domestic market where demand remains unabated. To remain relevant and successful, our people capital is critical to our success.

As a science based organization, we believe human intellect will power discovery, innovation and product development in our company. As a

company of a relatively small size and in a sector that is relatively unknown, attracting, retaining and growing talent remain our key challenges. However, we believe that our journey this far has been because of the team that we have built at Rishi Techtex – a bunch of people who have defied the odds, dared to dream big and executed with technical precision.

We maintained harmonious industrial relations at our factory. A key attraction of a young workforce, be it engineers, ITI pass outs to fresh operators is the training and

knowledge that your organization imparts. Today, because of our committed training and development program at the shop floor, we are able to create ready talent for the industry on a regular basis. Our employees include sales & marketing professionals, R&D scientists, factory personnel and the senior leadership team.

Over the past one year, we have evolved a people strategy that we believe will hold us in good stead in the coming years and we would like to call it the 3 pillars of our People Strategy:

People with Passion

As a growth oriented organization, we believe in working with people who are passionate about their work. In an industry where chemical sciences and applications are as much as a science as an art, it is important to build a team that is solutions-driven. Our experience suggests, innovation and ideas are driven by passion – a single-minded focus to solve customer issues and deliver profits by understanding customer insights. We are building a team of people who are passionate in everything that we do!

Performance Orientation

We live in a world that is getting more competitive by the day. In technical textiles, technology, product and knowledge obsolescence is most common. Hence, we are building an organization that is performance driven, focused on execution and delivery. At Rishi Techtext, meritocracy is a prime mover. We are performance driven, building a culture of predictable behavior, meeting our short and long-term goals and delivering customer delight.

Professional Conduct

As an organization, we pride ourselves on our conduct – transparent and ethical behavior following local laws and procedures. We believe in doing things the right way and for us profits are important but how we achieve them is more sacrosanct. As you would have seen, our profits are low.

Employee Mix



Sales & Marketing



R&D & Product Development



Senior Leadership



Factory Workforce

People with
Passion



Performance
Orientation



Professional
Conduct



3 pillars of our People Strategy



OUR FUTURE GROWTH STRATEGY

(Operational Performance)

Rishi Techtex recorded sales of ₹6,169.34 lakh for financial year 2015-16, a 27% surge from ₹4,846.15 lakh, the corresponding figure for the previous year. In spite of macroeconomic headwinds, our ability to register a robust growth shows that we are on the right track.

Operational profit rose to ₹175.22 lakh for the financial year 2015-16 from ₹132.17 lakh for the previous year, a jump of 33%.

As a company we are focused on three things:

- Continuously wiping off the losses of the previous years, upgrading the plant & machinery of the company and at the same time increasing the topline at a healthy rate of over 20%.
- We have been able to retire most of our debts through internal accruals and thus, our profits are relatively less. Our gross margins are better than the industry, however, to clean up the past losses, we have to take a hit on the bottom line.
- We are through internal accruals modernizing and upgrading our factory in Daman & Diu; this

involves refurbishing machinery, putting up new lines for high end production and installing machinery.

A key strategy has been to increase production in the knitted and woven nets on an incremental basis focusing on value creation rather than volume ownership; we have implemented few in-house R&D measures to tweak the production strategy to manufacture more premium orders for our customers. This is helping us increase our per unit margins. In this manner, with similar capacity,

In the current year we achieved 95% plant capacity and we will keep on increasing efficiency on a regular basis.

Total Installed Capacity	2015-16	2014-15
Knitted		
1800 MTPA	1662 MT	1325 MT
Woven		
4200 MTPA	3733 MT	3124 MT

we are delivering margins that are healthier with each passing year.

Our success in the international markets showcases that our product quality meets global standards. During the year our export income registered an increase of 5.66% to ₹ 1,275.92 lakh as against ₹1,207.60 lakh for the same period of the corresponding year.

Continuous improvements in operational efficiency, sweating of assets and tweaking the production mix towards high value custom solutions are the key measures that we took during the year. We plan to continue this going further.

Opportunities

The Technical Textile sector in India is seeing immense potential due to increased usage, government promotion, push and usage of science-led applications for a better quality of life. Rishi Techtex is readying itself to address the

increased demand from the market both in the non-woven (knitted) and woven segments.

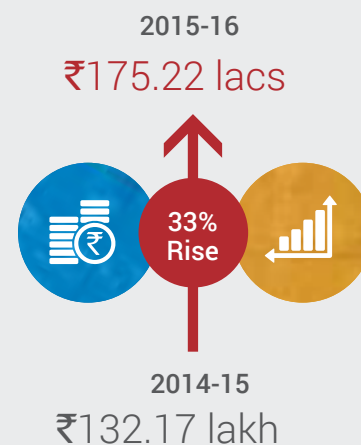
- Modernization of plant and machinery
- Increasing the all-India distributor network
- High value exports to US, EU and Asia

With 100% FDI being allowed in the Technical Textile segment in India, most global players have set up base in India either through representative offices, joint ventures or standalone operations. This will help in raising industry awareness and lead to market expansion. At Rishi Techtex, we see increased competition as a good measure to shift to high value applications and custom products for our customers.

Risks & Concerns

Volatility in the cost of raw materials and oil is leading to variations in standard pricing. High interest

Rise in Operational Profit



Recorded sales of **₹6,169.34 lacs** for financial year 2015-16, a **27%** surge from ₹4,846.15 lakh

"At Rishi Techtex, we see increased competition as a good measure to shift to high value applications and custom products for our customers."

rates adversely affect the earnings. Such external factors may affect the results and performance of the company.

Internal Control Systems & 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.

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.

Select Customers

Asian Paints



Kansai Paints



JK White Cement



Birla White



East Coast Industries



Jain Irrigation



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 22 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

(DIN : 00148521)

- Leading industrialist with over 22 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



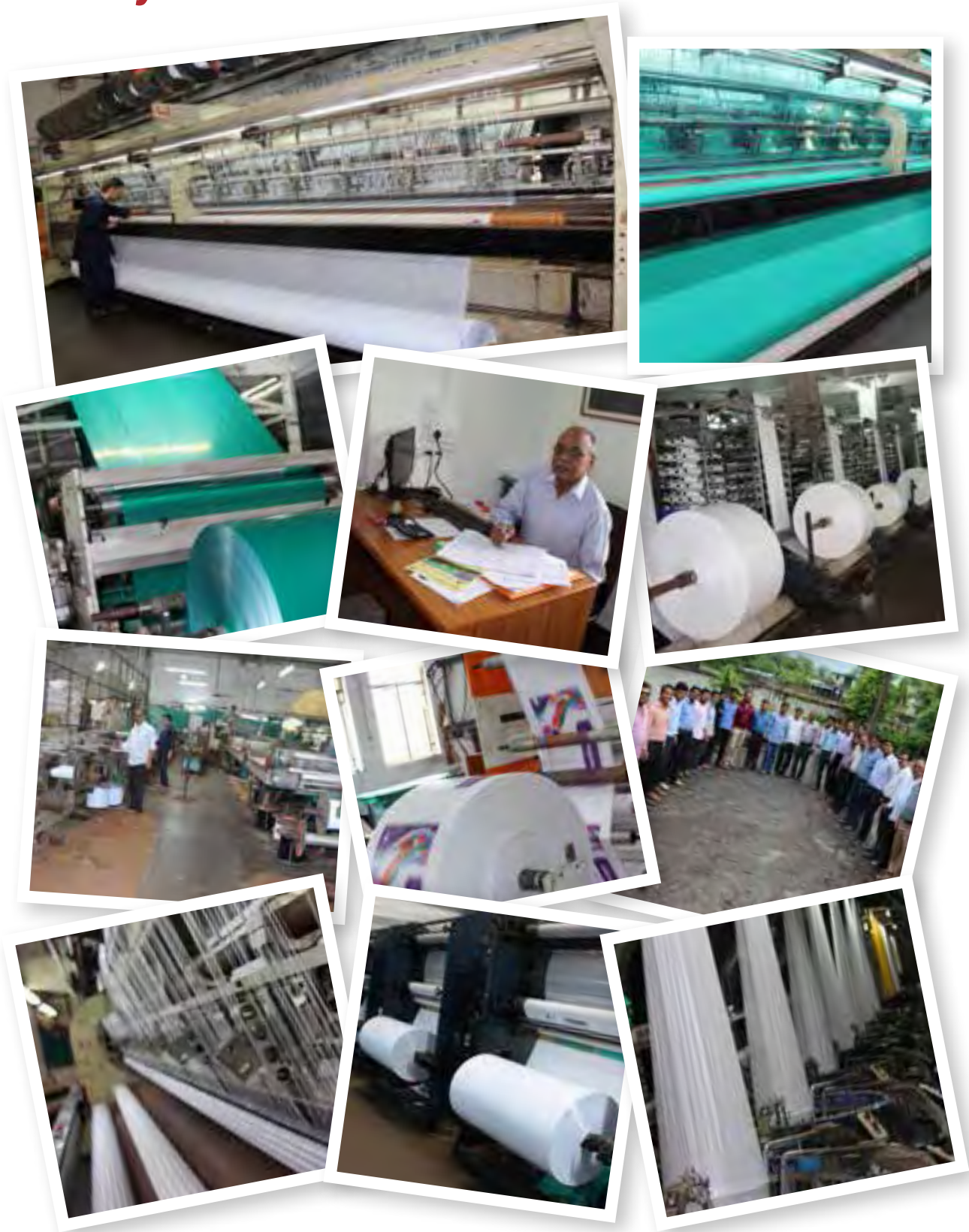
SHEELA AYYAR

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

Gallery



A photograph of a paper mill interior. Large rolls of white paper are being processed by machinery. The machinery is dark blue and black, with various rollers and guides. The paper rolls are stacked and moving through the machine. The background shows more rolls and the industrial setting.

