



RISHI TECHTEX

Rishi Techtex Limited

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35<sup>th</sup> Annual Report  
2018 - 2019

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# being more

Rishi Techtex 2.0

Agro-tech | Pack-tech | Protect-tech | Build-tech



## Forward-looking statements

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.

## Contents

### Overview

At a  
Glance

04

Board of  
Directors

05

Financial  
Metrics

06

Key  
Highlights

07

Mission &  
Principles

09

Letter to  
Shareholders

10

Notice

13

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### Management Discussion & Analysis

Our  
Products

19

Global  
Overview

20

India  
Overview

22

Overview

24

Customers &  
Certificates

29

Board of  
Directors

30

Gallery

31

---

### Reports and Financial

Directors'  
Report

33

General Shareholder  
Information

40

Declaration of the  
Managing Director

54

### Standalone Financial Statements

Independent  
Auditors' Report

56

Balance  
Sheet

62

Statement of  
Profit and Loss

63

Cash Flow  
Statement

64

Notes forming part of  
Financial Statements

71

Circular for  
Inviting Deposits

84

Proxy  
Form

87

Attendance  
Slip

89

Route  
Map

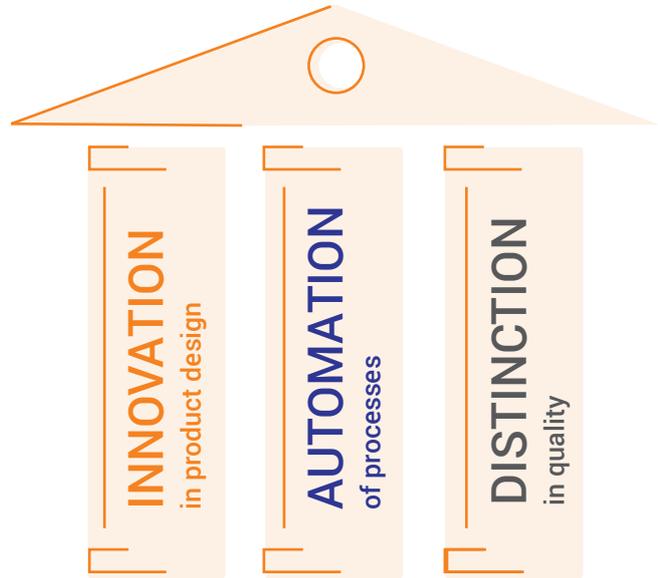
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# At a Glance

India's leading technical textile manufacturer with



Our success pillars



Presence across 13 Indian states



Strategic global footprint across 11 countries



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



## Board of Directors

> **Mr. Abhishek Patel** - DIN (05183410)  
(Chairman, Managing Director)

> **Mr. Arvind N. Nopany** - DIN (00148521)  
(Independent Director)

> **Mr. Pranav J. Patel** - DIN (00171387)  
(Non-Executive Director)

> **Mrs. Sheela Ayyar** - DIN (06656579)  
(Independent Director)

> **Mr. Kunal Rastogi** - DIN (01570584)  
(Additional Director w.e.f. 09.08.2019)

### COMPANY SECRETARY

Ms. Gauri Gangal

### AUDITORS

Attar & Associates  
216, Sai Vihar,  
Sai Park, Shivaji Path,  
Kalyan (West), 421 301

### SECRETARIAL AUDITOR

Sudhanwa S Kalamkar & Associates  
B-1/12 Vijay Wadi Niwas CHS Ltd  
Lokmanya Tilak Road, Mulund East,  
Mumbai 400 081

### INTERNAL AUDITOR

HRK Corp Advice Private Limited  
Shop No. 117-120, Center Point,  
Above IDBI Bank, Mahavir Nagar, GIDC,  
Vapi- 396195

### BANKERS

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

### REGISTRARS AND TRANSFER AGENTS

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

### REGISTERED OFFICE

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

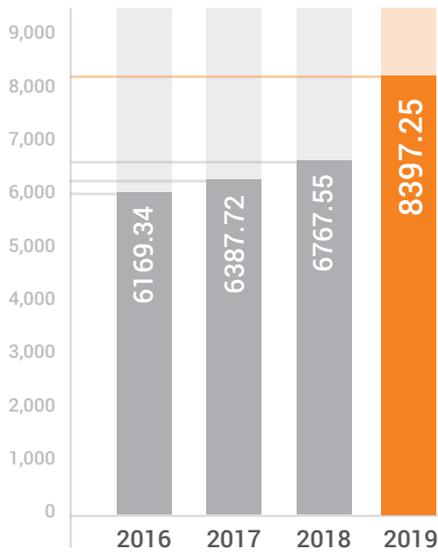
### WORKS

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

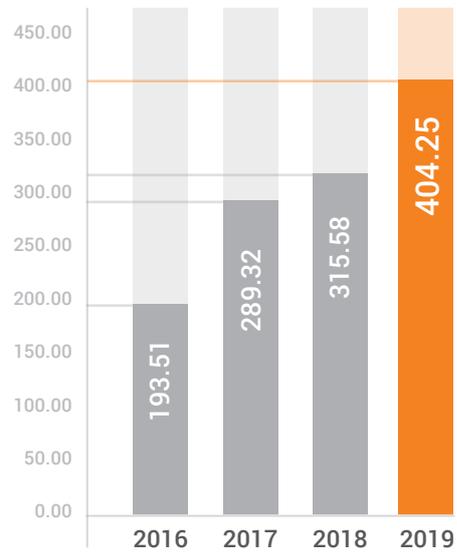


## Financial Metrics

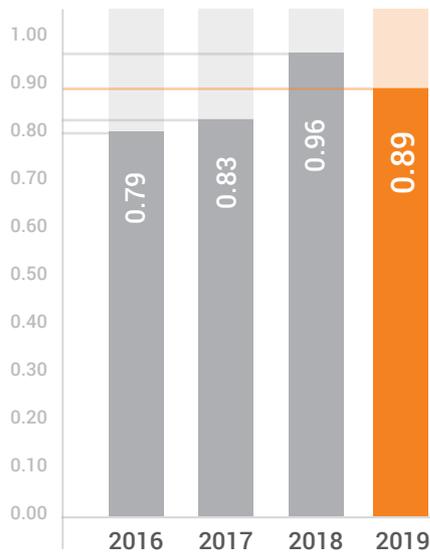
**Revenues** (₹ in Lakhs)



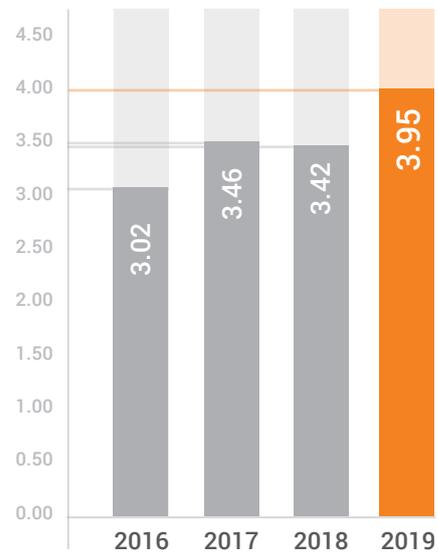
**PBT** (₹ in Lakhs)



**Debt Equity Ratio** (%)



**EPS** (₹)



## Key Highlights



### EBIDTA Margin

**9.86%**  
(increase of 32% over FY18)



### Reserves & Surplus

**₹1781.20** lakhs  
(increase of 20% over FY18)



### Return on Capital Employed (ROCE)

**54.25%**  
(increase of 48% over FY18)



### Earnings Per Share

**₹3.95**  
(Increase of 16% over FY18)



### Book Value Per Share

**₹34.10**  
(Increase of 13% over FY18)



## Key Numbers At A Glance

(₹ in Lakhs)

<b>Profit &amp; Loss Account:</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Revenue (Net)	4,846.15	6,169.34	6,387.72	6,767.55	8,397.25
Total Income	4,875.25	6,200.37	6,406.98	6,789.12	8,411.50
EBIDTA (Excluding Other Income)	417.69	466.68	539.99	628.92	827.61
Profit/(Loss) Before Tax (PBT)	132.17	193.51	289.32	315.58	404.25
Profit/(Loss) After Tax (PAT)	132.17	175.22	244.99	252.91	292.17
<b>Balance Sheet:</b>					
Equity Capital	552.2	579.8	708.7	739.1	739.1
Reserves & Surplus	868.17	1,087.91	1,238.82	1,489.98	1,781.20
Net worth	1,420.37	1,667.71	1,947.52	2,229.08	2,520.30
Loan Funds	637.14	476.19	487.51	554.45	427.22
Current Liabilities	1,695.27	1,634.97	1,988.36	2,262.57	2,511.40
Other Liabilities	55.59	103.41	141.76	134.89	121.42
<b>Total Liabilities</b>	<b>3,808.37</b>	<b>3,882.28</b>	<b>4,565.15</b>	<b>5,180.99</b>	<b>5,580.34</b>
Gross Block Including CWIP	3,212.62	3,357.47	3,799.09	4,381.48	4,565.31
Accumulated Depreciation	2,023.96	2,173.93	2,321.90	2,476.57	2,671.40
Net Block	1,188.66	1,183.54	1,477.19	1,904.91	1,893.91
Investments	43.58	38.83	39.95	37.28	36.34
Sundry Debtors	761.54	729.28	760.65	1,004.30	1,017.77
Inventories	1,380.54	1,418.30	1,570.21	1,690.91	2,082.37
Other Current Assets	399.29	458.77	654.54	468.13	473.01
Total Current Assets	2,541.28	2,606.35	2,985.40	3,163.34	3,573.15
Other Assets	34.85	53.56	62.61	75.46	76.94
<b>Total Assets</b>	<b>3,808.37</b>	<b>3,882.28</b>	<b>4,565.15</b>	<b>5,180.99</b>	<b>5,580.34</b>
<b>Ratio Analysis:</b>					
EBIDTA Margin (%) (Excluding Other Income)	8.62	7.56	8.45	9.29	9.86
PAT Margin (%)	2.73	2.84	3.84	3.74	3.48
Debt-Equity Ratio	1.05	0.79	0.83	0.96	0.89
Total Assets Turnover	1.27	1.59	1.4	1.31	1.5
Fixed Assets Turnover	4.08	5.21	4.32	3.55	4.43
ROCE (%)	21.71	28.41	32.77	36.66	54.25
Debtors-Turnover Ratio (%)	15.71	11.82	11.91	14.84	12.12
Inventory-Turnover Ratio (%)	28.49	22.99	24.58	24.99	24.8
Interest Coverage Ratio	2.41	2.41	3.34	2.75	2.77
Current Ratio	1.5	1.59	1.5	1.4	1.42
Operating Profit Margin (%)	8.62	7.56	8.45	9.29	9.86
Net Profit Margin (%)	2.73	3.14	4.53	4.66	4.81
Any Changes of Return of Net Worth. (Return on Equity)	2.39	3.34	4.08	4.27	5.47
<b>Ratios-Per Share</b>					
Earnings Per Share (₹)	2.39	3.02	3.46	3.42	3.95
Dividend Per Share (₹)	0	0	0	0	0
Book Value Per Share (₹)	25.72	28.76	27.48	30.16	34.1



## Mission & Principles

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

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

1

A competitive edge for customers by providing superior technical textile solutions through advanced technology and continuous innovation.

2

Stakeholder advantage through business excellence, responsible performance and prudent investments

3

Employer of choice



## Letter to Shareholders

# Being More

## The Making of Rishi Techtex 2.0

Dear Shareowners,

Let me start with visiting the past so that you can view the horizon of our progress in the last few years. I took over the leadership mantle at Rishi Techtex in FY16; along with the team, we formulated a two-phased plan for the organisation's growth – each for a period of three years. In the first phase, we set out to discover our strengths, identify our weaknesses, and plug the gaps to script the next chapter of our story. We accomplished these objectives in the three years ending in FY18. During this fiscal year, we set off on the second phase of our journey, wherein our objective was to deliver consistent growth and profitability to our stakeholders.

When measured by financial metrics, we delivered one of the best performances in our history. We registered a 24% increase in our revenues. Profitability margins also recorded double-digit growth across all parameters. EBIDTA increased by 32%, while profits before tax (PBT) and profits after tax (PAT) expanded by 28% and 16% respectively. The numbers are a result of a combination of factors. I elaborate on these aspects in the latter sections of my letter.

Our newfound awareness led us to formulate a growth-oriented organisational strategy whereby we have insulated ourselves to external vagaries to the best possible extent. I am happy to note that our actions are paying off.

In multiple ways, 2018-19 marked the beginning of a new era at Rishi Techtex. During the year, we made strides in transforming the organisation into a more productive, professional and profitable enterprise. Indeed, we made an exceptional start to our new journey.

### India's growth story remains robust amid global chaos

While we were focused on building a better enterprise, the backdrop of volatile macroeconomic conditions was difficult to ignore. Geopolitical tensions accelerated as new risks arose from rising military conflicts, economic disruptions, changing diplomatic dynamics and political situations across countries. Unsurprisingly, global growth levels were moderate during the last year.



24%  
increase in our revenues.

EBIDTA increased by

32%



The headwinds affected India's economic performance. The country's gross domestic product (GDP) witnessed a five-year low at 7.1%<sup>[1]</sup>. On the brighter side, India was among the fastest growing and most politically stable major economies globally. The government, currently in its second term, continues to make the right moves to build an accountable administrative system, integrate fiscal prudence and build an infrastructure that would enable Indian businesses to compete globally. The approach augurs well for the industry at large and of course, for us at Rishi Techtex.

### Navigating choppy waters requires a farsighted strategy and conviction

However, in spite of the government's ongoing efforts, businesses continued to be affected by the prevalent macro-economic circumstances. For instance, even as the prospects of India's technical textile industry are promising, some of the biggest players shut shop during the year. The writing on the wall is clear: businesses which minimize costs, optimize their resources to better productivity and generate profits can weather the storm of uncertainty.

In FY19, we channelized our efforts to accomplish these very objectives.

### The success of Rishi Techtex 2.0 lies in the integration of people, (strategic) presence and processes.

Our team formed the backbone of our success during the last fiscal year. We filled in strategic positions in the top management team. Improvements in systems enabled our middle-management employees to devote more time to customer servicing and strategy implementation. Their efforts were streamlined by the implementation of an organisation-wide enterprise resource planning (ERP) system.

Another factor contributing to our healthy performance was a strategic expansion of our portfolio and markets. We strengthened our national presence by expanding our dealer network in the interior regions of the country. Globally, we revived our presence in New Zealand and forayed into the Netherlands. Both these expansions were additions to our existing export markets viz. USA, Africa, UK and South America.