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting their 32nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

	(₹ in lakh)	
	2015-16	2014-15
Total Income	6,190.08	4,868.39
Profit before Tax	193.51	132.17
Provision for Tax	18.29	Nil
Profit after Tax	175.22	132.17
Balance Brought forward from Previous year	2.25	(129.92)
Balance available for appropriation	177.47	2.25
General Reserve	401.88	401.88
Surplus Carried to the next years account	177.47	2.25

DIVIDEND

To strengthen the cash flow of the Company, the Directors decided not to declare any dividend in the year.

RESERVES

As on March 31, 2016 the reserves and surplus has increased to ₹1,062.71 lakh as compared to ₹868.17 lakh achieved during the last year.

COMPANY'S WORKING DURING THE YEAR

During the year the company earned total income of ₹6,190.08 lakh as compared to ₹4,868.39 lakh earned in the previous year showing an increase in 27.15%. The operations during the year have resulted in a profit of ₹175.22 lakh.

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 the EGM held on January 9, 2016, the shareholders approved issue and allotment of 869000 warrants convertible into equity shares at ₹17/- per share to Promoters and Promoter group of the Company. Out of which 276000 warrants were converted into shares and were allotted to Mr. Abhishek Patel, Managing Director of the 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. To maintain its objectivity and independence, the Internal Audit team reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Team monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit corrective action are undertaken.

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

DEPOSITS

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

- a) accepted during the year - ₹14.45 lakh
- 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

STATUTORY AUDITOR

M/s. Alladi Krishnan & Kumar, Chartered Accountants, Statutory Auditors of the Company (Firms Reg. No. 100282W) retire and offer themselves for re-appointment.

The Company has obtained the requisite certificate required under Section 141 of the Companies Act, 2013 to the effect that their re-appointment, if made, will be in conformity with limits specified in the said section.

As per the provisions of the Companies Act, 2013, the Auditors Report forms part of Annual Report.

SHARE CAPITAL

During the year the company issued 869000 warrants convertible into equity shares through preferential issue to Promoters and Promoter group. Out of which 276000 warrants were converted into shares. As on 31.03.2016 the paid up Equity Share Capital is ₹579.80 lakh. Following two directors are holding shares of the Company:

Mr. Abhishek Patel

Mr. Pranav Patel

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as **"Annexure A"**.

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 this report.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance and Certificate of the Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR), is provided in a separate section and forms part of this report.

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

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

DIRECTORS**A. Changes in Directors and Key Managerial Personnel**

Mrs. Sheela Ayyar was appointed as additional director on the Board effective 27.07.2015. Her appointment was regularized in the last AGM. She was then appointed as Independent Director as per the provisions of the Companies Act, 2013 in the EGM held on 09.01.2016. As on March 31, 2016 the Board of the Company comprises of four directors viz. Mr. Abhishek Patel, Managing Director, one Non-Executive Director and two Independent Directors.

B. 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 read with SEBI (LODR) Regulations, 2015.

C. Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of

the working of its Audit, Nomination & Remuneration and other Committees as required. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All new Independent Directors inducted into the Board are familiarized with the organization. The details of such program are provided in corporate governance report and are also available on website of the Company.

MEETINGS OF THE BOARD OF DIRECTOR

During the year, in all nine Board Meetings were held i.e. on 15th May, 2015, 27th July, 2015, 12th August, 2015, 15th September, 2015, 7th November, 2015, 11th December 2015, 29th January, 2016, 9th February, 2016 and 25th March, 2016. The time gap between any two meetings was not more than 120 days.

The details of Directors and their attendance record at Board Meetings held during the year and at the last Annual General Meeting, number of other directorships and chairmanships/memberships of committees, and other Committees of the Company is given in Corporate Governance Report.

WHISTLE BLOWER POLICY

The Company has formulated Whistle Blower Policy as per the SEBI (LODR) Regulations, 2015 to enable the employees to raise any concern, query and to deal with instance of fraud and mismanagement. The details of the said policy are explained in the Corporate Governance Report and circulated to the employees internally.

LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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 www.rishitechtext.com

PARTICULARS OF EMPLOYEES

The Statement containing particulars of employees as required and the ration 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 and 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 Audit Report is annexed herewith as **"Annexure D"**.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to provisions of the Companies Act, 2013, it is not applicable to the Company.

STATEMENT ON 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 Shareholders in the manner specified under Rule 11 of the Companies (Accounts) Rules, 2014.

COMMITTEES OF THE BOARD

Audit Committee

The Company has a Qualified Audit Committee as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The necessary details in this regard form part of Corporate Governance Report.

Nomination & Remuneration Committee

The Company has a Nomination & Remuneration Committee as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The necessary details in this regard form part of Corporate Governance Report.

Risk Management Policy

The Company has developed a very comprehensive risk management policy under which all key risks and mitigation plans are compiled into a Risk Matrix. The same is reviewed quarterly by senior management and periodically also by the Risk Management Committee of the Board.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The necessary details in this regard form part of Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013 and to the best of their knowledge, belief and according to the information and explanations obtained by them, your Directors make the following statements that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The directors place on record their appreciation of the efficient and loyal services rendered by the staff and workmen as also help and guidance received from Canara Bank.

By **Order of the Board of Directors**
For Rishi Techtex Ltd.

Date: 11.05.2016

Place: Mumbai

Abhishek Patel
(Managing Director)

FORM NO. MGT 9**Extract of Annual Return****as on financial year ended on March 31, 2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Managment & Administration) Rules, 2014****I. Registration & Other Details**

i	CIN	L28129MH1984PLC032008
ii	Registration Date	7/2/1984
iii	Name of the Company	RISHI TECHTEX LIMITED
iv	Category/Sub-category of the Company	Public Ltd. Company
v	Address of the Registered office & contact details	612, Veena Killedar Industrial Estate, Pais street, Byculla
vi	Whether listed company	Listed
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Adroit Corporate Services Pvt. Ltd. 19/20, Jaferboy Industrial Estate, 1 st 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.

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of Plastic Woven, Sacks and Shade nets	22203 and 13999	100%

III. Particulars of Holding, Subsidiary & Associate Companies

N.A. - The company do not have any subsidiary or associate company.

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

SHAREHOLDING PATTERN
(Equity Share Capital Breakup as Percentage of Total Equity)
RISHI TECHTEX LIMITED - 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	
A. Promoters									
(1) Indian									
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(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	273737	0	273737	4.96	273737	0	273737	4.72	-0.24
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) DIRECTORS	396645	0	396645	7.18	678659	0	678659	11.71	4.52
f-2) DIRECTORS RELATIVES	946091	0	946091	17.13	946091	0	946091	16.32	-0.82
Total Shareholding of Promoter (A)	1616473	0	1616473	29.27	1898487	0	1898487	32.74	3.47
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	342000	0	342000	6.19	342000	0	342000	5.90	-0.29
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	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) FIIs	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) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	342000	0	342000	6.19	342000	0	342000	5.90	-0.29
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	676206	212626	888832	16.10	904488	37279	941767	16.24	0.15
ii) Overseas	1000	0	1000	0.02	0	0	0	0.00	-0.02
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	741923	320420	1062343	19.24	824124	298771	1122895	19.37	0.13
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1539040	28600	1567640	28.39	1441779	0	1441779	24.87	-3.52
c) Others (Specify)									
c-1) NON-RESIDENT INDIANS(INDIVIDUALS)	1996	41716	43712	0.79	9306	41716	51022	0.88	0.09
c-2) CLEARING MEMBER	0	0	0	0.00	50	0	50	0.00	0.00
Sub-total (B)(2)	2960165	603362	3563527	64.53	3179747	377766	3557513	61.36	-3.18
Total Public Shareholding (B) = (B)(1)+(B)(2)	3302165	603362	3905527	70.73	3521747	377766	3899513	67.26	-3.47
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Sub-total (C)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4918638	603362	5522000	100	5420234	377766	5798000	100	0

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	RISHI LASER LTD	273737	4.96	0.00	273737	4.72	0.00	-0.24
2	AAKANKSHA H PATEL	291861	5.29	0.00	291861	5.03	0.00	-0.25
3	REKHA PATEL	55000	1.00	0.00	55000	0.95	0.00	-0.05
4	KIRAN PATEL	163232	2.96	0.00	163232	2.82	0.00	-0.14
5	ABHISHEK HARSHAD PATEL	396645	7.18	0.00	678659	11.71	0.00	4.52
6	SMITA H PATEL	435998	7.90	0.00	435998	7.52	0.00	0.38
	TOTAL	1616473	29.27	0.00	1898487	32.74	0.00	3.47

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

Sl. No.		Name of Promoter'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	RISHI LASER LTD	04/01/2015	273737	4.96	273737	4.96	
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL			
	At the end of the year		31/03/2016	0	0.00	273737	4.72	
	At the end of the year		11/03/2016	159998	2.90	435998	7.90	
2	At the beginning of the year	SMITA H PATEL	03/04/2015	435998	7.90	435998	7.90	
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL			
	At the end of the year		31/03/2016	0	0.00	435998	7.52	
3	At the beginning of the year	ABHISHEK HARSHAD PATEL	03/04/2015	396645	7.18	396645	7.18	
	Date wise Increase / Decrease in Promoters Shareholding during the year			28/08/2015	2321	0.04	398966	7.23
			04/09/2015	3693	0.07	402659	7.29	
			18/03/2016	276000	4.76	678659	11.71	
	At the end of the year		31/03/2016	0	0.00	678659	11.71	

4	At the beginning of the year	AAKANKSHA H PATEL	4/1/2015	291861	5.29	291861	5.29
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	291861	5.03

5	At the beginning of the year	KIRAN PATEL	04/01/2015	163232	2.96	163232	2.96
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	163232	2.82

6	At the beginning of the year	REKHA PATEL	04/01/2015	55000	1.00	55000	1.00
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	55000	0.95