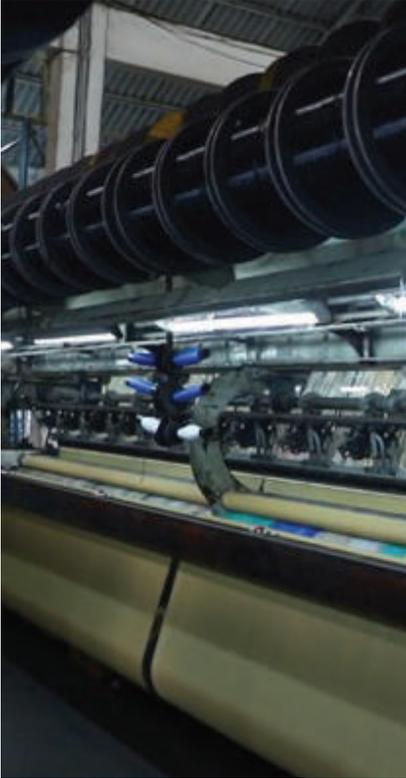
Our financial performance during the last fiscal year was primarily a result of our focused manufacturing strategy. The installation of an advanced tape machine, used in the production of woven sacks, will allow for further growth. The investment will improve the production timelines significantly alongside the quality and profitability of the packtech segment, which is one of our largest revenue segments. It will enable us to pass on substantial cost benefits to customers – leading to better demand and higher revenues.



Globally, we revived our presence in New Zealand and forayed into the Netherlands. Both these expansions were additions to our existing export markets viz. USA, Africa, UK and South America.

[https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOORLD/IND](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOORLD/IND)





Over the next two years, our focus will be to accelerate our growth while shaping our identity as a customer-centric, high-value “Make in India” technical textiles innovator.

## Opportunity is knocking and we are ready!

In my earlier communications with you, I have reiterated that our range of innovative products - customisable to varying topographies - reinforce our industry-leading position. Our focus on the agrotech, packtech, and buildtech segments are in line with the government’s emphasis on agriculture and infrastructure sectors. Recent policy announcements indicate that we were on the right path all along:

*The government is intent on fulfilling its promise of doubling farmer income by 2022. Enhancing the productivity of agricultural land is an important focus area. One of the thrust areas in Budget 2019 was zero-budget natural farming (ZBNF), which is chemical-free agriculture, drawing from traditional Indian practices. As the concept popularises, we expect an uptick in demand for our range of agrotech products such as Krishinet, Grapenet and the newly launched, Treeguard. During the last fiscal year, we also started work with agriculture universities to provide us with practical feedback on the effectiveness of the products developed by our team.*

*The government is focusing on creating infrastructure assets that will propel faster economic growth. The Finance Minister announced an outlay of INR 100 crores over the next five years in Budget 2019. The investments will be directed towards augmenting rural connectivity, creation of a national highway grid, completion of the dedicated freight corridor (DFC) and development of newer industrial corridors among other purposes. The outlay augurs well for the cement and paint industries and by extension, for our packtech segment.*

*Further, application of buildtech materials in the construction segment can add to the longevity of infrastructure assets and enhance safety conditions. The government is well-versed with this reasoning. We expect it to create appropriate provisions in the upcoming, large-scale infrastructure projects.*

Over the next two years, our focus will be to accelerate our growth while shaping our identity as a customer-centric, high-value “Make in India” technical textiles innovator.

I would like to place on record my gratitude to our stakeholders. I thank my team members for their relentless efforts, our customers for their continued trust in our products, our vendors for the strategic support, our bankers for their faith and shareholders for their belief in our abilities.

It is with great hope that we move forward into the next year.

Thank You,  
**Abhishek Patel**  
 Managing Director  
 Rishi Techtex Limited





**NOTES:**

- A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- B. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting.
- C. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto.
- D. Attendance Slip, proxy form and route map of the venue of the AGM are annexed hereto.
- E. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.
- F. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.
- G. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
- H. Copies of the Annual report will not be circulated at the meeting.
- I. The Register of Members and Share Transfer Books of the Company will remain closed from 19.09.2019 to 25.09.2019 (both days inclusive).
- J. As mandated by SEBI, the members are requested to update their PAN and Bank Mandate with Depository in case securities are held in dematerialized form and with Adroit Corporate Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company ("R & T Agents") in case the securities are held in physical mode. For further details members can contact the R & T Agents of the Company.

Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

Members can avail nomination facility in terms of extant legal provisions in this regard. On request, the necessary Form SH-13 can be obtained from the R & T Agents.

- K. Relevant Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Holidays, between 11.00 a.m. to 1.00 p.m. upto the date of AGM as well as at the AGM.
- L. Particulars required for appointment/Re-appointment of Director pursuant to sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below:

Mr. Pranav Patel shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment. Mr. Pranav Patel, aged 50 years is a commerce graduate with over 27 years business

experience. He has been acting as Director since September, 2001. He retires by rotation and is eligible for reappointment. He is presently the Managing Director of MPD Industries Pvt. Ltd. He is holding Directorship in one listed Company, Rishi Techtex Limited and holds 1767 shares in the Company.

The information as prescribed in Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and as per Secretarial Standard – SS-2 in respect of appointment of Mr. Kunal Rastogi and reappointment of Mrs. Sheela Ayyar are given at Annexure –A to this notice.

- M. A route map showing direction to reach the venue of the 35<sup>th</sup> AGM is annexed as per the requirements of Secretarial Standard- 2 on General Meeting.
- N. Any person, who acquires Shares of the Company and become Member of the Company after dispatch of the Notice and holding Shares as on the cut-off date for remote E-voting i.e. Wednesday, 18<sup>th</sup> September, 2019 may follow the same instructions as mentioned below for E-voting.
- O. Voting through electronic means (Remote E-Voting):
1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to cast their vote by electronic means i.e. remote e-voting, through the e-voting services provided by Central Depository Services (India) Limited ("CDSL") on all resolutions set forth in this Notice.
  2. The voting period begins on Saturday, September 21, 2019 at 9.00 a.m. and ends on Tuesday, September 24, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 18, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  3. The facility for voting by ballot or polling paper shall also be made available at the meeting and Members of the Company as of cut off date attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  4. The Members who have not casted their vote by remote e voting prior to the Annual General Meeting ("AGM") can exercise their voting rights at the AGM. The Members who have already exercised their right to vote by remote e-voting may attend the AGM but shall not be entitled to vote at the AGM. If a Member casts vote again at the AGM, then votes casts through remote e voting facility shall prevail and voting at the Meeting will be treated invalid.
  5. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut off date September 18, 2019.
  6. A person, whose name is recorded in Register of Members or in the Register of Beneficial Ownership maintained by the RTA/Depositories, as the case may



be, as on the cut-off date only shall be entitled to avail the facility of remote e voting or voting at the AGM. Any person who has ceased to be the member of the Company as on the cut-off date will not be entitled for remote e voting or voting at the AGM and should treat this Notice for information purpose only.

7. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
8. Sudhanwa S Kalamkar & Associates.(Membership No.18795, CP No.7692) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
9. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the scrutinizer, by use of ballot or polling paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e voting facility.
10. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
11. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) immediately after the result is declared and shall be simultaneously forwarded to Bombay Stock Exchange Limited.
12. The Procedure and Instructions for Remote e-voting are as under:
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com), during the voting period.
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select the "RISHI TECHTEX LIMITED" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login.</li> <li>• If the details are not recorded with the depository or company please enter member id/folio number in the Dividend Bank Details field as mentioned in the instruction 6 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 

Click on the EVSN for the relevant <Rishi Techtext Limited> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and



the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non-Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and send the scan copy of Board Resolution/POA to [askus@kalamkarassociates.net](mailto:askus@kalamkarassociates.net)

(xix) In case of members receiving the physical copy:

(a) E voting eventNumber, User ID and Password is provided in attendance slip.

(b) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(c) The voting period begins on September 21, 2019 at 10.00 a.m. and ends on September 24, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 18, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(d) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(e) Any person having any grievances in connection with remote e-voting may write to Ms. Gauri Gangal, Company Secretary at the Registered Office of the Company or email her at [investors@rishitechtext.com](mailto:investors@rishitechtext.com)

Date: 09.08.2019

By order of the Board

Place: Mumbai

For Rishi Techtex Limited

**Registered Office:**

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

**Gauri Gangal**  
Company Secretary

## ANNEXURE

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

#### Item No.3

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Kunal Rastogi (DIN: 01570584) as an Additional Director in the category of Independent Director of the Company with effect from 9th August, 2019.

In terms of the provisions of Section 161(1) of the Act, Mr. Kunal Rastogi would hold office as an Additional Director up to the date of the ensuing Annual General Meeting and is eligible to be re-appointed. The Company has also received a confirmation from Mr. Kunal Rastogi that he is not disqualified pursuant to the provisions of Section 164 (2) of the Companies Act, 2013.

The Brief Profile of Mr. Kunal Rastogi and other information required in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings is as per the Annexure A to the Notice.

Copy of draft letter of appointment of Mr. Kunal Rastogi setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company .

Except Mr. Kunal Rastogi, None of other Director or Key Managerial Personnel of the Company or their relatives in any way concerned or interested in the said resolution.

The Company has also received notice pursuant to Section 160 of the Companies Act 2013 from a member proposing candidature for appointment of Mr. Kunal Rastogi .

The Board of Directors on the recommendation made by the Nomination and Remuneration Committee; recommends an Ordinary Resolution set out in item no.3 of the Notice for approval of the Member.

#### Item No. 4

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and pursuant to Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time the Board recommended appointment of Mr. Kunal Rastogi as an Independent Director of the Company for a term of 5 years to hold office commencing from August 09, 2019 till August 08, 2024 and during this term he shall not be liable to retire by rotation.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act 2013.

In the opinion of the Board also he fulfills the conditions specified in the said Act for appointment as an Independent Director.

The Brief Profile of Mr. Kunal Rastogi and other information required in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings is as per the Annexure A to the Notice.

Except Mr. Kunal Rastogi, None of other Director or Key Managerial Personnel of the Company or their relatives in any way concerned or interested in the said resolution.

The Board of Directors on the recommendation made by the Nomination and Remuneration Committee; recommends an



Ordinary Resolution set out in item No. 4 of the Notice for approval of the Member

#### Item No. 5

The members of the Company at their Extra Ordinary General meeting held on 9th January, 2016 appointed Mrs. Sheela Ayyar as an Independent Director of the Company In terms of Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto the conclusion of the 35th Annual General Meeting.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term upto five years, on passing of a special resolution by shareholders.

The Company has received a declaration from Mrs. Sheela Ayyar that she meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

The Brief Profile of Mrs. Sheela Ayyar and other information required in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings is as per the Annexure A to the Notice.

Copy of draft letter of appointment of Mrs. Sheela Ayyar setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

The Company has also received notice pursuant to Section 160 of the Companies Act 2013 from a member proposing candidature for appointment of Mrs. Sheela Ayyar .

Except Mrs. Sheela Ayyar, none of the Director or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the said resolution.

The Board of Directors on the recommendation made by the Nomination and Remuneration Committee; recommends the Special Resolution set out in item No. 5 of the Notice for approval of the Member.

#### Item No. 6

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/individuals as may be considered fit, which, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto ₹75 Crores (Rupees Seventy Five Crores only). Pursuant to Section 180(1) (c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in general meeting.

The Members at its 30th Annual General Meeting held on 30th September, 2014 passed a resolution under Section 180 (1)(c) and 180 (1) (a) of the Companies Act, 2013, approving the maximum borrowing limit of ₹20 Crores. As the Company proposes to further borrow to meet the fund requirement for expansion purpose, it is proposed to enhance the said limit to ₹75 Crores.

In order to facilitate securing the enhance borrowing made/ to be made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

None of the Director or Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

Date: 09.08.2019  
Place: Mumbai

**By order of the Board  
For Rishi Techtex Limited**

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

**Gauri Gangal  
Company Secretary**



**ANNEXURE – ‘A’**

Details of directors seeking appointment or re-appointment and /or fixation of their Remuneration at the ensuing Annual General Meeting (Pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard SS-2)

<b>Name of Director</b>	<b>Mrs. Sheela Ayyar</b>	<b>Mr. Kunal Rastogi</b>
Director Identification No.	06656579	01570584
Date of first appointment on Board	27-07-2015	09-08-2019
Age of the Director	48 years	35 years
Qualification & Expertise	She is a commerce graduate. She is associated with Tejas Engineering & Management, a Proprietary Concern providing Consultancy and other services.	Mr. Kunal Rastogi is a Commerce Graduate from Mumbai University. He is a partner in Chemport India LLP. He has more than seven years of experience working with MNC's in his career
Term and Condition of appointment & re-appointment	The details are as per Item No. 5 of the explanatory Statement to the Notice.	The details are as per Item No. 3 & 4 of the explanatory Statement to the Notice.
List of Outside directorship held excluding alternate directorship	Rishi Laser Limited	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman of Audit Committee & Member of Nomination & Remuneration Committee	Nil
Memberships/Chairmanships of Committees in other companies in which he/she is a director	Member of Nomination & Remuneration Committee	Nil
Number of Shares Held	Nil	Nil
Details of last drawn remuneration (₹)	Only Sitting Fees paid	Nil
Number of Board Meetings held and attended during the year	6	Nil
Disclosure of Relationship between Directors inter-se	Nil	Nil



# Our Products

## Agro-tech



- ▷ Shade nets
- ▷ Windbreakers
- ▷ Nets for vermicomposting
- ▷ Nets for grape-drying
- ▷ Nets for fruit collection
- ▷ Treeguard

## Pack-tech



- ▷ Woven sacks
- ▷ Pallet wrapping

## Protect-tech



- ▷ Fencing for privacy
- ▷ Bird nets

## Build-tech



- ▷ Car parking shades
- ▷ Scaffolding net
- ▷ Swimming pool covers
- ▷ Deck & patio covers
- ▷ Shade sail



Management Discussion & Analysis



# Global Overview

Last year's global economic performance continued to be slow and tepid. The world gross domestic product (GDP) increased by 3.6%, whereas the GDP of advanced economies and emerging economies expanded by 2.2% and 4.5% respectively<sup>[1]</sup>.

World GDP  
increased by

**3.6%**

Advanced Economies  
GDP increased by

**2.2%**

Emerging Economies  
GDP increased by

**4.5%**



In 2017, the global economy registered growth at 3.8% while advanced economies and emerging economies grew at 2.4% and 4.8%. Estimates by the International Monetary Fund (IMF) show that performance across all the three groups is likely to weaken further in the ongoing fiscal year. The UN notes that a confluence of risk factors, such as the escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate challenges, could severely disrupt economic activity and inflict significant damage on longer-term development prospects<sup>[2]</sup>.

The global latent demand for technical textile products is forecasted to touch USD 267 billion by 2024 – registering a compounded annual growth rate (CAGR) of 2.4% between 2018-19. The growing demand for smart, high-performance materials is prompting rapid advancements in fibre science (refer table I: *World Production of Manmade Fibres*<sup>[3]</sup>). The sector's future will be shaped by macro-trends such as digitisation of manufacturing and supply chains. It will also be augmented by the development of sustainable and customer-centric business models.

China continued to dominate the global export markets, although its share decreased during the last fiscal year. Besides traditional factors such as increasing labour costs and competition, the industry's

Table I:

**World Production of Manmade Fibres (in thousand tonnes)**

Year	Production	Variance
1995	22.2	-
2000	31.04	39.8%
2005	38.1	22.7%
2010	49.6	30.2%
2015	66.8	34.7%
2017	71.6	7.2%

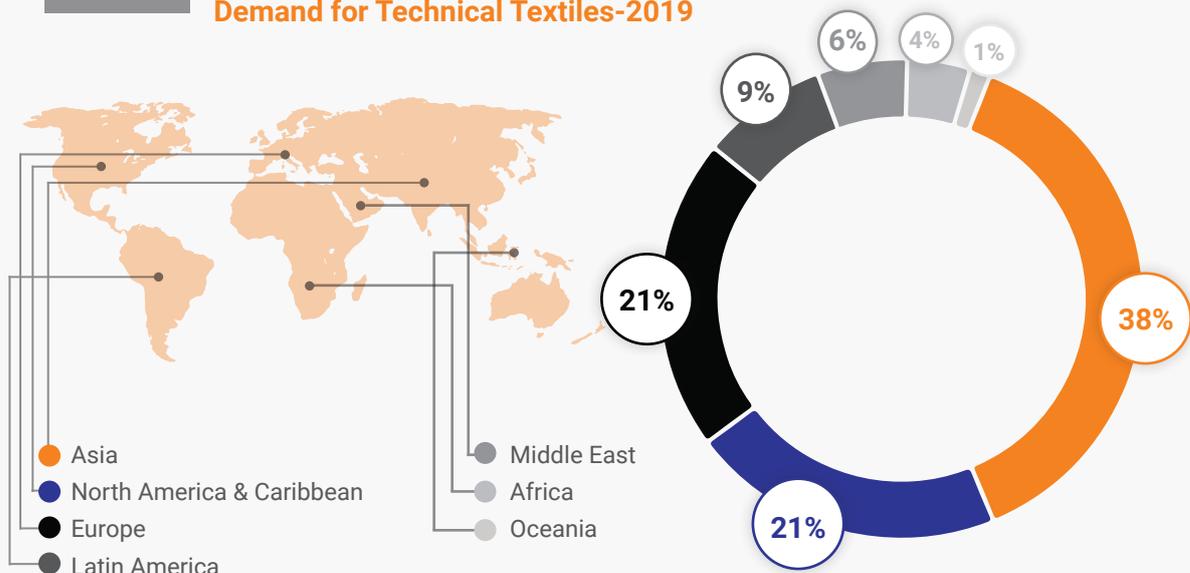
Source: [www.eximbankindia.in/Assets/Dynamic/PDF/Publication-Resources/ResearchPapers/105file.pdf](http://www.eximbankindia.in/Assets/Dynamic/PDF/Publication-Resources/ResearchPapers/105file.pdf)

performance was impacted due to its trade war with the US. The slowdown in the largest exporting nation served as an opportunity for competing nations, especially, in the emerging markets (EM) to make their mark in exports.

Asia is the world's largest market for technical textiles – accounting for ~38% of the market share valued at USD 89.69 billion in 2019 (refer chart I: *Region-wise Share in World Latent Demand for Technical Textiles-2019*).

Chart I:

**Region-wise Share in World Latent Demand for Technical Textiles-2019**



[1] [https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOWORLD](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD)  
 [2] <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-2019/>  
 [3] <https://www.eximbankindia.in/Assets/Dynamic/PDF/Publication-Resources/ResearchPapers/105file.pdf>





# India Overview

**India continued its lead as one of the fastest growing economies among the emerging markets during the last fiscal year.**

Gross Domestic Product (GDP) increased by

**7.1%**

during 2018

GDP is forecasted to grow at an average of

**7.6%**

over the next five years

India's technical textile sector is anticipated to touch

**₹1.56 trillion**

by 2021



## Management Discussion & Analysis

According to estimates by the International Monetary Fund (IMF), the country recorded a gross domestic product (GDP) growth of 7.1% during 2018<sup>[4]</sup>. It witnessed a slight downturn from its performance of 7.2% during 2017. However, the IMF expects the country to bounce back 2019 onwards. India's GDP is forecasted to grow at an average of 7.6% over the next five years.

Earlier this year, the incumbent government was re-elected with a decisive mandate in India. In its new tenure, the government is expected to continue to pursue socio-economic prosperity through the introduction of new, radical initiatives. Further, it will intensify the focus of mega programmes and services initiated during its first term. With the aim of India becoming a USD 5 trillion economy by 2025, the country's political leadership is providing the right impetus for economic growth.

India's corporate sector is benefitting from the implementation of noteworthy policies such as the goods and service tax (GST) and lowered barriers for investments. The structure of the technical textile industry, for instance, has witnessed a transformation with the introduction of GST. There has been a drastic reduction in the number of informal players in the sector since 2017. Further, the Amended Technology Upgradation Fund Scheme (ATUFS) enables productivity, quality, investments, and employment augmentation in the technical textile sector.

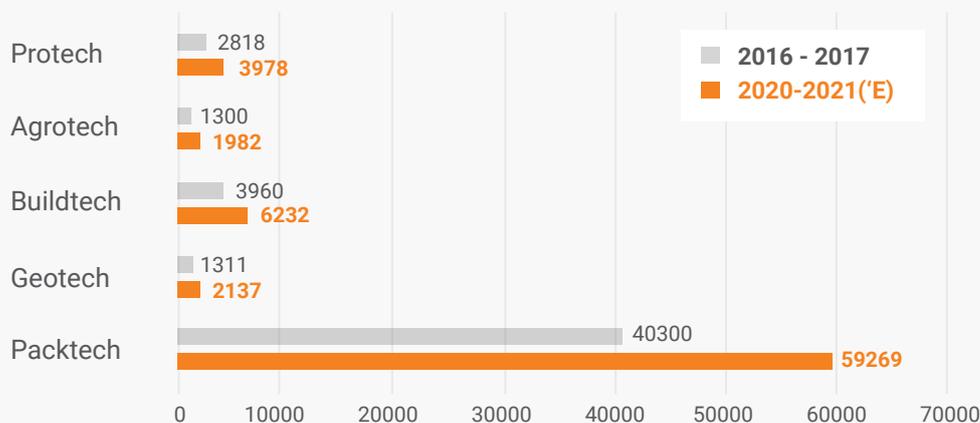
The techtextile industry stands to gain from ambitious targets that the government has set for itself. For instance, the government aims to double farmer income by 2022. It is also focused on creating infrastructure assets such as the creation of a national

highway grid, completion of the dedicated freight corridor (DFC) and development of newer industrial corridors. Further, social policies such as the Pradhan Mantri Awas Yojana, Swachh Bharat Abhiyaan, Khelo India and Ayushman Bharat, among others, have been formulated to create more equal opportunities and a sustainable future for everyone. The technical textiles sector manufactures products to cater to a wide range of industries including agriculture, manufacturing, construction, infrastructure, sports, health and sanitation, among others. Consequently, it is set to benefit from the programmes and policies introduced by the government.

India's technical textile market is anticipated to touch INR 1.56 trillion by 2021 – growing at a CAGR of 11.4% (refer Chart II: Segment wise Technical Textile Market Size)<sup>[5]</sup>. While the industry holds enormous potential, it is currently underpenetrated. In 2018, the technical textile industry contributed to 0.7% of the national GDP and constituted just 13% share in the aggregate textiles markets. India has a 3% share in the global technical textiles markets and an annual production of 90,000 metric tonnes (MT)<sup>[6]</sup>.

To ensure that the industry keeps up with the rapidly growing domestic and global demand for technical textile products, the government needs to introduce sector-specific growth-nurturing initiatives. ATUFS and the Merchandise Exports from India Scheme (MEIS) under its Foreign Trade Policy (FTP) are useful benchmarks of such policies. Additionally, the industry needs to emphasize on nurturing talent, invest in research and development, ensure production quality standards, and enhance awareness of the advantages of technical textile products.

Chart II: Segmentwise Technical Textiles Market size (₹ Crores)



Source: [www.eximbankindia.in/Assets/Dynamic/PDF/Publication-Resources/ResearchPapers/105file.pdf](http://www.eximbankindia.in/Assets/Dynamic/PDF/Publication-Resources/ResearchPapers/105file.pdf)

[4] [https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOORLD/IND](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOORLD/IND)

[5] <https://www.eximbankindia.in/Assets/Dynamic/PDF/Publication-Resources/ResearchPapers/105file.pdf>

[6] <https://www.eximbankindia.in/Assets/Dynamic/PDF/Publication-Resources/ResearchPapers/105file.pdf>



Management Discussion & Analysis

Overview

Rishi Techtex completed 35 years of operations during the last fiscal year having started its journey in 1984. During the year, the organisation bettered its performance across all metrics.

Our revenues increased by 24% over FY18, while our EBITDA levels registered a 32% growth. The profits before tax (PBT) and profits after tax (PAT) levels also witnessed a double-digit growth at 28% and 16% respectively.

Improving Financial Metrics @ Rishi Techtex

	FY18 (₹ Lakhs)	FY19 (₹ Lakhs)	Variance
Revenues	6,767.55	8,397.25	24% ↑
EBIDTA	628.92	827.61	32% ↑
PBT	315.58	404.25	28% ↑
PAT	252.91	292.17	16% ↑

In the past few years, we have realised that external uncertainties and macro-economic challenges are the new normal in today's volatile, uncertain, complex, and ambiguous world.

We are driving an organisational culture and mindset of continuous improvement to create an internal eco-system that is prepared to absorb such external challenges that appear from time to time.

This year's performance was a result of our focused efforts to make the organisation stronger, leaner and more customer-centric.



Our revenues increased by **24%** over FY18, while our EBITDA levels registered a **32%** growth.

We deployed a three-pronged strategy to make:

- 1 Our operations**  
more productive
- 2 Our organisation structure**  
more professional
- 3 Our growth**  
more profitable

We dwell on the three-pronged plan in greater detail in the following sections of the annual report. Together, these measures enabled us to create a strong foundation for creating more value for our stakeholders.





# 1 Making our operations more productive

During the year, we upped our productivity levels by investing in the automation of processes, expanding to new markets and innovating new products. Our productivity-enhancing initiatives helped us achieve a better topline and a healthier bottomline even during challenging times.

## 1. Expansion to New Markets:

In the last year, we expanded our footprints to new domestic markets while growing our presence in a few international markets; this was mainly for our agrotech business. On the domestic front, we reached out to the interiors of the of Maharashtra, Karnataka, Andhra Pradesh, Telangana, Chhattisgarh, Kerala, Madhya Pradesh, Odisha, Tamil Nadu, Tripura, and Jammu & Kashmir. We also undertook institutional orders from the government of Madhya Pradesh during the year.

Internationally, we supplied landscaping material for businesses in Qatar. There was also an increase in the demand for our privacy screens in the US. Following the first container that we shipped in FY18, we sent two more containers in the previous fiscal year. Additionally, we exported orders to South Africa, New Zealand, and the Netherlands. We anticipate our export sales to increase over the next few years. This strategy will protect our revenues from seasonal forces.

## 2. New Products Innovation:

Our research and development (R&D) team developed two new products during the year. Our version of Wavesail nets, under the buildtech protection vertical, was launched during the year. The product can be used for personal as well as commercial purposes. We see an uptake of demand in the near future mostly due to a domestic push towards building a better and more developed India.

Our team also conceptualised and launched the 'Treeguard' brand of nets under the agrotech segment.

## Efficiency Highlights

Installation of a single, high-powered, advanced tape machine for the production of woven sacks in the packtech segment.

Collaboration with agriculture universities to provide hands-on feedback on the effectiveness of new products developed by us under the agrotech segment.

'Treeguard' is a range of ready-to-use nets that provide lasting protection to trees from birds, animals and other pests. It is also a useful cover for fruit and vegetable trees against the sun and other harsh weather conditions. Further, we collaborated with agriculture universities to provide hands-on feedback on the effectiveness of new products developed by us under the agrotech segment.

With the government's focus on doubling farm income through scientific measures, we see our brand becoming a preferred choice among India's farmer community.

## 3. Investments in Manufacturing Automation:

We have replaced our two tape plants at Daman facility with a single, high-powered, advanced machine. Tape plants convert plastic granules to tape. This tape is used in the production of raschel bags and woven sacks in the packtech segment. The earlier plants operating since the past two decades were rendered obsolete. This factor was impacting our production competencies.

A strategic lever, the new tape plant enables us to shorten our production timelines, decrease manual intervention and increase output quality and quantities. Besides the operational advantages, integration of latest technologies also made manufacturing of products under the packtech segment safer, more reliable and more energy-efficient.



Management Discussion & Analysis



## 2 Making our organisation more professional

**During the year, we continued with our plan to induct professionals across key divisions. As a part of this strategy, we concluded the organisation restructuring exercise started in the previous fiscal year.**

Now we have a stable team across senior and middle leadership levels. We initiated the implementation of an enterprise resource planning (ERP) system and revamped our factory premises. The details of each of these initiatives are given below:

### 1. Organisation Restructuring:

In FY18, we undertook an organisational restructuring exercise to increase our team's efficiency. We expanded our team and formulated a more formal structure to increase our productivity. This strategy included the creation of a senior management team to handle division-wise responsibilities. This strategy was an essential element of the organisation's new growth phase.

This year we successfully filled up the remaining strategic roles identified in the previous fiscal year. Consequently, several senior team members joined the organisation in critical operational and corporate roles. The introduction of several best practices in our people processes has led to improvements in our operational efficiency.

### 2. Revamping of Factory Premises:

During the year, we renovated our factory premises at Daman. New sections, such as the conference room and the dining area, add to our employee comfort and efficiencies. Our customers can engage with the production team members in the specially-constructed customer interaction zone. With a dedicated customer

zone, we expect to engage with our large corporate clients both in the domestic and international markets in a better manner with more factory visits and product demonstrations.

### HR & IT Highlights

Induction of senior and middle-management team members across divisions

Implementation of customized ERP system

Renovation of factory premises at Daman plant

### 3. Implementation of Enterprise Resource Planning (ERP) System:

An enterprise resource planning (ERP) system was implemented during the year. This has improved our business metrics through process optimisation, improvement of the supply chain process, integration of business functionalities and increased transparency across the organisation. The insights generated by the MIS system on a real-time basis have enabled dynamic and data-backed decision-making.