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	4/1/2015	540051	9.78	540051	9.78
	Date wise Increase / Decrease in Share holding during the year		27/11/2015	-20450	0.37	519601	9.41
			04/12/2015	-13950	0.25	505651	9.16
			29/01/2016	315	0.01	505966	9.16
			05/02/2016	1301	0.02	507267	9.19
			12/02/2016	5550	0.10	512817	9.29
			19/02/2016	17697	0.31	530514	9.15
	At the end of the year		31/03/2016	0	0.00	530514	9.15
2	At the beginning of the year	RAJASTHAN GLOBAL SECURITIES PRIVATE LTD.	04/01/2015	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year		18/12/2015	56890	1.03	56890	1.03
			31/12/2015	-28000	0.51	28890	0.52
			15/01/2016	24000	0.43	52890	0.96
			12/02/2016	24491	0.44	77381	1.40
			19/02/2016	-54605	0.94	22776	0.39
	At the end of the year		31/03/2016	0	0.00	22776	0.39
3	At the beginning of the year	RAMBHABA HOLDING & TRADING CO. PVT. LTD.	04/01/2015	217157	3.93	217157	3.93
	Date wise Increase / Decrease in Shareholding during the year		09/10/2015	-10000	0.18	207157	3.75
			06/11/2015	-31810	0.58	175347	3.18
	At the end of the year		31/03/2016	0	0.00	175347	3.02

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
4	At the beginning of the year	PERCENTAGE ENPACKERS PVT. LTD.	04/01/2015	37000	0.67	37000	0.67
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	37000	0.64
5	At the beginning of the year	ARVIND BABURAO JOSHI	04/01/2015	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year			19/02/2016	50000	0.86	50000
	At the end of the year		31/03/2016	0	0.00	50000	0.86
6	At the beginning of the year	MAYUR MANGALDAS KOTHARI	04/01/2015	443539	8.03	443539	8.03
	Date wise Increase / Decrease in Shareholding during the year			06/11/2015	-2600	0.05	440939
				20/11/2015	-16000	0.29	424939
				11/12/2015	-159508	2.89	265431
				18/12/2015	-100000	1.81	165431
				08/01/2016	-50000	0.91	115431
				15/01/2016	-59284	1.07	56147
	At the end of the year		31/03/2016	0	0.00	56147	0.97
7	At the beginning of the year	STRESSED ASSETS STABILIZATION FUND	4/1/2015	342000	6.19	342000	6.19
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	342000	5.90
8	At the beginning of the year	MRS SAVITRI RAM KARNANI	4/1/2015	94200	1.71	94200	1.71
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	94200	1.62
9	At the beginning of the year	NIKHIL JAISINH MERCHANT	4/1/2015	330000	5.98	330000	5.98
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	330000	5.69
10	At the beginning of the year	HARISH KUMAR GUPTA	04/01/2015	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year			04/12/2015	20000	0.36	20000
				11/12/2015	38000	0.69	58000
	At the end of the year		31/03/2016	0	0.00	58000	1.00

Shareholding of Directors and Key Managerial Personal

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	PRANAV J PATEL	04/01/2015	1767	0.00	1767	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	1767	0.00
2	At the beginning of the year	JAGDISH SUBHAKARAN DOKWAL	04/01/2015	40093	0.69	40093	0.69
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	40093	0.69

Note: While considering the shareholding of directors, Promoters and Directors are not included.

V. Indebtedness

(₹ in lakh)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	930.08	175.46	67.95	1173.49
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	930.08	175.46	67.95	1173.49
Change in Indebtedness during the financial year				
Additions				
Reduction	160.14	57.98	13.5	231.62
Net Change	160.14	57.98	13.5	231.62
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	769.94	117.48	54.45	941.87

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Mr. Abhishek Patel - MD
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	36.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission -	-
	as % of profit	-
	others (specify)	-
5	Provident Fund	2.29
	Total (A)	38.29
	Ceiling as per the Act	Remuneration is within the limits prescribed under Companies Act, 2013

B. Remuneration to other directors

(₹ in lakh)

Sl.No.	Particulars of Remuneration	Mr. Pranav Patel	Mr. Arvind Nopany	Ms. Sheela Ayyar	Total Amount
1	Independent Directors				
	(a) Fee for attending board committee meetings -	0.20	0.20	0.15	0.55
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	Total (1)	0.20	0.20	0.15	0.55
2	Other Non-Executive Directors				
	(a) Fee for attending board committee meetings	0	0	0	0
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0.20	0.20	0.15	0.55
	Total Managerial Remuneration	0.20	0.20	0.15	0.55
	Overall Ceiling as per the Act.	Remuneration is within the limits prescribed under Companies Act, 2013			

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Nidhi Shah - 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	3.78	10.66	14.44
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0
	(c) Profits 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	0	0	0
5	Provident Fund	0.25	0.76	1.01
6	Bonus	0.17	0.53	0.70
	Total	4.20	11.95	16.15

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL

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

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.

TECHNOLOGY ABSORPTION

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

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

The Company has not imported any Technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The earning in foreign exchange on Export of bags and fabrics amounts to ₹1,275.92 lakh. Expenditure in foreign currency on account of Travelling ₹0.35 lakh and on account of spares and components ₹14.63 Lakh. There was no import of Capital Goods.

Annexure C

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.

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Name	Designation	Ratio
Mr. Abhishek Patel	Managing Director	27.22:1

Only Mr. Abhishek Patel is executive Director on the Board receiving Remuneration from the Company.

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

During the year there was no increase in remuneration of Managing Director and Chief Financial Officer. The remuneration of Company secretary was increased by 20% in the financial year.

- (iii) the percentage increase in the median remuneration of employees in the financial year;

During the year the percentage increase in the median remuneration of employees as compared to previous year was approximately 2.48%.

- (iv) The number of permanent employees on the rolls of company;

The numbers of on-rolls permanent employees are 177(excluding MD).

- (v) the explanation on the relationship between average increase in remuneration and company performance;

The increase in the remuneration was dependent upon the individual performance and upon the performance of the Company as a whole. The Companies PAT has increased to ₹175.22 lakh from ₹132.17 lakh in previous year, which is 33% against the average increase in remuneration that is 24.02%. The revenue growth during the year is 27.30%.

- (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

The details of remuneration to KMP's have been elaborated in Form No. MGT 9 annexed to the Board Report. The remuneration paid to all 3 KMPs aggregate to 0.82% of revenue. The net revenue during the year is ₹6,169.34 lakh.

- (vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

The market capitalization of the Company in the current financial year was 8.67 crore as compared to 4.77 crore in the previous year. Price earnings ratio of the Company was 4.93 in the current year and was 3.26 in previous year. The last public offer was at ₹10. The percentage increase and decrease in the market quotations as at the closing date of the current financial year and previous financial year of the shares of the company in comparison to the rate at which the company came out with the last public offer are 49% (₹14.90/-) and -13.5% (₹8.65/-).

The net worth of the Company in the current year is increased by ₹247.34 lakh as compared to last year.

- (viii) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	Remuneration	% of Gross revenue	% of PBT
Mr. Abhishek Patel	3828960	0.62	19.78
Mr. Jagdish Dokwal	1195143	0.19	6.17
Ms. Nidhi Shah	483995	0.07	2.50

- (ix) 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 point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average increase in remuneration is 49.36% for Employees other than Managerial Personnel and 1.50% for Managerial Personnel.

- (x) the key parameters for any variable component of remuneration availed by the directors;

The Managing Director was paid remuneration as approved by the Members in General Meeting. No other Director has received any remuneration other than sitting fees.

- (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

No employee has received remuneration in excess of remuneration received by the Managing Director.

- (xii) Affirmation that the remuneration is as per the remuneration policy of the company.

The Board hereby affirms that the remuneration is as per the remuneration policy of the company.

Annexure D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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 books, papers, minute books, forms and returns maintained, filed with respective Statutory Authorities 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 and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 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:

According to the applicable 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 there under;
- (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, 1992;
- (v) Other laws applicable to the Company as per the representations made by the Management and;
- (vi) Standard Listing Agreement entered into by the Company with BSE Limited for its securities listed on the BSE, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

The Company has generally complied with the provisions of the Other Acts, which are specifically applicable to the Company

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.

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

Place: Mumbai

Date: 02.05.2016

Sudhanwa S Kalamkar
ACS: 18795 CoP: 7692

A large roll of paper with 'asianpaints' branding is being processed by a machine. The paper features a colorful logo and the text 'asianpaints'. The machine has orange and white components. A blue vertical bar is on the right side of the image.

Corporate Governance Report

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Philosophy on Corporate Governance aims at attaining the highest level of professionalism, honesty and integrity, besides transparency and accountability towards its stakeholders including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS (As on 31.03.2016)

As on March 31, 2016 the board consists of four Directors out of which one is promoter director and other three are Non-Executive Director. There is no Nominee Director on the Board.

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.

During the year, in all nine Board Meetings were held i.e. on 15th May, 2015, 27th July, 2015, 12th August, 2015, 15th September, 2015, 7th November, 2015, 11th December, 2015, 29th January, 2015, 9th February, 2016 and 25th March, 2016. The time gap between any two meetings was not more 120 days.

Name	Category	Other Directorships in public limited Cos.	Committee Memberships/ Chairmanship (including RTL) [#]	Attendance At Board Meetings	Attendance at AGM	Shareholding of Non-Executive Directors
Mr. Abhishek Patel	Promoter/ Executive	Nil	2	9	Yes	N. A.
Mr. Arvind Nopany	Non-Promoter/ Independent	Nil	3	9	No	Nil
Mr. Pranav Patel	Non-Promoter/ Non-Executive	Nil	3	9	No	1767
Ms. Sheela Ayyar	Non-Promoter/ Independent	1	3	7	Yes	Nil

The details of Directors and their attendance record at Board Meetings held during the year, at last Annual General Meeting and number of other directorships and chairmanships/memberships of committees is given below:

[#]While considering the memberships/chairmanships only Audit Committee and Shareholders and Investor Grievance Committee are considered.

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.rishitechtextex.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.rishitechtextex.com.

All Board members and senior management personnel have affirmed compliance with the code for the year ended on March 31, 2016. Declaration to this effect signed by the Managing Director of the Company for the year ended on March 31, 2016 has been included elsewhere in this report.

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 composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation. The Committee consists of three Directors, Mr. Arvind N. Nopany, Mr. Abhishek Patel and Ms. Sheela Ayyar out of which two are independent Directors. Ms. Sheela Ayyar is the chairperson of the Committee.

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

1. Reviewing the quarterly and annual financial statements before submission to the Board.
2. Recommending to the Board the appointment, reappointment of the statutory auditors and fixing their remuneration.
3. Reviewing the internal control system and internal audit function.
4. Discussing with internal auditors failure in internal control system and recommending measures for improvement.
5. Discussing with statutory auditors about the nature and scope of audit and post audit discussions on any area of concern.
6. To look into any defaults in payment to depositors, shareholders and creditors.

The Committee met on 15th May, 2015, to consider the Annual Accounts for the year ended 31.03.2015, on 12th August, 2015 to consider quarterly unaudited results for the quarter ended 30.06.2015, on 7th November, 2015 to consider the quarterly unaudited results for the quarter ended 30.09.2015 and on 9th February, 2016 to consider the nine months financial results.

The Meetings were attended by all the Members of the Committee.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of three Directors, Mr. Pranav Patel, Mr. Arvind N. Nopany and Ms. Sheela Ayyar out of which two are Independent Directors. Mr. Arvind Nopany 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. Remuneration Committee approves the remuneration payable to the Managing Director and senior executives. The policy is available on the website of the Company.

During the year the Committee met on 20th July, 2015 and 7th November, 2015. All the members were present in the meeting.

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 Listing Regulation, 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.

The Managing Director is paid remuneration. Other Directors are paid sitting fees of ₹2,500/- per Board Meeting.

Managing Directors Remuneration (As prescribe by Schedule V of the Companies Act, 2013).

Period	:	Three years from 1.11.2014
Salary	:	Not exceeding ₹3,50,000/- per month
Commission	:	Not exceeding 1% of Net profits
Perquisites	:	Perquisites will be limited to an amount equal to salary
HRA	:	50% of salary per month

Besides the above, the Managing Director is entitled to perquisites such as PF, Gratuity, Medical, LTA, Telephone, Car, Accident Insurance.

Non-Executive Directors are paid ₹2,500/- per Board Meeting attended.

No stock options has been issued to any Directors.

Total Remuneration received by Mr. Abhishek Patel, Managing Director of the Company during the year 2015-16 amounts to ₹38.29 lakh.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance 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. The Directors expressed their satisfaction with the evaluation process.

Shareholders/Investors Grievance Committee

The Committee consists of three directors out of which two are independent Directors. Mr. Arvind Nopany 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.

Details of Shareholders' Complaints Received, Solved and Pending Share Transfers

There are no complaints pending with the company.

Finance Committee

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

During the year, the Committee met on 4th March 2016 and 23rd March 2016 to consider finance proposals.

Independent Directors' Meeting

During the year under review, the Independent Directors met on February 5, 2016, 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.

General Meetings

29th AGM	– Friday, 23.08.2013 at 11.30 a.m.	– H. T. Parekh Conference Room, 4 th Floor, IMC, Churchgate, Mumbai- 400020
30th AGM	– Tuesday 30.09.2014 at 12.30 p.m.	– Killachand Conference Room, 2 nd Floor, IMC, Churchgate, Mumbai- 400020
31st AGM	– Tuesday 29.09.2015 at 11.30 a.m.	– Killachand Conference Room, 2 nd Floor, IMC, Churchgate, Mumbai- 400020
EGM	– Saturday 09.01.2016 at 11.00 a.m.	– H. T. Parekh Conference Room, 4 th Floor, IMC, Churchgate, Mumbai- 400020
32nd AGM	– Wednesday at 10.30 a.m.	– Killachand Conference Room, 2 nd Floor, IMC, Churchgate, Mumbai- 400020

Special Resolutions

In the 29th Annual General Meeting, no Special Resolution was passed.

In the 30th Annual General Meeting, Special resolutions were passed for appointment of Mr. Abhishek Patel as Managing Director, appointment of Pranav Patel and Arvind Nopany as Independent Director, to borrow and raise money and to accept unsecured deposits from members.

In the 31st Annual General Meeting, no Special Resolution was passed.

In the EGM held on January 09, 2016 following two Special resolution was passed:

1. For Issue and allotment of warrants on Preferential Basis to Promoter and Promoter Group
2. Appointment of Ms. Sheela Ayyar as Independent Director

Postal Ballot

During the year, no postal Ballot Resolution was passed.

Subsidiary Companies

The Company does not have any Subsidiary.

Whistle Blower Policy

The Company has a whistle blower policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Risk Management

The Company has developed a very comprehensive risk management policy under which all key risks and mitigation plans are compiled into a Risk Matrix. The same is reviewed quarterly by senior management and periodically also by the Risk Management Committee of the Board.

Disclosures

The Company is in compliance with all mandatory requirements under Listing Regulation.

During the year the Company issued 869000 warrants convertible into equity shares at price of ₹17/- per warrant to Promoters & Promoter Group under preferential issue. Out of which 276000 warrants were converted into equity shares.

There was no use/application of funds for purpose other than those stated in the relevant notice of issue of warrants.

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) pertaining to CEO/CFO certification for the financial year ended 31.03.2016.

A certificate from the Auditors of the Company regarding compliance of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is annexed herewith.

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 results upto December 2015 in Free Press Journal and Navshakti. The Audited results for the year ended March 2016 are published in Business Standard and Navakal.

The Company has been displaying the Quarterly/ Half Yearly and Annual Results on the website of the Company viz. www.rishitechtext.com.

General Shareholder Information

32nd Annual General Meeting

Date: September 28, 2016 | Time: 10.30 a.m.

Venue: Killachand Conference Room, 2nd Floor, IMC, Churchgate, Mumbai- 400020.

Financial Calendar

Publication of Unaudited/Audited Results

Quarter Ending

30 th June, 2016	45 days from the end of quarter
30 th September, 2016	45 days from the end of quarter
31 st December, 2016	45 days from the end of quarter
31 st March, 2016	60 days from the end of year (Audited)

Book Closure Date

22.09.2016 to 28.09.2016 (both days inclusive)

Listing on Stock Exchange

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

Stock Code

Physical Segment	523021
CDSL/NSDL ISIN NO	INE989D01010

Stock Market Data

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.

Month	High	Low	BSE SENSEX	
			High	Low
April 2015	9.08	7.10	29094.61	26897.54
May 2015	6.78	6.13	28071.16	26423.99
June 2015	6.24	6.40	27968.75	23607.07
July 2015	6.97	5.48	28578.33	27416.39
August 2015	11.02	6.50	28417.59	25298.42
September 2015	9.31	9.00	26471.82	24833.54
October 2015	11.70	8.65	27618.14	26168.71
November 2015	14.40	10.91	26824.30	25451.42
December 2015	16.41	11.15	26256.42	24867.73
January 2016	21.80	17.60	26197.27	23839.76
February 2016	22.15	14.25	25002.32	22494.61
March 2016	16.15	12.10	25479.62	23133.18

Outstanding GDRs/ADRs/Warrants:

The Company has not issued any GDRs/ ADRs. During the year the company issued 869000 warrants to Promoter & Promoter Group. Out of which 593000 warrants are outstanding for conversion as on date.

Compliance Officer

Ms. Nidhi Shah, Company Secretary is the Compliance officer of the Company.

Registrar and Transfer Agents

Adroit Corporate Services Private Limited
 19/20, Jaferbhoy Industrial Estate, 1st Floor,
 Makwana Road, Marol Naka, Mumbai 400059
 Phone No.: 022 42270400/22 Fax No.: 28503748
 Email Id: pratapp@adroitcorporate.com
 ganeshs@adroitcorporate.com

Share Transfer System

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

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.

Pursuant to clause 47 (c) of the Listing Agreement, certificates 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, 2015 and pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

for the half year ended March 31, 2016. 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 March 31, 2016, 5420234 equity shares out of 5798000 representing 93.48% of the total paid-up Capital of the Company are held in dematerialised form.

Shareholding Pattern as at March 31, 2016

Category	No. of Shares held	% to Paid up Capital
Promoters	1898487	32.74
Banks/Financial Institutions	342000	5.90
Bodies Corporate	941767	16.24
Non-Resident Indians	51022	0.88
Public	2564724	44.24
Total	5798000	100.00

Distribution of Shareholdings

No. of Shares	No. of Shareholders	% to Total	No. of Shares	% to Total
Up to 500	3728	87.58	454242	7.83
501-1000	226	6.04	185023	3.19
1001-2000	98	2.62	152032	2.62
2001-3000	34	0.91	84159	1.45
3001-4000	16	0.43	56019	0.97
4001-5000	16	0.43	75718	1.31
5001-10000	23	0.61	182263	3.14
Above 10000	52	1.39	4608544	79.49
Total	3743	100	5798000	100

Plant Location

Survey No.381, Causeway Road, Village Kachigam, Taluka Daman, Union Territory of Daman & Diu.

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@rishitechtextex.com

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 the all Board members and Senior Management personnel have confirmed compliance with the Code of Conduct applicable to them during the year ended on March 31, 2016.

By **Order of the Board of Directors**
For Rishi Techtex Ltd.

Mumbai

Date: 11st May, 2016

Abhishek Patel
(Managing Director)

**The Shareholders of
Rishi Techtex Ltd.,
Mumbai - 400 011**

We have reviewed the records and documents concerning implementation of corporate governance procedure set by the Company during the financial year ended 31st March, 2016 and furnished to us for our review.

Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred in Regulation 15(2) for period 1st December, 2015 to 31st March, 2016.