Further, the ERP will help in the better implementation of human resource (HR) policies across the organisation. It aims to improve the recruitment process at the organisation by tracking skills for a specific job description. The module also has provisions for recording employee training history. Compliances to HR-related regulatory matters will be better tracked through the ERP system.





## 3 Making our growth more profitable

**At Rishi Techtex, we are aware that only consistent profitability will enable us to build a sustainable business and provide us with the freedom to invest in our future growth.**

Our profitability levels witnessed healthy growth during the last fiscal year inspite of various economy-led challenges. The increase was a result of a combination of strategic initiatives across operations and human resources administration. The highlights of this strategy are presented below:

### 1. A Strategy for Customer Success:

Our success lies in our customers' success. Cost-efficiency and scale are essential cornerstones of this strategy. Hence, we are focused on developing, manufacturing and supplying quality products at the right price to our customers. During the last fiscal year, we deployed cost-efficiency strategies in our production processes and expanded our distribution network to increase the scale of operations.

### 2. Asset Optimisation:

Asset optimisation is at the core of the cost-efficiency strategy at Rishi Techtex. During the year, our total asset turnover ratio increased by 15% while our fixed asset turnover grew by 25% over the previous year. Further, returns on capital employed (ROCE) increased by 48% - from 37% in the previous year to 54% in the current year. The improved parameters are reflective of the increased efficiencies of our production processes and our ability to employ our resources optimally.

### 3. Focus on Cost Control and Operational Efficiencies:

In current year, we are making investments in automated assets and building more efficient systems.

### Profitability Highlights



#### Revenues

Increased by  
**24%**  
over FY18



#### EBITDA Margins

Increased by  
**32%**  
over FY18



#### Return on Capital Employed

Increased by  
**48%**  
over FY18



#### Total Asset Turnover Ratio

Increased by  
**15%**  
over FY18

These strategies increase the value of our business by enhancing the quality of our products, increasing our production scale and lowering the output costs. A combination of these factors enable us to pass on cost-benefits to customers – leading to greater demand and higher revenue turnover.

Subsequently, there is reduction in creditors by 21.18%. The factor has enabled us to reduce the price of raw material by 2%. This is a result of streamlined collection processes and better inventory management strategies. Going ahead, our outgo to service debt will reduce regularly and the saving will straight go to the bottomline.



## Management Discussion &amp; Analysis

**Opportunities & Threats**

The technical textile segment constitutes about 12-15% of the entire textile value chain in India. The sector contributes 0.7% to the country's gross domestic product (GDP).

Further, the country's share in the global technical textile exports is ~3%. Evidently, India's technical textile industry is mostly underpenetrated. Over the last few years, the government has introduced various policies to harness the true potential of the sector. These initiatives are likely to produce a positive outcome over the next few years.

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

- 1** **Retaining our focus on building a customer-centric, process-efficient, and high-margin business model**
- 2** **Innovating high-quality, customised products to suit the demands of the various high-priority end-user industries**
- 3** **Making strategic outlays in technology that enhances our R&D edge**

We are willing to forge technical collaborations and joint venture partnerships with global players who want to capitalise on the prospects offered by India's technical textile sector.

**Risks & Concerns**

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



The technical textile segment constitutes about 12-15% of the entire textile value chain in India.

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

**Internal Control Systems And Their Adequacy**

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

**Cautionary Statement**

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





## Board of Directors

### ABHISHEK PATEL

Chairman, 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

Non-Executive since 2001  
(DIN : 00171387)

- Over 27 years of varied business experience
- Serves as Managing Director of MPD Industries Private Limited
- Holds a Bachelor's degree in Commerce

### ARVIND NOPANY

Independent Director since 2002  
(DIN : 00148521)

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

### SHEELA AYYAR

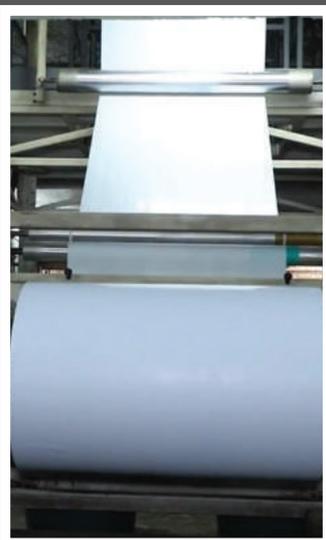
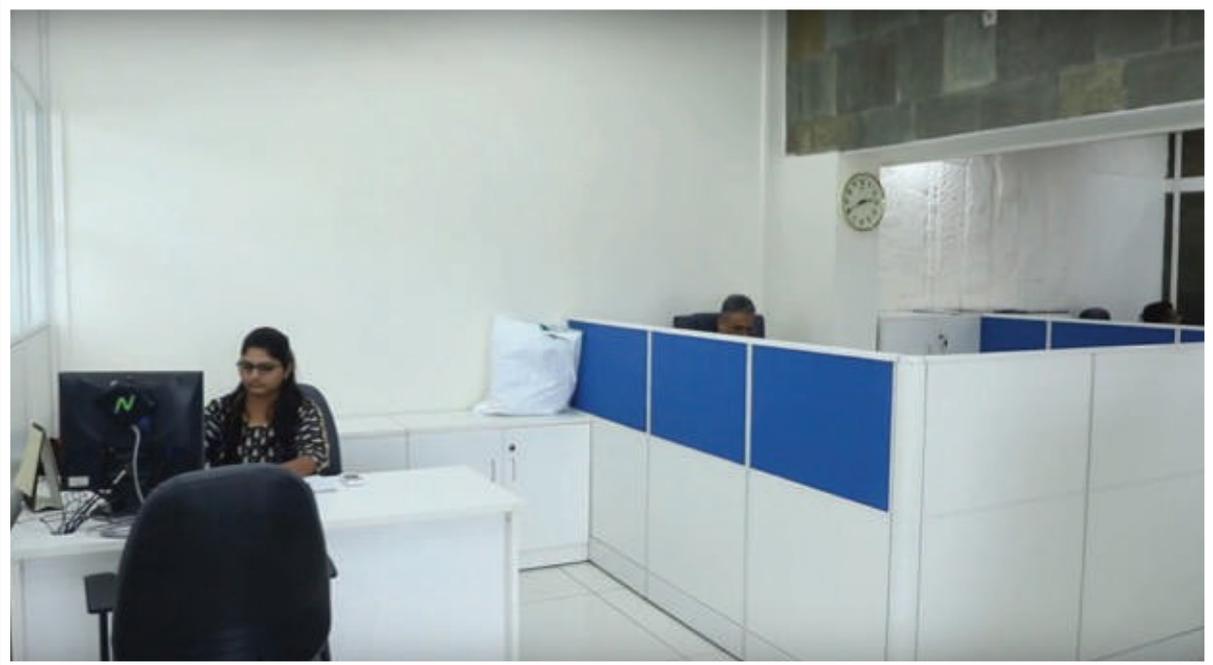
Independent Director since 2015  
(DIN : 06656579)

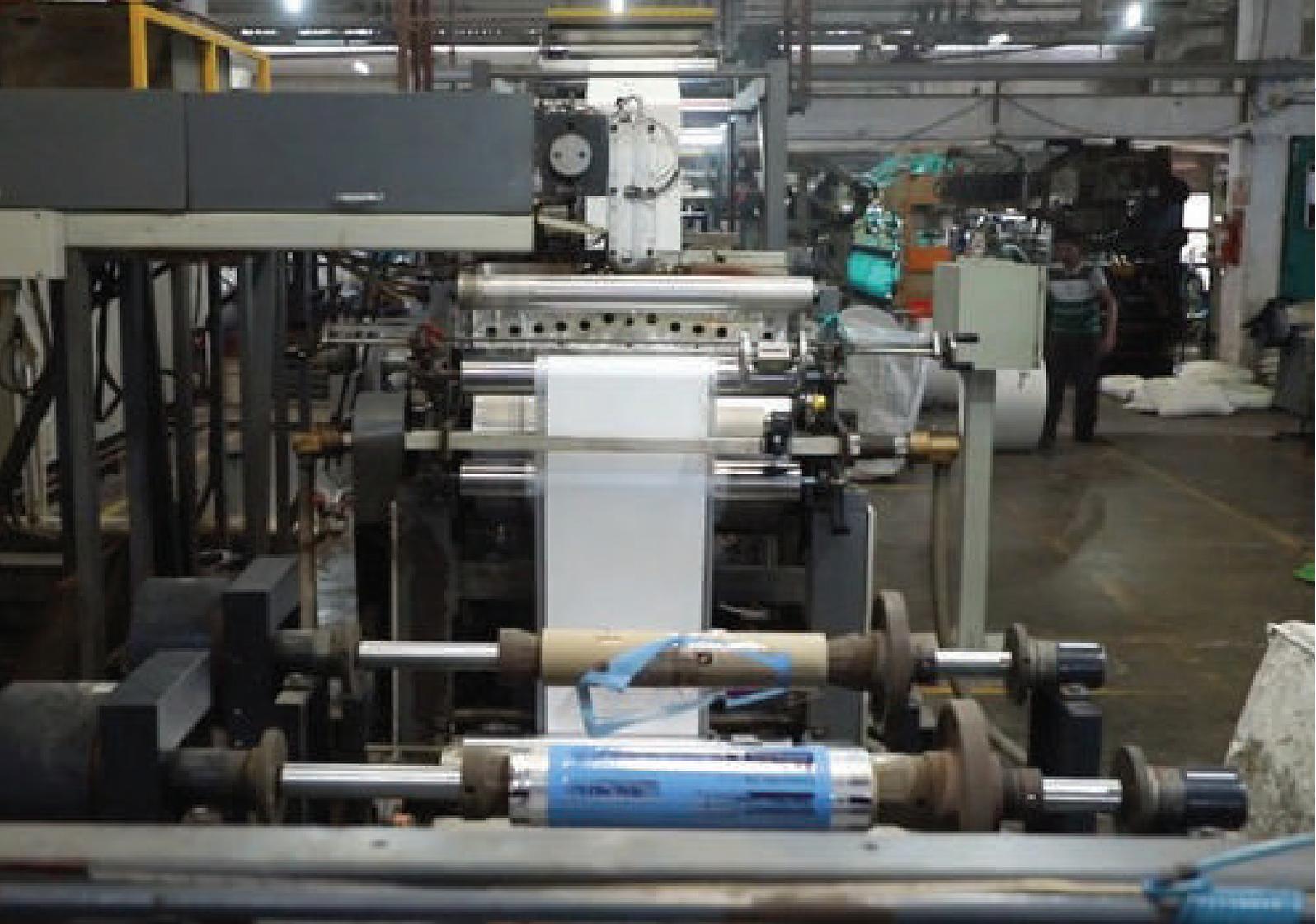
- Reputed management professional with experience in business strategy
- Currently handles strategic affairs for Tejas Engineering and Management
- Holds a Bachelor's degree in Commerce

As on 31<sup>st</sup> March 2019



## Our Manufacturing Facilities





## Reports & Financials

## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 35<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Total Income	8,411.50	6,789.12
Profit before Tax	404.25	315.58
Provision for Tax	112.08	62.67
Profit after Tax	292.17	252.90
Total Comprehensive Income for the period	291.23	240.01

### DIVIDEND

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

### RESERVES

As on March 31, 2019 the reserves and surplus has increased to ₹ 1781.20 lakhs as compared to ₹ 1489.98 lakhs achieved during the last year.

### COMPANY'S WORKING DURING THE YEAR

The company earned total income of ₹ 8411.50 lakhs as compared to ₹ 6789.12 lakhs earned in the previous year showing increase of 19.28%. The operations during the year have resulted in a profit of ₹ 292.17 lakhs as compared to 252.90 lakhs in previous year showing increase of 15.52%

### 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

During the year there is no 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.

### CREDIT RATINGS

Subsequent to the end of the financial year under review, the Company has received the following credit ratings from CRISILvide letter dated 3<sup>rd</sup> April, 2019.

Total Bank Loan Facilities Rated	₹ 21 Crore
Long- Term Rating	CRISIL BBB-/Positive
Short-Term Rating	CRISIL A3

### SIGNIFICANT AND MATERIAL ORDERS

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

The Company has ongoing litigation with Enforcement Directorate. The Company would like to state that, between the years 2003 to 2008, the Company supplied Poly Propylene (PP) laminated bags to Malabar Cement at their plant at Walayar and Cherthala in Kerala State. It is alleged that the Company has entered into a criminal conspiracy with agents to defraud Malabar Cements Ltd.

by overcharging for the supply of bags. The Company at the outset denies all the allegations.

The Company has received on 12th November 2018; a provisional attachment order no. 02/2018/KZSZO (IN ECIR/KZSZO/4/2015) dated 09<sup>th</sup> November 2018 from the Directorate of Enforcement, Cochin, attaching the immovable property of the Company situated at Daman with a gross liability of ₹ 66,88,822/- in the hands of the Company. The Company has furnished to the Directorate of Enforcement a Bank Guarantee worth ₹ 20,32,797/-. The Company has filed as appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and, the authority has directed that both the parties shall maintain a status quo in respect of the said attached property until the next date of hearing.

### ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS)

As mandated by the notification of Ministry of Corporate Affairs, dated 16<sup>th</sup> February 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015, Your Company has implemented Indian Accounting Standards ("IND AS") to record financial transactions pursuant to Notification from financial year 2017-2018. During the year 2018-2019; the Company has successfully implemented the Ind AS.

### SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

### INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

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

### AUDIT OBSERVATIONS AND EXPLANATION BY THE BOARD

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

### REPORTING OF FRAUDS BY AUDITORS

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

### DEPOSITS

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

- accepted during the year; : 5.00 Lakhs
- remained unpaid or unclaimed as at the end of the year; Nil
- whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved;



- (i) at the beginning of the year - NIL
- (ii) maximum during the year - Nil
- (iii) at the end of the year; - Nil

The details of deposits which are not in compliance with the requirements of Chapter V of the Act - Nil

## AUDITORS

### Statutory Auditor:

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

Your Company has obtained a declaration from the Statutory Auditors that they meet with the requisite criteria as provided under the provisions of the Companies Act 2013 read with applicable Rules and Advisories, to continue as the Statutory Auditors of the Company for the financial year 2019-2020.

## AUDIT REPORT

As per the provisions of the Companies Act, 2013, the Auditors Report on Financial Statements for the year ended 31<sup>st</sup> March 2019 as issued by the Statutory Auditor; M/S Attar & Associates, Chartered Accountants forms part of this Annual Report.

## SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was ₹739.10 Lacs. There was no change in the Share Capital of the Company during the financial year under report.