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

For **ALLADI KRISHNAN AND KUMAR**
(Chartered Accountants)
Firm's Registration No.100282W

Date: 11.05.16
Place: Mumbai

AJIT S.DATAR
(Partner)
Membership No.036274

**To the Members of
Rishi Techtex Limited**

Report on the Financial Statements

We have audited the accompanying Financial Statements of Rishi Techtex Limited, which comprises the Balance Sheet as at 31st March, 2016, and the Statement of Profit And Loss account and Cash Flow Statement of the company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- b. In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and returns.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and amendments thereof if any.
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, 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 control over financial reporting of the company and the operating effectiveness of such control refers to our separate report in "Annexure B" , and

- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For **ALLADI KRISHNAN AND KUMAR**
(Chartered Accountants)
Firm's Registration No.100282W

Date: 11.05.16
Place: Mumbai

AJIT S. DATAR
(Partner)
Membership No.036274

The Annexure A referred to in paragraph 1 Under 'Report on other legal and Regulatory Requirements' section of our Report of even date to the members of Rishi Techtext Limited on the accounts of the company for the year ended 31st March, 2016.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and location of the Fixed Assets.
 - b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
 - c) The title deed of immovable property is held in the name of company which is mortgage to canara bank as on date of balance sheet.
2. Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt in the books of account.
3. According to the information and explanations given to us the Company has not granted unsecured loans, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii of the order are not applicable to the Company.
4. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, Investment, Guarantees and security.
5. The Company has accepted deposits from the member and have complied the provisions of Sections 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the act and the rules framed there under.
6. The Central Government has prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the Company and same is maintained by the company.
7.
 - a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, VAT, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
 - b) There are no disputed statutory dues pending at any forums.

8. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, and government.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
11. The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule 5 to the Companies Act, 2013.
12. The Company is not Nidhi Company.
13. All the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013. The necessary details in the regards have been disclosed in the financial statements etc, as required by the application accounting standards.
14. The Company has made a preferential Issue of 869000 Warrants of ₹10/- each at price of ₹17/- per warrant to the promoter and promoter group. The company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013 and rules made there under and SEBI ICDR Regulations. The amount raised has been used for the purposes for which the funds were raised.
15. The company has not entered in to any Non-Cash transactions with directors or persons connected with him.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **ALLADI KRISHNAN AND KUMAR**
(Chartered Accountants)
Firm's Registration No.100282W

Date: 11.05.16
Place: Mumbai

AJIT S. DATAR
(Partner)
Membership No.036274

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 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose 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 maintenance of record that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the asset of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditure of the company are being made only in accordance with authorisation of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control 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, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ALLADI KRISHNAN AND KUMAR**
(Chartered Accountants)
Firm's Registration No.100282W

Date: 11.05.16
Place: Mumbai

AJIT S. DATAR
(Partner)
Membership No.036274



Financial Statements

(₹ in lakh)

Particulars	Notes		31.03.2016	31.03.2015
Equity & Liabilities				
Shareholders' Funds				
Share Capital	3	579.80		552.20
Reserves & Surplus	4	1,062.71		868.17
Money Received against Share Warrants		25.20		-
			1,667.71	1,420.37
Non-current liabilities				
Long term borrowings	5	109.39		237.12
Other Long term liabilities	6	205.66		202.44
Long-term provisions	7	60.94		54.89
			375.99	494.45
Current liabilities				
Short-term borrowings	8	732.28		793.68
Trade payables	9	902.69		901.59
Other current liabilities	10	109.86		147.83
Short-term provisions	11	93.75		50.45
			1,838.58	1,893.55
TOTAL			3,882.28	3,808.37
Assets				
Non-current assets				
Fixed assets				
Tangible assets	12	1,183.54		1,188.66
Capital work-in-progress		-		-
Fixed assets held for sale		-		-
			1,183.54	1,188.66
Non-current investments	13	38.83		43.58
Deferred Tax Assets (Net)		18.71		-
Long term loans and advances	14	34.85		34.85
			92.39	78.43
Current assets				
Inventories	15	1,418.30		1,380.45
Trade receivables	16	729.28		761.54
Cash and cash equivalents	17	109.29		117.54
Short-term loans and advances	18	349.48		281.75
			2,606.35	2,541.28
TOTAL			3,882.28	3,808.37
Summary of Significant Accounting Policies	2.1			

The accompanying notes are integral part of Financial Statement.

As per our report of even date
For Alladi Krishnan & Kumar
Firm's Registration No. 100282W
Chartered Accountants

Partner
Membership No. 036274
Place: Mumbai
Date : 11th May, 2016

For and on behalf of Board of Directors

MANAGING DIRECTOR
Abhishek Patel

COMPANY SECRETARY
Nidhi Shah

CHIEF FINANCIAL OFFICER
Jagdish Dokwal

DIRECTOR
Sheela Ayyar

Statement of Profit & Loss for the year ended 31st March, 2016

79

(₹ in lakh)

Particulars	Notes		31.03.2016	31.03.2015
Continuing operations				
Income				
Revenue from operations (gross)	19	6,574.85		5,276.81
Less: Excise duty		405.51		430.66
Revenue from operations (net)		6,169.34		4,846.15
Other income	20	20.74		22.24
Total revenue (i)			6,190.08	4,868.39
Expenses				
Cost of materials consumed	21		4,581.27	3,424.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22		(23.63)	(50.04)
Employee benefits expense	23		408.49	353.56
Other expenses	24		736.53	700.43
Finance costs	25		137.52	155.12
Depreciation and amortisation expense	12		166.68	159.50
Total (ii)			6,006.86	4,743.08
Profit /(Loss) before Exceptional Items and tax			183.22	125.31
Exceptional Items	26		10.29	6.86
Profit /(Loss) before Tax			193.51	132.17
Tax expenses				
Current Tax			37.00	-
Deferred Tax			(18.71)	-
Profit /(Loss) for the Period			175.22	132.17
Earnings per equity share (of ₹10/- each):				
(i) Basic			3.02	2.39
(ii) Diluted			3.02	2.39
Summary of Significant Accounting Policies	2.1			

The accompanying notes are integral part of Financial Statement.

As per our report of even date
For Alladi Krishnan & Kumar
Firm's Registration No. 100282W
Chartered Accountants

Partner

Membership No. 036274
Place: Mumbai
Date : 11th May, 2016

For and on behalf of Board of Directors

MANAGING DIRECTOR
Abhishek Patel

COMPANY SECRETARY
Nidhi Shah

CHIEF FINANCIAL OFFICER
Jagdish Dokwal

DIRECTOR
Sheela Ayyar

80 Cash Flow Statement for the year ended 31st March, 2016

	31.03.2016		31.03.2015	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Net profit before tax & extraordinary items		193.51		132.17
Adjusted for:				
Depreciation	166.68		159.50	
Interest & Other finance charges	137.52		155.12	
Interest received	-12.72		-9.24	
Dividend received	-0.01		-0.11	
Profit on sale of Assets	-10.29		-6.86	
Profit on sale of Investment	0.00		-8.13	
Net foreign exchange (gain) / loss	-8.01		-4.76	
	-	273.17	-	285.52
A. Operating Profit Before Working Capital Change		466.68		417.69
Adjusted for (Increase)/Decrease in operating Assets:				
Trade and other Receivable	32.26		-84.53	
Inventories	-37.85		-52.42	
Short Term Loans & Advances	-67.73		-20.02	
Adjusted for Increase/(Decrease) in operating Liabilities:				
Trade payables	1.10		-3.09	
Other current liabilities	-37.97		-44.50	
Short-term provisions	43.30		-14.18	
Long-term liabilities and provisions	9.27		44.24	
	-	-57.62	-	-174.50
Cash Generated from Operations		409.06		243.19
Less: Taxes Paid		37.00		0.00
Net Cash From Operating Activities		372.06		243.19
B. Cash Flow from Investing Activities:				
Purchase of Fixed Assets	-168.77		-16.89	
(including Capital Work-in-Progress)				
Sale of Investments	4.75		61.99	
Interest Received	12.72		9.24	
Sale of Fixed Assets	17.50		11.72	
Net foreign exchange gain / (loss)	8.01		4.76	
Dividend received	0.01		0.11	
Net Cash (Used in) Investing Activities		-125.78		70.93
C. Cash Flow from Financing Activities:				
Proceeds from issue of Share Capital	52.80		0.00	
Proceeds from issue of Share Premium	19.32		0.00	
Proceeds from Borrowings (Net of Repayments)	-127.73		-119.41	
Net Increase/(Decrease) in Working Capital Borrowing	-61.40		-19.09	
Interest and other finance charges	-137.52		-155.12	
Net Cash (Used in) from Financing Activities		-254.53		-293.62
Net Increase in Cash and Cash Equivalents: (A+B+C)		-8.25		20.50
Opening balance of cash & cash equivalents		117.54		97.04
Closing balance of cash & cash equivalent		109.29		117.54

As per our report of even date
For Alladi Krishnan & Kumar
Firm's Registration No. 100282W
Chartered Accountants

Partner
Membership No. 036274
Place: Mumbai
Date : 11th May, 2016

For and on behalf of Board of Directors

MANAGING DIRECTOR
Abhishek Patel

COMPANY SECRETARY
Nidhi Shah

CHIEF FINANCIAL OFFICER
Jagdish Dokwal

DIRECTOR
Sheela Ayyar

NOTE NO. 1**Corporate Information**

The company was incorporated in 1984-85 in the name of Rishi Packers Pvt. Ltd. with an initial project costing ₹80/- lakh. The Company has over the last two and half decades undertaken a number of expansion, modernization and diversification programs successfully. The gross block which was ₹131.70 lakh in the first year has gone up to ₹3,357.47 lakh by the end of March 2016. The turnover has gone up from ₹28.50 lakh and has reached at its highest level at ₹6,169.34 lakh in 2015-16.

The Company, which started as a woven sack unit supplying bags to fertilizer and cement industry, has consistently developed a number of products to cater to a wide spectrum of industries such as cement, fertiliser, chemical, petrochemical, etc.

In the year 1998-99 the company undertook a major expansion and started manufacturing agro shade net for the first time in India. Presently the company is the largest exporter and manufacturer of agro shade net in India.

We are a technical textile company operating in India for over 30 years. Our yarn, fabric, bag and agro shade net manufacturing plant with latest technology is located at Survey No. 381, Zari Causway Road, Kachigam, Daman.

NOTE NO. 2**Significant Accounting Policies****Basis of Accounting and Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rules 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared as on going concern on accrual basis under the historical cost convention.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the

actual results and the estimates are recognised in the periods in which the results are known/materialise.

Inventories (AS 2.26.a)

Inventories are valued at the lower of cost on weighted average basis. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include cost plus appropriate proportion of overheads.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Depreciation and Amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Revenue Recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Tangible Fixed Assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Foreign Currency Transactions and Translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences.

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

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using actuarial valuations being carried out at each Balance Sheet date.

Borrowing Costs

Borrowing costs include interest, ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to

and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Share Issues Expenses

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance is available for utilisation in the Securities Premium Account.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Deferred Taxation

In view of the profitability achieved in the current financial year 2015-16, the necessary adjustments towards Deferred tax Liability/Assets as per AS22 are made in the year under reporting.

(₹ in lakh)

3. SHARE CAPITAL	As at 31.03.2016	As at 31.03.2015
Authorised shares		
70,00,000 Equity Shares of ₹10/- each	700.00	700.00
Issued, Subscribed and fully Paid up shares		
55,22,000 Equity Shares of ₹10/- each fully paid up	552.20	552.20
Add: Issue of 2,76,000 shares at ₹10/- each with a Premium of ₹7/- per shares during the year:	27.60	-
	579.80	552.20
Total Issued, Subscribed and fully Paid-up share capital	579.80	552.20

a. Reconciliation of the number of equity shares and amount outstanding at the the end of the reporting period:

(₹ in lakh)

	As at 31.03.2016 No. in lakh	As at 31.03.2016 No. in lakh	As at 31.03.2015 No. in lakh	As at 31.03.2015 No. in lakh
At the beginning of the period	55.22	552.20	55.22	552.20
Issued during the period	2.76	27.60	-	-
Outstanding at the end of the period	57.98	579.80	55.22	552.20

b. Terms/rights attached to 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. Details of shares held by each shareholder holding more than 5% shares:

(₹ in lakh)

	As at 31.03.2016 Number in lakh	As at 31.03.2016 % of holding in the class	As at 31.03.2015 Number in lakh	As at 31.03.2015 % of holding in the class
Equity shares of ₹10 each fully paid				
Mr. Abhishek H. Patel	6.79	11.71%	3.97	7.18%
M/s. Centennial Finance Ltd.	5.31	9.16%	5.40	9.78%
Mr. Smita H. Patel	4.36	7.52%	4.36	7.90%
Stressed Asset Stabilisation Fund	3.42	5.90%	3.42	6.19%
Mr. Nikhil Marchant	3.30	5.69%	3.30	5.98%
Mr. Aakanksha H. Patel	2.92	5.04%	2.92	5.28%
Mr. Mayur M. Kothari	0.56	0.97%	4.43	8.03%

d. During the year 2,76,000 equity shares of ₹10/- each were issued on part conversion of warrants issued at a price of ₹17/- per share to Promoters and Promoter Group. As on 31.03.2016, 5,93,000 warrants are pending for conversion. The said warrants can be converted in to equity shares not later than 18 months from the date of their allotment i.e. 19th February, 2016.

(₹ in lakh)

4. RESERVES AND SURPLUS	As at 31.03.2016	As at 31.03.2015
CAPITAL RESERVE		
Balance as per last Balance Sheet	49.06	49.06
SECURITY PREMIUM ACCOUNT		
Balance as per last Balance Sheet	414.98	414.98
Add: Addition during the year	19.32	-
	434.30	414.98
GENERAL RESERVE		
Balance as per last Balance Sheet	401.88	401.88
Surplus / (Deficit) in Statement of Profit and loss		
Opening balance	2.25	(129.92)
Add: Profit / (Loss) for the year	175.22	132.17
Net Surplus in the statement of Profit and Loss	177.47	2.25
TOTAL	1,062.71	868.17

(₹ in lakh)

	Non-current portion		Current portion	
5. LONG TERM BORROWING	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Term loans				
From banks				
Secured	-	31.27	31.27	82.54
Unsecured	-	-		
	-	31.27	31.27	82.54
From other parties				
Secured	3.97	6.59	2.42	15.99
Unsecured	44.08	27.18	36.51	29.71
	48.05	33.77	38.93	45.70
Deposits				
Secured	-	-	-	-
Unsecured	24.45	53.50	30.00	14.45
	24.45	53.50	30.00	14.45
Loan From Related Party				
Secured	-	-	-	-
Unsecured	36.89	118.58	0.00	0.00
	36.89	118.58	-	-
TOTAL	109.39	237.12	100.20	142.69

(₹ in lakh)

	Non-current portion		Current portion	
Details of Secured Loans From Bank	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
1. Term loan From Canara Bank: Secured by First Charge on Companies Land and Building, Machinaries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹15 lakh/Qtr. for 20 Installments from July 2012 Qtr onwards)	0.00	31.27	31.27	62.54
2. Term loan From Canara Bank: Secured by First Charge on Companies Land and Building, Machinaries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹2 lakh P.M. for 24 Installments from January 2014 onwards)	0.00	0.00	0.00	20.00
TOTAL	0.00	31.27	31.27	82.54

(₹ in lakh)

	Non-current portion		Current portion	
Details of Loans From Other Parties - Secured	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
1. Loan from L & T Finance Ltd. Secured by Hypothecation of Specific Plant and Machinery at Daman Repayment of ₹1.35 lakh P.M. (EMI) for Three years from May 2013 to April 2016)	0.00	1.45	1.45	14.98
2. Hire Purchase Loan From SBI Finance Ltd. Secured by Hypothecation of Vehicle	3.97	5.14	0.97	1.01
TOTAL	3.97	6.59	2.42	15.99

(₹ in lakh)

	Non-current portion		Current portion	
Details of Loans From Other Parties - Unsecured	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
1. Inter Corporate Deposit: Repayment or renewed after 6 Months from the date of deposits	0.00	0.00	0.00	3.22
2. Loan from Bajaj Fin. Services : Repayment of ₹1.22 lakh P.M. (EMI) for 1 st year, ₹0.94 lakh P.M. for 2 nd Year and ₹0.52 lakh P.M. for 3 rd Year starting From Nov' 14 till Oct' 2017	3.42	11.25	7.82	10.07
3. Loan from Bajaj Fin. Services : Repayment of ₹1.04 lakh P.M. (EMI) starting from April 2016 to March 2019	20.67	0.00	7.75	0.00
4. Loan from Tata Finance : Repayment of ₹1.86 lakh P.M. (EMI) for 1 st year, ₹1.15 lakh P.M. for 2 nd Year and ₹0.57 lakh P.M. for 3 rd Year starting from Feb' 2015 to Jan' 2018	5.29	15.93	10.64	16.42
5. Loan from Religare Finvest Ltd : Repayment of ₹1.26 lakh P.M. (EMI) starting from May 2016 to April 2018.	14.70	0.00	10.30	0.00
TOTAL	44.08	27.18	36.51	29.71

(₹ in lakh)

	Non-current portion		Current portion	
Details of Deposits - Unsecured	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
1. Deposit Received from Public; Repayment or renewed after 3 years from the date of deposits	24.45	53.50	30.00	14.45
TOTAL	24.45	53.50	30.00	14.45

(₹ in lakh)

	Non-current portion		Current portion	
Details of Loan from Related Party - Unsecured	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
1. Loan From Director	36.89	118.58	0.00	0.00
TOTAL	36.89	118.58	0.00	0.00

(₹ in lakh)

6. OTHER LONG TERM LIABILITIES	As at 31.03.2016	As at 31.03.2015
(i) Payable on purchase on fixed assets	49.25	17.72
(ii) Payable on Contractually reimbursable expenses	81.54	62.83
(ii) Security deposit/ advances form customer	74.87	121.89
TOTAL	205.66	202.44

(₹ in lakh)

7. LONG TERM PROVISIONS	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits:		
(i) Provision for gratuity (net)	60.94	54.89
(ii) leave Encashment (unfunded)	-	-
TOTAL	60.94	54.89

(₹ in lakh)

8. SHORT TERM BORROWINGS	As at 31.03.2016	As at 31.03.2015
Loans repayable on demand		
From banks		
Secured	732.28	793.68
TOTAL	732.28	793.68

Notes:**Details of security for the secured short-term borrowings:**

- a. Working capital loans outstanding at ₹732.28 lakh is secured against exclusive hypothcation of Inventories and Receivables/ Repayable on demand and carries Interest at 14.15%.