As on March 31, 2019, following two directors are holding shares of the Company:

Mr. Abhishek Patel

Mr. Pranav Patel

## EXTRACT OF THE ANNUAL RETURN

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

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

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

## BOARD OF DIRECTORS:

### Details of Board of Directors

As on the date of Balance sheet; the Board of Directors of the Company consisted of Four Directors. As the Chairman of the Board, Mr. Abhishek Patel is in Executive capacity pursuant to requirements of the SEBI (Listing Obligation and Disclosure) Regulations 2015, its Board comprises of 50% of the Independent Directors.

Out of the Four Directors, One Director is categorized as Promoter-Director, two are independent Directors appointed pursuant to provisions of section 149 of the Companies Act 2013 and one is Non-Executive Director. As on the date of Balance sheet; there is no Nominee Director on the Board of the Company.

No Director of the Company is either member of more than ten committees and/ or Chairman of more than five committees across all Companies in which he is Director and necessary disclosures to this effect has been received by the Company from all the Directors.

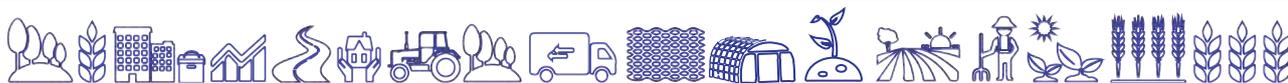
During the financial year under review, there were no changes in the Board of Directors of the Company.

### Change in Directors:

- I. Mr. Pranav Patel retires by rotation in this Annual General Meeting and offers himself for reappointment.
- II. The present tenure of Mrs. Sheela Ayyar as an Independent Director on the Board shall come to an end at the conclusion of ensuing Annual General Meeting. She has expressed her willingness to continue as an Independent Director and has also confirmed that she meets the criteria of Independence as provided by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on evaluation report, the Nomination and Remuneration Committee and Board has recommended the re-appointment of Mrs. Sheela Ayyar as Independent Director of the Company for a second term of five consecutive years from the conclusion of 35<sup>th</sup> Annual General meeting till the conclusion of 40<sup>th</sup> Annual General meeting. The Special Resolution for appointment of Mrs. Sheela Ayyar forms part of the notice of Annual General Meeting.
- III. The present tenure of Mr. Arvind Nopany as an Independent Director on the Board shall come to an end at the conclusion of ensuing Annual General Meeting. Mr. Arvind Nopany has expressed his unwillingness to continue as an Independent Director due to his pre-occupation in other assignments and therefore, he has opted not to be re-appointed as Independent Director with effect from conclusion of 35<sup>th</sup> Annual General Meeting of the Company.
- IV. The Nomination and Remuneration Committee has recommended to the Board to place before the members a resolution, for appointment of Mr. Kunal Rastogi as an Additional (Independent) Director on the Board pursuant to the provisions of Section 161(1) of Companies Act, 2013. Mr. Kunal Rastogi fulfills the criteria of Independence. The Board of Directors of the Company in their meeting held on 9<sup>th</sup> August, 2019 have proposed for the approval of members appointment of Mr. Kunal Rastogi as an Independent Director pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder, for a term of five consecutive years, to hold office commencing from August 09, 2019 to August 08, 2024.

### Details of the meetings of the Board of Directors

During the year, in all six Board Meetings were held i.e. on 26<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 16<sup>th</sup> August, 2018, 19<sup>th</sup> October, 2018, 14<sup>th</sup> November, 2018 and 13<sup>th</sup> February, 2019. 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, at last Annual General Meeting and number of other directorships and chairmanships/memberships of committees is given below:

Name	Category	Other Directorships in Public Cos.	Committee Membership/ Chairmanship # (incl. RTL)	Attendance At Board Meetings	Attendance At at Last AGM	Shareholding of Non-Executive Directors (as on 31.03.2019)
Mr. Abhishek Patel (DIN: 05183410)	Promoter/ Executive	Nil	2	6	Yes	-
Mr. Arvind Nopany (DIN: 00148521)	Non-Promoter/ Independent	Nil	2	5	No	-
Mr. Pranav Patel (DIN: 00171387)	Non-Promoter/ Non-Independent	Nil	1	6	No	1767
Mrs. Sheela Ayyar (DIN: 06656579)	Non-Promoter/ Women Director	1	1	6	Yes	-

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

# The above data is as on 31<sup>st</sup> March, 2019

#### Declaration by an Independent Director(s)

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

#### Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure) Regulations 2018 LODR, the Board has carried out the evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department

#### Code of Conduct

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

All Board members and senior management personnel have affirmed compliance with the code for the year ended on March 31, 2019. Declaration to this effect signed by the Managing Director of the Company for the year ended on March 31, 2019 has been included elsewhere in this report.

#### Familiarization Programme for Independent Directors

During the year since there was no new Directors were appointed as Independent there was no specific Familiarization Programme was conducted.

#### KEY MANAGERIAL PERSONNELS (KMP):

As on March, 31, 2019, Mr. Abhishek Patel, Managing Director, Mr. Jagdish Dokwal, Chief Financial Officer and Ms. Gauri Gangal, Company Secretary are the Key Managerial Personnels of your Company. During the financial year under review, there were no changes in the Key Managerial Personnels (KMP) of the Company.

#### COMMITTEES OF THE BOARD

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

The Board currently has the following Committees:

##### 1. Audit Committee

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

The main functions of the Audit Committee were:

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

While reviewing the financial statements the committee focused on:

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

During the financial years 2018-19, the committee met on 25<sup>th</sup> May 2018, 13<sup>th</sup> August 2018, 16<sup>th</sup> August, 2019, 19<sup>th</sup> October 2018, 13<sup>th</sup> November 2018, 12<sup>th</sup> February 2019

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



## 2. Nomination & Remuneration Committee:

The Nomination & Remuneration committee consists of three Directors, Mrs. Sheela Ayyar, Mr. Pranav Patel and Mr. Arvind Nopany. 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. The same is posted on the website [www.rishitechtext.com](http://www.rishitechtext.com). Remuneration Committee approves the remuneration payable to the Managing Director and senior executives. The salient features of the said policy are as under:

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

#### 1. Appointment Criteria and Qualifications

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

#### 2. Term / Tenure

- a) **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:** - An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## 3. Evaluation

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

## 4. Removal

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

## 5. Retirement

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

### POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

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

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

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

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board);
- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/ reappointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;



- to assist in developing a succession plan for the Board;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- delegation of any of its powers to any Member of the Committee or the Compliance Officer.

Details of remuneration package of the Managing Director:

(As prescribe by Schedule V of the Companies Act 2013)

Period: Three years from 01.04.2017

Salary : ₹3,50,000/-

HRA : ₹1,45,000/-

Others : ₹1,05,000/-

Besides the above the Managing Director is entitled to perquisites such as PF, Gratuity and LTA.

Actual remuneration received by the Managing Director for the year 2018-19:

Mr. Abhishek Patel - ₹77.04 Lacs

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

### 3. Shareholders/ Investors Grievance Committee:

The Committee consists of three Directors, Mr. Abhishek Patel, Mr. Arvind Nopany and Mr. Pranav Patel. 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. The Committee also takes on record the requests received for transfer, transmission, dematerialization, rematerialization, issue of duplicate share certificates etc. requests received from shareholders and hold its Meetings at such duration as may be required. There are no complaints pending with the Company.

### 4. Finance Committee:

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

During the year, two Finance Committee Meetings were held i.e. 13th June, 2018 and 4<sup>th</sup> October, 2018.

#### Independent Directors' Meeting

During the year under review, the Independent Directors met on 4<sup>th</sup> October, 2018 inter alia, to discuss the evaluation of the performance of all independent directors and the Board of directors as whole. It also evaluates the timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively.

### RISK MANAGEMENT POLICY

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

### VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company formulated Whistle Blower Policy as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 to raise any complaint, query and to deal with instance of fraud and mismanagement, if any.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted Internal Compliant Committee (ICC) for all locations to the extent applicable pursuant to the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has taken adequate care and caution in line with the requirements of the act. During the year 2018-2019 the Company has not received any sexual harassment complaint.

### LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

### RELATED PARTY TRANSACTIONS

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

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

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

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

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

### PARTICULARS OF EMPLOYEES

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

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

### SECRETARIAL AUDIT REPORT

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

### COMPLIANCE WITH SECRETARIAL STANDARDS

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



**CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)**

The provisions of Section 135 of the Companies Act 2013 related to constitution of Corporate Social Responsibility (CSR) Committee and mandate to spend amount as prescribed by statute is not applicable to Company for the financial year 2018-19 as the Company does not fulfill any criteria set by the provisions of section 135 (1) of the Act.

**STATEMENT OF SALIENT FEATURES OF FINANCIAL STATEMENT**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) and sub-section (5) of Section 134 of the Companies Act, 2013, shall state that—

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**CORPORATE GOVERNANCE REPORT**

The Company has complied with the mandatory corporate governance requirements as applicable under other statutes and laws and certain requirements have been voluntarily adopted as a good corporate governance practice.

The Company has availed an exemption for the financial year 2018-2019 on the basis of Paid-up Capital and Net Worth as on the last day of preceding financial year i.e. 31<sup>st</sup> March 2018 pursuant to Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with regard to compliance of certain Corporate Governance requirements, submission of Corporate Governance Report pursuant to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The inclusion of separate section of Corporate Governance in the Annual Report is not mandatorily required for the financial year under review. However, certain details are provided elsewhere in the report for the information of stakeholders.

The Company would further like to state that, as on 31<sup>st</sup> March, 2019, the Company has crossed the threshold limit as specified in said Regulation and therefore provisions of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to the Company for the financial year 2019-2020

**ACKNOWLEDGEMENTS**

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

By Order of the Board

Place: Mumbai  
Date: 09.08.2019

<b>Abhishek Patel</b> Managing Director DIN: 05183410	<b>Sheela Ayyar</b> Director DIN: 06656579
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## Annexure A

### Form No. MGT 9

#### Extract of Annual Return

as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

<b>I REGISTRATION &amp; OTHER DETAILS:</b>			
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, 10-14 Pais Street, Byculla (W), Mumbai 400011	
vi	Whether listed company	Listed	
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd. 17/20, Jaferboy Industrial Estate, 1 <sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059 Ph. No. 42270400	
<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
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	13999	100%
<b>III PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>			
N.A. - The company do not have any subsidiary or associate company			

Overview

Management Discussion & Analysis

Reports & Financials

Standalone Financial Statements

Note : Data given in MGT 9 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	273737	0	273737	3.70	273737	0	273737	3.70	0.00
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) DIRECTORS	962659	0	962659	13.02	962659	0	962659	13.02	0.00
f-2) DIRECTORS RELATIVES	1091859	0	1091859	14.77	1091859	0	1091859	14.77	0.00
<b>Sub-total : (A)(1)</b>	<b>2328255</b>	<b>0</b>	<b>2328255</b>	<b>31.50</b>	<b>2328255</b>	<b>0</b>	<b>2328255</b>	<b>31.50</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	163232	0	163232	2.21	163232	0	163232	2.21	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total : (A)(2)</b>	<b>163232</b>	<b>0</b>	<b>163232</b>	<b>2.21</b>	<b>163232</b>	<b>0</b>	<b>163232</b>	<b>2.21</b>	<b>0.00</b>
<b>Total Shareholding of promoter (A)=(A)(1) + (A)(2)</b>	<b>2491487</b>	<b>0</b>	<b>2491487</b>	<b>33.71</b>	<b>2491487</b>	<b>0</b>	<b>2491487</b>	<b>33.71</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(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) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non - Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	644723	2079	646802	8.75	602488	1079	603567	8.17	-0.58
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1375839	283885	1659724	22.46	1387914	270917	1658831	22.44	-0.01
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2351911	0	2351911	31.82	2405047	0	2405047	32.54	0.72
<b>c) Others (Specify)</b>									
c-1) NON RESIDENT INDIANS(INDIVIDUALS)	189890	41716	231606	3.13	187810	41716	229526	3.11	-0.03
c-2) DIRECTORS	1767	0	1767	0.02	1767	0	1767	0.02	0.00
c-3) CLEARING MEMBER	7703	0	7703	0.10	775	0	775	0.01	-0.09
<b>Sub-total (B)(2)</b>	<b>4571833</b>	<b>327680</b>	<b>4899513</b>	<b>66.29</b>	<b>4585801</b>	<b>313712</b>	<b>4899513</b>	<b>66.29</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>4571833</b>	<b>327680</b>	<b>4899513</b>	<b>66.29</b>	<b>4585801</b>	<b>313712</b>	<b>4899513</b>	<b>66.29</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs.</b>									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public -	0	0	0	0	0	0	0	0	0
<b>Sub-total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>7063320</b>	<b>327680</b>	<b>7391000</b>	<b>100</b>	<b>7077288</b>	<b>313712</b>	<b>7391000</b>	<b>100</b>	<b>0</b>



### Shareholding of Promoters

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

### 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	<b>At the beginning of the year</b>	<b>RISHI LASER LTD</b>	1/4/2018	273737	3.70	273737	3.70
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	273737	3.70
2	<b>At the beginning of the year</b>	<b>ABHISHEK HARSHAD PATEL</b>	1/4/2018	962659	13.02	962659	13.02
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	962659	13.02
3	<b>At the beginning of the year</b>	<b>AAKANKSHA H PATEL</b>	1/4/2018	400861	5.42	400861	5.42
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	400861	5.42
4	<b>At the beginning of the year</b>	<b>KIRAN PATEL</b>	1/4/2018	163232	2.21	163232	2.21
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	163232	2.21
5	<b>At the beginning of the year</b>	<b>REKHA PATEL</b>	1/4/2018	55000	0.74	55000	0.74
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	55000	0.74
6	<b>At the beginning of the year</b>	<b>SMITA H PATEL</b>	1/4/2018	635998	8.61	635998	8.61
	Date wise Increase / Decrease in Promoters Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	635998	8.61