(₹ in lakh)

9. TRADE PAYABLES	As at 31.03.2016	As at 31.03.2015
Trade Payables against Bills acceptance	450.85	451.05
Other Trade payables	451.84	450.54
TOTAL	902.69	901.59

(₹ in lakh)

10. OTHER CURRENT LIABILITIES	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long Term Debt	100.20	142.69
TDS payable	6.89	4.48
TCS payable	0.01	0.01
Service Tax Payable	2.76	0.65
TOTAL	109.86	147.83

(₹ in lakh)

11. SHORT TERM PROVISIONS	As at 31.03.2016	As at 31.03.2015
(a) Provision for employee benefits:		
(i) Provision for bonus	5.86	5.94
(ii) Provision for gratuity liability	12.83	12.17
(iii) Provision for other employee benefits		
Salary & Reimbursements	26.31	21.77
Contribution to PF	1.60	1.39
(b) Provision - Others:		
(i) Provision for tax	37.00	-
(ii) Provision - others		
Outstanding liabilities	10.15	9.18
TOTAL	93.75	50.45

Notes to Financial Statement for the year ended 31st March, 2016

NOTE 12. FIXED ASSETS (TANGIBLE ASSETS)

(₹ in Lakhs)

Tangible assets	Gross block								Balance as at 31 st Mar, 2016
	Balance as at 1 st April, 2015	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments
Free Hold Land	1.27	-	-	-	-	-	-	-	-
Factory Building	247.25	13.75	-	-	-	-	-	-	-
Plant & Equipments	2,793.04	136.87	23.92	-	-	-	-	-	-
Electrical installation	97.56	5.23	-	-	-	-	-	-	-
Tools & die	9.65	-	-	-	-	-	-	-	-
Furniture	10.02	3.63	-	-	-	-	-	-	-
Office equipment	28.43	9.29	-	-	-	-	-	-	-
Vehicles	25.40	-	-	-	-	-	-	-	-
Grand Total	3,212.62	168.77	23.92	-	-	-	-	-	-
Previous year	3,207.69	16.89	11.96	-	-	-	-	-	-

NOTE 12. FIXED ASSETS (TANGIBLE ASSETS)

Tangible assets	Accumulated depreciation and impairment							Net block	
	Balance as at 1 st April, 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 st Mar, 2016	Balance as at 31 st March, 2015
Freehold Land	-	-	-	-	-	-	-	1.27	1.27
Factory Building	141.90	8.47	-	-	-	-	-	110.63	105.35
Plant & Machinery	1,730.89	150.43	16.71	-	-	-	-	1,041.38	1,062.15
Electrical installation	97.01	2.16	-	-	-	-	-	99.17	0.55
Tools & die	9.54	-	-	-	-	-	-	9.54	0.11
Furniture	2.89	0.74	-	-	-	-	-	3.63	7.13
Office equipment	25.79	2.43	-	-	-	-	-	28.22	2.64
Vehicles	15.94	2.45	-	-	-	-	-	18.39	9.46
Grand Total	2,023.96	166.68	16.71	-	-	-	-	2,173.93	1,188.66
Previous year	1,871.56	159.50	7.10	-	-	-	-	2,023.96	1,188.66

(₹ in lakh)

13. NON CURRENT INVESTMENT	As at 31.03.2016	As at 31.03.2015
Long Term Investment		
Unquoted at Cost:		
Associates:		
1. 47,500 shares of ₹10/- each at par of M/s. Rishi Vocational Education Private Limited	-	4.75
TOTAL	-	4.75
Others:		
1. Six Years National Saving Certificates	0.02	0.02
2. 1,38,000 shares of ₹10/- each at par of M/s. Centennial Finance Ltd.	13.80	13.80
3. 1,50,000 shares of ₹10/- each at par of M/s. Vision Products Pvt. Ltd.	15.00	15.00
TOTAL	28.82	28.82
Quoted at Cost:		
Others:	8.60	8.60
1. 28,000 shares in M/s. Adrash Chemical & Fertilisers Ltd. fully paid at cost	1.41	1.41
2. 1,722 shares in M/s. Standard Industries Ltd. fully paid.	10.01	10.01
Note: Market Value of Quoted Investments are ₹1.77 lakh (Pr. Yr. ₹1.77 lakh)		
TOTAL	38.83	43.58

(₹ in lakh)

14. LONG TERM LOANS AND ADVANCES	As at 31.03.2016	As at 31.03.2015
Security Deposits		
Secured, Consider Good	-	-
Unsecured, Consider Good	34.85	34.85
Doubtful	-	-
TOTAL	34.85	34.85

(₹ in lakh)

15. INVENTORIES	As at 31.03.2016	As at 31.03.2015
(a) Raw materials (Valued at cost on Weighted Average)	430.74	424.39
(b) Work-in-progress (Valued at cost representing materials, Labour and apportioned overheads)	870.77	850.74
© Finished Goods (Other than those acquired in trading) (Valued at cost or market value whichever is less.)	18.20	14.60
(c) Stores and spares (Valued at cost on Weighted Average)	98.59	90.72
TOTAL	1,418.30	1,380.45

(₹ in lakh)

16 : TRADE RECEIVABLES	As at 31.03.2016	As at 31.03.2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	27.59	20.28
Less: Provision for doubtful trade receivables	-	-
	27.59	20.28
Other Trade receivables		
Unsecured, considered good	701.69	741.26
Less: Provision for doubtful trade receivables	-	-
	701.69	741.26
TOTAL	729.28	761.54

(₹ in lakh)

17 : CASH AND CASH EQUIVALENTS	As at 31.03.2016	As at 31.03.2015
(a) Cash on hand	1.78	5.69
(b) Balances with banks		
In current accounts	15.50	19.84
In Margin Accounts	92.01	92.01
TOTAL	109.29	117.54

(₹ in lakh)

18. SHORT TERM LOANS AND ADVANCES	As at 31.03.2016	As at 31.03.2015
(a) Loans and advances to related parties	-	-
(b) Prepaid expenses - Unsecured, considered good	18.65	17.06
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	5.67	8.17
(ii) VAT credit receivable	11.07	8.54
(iii) Service Tax credit receivable	22.27	7.42
	57.66	41.19
(d) Others (specify nature)	-	-
Unsecured, considered good		
Advance recoverable in cash or kind or for value to be received	47.49	31.14
Central Excise Duty Refund Receivable	189.36	189.36
Advance Tax	36.00	-
TDS receivable	18.97	20.06
	291.82	240.56
Doubtful		
Less: Provision for other doubtful loans and advances	-	-
	291.82	240.56
TOTAL	349.48	281.75

(₹ in lakh)

19. REVENUE FROM OPERATIONS	As at 31.03.2016	As at 31.03.2015
Sale of products	6,567.78	5,271.38
Other operating revenue scrap sale	7.07	5.43
	6,574.85	5,276.81
Less:		
Excise duty	405.51	430.66
TOTAL	6,169.34	4,846.15

(₹ in lakh)

20. OTHER INCOME	As at 31.03.2016	As at 31.03.2015
Interest income:		
Interest from bank deposits	12.72	9.24
Other Non Operating Income	0.01	0.11
Profit on sale of Investment	-	8.13
Net (gain) / loss on foreign currency transactions and translation	8.01	4.76
TOTAL	20.74	22.24

(₹ in lakh)

21. COST OF RAW MATERIAL AND COMPONENTS CONSUMED	As at 31.03.2016	As at 31.03.2015
Opening stock	424.39	420.38
Add: Purchases	4,587.62	3,428.52
	5,012.01	3,848.90
Less: Closing stock	430.74	424.39
Cost of material consumed	4,581.27	3,424.51

(₹ in lakh)

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	As at 31.03.2016	As at 31.03.2015
Inventories at the end of the year:		
Work-in-progress and Finished Goods	888.97	865.34
Inventories at the beginning of the year:		
Work-in-progress and Finished Goods	865.34	815.30
Net (increase) / decrease	-23.63	-50.04

(₹ in lakh)

23. EMPLOYEE BENEFIT EXPENSE	As at 31.03.2016	As at 31.03.2015
Salaries and wages	366.05	316.21
Contributions to provident and other funds	20.25	18.30
Gratuity expenses (Note 25)	12.83	12.17
Staff welfare expenses	9.36	6.88
TOTAL	408.49	353.56

(₹ in lakh)

24. OTHER EXPENSES	As at 31.03.2016	As at 31.03.2015
Consumption of stores and spares		
Opening Stock	90.72	92.35
Add: Purchases during the year	114.83	101.57
	205.55	193.92
Less: Closing Stock	98.59	90.72
Consumption of Stores and Spares	106.96	103.20
Processing charges	85.02	67.36
Power and fuel	238.99	207.46
Repairs and maintenance - Machinery	5.40	4.22
Rent Includes Lease Rentals	9.57	13.35
Repairs and maintenance - Others	7.93	7.72
Insurance	8.37	2.52
Rates and taxes	2.41	1.62
Printing and Stationary	7.67	4.47
Travelling and conveyance	10.64	10.21
Postage and Telephone	5.86	6.07
Donations and contributions	0.22	0.38
Legal and professional	17.03	24.35
Payments to auditors (Refer Note below)	2.01	1.50
Security charges	13.60	10.62
Sundry Dr./Cr. Balance written off	0.24	0.04
Trading expenses	4.99	59.63
Selling and distribution expense	187.92	159.79
Miscellaneous expenses	21.70	15.92
TOTAL	736.53	700.43

(₹ in lakh)

DETAILS OF AUDIT FEES	As at 31.03.2016	As at 31.03.2015
Payments to the auditors comprises:		
As auditors - statutory audit	0.80	0.80
For taxation matters	0.90	0.40
For other services	0.30	0.30
Reimbursement of expenses	0.01	0.00
TOTAL	2.01	1.50

(₹ in lakh)

25. FINANCE COST	As at 31.03.2016	As at 31.03.2015
Interest	128.73	147.13
Bank charges and other financial expenses	8.79	7.99
TOTAL	137.52	155.12

(₹ in lakh)

26. EXCEPTIONAL ITEMS	As at 31.03.2016	As at 31.03.2015
Profit on sale of Fixed Assets	10.29	6.86
TOTAL	10.29	6.86

(₹ in lakh)

27.1. CONTINGENT LIABILITY AND COMMITMENTS	As at 31.03.2016	As at 31.03.2015
Contingent Liability:		
a. Claims against the company not acknowledge as debt	0.00	0.00
b. Guarantee given by bank on behalf of Company	0.00	0.00
Commitments:		
a. Estimated amount of Capital contract remaining to be executed for tangible Assets	0.00	0.00
TOTAL	0.00	0.00

27.2. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MEMED ACT., 2006

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 the vendors and hence the amounts unpaid as at the year end together with interest payable if any, under this Act have not been given.

(₹ in lakh)

27.3. VALUE OF IMPORTS CALCULATED ON CIF BASIS	As at 31.03.2016	As at 31.03.2015
Capital Goods	0.00	0.00
TOTAL	0.00	0.00

(₹ in lakh)

27.4. EXPENDITURE IN FOREIGN CURRENCY	As at 31.03.2016	As at 31.03.2015
Travelling Expenses	0.35	2.36
TOTAL	0.35	2.36

(₹ in lakh)

27.5. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	As at 31.03.2015
	%	₹	%	₹
Raw material - Indigenous	100.00	4,581.27	100.00	3,424.51
	100.00	4,581.27	100.00	3,424.51
Spare & Components				
Indigenous	86.32	92.33	90.64	93.54
Imported	13.68	14.63	9.36	9.66
TOTAL	100.00	106.96	100.00	103.20

(₹ in lakh)

27.6 : EARNINGS IN FOREIGN EXCHANGE	As at 31.03.2016	As at 31.03.2015
FOB Value of Export Realised	1,275.92	1,207.60
TOTAL	1,275.92	1,207.60

(in ₹)

27.7A : GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLAN	As at 31.03.2016	As at 31.03.2015
	Gratuity	Gratuity
Components of employer expense		
Current service cost	5,34,460.00	4,63,744.00
Interest cost	4,39,094.00	4,43,467.00
Actuarial losses/(gains)	9,20,500.00	3,09,779.00
Total expense recognised in the Statement of Profit & loss	18,94,054.00	12,16,990.00

(in ₹)

27.7B : NET ASSETS/LIABILITY RECOGNIZED IN THE BALANCE SHEET	As at 31.03.2016	As at 31.03.2015
	Gratuity	Gratuity
Present value of defined benefit obligation	60,99,938.00	54,88,677.00
Fair value of plan assets	0.00	-
Unfunded liability	60,99,938.00	54,88,677.00
Unrecognised past service costs	0.00	-
Unfunded liability recognised in the Balance Sheet	60,99,938.00	54,88,677.00

(in ₹)

27.7C : CHANGE IN DEFINED BENEFIT OBLIGATION DURING THE YEAR	As at 31.03.2016	As at 31.03.2015
	Gratuity	Gratuity
Present value of DBO at beginning of the year	54,88,677.00	55,43,337.00
Current service cost	5,34,460.00	4,63,744.00
Interest cost	4,39,094.00	4,43,467.00
Benefits paid	12,82,793.00	12,71,650.00
Actuarial (gains) / losses	9,20,500.00	3,09,779.00
Present value of DBO at the end of the year	60,99,938.00	54,88,677.00

(₹ in lakh)

27.7D. ACTUARIAL ASSUMPTION	As at 31.03.2016	As at 31.03.2015
	Gratuity	Gratuity
Discount rate	8% p.a.	8% p.a.
Expected return on plan assets	N.A.	N.A.
Salary escalation	5% p.a.	5% p.a.
Mortality tables	LIC (1994-96) ultimate	LIC (1994-96) ultimate

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

28. RELATED PARTY DISCLOSURE

Description of relationship (As per AS18)	Names of related parties
Related Parties	Rishi Vocational Education Pvt. Ltd. Ms. Smita Patel
Key Management Personnel	Mr. Abhishek Patel Mr. Jagdish Dokwal Ms. Nidhi Shah
Non-Executive/Independent Directors	Mr. Arvind Nopany Ms. Sheela Ayyar Mr. Pranav Patel

	Ms. Smita Patel	Rishi Vocational Education Pvt. Ltd.	Total
Rent Paid	0.70	-	0.70
		-	0.00
Loans/advance/deposits repayment during the year		0.89	0.89
		(0.89)	(0.89)
Investment in shares		-	0.00
		(4.75)	(4.75)
Remuneration to KMP			54.44
			(45.27)
Payment to Non-Executive/Independent Directors			0.55
			(0.07)
Loans and advances		(0.89)	(0.89)
		(0.89)	(0.89)
Investment		-	0.00
		(4.75)	(4.75)

Note: Figures in bracket relates to the previous year

Remuneration to KMP includes remuneration to Ms. Nidhi Shah, Mr. Jagdish Dokwal and Mr. Abhishek Patel and Payment to Non-Executive/Independent Directors includes Payment to Mr. Pranav Patel, Mr. Arvind Nopany and Ms. Sheela Ayyar.

29. EARNING PER SHARE (EPS)	As at 31.03.2016	As at 31.03.2015
Continuing operations		
Net profit / (loss) for the year from continuing operations	175.22	132.17
Less: Preference dividend and tax thereon	0.00	0.00
Net profit / (loss) for the year for calculation of basic EPS	175.22	132.17
Net profit as above	175.22	132.17
Add: Dividend on convertible preference shares and tax thereon	0.00	0.00
Add: Interest on bonds convertible into equity shares	0.00	0.00
Net profit / (loss) for the year for calculation of basic EPS	175.22	132.17

30. Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current years Classification / Disclosure.

As per our report of even date
For Alladi Krishnan & Kumar
Firm's Registration No. 100282W
Chartered Accountants

Partner

Membership No. 036274
Place: Mumbai
Date : 11th May, 2016

For and on behalf of Board of Directors

MANAGING DIRECTOR
Abhishek Patel

COMPANY SECRETARY
Nidhi Shah

CHIEF FINANCIAL OFFICER
Jagdish Dokwal

DIRECTOR
Sheela Ayyar

FORM DPT 1**CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT
INVITING UNSECURED DEPOSITS***[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]***RISHI TECHTEX LIMITED**

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

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. Arvindkumar Nopany	11-A, Nilamber-1, Sayed Vasan Road, Nr. Vasan Octori Naka, Baroda 390015	00148521	Business
Ms. Sheela Ayyar	B-704, Florentine Building, Hiranandani Gardens, Powai, Mumbai-400076	06656579	Business

- e) Management's perception of risk factors;

Cost of Raw Material: The cost of Energy and Oil is increasing causing the waves 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 –
- i) statutory dues - **Nil**
 - ii) debentures and interest thereon - **Nil**
 - iii) loan from any bank or financial institution and interest thereon - **Nil**

PARTICULARS OF THE DEPOSIT SCHEME

- a. Date of passing of board resolution: **May 29, 2014**
- b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits: **September 30, 2014**
- c. Type of deposits: **Unsecured**
- d. Amount which the company can raise by way of deposits as per the Act and the rules made thereunder:
 - a. 10% of the aggregate of the paid up share capital and free reserves (Under Rule 3(1)(a)) – **₹159.34 lakh**
Such Deposits are not repayable earlier than three months from the date of deposit or renewal
 - b. 25% of the aggregate of the paid-up share capital and free reserves (under Rule 3(3)) – **₹398.36 lakh**
The aggregate of deposits actually held on the last day of the immediately preceding financial year – **₹54.45 Lakh**
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 - **25% of the aggregate of the paid-up share capital and free reserves i.e. ₹398.36 lakh.**
Amount of deposit repayable within the next twelve months – **₹30.00 Lakh 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; Name of the Credit Rating Agencies, Rating obtained, Meaning of the rating obtained, Date on which rating was obtained – **Not Applicable being Unsecured Deposits from members.**
- i. Extent of deposit insurance, ; Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc. – **Not yet availed, since not available.**
- j. Short particulars of the charge created or to be created for securing such deposits - **Not Applicable being Unsecured Deposits**
- 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 – **₹54.45 Lakh**
- b. Date of acceptance – **2nd March 2015 onwards**
- c. Total amount accepted – **₹54.45**
- d. Rate of interest – **12.5%**
- e. Total number of depositors – **15**
- 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 lakh)

Accounting Year	Profit Before Tax	Profit After Tax
Year ended 31.3.2014	126.82	126.82
Year ended 31.3.2015	132.17	132.17
Year ended 31.3.2016	193.51	175.22

- 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 31.3.2014	Nil
Year ended 31.3.2015	Nil
Year ended 31.3.2015	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 lakh)

	As at 31.3.2014	As at 31.3.2015	As at 31.3.2016
Liabilities			
Share Capital	552.20	552.20	579.80
Money received against share warrants	-	-	25.20
Reserves & Surplus	736.00	868.17	1062.71
Secured Loans	1086.12	930.07	769.94
Unsecured Loans	272.10	243.42	171.93
Current Liabilities & Provisions	1185.81	1214.51	1272.70
	3832.23	3808.37	3882.28
Assets			
Fixed Assets	1336.13	1188.66	1183.54
Investment	97.44	43.58	38.83
Deferred Tax Assets (Net)	-	-	18.71
Current Assets	2363.81	2541.28	2606.35
Loans & Advance	34.85	34.85	34.85
	3832.23	3808.37	3882.28

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

(₹ in lakh)

	As at 31.3.2014	As at 31.3.2015	As at 31.3.2016
Net profit before tax & extraordinary items	126.82	132.17	193.51
Adjustment for Depreciation, Int. and other items	267.59	285.52	273.17
Operating profit before working capital change	394.41	417.69	466.68
(a) Cash generated from operations	176.72	243.19	372.06
(b) Cash flow from Investing Activities	(37.53)	70.93	(125.78)
(c) Cash Flow from Financing Activities	(174.64)	(293.62)	(254.53)
Net increase in cash & Cash equivalents (a+b+c)	(35.45)	20.50	(8.25)
Opening Balance cash & Cash equivalents	132.49	97.04	117.54
Closing Balance cash & Cash equivalents	97.04	117.54	109.29

- e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company - No change in accounting policies in the last three years.

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 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 pari passu with other unsecured liabilities of the company.

The Circular is issued on the authority and in the name of the Board of Directors of the Company, the text thereof has been approved by the Board of Directors at its meeting held on May 11, 2016, a copy thereof, signed by Directors of the Company, has been filed with the Registrar of Companies, Maharashtra.

Route map to AGM Venue



IMC Building

Veer Nariman Road, Churchgate,
Mumbai, Maharashtra 400020

UPDATION OF EMAIL ID

Kindly ensure to update your fresh Email ID with the Company/Depository if you have Not changed the same

UPDATION OF PAN

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

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