**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>CENTENNIAL FINANCE LTD</b>	1/4/2018	509964	6.90	509964	6.90
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	509964	6.90
2	<b>At the beginning of the year</b>	<b>ARVIND BABURAO JOSHI</b>	1/4/2018	100000	1.35	100000	1.35
	Date wise Increase / Decrease in Shareholding during the year		14/12/2018	339750	4.60	439750	5.95
	<b>At the End of the year</b>		30/03/2019	0	0.00	439750	5.95
3	<b>At the beginning of the year</b>	<b>GEETA ARVIND JOSHI</b>	1/4/2018	339750	4.60	339750	4.60
	Date wise Increase / Decrease in Shareholding during the year		14/12/2018	-339750	4.60	0	0.00
	<b>At the End of the year</b>		30/03/2019	0	0.00	0	0.00
4	<b>At the beginning of the year</b>	<b>NIKHIL JAISINH MERCHANT</b>	1/4/2018	330000	4.46	330000	4.46
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	330000	4.46
5	<b>At the beginning of the year</b>	<b>HETAL SUNIL KOTHARI</b>	1/4/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year		29/03/2019	250000	3.38	250000	3.38
	<b>At the End of the year</b>		30/03/2019	0	0.00	250000	3.38
6	<b>At the beginning of the year</b>	<b>KALAWATI KOTHARI</b>	1/4/2018	250000	3.38	250000	3.38
	Date wise Increase / Decrease in Shareholding during the year		29/03/2019	-250000	3.38	0	0.00
	<b>At the End of the year</b>		30/03/2019	0	0.00	0	0.00
7	<b>At the beginning of the year</b>	<b>R VENKATA SUBRAMANIAN</b>	1/4/2018	246155	3.33	246155	3.33
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	246155	3.33
8	<b>At the beginning of the year</b>	<b>RAJALAKSHMI R</b>	1/4/2018	175000	2.37	175000	2.37
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	175000	2.37
9	<b>At the beginning of the year</b>	<b>DHEERAJ KUMAR LOHIA</b>	1/4/2018	109618	1.48	109618	1.48
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	109618	1.48
10	<b>At the beginning of the year</b>	<b>SAVITRI RAM KARNANI</b>	1/4/2018	83600	1.13	83600	1.13
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	83600	1.13
11	<b>At the beginning of the year</b>	<b>SIDDHARTH OBEROI</b>	1/4/2018	75000	1.01	75000	1.01
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	<b>At the End of the year</b>		30/03/2019	0	0.00	75000	1.01
12	<b>At the beginning of the year</b>	<b>JAYESH K SHETH</b>	1/4/2018	1000	0.01	1000	0.01
	Date wise Increase / Decrease in Shareholding during the year		13/04/2018	60000	0.81	61000	0.83
			11/05/2018	-574	0.01	60426	0.82
			10/08/2018	-60	0.00	60366	0.82
	<b>At the End of the year</b>		30/03/2019	0	0.00	60366	0.82



**(v) Shareholding of Directors and Key Managerial Personal**

Sl No.	Name of Shareholder's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>PRANAV J PATEL</b>	1/4/2018	1767	0.02	1767	0.02
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):		NIL	NIL		
	<b>At the End of the year</b>	30/03/2019	0	0.00	1767	0.02
2	<b>JAGDISH SUBHAKARAN DOKWAL</b>	1/4/2018	17843	0.24	17843	0.24
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		NIL	NIL		
	<b>At the End of the year</b>	30/03/2019	0	0.00	17843	0.24

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



**V INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1478.07	30.04	45.00	1553.11
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Additions	348.70			348.70
Reduction	-28.15	-16.74		-44.89
Net Change	320.55	-16.74	0.00	303.81
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1798.62	13.30	45.00	1856.92
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No	Particulars of Remuneration	Mr. Abhishek Patel - Managing Director			Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.				54.60
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				0
2	Stock option				0
3	Sweat Equity				0
4	Commission as % of profit				0
	others (specify)- HRA				17.4
5	Provident Fund				5.04
	<b>Total (A)</b>				<b>77.04</b>
	Ceiling as per the Act				Remuneration is within the limits precribed under Companies Act, 2013

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Mr. Pranav Patel	Mr. Arvind Nopany	Ms. Sheela Ayyar	Total Amount
<b>1</b>	<b>Independent Directors</b>				
	(a) Fee for attending board committee meetings -	0	0.30	0.30	0.60
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	<b>Total (1)</b>				
<b>2</b>	<b>Other Non Executive Directors</b>				
	(a) Fee for attending board committee meetings	0.125	0	0	0.125
	(b) Commission	0	0	0	0
	(c) Others, please specify.	0	0	0	0
	<b>Total (2)</b>	<b>0.125</b>	<b>0</b>	<b>0</b>	<b>0.125</b>
	<b>Total (B)=(1+2)</b>	<b>0.125</b>	<b>0.30</b>	<b>0.30</b>	<b>0.725</b>
	<b>Total Managerial Remuneration</b>	<b>0.125</b>	<b>0.30</b>	<b>0.30</b>	<b>0.725</b>
	Overall Cieling as per the Act.				Remuneration is within the limits precribed under Companies Act, 2013



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Gauri Gangal - Company Secretary	Jagdish Dokwal - CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	317865	1397751	1715616
	(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 - Gratuity	0	0	0
5	Provident Fund	18900	146024	164924
6	Bonus	13235	101365	114600
	<b>Total</b>	<b>32135</b>	<b>247389</b>	<b>279524</b>
	<b>Total</b>	<b>350000</b>	<b>1645140</b>	<b>1995140</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL**

## Annexure B

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

### A. CONSERVATION OF ENERGY

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

### B. TECHNOLOGY ABSORPTION

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

#### TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the earning in foreign exchange on Export of Shade Net amounts to ₹ 1234.73 lakhs. Expenditure in foreign currency on account of Travelling is ₹ 7.01 lakhs and on account of spares and components is ₹ 5.88 Lakhs. There was no import of Capital Goods.



## Annexure C

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

Name	Designation	Ratio
Mr. Abhishek Patel	Managing Director	33.84:1

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

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

There is no change in the Remuneration of Managing Director, Chief Financial Officer and Company Secretary in the Financial Year.

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

The increment in the median remuneration of the employees is around 11.12 Percentage.

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

The numbers of on-rolls permanent employees are 204 (Excluding MD)

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

The average percentile increase in the salaries of employees other than Managerial Personnel is 10.62%.

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

Yes



**Annexure D****FORM No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(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,**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2019, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [not applicable to the Company during the audit period];
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Not applicable to the Company during the audit period];
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable to the Company during the audit period];
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the Company during the audit period]; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the Company during the audit period].

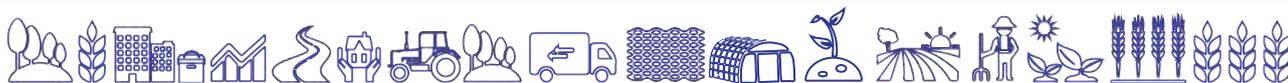
I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India (ICSI) and applicable to the Company for audit period;
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

- (v) Further the Company has identified following other statutes as mentioned here below:
  - (a) Water (Prevention & Control of Pollution) Act, 1974;
  - (b) The Air (Prevention & Control of Pollution) Act, 1981

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



I further report that:

- (a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that:

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

Place: Mumbai  
Date: 10-05-2019

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

**Sudhanwa S Kalamkar**  
ACS: 18795 CoP: 7692



## ANNEXURE TO THE SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019)

To  
The Members,  
**Rishi Techtex Limited**

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the process and practices I followed, provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Sudhanwa S Kalamkar**  
ACS: 18795 CoP: 7692

Place: Mumbai  
Date: 10-05-2019



## GENERAL SHAREHOLDER INFORMATION

### 1) GENERAL MEETINGS:

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

32 <sup>nd</sup> AGM- Wednesday 28.09.2016 at 10.30 a.m. - Killachand Conference Room, 2 <sup>nd</sup> Floor, IMC, Churchgate, Mumbai- 400020
33 <sup>rd</sup> AGM – Wednesday, 20.09.2017 at 10.30 a.m. - Killachand Conference Room, 2 <sup>nd</sup> Floor, IMC, Churchgate, Mumbai- 400020
34 <sup>th</sup> AGM- Friday, 28.09.2018 at 3.15 p.m. - Killachand Conference Room, 2 <sup>nd</sup> Floor, IMC, Churchgate, Mumbai- 400020

Day, Time and Venue of 35<sup>th</sup> Annual General Meeting:

35 <sup>th</sup> AGM- Wednesday, 25.09.2019 at 10.15 a.m. - Killachand Conference Room, 2 <sup>nd</sup> Floor, IMC, Churchgate, Mumbai- 400020
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#### • Special Resolutions:

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

Particulars	Date of Meeting	Whether Special Resolution passed	Details of the Special Resolution
32 <sup>nd</sup> AGM	September 28, 2016	Yes	1. For increase in Authorised Share Capital of the Company and alteration in Memorandum of Association and Articles of Association in this regard and 2. Issue and allotment of equity shares to Non- Promoter Group.
33 <sup>rd</sup> AGM	September 20, 2017	Yes	1. Re-appointment and remuneration of Mr. Abhishek Patel (DIN: 05183410) as Managing Director of the Company.
34 <sup>th</sup> AGM	September 28, 2018	No	-

#### • Extra-Ordinary General Meeting :

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

#### • Postal Ballot:

During the year no resolution was passed under Postal Ballot.

### 2) Subsidiary companies

The Company does not have any Subsidiary company

### 3) DISCLOSURES:

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

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

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

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

The Managing Director and the Finance Officer have certified to the Board in accordance with the SEBI (Listing Obligations and Disclosure Requirements) pertaining to CEO/CFO certification for the financial year ended 31.03.2019.

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

### 4) Means of Communication

The Company has been publishing the Unaudited Quarterly, half yearly and Audited Annual results in Business Standard and Navakal.

In addition it is being also displaying the Quarterly/ Half Yearly and Annual Results on the website of the Company viz. [www.rishitechtext.com](http://www.rishitechtext.com).

The Company has not made any presentations to institutional investors or to the analysts.

### 5) Financial Calendar

#### • Financial Year:

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



- **Publication of Unaudited/Audited Results:**

Quarter/Year Ending	Reporting date	Type of Result
June, 30 <sup>th</sup> 2019	Within 45 days from the end of quarter	Unaudited
September, 30 <sup>th</sup> 2019	Within 45 days from the end of quarter	Unaudited
December, 31 <sup>st</sup> 2019	Within 45 days from the end of quarter	Unaudited
March, 31 <sup>st</sup> 2020	Within 60 days from the end of quarter	Audited

- **Book Closure Date:**

19.09.2019 to 25.09.2019 (both days inclusive)

- **Cut-off Date for E-voting:**

18.09.2019

- **E-voting Commencement Date and Time:**

21.09.2019 at 9.00 am

- **E-voting End Date and Time:**

24.09.2019 at 5.00 pm

- **STOCK MARKET DETAILS:**

- **Listing on Stock Exchange:**

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

- **Stock Code:**

Physical Segment                      523021  
CDSL/NSDL ISIN NO                      INE989D01010

- **Stock Market Data for the year 2018-2019**

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

**BSE SENSEX**

Month	High	Low	High	Low
April 18	70	60.15	35213.30	32972.56
May 18	69.75	60.25	35993.53	34302.89
June 18	65.5	52.1	35877.41	34784.68
July 18	63.8	51.3	37644.59	35106.57
August 18	62.5	51	38989.65	37128.99
September 18	61.95	40.2	38934.35	35985.63
October 18	54.9	38.6	36616.64	33291.58
November 18	54.9	41	36389.22	34303.38
December 18	51.1	40	36554.99	34426.29
January 19	50.45	39.1	36701.03	35375.51
February 19	47.8	36	37172.18	35287.16
March 19	55.85	36	38748.54	35926.94

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

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

- **COMMUNICATION DETAILS :**

- **Compliance Officer of the Company:**

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

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

Name: Adroit Corporate Services Private Limited,  
Address: 17/20, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Mumbai 400059



Phone No.: 022-42270400/ 42270422/42270423 Fax No. 022-28503748  
 Email id: sandeeps@adroitcorporate.com; prafuls@adroitcorporate.com; sandeeph@adroitcorporate .com

• **SHARE TRANSFER SYSTEM:**

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

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

From 1<sup>st</sup> April, 2019, the transfer of shares in physical mode is not permitted and shares can only be transferred after dematerialization of the same. Although, the shareholders can continue to hold the shares in physical form.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certificate on half yearly basis have been issued by a company secretary in practice for due compliance of share transfer formalities by the Company for the half year ended September 30, 2018 and March 31, 2019.

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 31<sup>st</sup> March, 2019, 7077288 equity shares representing 95.75% of the total paid – up Capital of the Company are held in dematerialised form.

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2019:**

Category	No. of Shares held	% to Paid up Capital
Promoters	2491487	33.71
Banks/Financial Institutions	-	-
Bodies Corporate	603567	8.17
Non Resident Indians	229526	3.11
Public	4066420	55.01
<b>Total</b>	<b>7391000</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2019:**

No. of Shares	No. of Shareholders	% to Total	No. of Shares	% to Total
Up to 500	3722	83.32	536781	7.26
501-1000	317	7.10	251019	3.40
1001-2000	189	4.23	282356	3.82
2001-3000	75	1.68	186928	2.53
3001-4000	41	0.92	144559	1.96
4001-5000	25	0.56	114813	1.55
5001-10000	46	1.03	332208	4.49
Above 10000	52	1.16	5542336	74.99
<b>Total</b>	<b>4467</b>	<b>100</b>	<b>7391000</b>	<b>100</b>

**Plant Location**

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

**Address for Correspondence**

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



## DECLARATION OF THE MANAGING DIRECTOR

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

Further certified that 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, 2019.

By Order of the Board

Place: Mumbai  
Date: 28.05.2019

**Abhishek Patel**  
Managing Director





# Standalone Financial Statements

## INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF RISHI TECHTEX LIMITED

### Report on the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Rishi Techtex Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2019 and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matters
<b>Uncertain Indirect unsettled and disputed tax provision (as described in note 34 of the financial statements)</b>	
<ul style="list-style-type: none"> <li>• The Company has ongoing litigation with Enforcement Directorate .This dispute is pending with Appellate authorities. The management has assessed the future outcome of this ongoing proceeding and exposure which directly affects the valuation of indirect tax liability provision in the financial statement</li> <li>• As the future outcome of this matter and the accounting effect thereof, is based on assessment of complex matter which may take time to finally resolve, the valuation of indirect tax provision related to uncertain indirect tax position has been considered as key audit matter in our audit of the standalone financial statement.</li> </ul>	<ul style="list-style-type: none"> <li>• We obtained all the details of litigation upto 31<sup>st</sup> March ,2019</li> <li>• We performed test controls of management process of assessment and estimates with regard to uncertain indirect tax position</li> <li>• We inspected written communication between the Company and indirect tax authorities and involved indirect tax specialist to assess the management’s underlying assumptions in estimating the indirect tax provision and the possible outcome of the dispute.</li> <li>• We also considered the effect of the new information in the financial year 2019-20 to evaluate if there is any change in the management’s position on these uncertainties</li> <li>• We tested the adequacy of disclosure relating to uncertain indirect tax position for the year in the standalone financial statement</li> </ul>
<b>Accounting for Expected Credit Loss on trade receivables</b>	
<ul style="list-style-type: none"> <li>• Management has considered estimates in computing the expected credit losses after considering credit history of customers and current market realities.</li> </ul>	<ul style="list-style-type: none"> <li>• We have performed audit procedures that included management discussions on Company’s understanding in relation to the adoption of the standard and installing a process of its implementation.</li> <li>• We reviewed the past data, customer history and assumptions arising therefrom in deciding and computing loss rate for different ageing buckets identified by the management.</li> <li>• We also reviewed the application of any specific provision for customers which was necessary in the given circumstances. With respect to forward looking assumption considered by the Company, held discussions with the management and corroborated the assumption using both internal and externally available information on attest basis.</li> </ul>



## Other Matters

5. The comparative financial information of the company for the year ended 31<sup>st</sup> March 2018 have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated 26<sup>th</sup> May 2018 have expressed a modified opinion.

### Our opinion is not modified in respect of this matter.

## Other information

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

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

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

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

We have nothing to report in this regard.

### Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

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

7. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  11. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of section 143 (11) of the Act ("the Order"), we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements  
The Company has disclosed the impact of pending litigation with Enforcement Directorate and subsequent development in its standalone financial statement Note No. 34. This amount has been shown as contingent liabilities in Accounts.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2019.

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

Place: Mumbai  
Date: 28<sup>th</sup> May, 2019

**S.G.Gangal**  
Partner  
Membership No.037699



## ANNEXURE A TO THE AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to the information and explanations given to us, fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of Company which are mortgaged to Canara bank as collateral security for Cash Credit facility based on the confirmations directly received by us from banks.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. The intervals at which the inventories have been verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, sub clause (a), (b) and (c) of the paragraph 3 (iii) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security given for the year under report.
- (v) In our opinion and according to the information and explanations given to us, the Company has in respect of deposits accepted by it has complied with the directives issued by the Reserve Bank of India to the extent applicable and the provisions of Section 73 to 76 of the Act read with rules framed thereunder. According to the information and explanations given to us and to the best of our knowledge and belief, no order has been passed by the Company Law Board or the National Company Law Tribunal or the RBI or any other court or tribunal which is to be complied with by the Company.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs and value added tax outstanding as at the year-end.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans from the Government. It has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us and the records of the Company examined by us, the Company has utilised the monies raised by way of term loans for the purpose for which the loan was obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as specified under section 192 of the Act. Therefore, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

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

**S.G.Gangal**  
Partner  
Membership No.037699

Place: Mumbai  
Date: 28<sup>th</sup> May, 2019



## ANNEXURE B TO THE AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on standalone financial statements of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rishi Techtex Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of 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 standalone financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

Place: Mumbai  
Date: 28<sup>th</sup> May, 2019

**S.G.Gangal**  
Partner  
Membership No.037699



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019**

(₹ In Lakhs)

Particulars	Note no.	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	4	1,676.92	1,740.14
b) Capital work-in-progress	4	216.99	164.77
c) Financial assets			
i) Investments	5	36.34	37.28
ii) Others financial assets	6	76.94	75.46
<b>Total Non Current Assets</b>		<b>2,007.19</b>	<b>2,017.65</b>
<b>Current assets</b>			
a) Inventories	7	2,082.37	1,690.91
b) Financial assets			
i) Trade Receivables	8	1,017.77	1,004.30
ii) Cash and cash equivalents	9	124.84	15.80
iii) Bank Balances Other than (ii) above	10	68.63	75.46
iv) Other financial assets	11	0.70	3.23
c) Current Tax Assets (net)	12		
d) Other current assets	13	278.84	373.64
<b>Total Current Assets</b>		<b>3,573.15</b>	<b>3,163.34</b>
<b>TOTAL ASSETS</b>		<b>5,580.34</b>	<b>5,180.99</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
a) Equity Share capital	14	739.10	739.10
b) Other equity	15	1,781.20	1,489.98
<b>Total Equity (a+b)</b>		<b>2,520.30</b>	<b>2,229.08</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	16	170.60	232.89
ii) Other financial liabilities	17	54.38	149.00
b) Provisions	18	107.25	94.97
c) Deferred tax liabilities (Net)	19	121.42	134.89
<b>Total Non Current Liabilities</b>		<b>453.65</b>	<b>611.75</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	20	1,591.33	1,242.63
ii) Trade Payables	21	774.14	816.80
iii) Other financial liabilities	22	94.99	77.59
b) Other current liabilities	23	79.12	190.53
c) Provisions	24	36.82	5.23
d) Current Tax liabilities (net)	25	29.99	7.38
<b>Total Current Liabilities</b>		<b>2,606.39</b>	<b>2,340.16</b>
<b>Total Liabilities</b>		<b>3,060.04</b>	<b>2,951.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,580.34</b>	<b>5,180.99</b>
Significant Accounting Policies	2 & 3		

Notes to Accounts form an integral part of financial statements

As per our attached report of even date

**For Attar & Associates**

Chartered Accountants

Firm Registration No.: 116443W

**S.G.Gangal**

Partner

Membership No.: 037699

Mumbai

28-May-19

For and on behalf of the Board of Directors

**Abhishek Patel**

Managing Director

DIN: 05183410

**Jagdish Dokwal**

Chief Financial Officer

**Gauri Gangal**

Company Secretary

M. No: 52130

Mumbai

28-May-19

**Sheela Ayyar**

Director

DIN: 06656579



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

(₹ In Lakhs)

Particulars	Note no.	As at 31 March 2019	As at 31 March 2018
<b>Income</b>			
I Revenue from operations	26	8,397.25	6,767.55
II Other income	27	14.25	21.57
<b>III Total Income (I+II)</b>		<b>8,411.50</b>	<b>6,789.12</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	28	6,179.62	4,765.16
Changes in inventories of finished goods, stock-in-trade and work in progress	29	(325.68)	(89.08)
Excise Duty		0.00	110.00
Employee benefits expense	30	663.68	571.64
Finance cost	31	228.52	180.25
Depreciation and amortization expense	4	194.84	154.66
Other expenses	32	1,066.27	780.91
<b>Total expenses (IV)</b>		<b>8,007.25</b>	<b>6,473.54</b>
V Profit/ (loss) before tax (III-IV)		<b>404.25</b>	<b>315.58</b>
VI Tax expense			
a) Current tax		125.55	65.00
b) Deferred tax		(13.47)	(6.86)
c) Excess / Short Provision of tax		0.00	4.53
<b>Total Tax Expense (VI)</b>		<b>112.08</b>	<b>62.67</b>
VII Profit/ (loss) for the period (V-VI)		<b>292.17</b>	<b>252.90</b>
VIII Other comprehensive income			
a) i) Items that will not be reclassified to profit or loss		(0.94)	(16.13)
ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	3.23
<b>Total Other comprehensive income, net of tax (VIII)</b>		<b>(0.94)</b>	<b>(12.90)</b>
IX Total comprehensive income for the period (VII+VIII)		<b>291.23</b>	<b>240.01</b>
X Earnings per equity share (FV of ₹10/-)			
a) Basic		3.95	3.42
b) Diluted		3.95	3.42
Significant Accounting Policies	2 & 3		

Notes to Accounts form an integral part of financial statements

As per our attached report of even date

**For Attar & Associates**

Chartered Accountants

Firm Registration No.: 116443W

**S.G.Gangal**

Partner

Membership No.: 037699

Mumbai

28-May-19

For and on behalf of the Board of Directors

**Abhishek Patel**

Managing Director

DIN: 05183410

**Jagdish Dokwal**

Chief Financial Officer

**Gauri Gangal**

Company Secretary

M. No: 52130

Mumbai

28-May-19

**Sheela Ayyar**

Director

DIN: 06656579

Overview

Management Discussion & Analysis

Reports & Financials

Standalone Financial Statements



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>PROFIT BEFORE TAX</b>	404.25	315.58
Adjusted for:		
Other comprehensive income during the year	(0.94)	(12.90)
Depreciation and amortisation expenses	194.84	154.66
Interest & Other finance charges	228.52	180.25
Interest Received	(4.93)	(12.83)
Dividend received	(0.12)	(0.11)
Deferred Tax	(13.47)	(6.87)
Net foreign exchange (gain) / loss	(9.20)	(8.63)
Less: Expected Credit Loss	-	2.79
Less: Tax Impact on Gratuity	394.70	-
	<b>798.95</b>	<b>611.93</b>
<b>A. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>		
Adjusted for (Increase)/Decrease in operating Assets:		
Trade and other Receivable	(13.47)	(94.96)
Inventories	(391.46)	(120.69)
Other Financial Asset	2.53	(2.14)
Current Tax Assets (net)		-
Other current assets	94.80	6.17
Bank Balances Other than above	6.83	16.55
Adjusted for Increase/(Decrease) in operating Liabilities:		
Borrowing	348.70	501.34
Trade payables	(42.66)	(181.35)
Other Financial liabilities	17.40	(8.21)
Short-term provisions	(111.41)	(39.23)
Short-Term Liabilities and provisions	31.59	(8.78)
Current Tax Liability (net)	22.61	2.22
	<b>(34.54)</b>	<b>70.92</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>764.41</b>	<b>682.85</b>
Less: Taxes Paid	112.08	62.67
<b>Net Cash From Operating Activities</b>	<b>652.33</b>	<b>620.18</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including Capital Work in Progress)	(183.84)	(582.39)
Sale of Investments	0.94	2.66
Interest Received	4.93	12.83
Sale of Fixed Assets	-	-
Net foreign exchange gain / (loss)	9.20	8.63
Dividend received	0.12	0.11
Other Financial Asset	(1.48)	(12.85)
<b>Net Cash (Used in) Investing Activities</b>	<b>(170.14)</b>	<b>(571.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Money Received Against Share Warrants	-	(12.91)
Proceeds from issue of Share Capital	-	30.40
Proceeds from issue of Share Premium	-	21.28
Proceeds from Borrowings (Net of Repayments)	(62.29)	11.81
Other Financial Liability	(94.62)	27.54
Provisions	12.29	35.81
Interest and other finance charges	(228.52)	(180.25)
<b>Net Cash (Used in) From Financing Activities</b>	<b>(373.14)</b>	<b>(66.32)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)</b>	<b>109.04</b>	<b>(17.15)</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>15.80</b>	<b>32.95</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>124.84</b>	<b>15.80</b>

As per our attached report of even date

**For Attar & Associates**

Chartered Accountants

Firm Registration No.: 116443W

**S.G.Gangal**

Partner

Membership No.: 037699

Mumbai

28-May-19

For and on behalf of the Board of Directors

**Abhishek Patel**

Managing Director

DIN: 05183410

**Gauri Gangal**

Company Secretary

M. No: 52130

Mumbai

28-May-19

**Jagdish Dokwal**

Chief Financial Officer

**Sheela Ayyar**

Director

DIN: 06656579



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 1. Corporate information

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

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

These financial statements were authorised for issue by the Board of Directors on May 28, 2019.

### 2. Basis of preparation

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

#### a. Compliance with Ind AS:

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

##### i) Historical cost convention:

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

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

#### Rounding of Amounts:

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

#### b. Significant estimates, judgements and assumptions

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

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

#### c. Current non-current classification

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

### 3. Significant Accounting Policies

#### Property, plant and equipment

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

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

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

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

#### Depreciation on Property, Plant and Equipment

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

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



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

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

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

#### **Impairment of Assets**

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

#### **De-recognition of Assets**

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

#### **Borrowing costs**

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

#### **Financial Assets**

##### **Classification**

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

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

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

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

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

#### **Recognition and measurement**

##### **Initial Recognition:**

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

##### **Subsequent Measurement:**

After Initial recognition, financial assets are measured at:

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



## Debt instrument

### Measured at amortized cost:

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

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

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

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

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

### Measured at fair value through profit or loss:

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

### Impairment of financial assets:

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

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

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

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

### De-recognition of financial assets:

A financial asset is de-recognised only when the Company

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

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

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

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

### Financial Liabilities at FVTPL

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

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

### Other Financial liabilities:

- i) Classification as debt or equity

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



## ii) Initial recognition and measurement:

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

## iii) Subsequent measurement:

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

## iv) De-recognition:

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

**Offsetting financial instruments:**

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

**Equity instruments:**

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

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

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

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

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

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

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

**Defined contribution plans**

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

**Defined benefit plans**

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

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

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

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

**Revenue****Revenue Recognition**

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



## Sale of goods

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

## Interest income

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

## Dividend income

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

## Leases

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

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

## Foreign Currency

### Functional and presentation currency:

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

### Transactions and Translation:

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

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

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

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

## Cash and cash equivalents

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

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

## Inventories

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

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

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

## Income Tax

Tax expense comprises of current and deferred tax.



**(i) Current tax:**

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

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

**(ii) wDeferred tax:**

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

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

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

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

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

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

**Earnings per share:**

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

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

**Provisions, contingent liability and contingent assets**

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

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS

### 4. PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ In Lakhs)

Particulars	Freehold Land	Building	Plant & Equipments	Property, Plant & Equipment			Electrical installation	Tools & die	Total	Capital work-in-progress
				Furniture & Fixtures	Vehicles	Equipment				
<b>Gross carrying value, at cost</b>										
Opening as on 1 <sup>st</sup> April 2017	1.27	300.15	3,028.22	15.08	29.81	38.39	110.24	9.66	3,532.82	164.77
Addition		53.65	615.23	0.84	0.28	4.63	9.28		683.91	0.00
Disposal								0.03	0.03	
<b>As at 31<sup>st</sup> March, 2018</b>	<b>1.27</b>	<b>353.80</b>	<b>3,643.45</b>	<b>15.92</b>	<b>30.09</b>	<b>43.02</b>	<b>119.52</b>	<b>9.63</b>	<b>4,216.70</b>	<b>164.77</b>
Addition		2.57	87.36	15.52	11.75	9.92	4.50		131.62	52.22
Disposal								0.00	0.00	0.00
<b>As at 31<sup>st</sup> March, 2019</b>	<b>1.27</b>	<b>356.37</b>	<b>3,730.81</b>	<b>31.44</b>	<b>41.84</b>	<b>52.94</b>	<b>124.02</b>	<b>9.63</b>	<b>4,348.32</b>	<b>216.99</b>
<b>Accumulated Depreciation/amortisation</b>										
Opening as on 1 <sup>st</sup> April 2018		166.52	2,133.95	5.13	23.19	34.80	103.41	9.56	2,476.56	0.00
Charge for the year		11.78	170.03	1.21	2.97	4.21	4.64		194.84	0.00
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at 31<sup>st</sup> March, 2019</b>		<b>178.30</b>	<b>2,303.98</b>	<b>6.34</b>	<b>26.16</b>	<b>39.01</b>	<b>108.05</b>	<b>9.56</b>	<b>2,671.40</b>	<b>0.00</b>
<b>As at 31<sup>st</sup> March, 2019</b>		<b>178.30</b>	<b>2,303.98</b>	<b>6.34</b>	<b>26.16</b>	<b>39.01</b>	<b>108.05</b>	<b>9.56</b>	<b>2,671.40</b>	<b>0.00</b>
<b>Net Book Value</b>										
As at 31 <sup>st</sup> March 2019	1.27	178.07	1,426.83	25.10	15.68	13.93	15.97	0.07	1,676.92	216.99
As at 31 <sup>st</sup> March 2018	1.27	187.28	1,509.50	10.79	6.90	8.22	16.11	0.07	1,740.14	164.77

**5. NON CURRENT INVESTMENT**

(₹ In Lakhs)

Particulars	Face value	As at 31.03.2019		As at 31.03.2018	
		Number of Shares	Value	Number of Shares	Value
1. M/s Centennial Finance Ltd.	10	138000	18.05	138000	18.05
2. M/s Vision Products Pvt. Ltd.	10	150000	15.06	150000	15.06
<b>TOTAL</b>			<b>33.11</b>		<b>33.11</b>
<b>Investment in Equity Instruments</b>					
<b>Quoted at Cost:</b>					
Others:					
1. M/s Adarsh Chemical & Fertilisers Ltd.	10	28000	1.40	28000	1.40
2. M/s Stanrose Mafatlal Ltd.	10	1722	1.67	1722	2.58
3. Std Ind Ltd.	10	900	0.14	900	0.19
4. TGVSRRAK Ltd.	10	50	0.02	50	0.00
<b>Total</b>			<b>3.23</b>		<b>4.17</b>
<b>Total</b>			<b>36.34</b>		<b>37.28</b>
<b>Market Value:</b>					
Quoted			3.23 Lakhs		4.17 Lakhs
Unquoted					

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Total Non Current Investments</b>	<b>36.34</b>	<b>37.28</b>
Aggregate value of quoted investments	3.23	4.17
Aggregate value of unquoted investments	33.11	33.11

**6. OTHER FINANCIAL ASSETS - NON-CURRENT**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Security deposits for utilities and premises	76.94	75.46
<b>Total</b>	<b>76.94</b>	<b>75.46</b>

**7. INVENTORIES**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Raw materials	599.05	534.04
(b) Work-in-progress	1,352.78	1,029.02
(c) Finished Goods	7.80	5.88
(d) Stores and spares	122.74	121.97
<b>Total</b>	<b>2,082.37</b>	<b>1,690.91</b>

\* Refer note number 3 of accounting policies

**8. TRADE RECEIVABLES**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, Considered Good	1,017.77	1,004.30
ii) Unsecured, considered doubtful	22.39	33.28
<b>Total</b>	<b>1,040.16</b>	<b>1,037.58</b>
Less : Allowance for doubtful debts (expected credit loss)	22.39	33.28
<b>Total</b>	<b>1,017.77</b>	<b>1,004.30</b>

**9. CASH AND CASH EQUIVALENTS**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Balances with banks		
In current accounts	120.63	13.01
(b) Cash on hand	4.21	2.79
<b>Total</b>	<b>124.84</b>	<b>15.80</b>



**10. BANK BALANCES OTHER THAN ABOVE**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Bank balances other than cash and cash Equivalents	68.63	75.46
<b>Total</b>	<b>68.63</b>	<b>75.46</b>

**11. OTHER FINANCIAL ASSETS (CURRENT)**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Other receivables	0.70	3.23
<b>Total</b>	<b>0.70</b>	<b>3.23</b>

**12. CURRENT TAX ASSETS (NET)**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Advance Tax(Net of provisions)	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**13. OTHER CURRENT ASSETS**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
a) Advance recoverable in cash or kind or for value to be received	64.14	123.98
b) Prepaid Expenses	22.43	28.40
(c) Balances with government authorities		
<b>Unsecured, considered good</b>		
(i) CENVAT credit receivable		
(ii) Balance in GST	86.49	171.61
(iii) VAT credit receivable	41.27	49.65
(iv) Service Tax credit receivable	0.00	0.00
(v) GST Refund Receivable	64.51	0.00
<b>Total</b>	<b>278.84</b>	<b>373.64</b>

**14. EQUITY SHARE CAPITAL**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Authorised shares</b>		
80,00,000 (March 31, 2018: 8,000,000) Equity shares of ₹10/-Each	800.00	800.00
	800.00	800.00
<b>Issued, Subscribed and fully Paid up shares</b>		
7,391,000 (March 31, 2018: 7,391,000 ) equity shares of ₹10/- each (Refer note (a) below)	739.10	739.10
Balance at end of year	739.10	739.10

₹ In Lakhs, except no. of shares data

a. Reconciliation of Number of Shares (Equity)	2018-19		2017-18	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares outstanding as at the beginning of the year	7,391,000.00	739.10	7,087,000.00	708.70
Add: Number of Shares Issued during the Year	-	-	304,000.00	30.40
<b>Number of Shares outstanding as at the end of the year</b>	<b>7,391,000.00</b>	<b>739.10</b>	<b>7,391,000.00</b>	<b>739.10</b>

**b. Rights, preferences, restrictions of equity shares**

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

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

₹ In Lakhs, except no. of shares data

Name of the Shareholders	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of Shares	% held	No. of Share	% held
Abhishek Patel	962,659	13.02%	962,659	13.02%
Smita Patel	635,998	8.61%	635,998	8.61%
Centennial Finance Ltd	509,964	6.90%	509,964	6.90%
Arvind Baburao Joshi	439,750	5.95%	100,000	1.35%
Aakanksha Patel	400,861	5.42%	400,861	5.42%



**15. OTHER EQUITY**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Capital Reserve</b>		
Balance at end of year	49.07	49.07
	<b>49.07</b>	<b>49.07</b>
<b>Securities Premium Reserve</b>		
Balance at the beginning of year	587.04	565.76
Add: Addition during the year (Share Warrant)	-	21.28
Add: Addition during the year (Pref. Issue)	-	-
Less: Preliminary Expenses (Pref. Issue)	-	-
<b>Balance at end of year</b>	<b>587.04</b>	<b>587.04</b>
<b>General Reserve</b>		
Balance at end of year	401.88	401.88
	<b>401.88</b>	<b>401.88</b>
<b>Money Received Against Share Warrants</b>		
Balance at end of year	-	-
	-	-
<b>Retained Earning</b>		
Balance at the beginning of year	451.98	209.18
Add : Profit for the year	292.17	252.91
Add : Other comprehensive income during the year	(0.94)	(12.90)
Add : Changes in fair value of current investments & non current investments	-	-
Less: Expected Credit Loss	-	2.79
Less: Tax Impact on Gratuity	-	-
Less: Deferred Tax Impact	-	-
<b>Balance at end of year</b>	<b>743.21</b>	<b>451.98</b>
<b>TOTAL</b>	<b>1,781.20</b>	<b>1,489.98</b>



## 16. BORROWINGS - NON-CURRENT

(₹ In Lakhs)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Non-Current Portion	Current Portion	Non-Current Portion	Current Portion
<b>Term loans</b>				
<b>From banks</b>				
<b>Secured</b>				
1. Term loan From Canara Bank: Secured by First Charge on Companies Land and Building, Machineries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹ 2/-lacs/Month for 48 Installments from April 2019 onwards)	13.07	24.00	0.00	0.00
<b>Total Secured Loan</b>	<b>13.07</b>	<b>24.00</b>	<b>0.00</b>	<b>0.00</b>
<b>From other parties</b>				
<b>Secured</b>				
2. Hire Purchase Loan From SBI Finance Ltd. Secured by Hypothecation of Vehicle	0.00	0.20	0.36	1.54
3. Hire Purchase Loan From AXIS Bank Ltd. Secured by Hypothecation of Vehicle	0.00	0.00	0.24	1.27
4. Loan from Diwan Housing Fin.Corporation Ltd. Repayment of ₹2.57 lacs P.M.(EMI) Starting from January 2017 to December 2019.	0.00	21.74	21.74	25.47
5. Loan from Diwan Housing Fin.Corporation Ltd. Repayment of ₹1.93 lacs P.M.(EMI) Starting from October 2017 to September 2022.	45.99	17.83	63.35	13.63
6. Loan from Hero Fincorp Ltd. Repayment of ₹3.01 lacs P.M. (EMI) Starting from February 2017 to January 2022.	58.24	26.22	89.70	18.14
<b>Total Secured Loan</b>	<b>104.23</b>	<b>65.99</b>	<b>175.39</b>	<b>60.05</b>
<b>Unsecured</b>				
1. Loan from Bajaj Fin. Services Repayment of ₹ 1.04 lacs P.M. (EMI) Starting from April 2016 to March 2019.	0.00	0.00	0.00	11.30
2. Loan from Religare Finvest Ltd. Repayment of ₹ 1.26 lacs P.M. (EMI) Starting from May 2016 to April 2018	0.00	0.00	0.00	1.24
<b>Total Unseacured Loan</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12.54</b>
<b>Deposits received from members</b>				
<b>Unsecured</b>	40.00	5.00	40.00	5.00
	40.00	5.00	40.00	5.00
<b>Loan From Related Party - Director</b>				
<b>Unsecured</b>	13.30	0.00	17.50	0.00
	13.30	0.00	17.50	0.00
<b>Total</b>	<b>170.60</b>	<b>94.99</b>	<b>232.89</b>	<b>77.59</b>

## 17. OTHER FINANCIAL LIABILITIES - NON-CURRENT

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Creditor for capital goods		23.03
(ii) Payable on Contractually reimbursable expenses		31.35
<b>Total</b>	<b>54.38</b>	<b>149.00</b>

## 18. PROVISIONS NON-CURRENT

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Provision for employee benefits:</b>		
- Provision for gratuity liability	107.25	94.97
<b>Total</b>	<b>107.25</b>	<b>94.97</b>

## 19. DEFERRED TAX LIABILITIES (NET)

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Deferred Tax Liabilities</b>		
Depreciation on Property, Plant, & Equipment	149.77	165.55
<b>Total (A)</b>	<b>149.77</b>	<b>165.55</b>
<b>Deferred Tax Assets</b>		
Provision for Bonus	9.26	2.78
Provision for Gratuity	16.35	27.19
Provision for Leave Encashment	2.74	0.69
<b>Total (B)</b>	<b>28.35</b>	<b>30.66</b>
<b>Total (A-B)</b>	<b>121.42</b>	<b>134.89</b>



**20. BORROWINGS - CURRENT**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Loans repayable on demand</b>		
From banks		
Secured	1,591.33	1,242.63
<b>Total</b>	<b>1,591.33</b>	<b>1,242.63</b>

**21. TRADE PAYABLES**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	774.14	816.80
<b>Total</b>	<b>774.14</b>	<b>816.80</b>

**22. OTHER FINANCIAL LIABILITIES - CURRENT**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long Term Debt	94.99	77.59
<b>Total</b>	<b>94.99</b>	<b>77.59</b>

**23. OTHER CURRENT LIABILITIES**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Advances received from customers	15.29	131.37
Statutory dues	12.80	8.65
Employee benefits payable	51.03	50.51
<b>Total</b>	<b>79.12</b>	<b>190.53</b>

**24. PROVISIONS**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Provision for employee benefits:		
(i) Provision for leave encashment	2.74	2.46
(ii) Provision for gratuity liability	4.54	2.77
(b) Provision - Others:		
(i) Provision - others	29.54	0.00
<b>Total</b>	<b>36.82</b>	<b>5.23</b>

**25. CURRENT TAX LIABILITIES**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Current tax Assets</b>		
Advance Tax	211.00	109.00
TDS	4.33	3.39
<b>Sub-total</b>	<b>215.33</b>	<b>112.39</b>
<b>Current tax liabilities</b>		
Provision for Tax	245.32	119.77
<b>Sub-total</b>	<b>245.32</b>	<b>119.77</b>
<b>Total</b>	<b>29.99</b>	<b>7.38</b>

**26. REVENUE FROM OPERATIONS**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Sale of Products (including excise duty)	8,386.21	6,757.49
Other operating revenue:		
Scrap sale	11.04	10.06
<b>Total</b>	<b>8,397.25</b>	<b>6,767.55</b>



## 27. OTHER INCOME

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Interest income:</b>		
Interest from bank deposits	4.93	12.83
<b>Dividend Income</b>		
From long Term Investment	0.12	0.11
Other Non Operating Income		
Net gain / (loss) on foreign currency transactions and translation	9.20	8.63
<b>Total</b>	<b>14.25</b>	<b>21.57</b>

## 28. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Opening stock	534.04	520.93
Add: Purchases	6,244.63	4,778.27
	6,778.67	5,299.20
Less: Closing stock	599.05	534.04
<b>Cost of material consumed</b>	<b>6,179.62</b>	<b>4,765.16</b>

## 29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Inventories at the Commencement</b>		
Finished Goods	5.88	1.89
Work in progress	1,029.02	943.94
<b>Inventories at Close</b>		
Finished Goods	7.80	5.88
Work in progress	1,352.78	1,029.02
(Increase) / Decrease in Finished Goods	-1.92	-3.99
(Increase) / Decrease in Work in progress	-323.76	-85.08
<b>Net (increase) / decrease</b>	<b>(325.68)</b>	<b>(89.08)</b>

## 30. EMPLOYEE BENEFIT EXPENSE

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Salaries and Wages	605.34	518.07
Contributions to provident and other funds	29.41	30.57
Gratuity expenses/Leave Encashment	18.08	13.77
Staff welfare expenses	10.85	9.24
<b>Total</b>	<b>663.68</b>	<b>571.64</b>

## 31. FINANCE COST

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Interest	200.78	166.24
Other borrowing costs	27.74	14.02
<b>Total</b>	<b>228.52</b>	<b>180.25</b>



**32. OTHER EXPENSES**

(₹ In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Consumption of stores and spares		
Opening Stock	121.97	103.45
Add: Purchases during the year	156.68	142.76
	278.65	246.21
Less: Closing Stock	122.74	121.97
Consumption of Stores and Spares	155.91	124.24
Processing charges	182.82	117.79
Power and fuel	219.12	212.37
Repairs and maintenance:		
Plant and Machinery	28.56	21.83
Others	5.30	10.41
Rent	34.81	21.16
Insurance	13.14	8.13
Rates and taxes	10.49	1.48
Printing and Stationary	18.29	5.80
Travelling and conveyance	20.00	15.65
Postage, Telephone, Telex	8.24	9.75
Donations and contributions	0.17	0.42
Legal and professional	62.81	22.88
Payments to auditors	3.50	2.99
Security charges	19.69	16.30
Sundry Dr./Cr. Balance written off	0.81	0.05
Selling and distribution expense	241.91	158.25
Miscellaneous expenses	40.70	31.40
<b>Total</b>	<b>1,066.27</b>	<b>780.91</b>



### 33 EMPLOYEE BENEFITS

#### a. Defined benefit plan: Gratuity

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

(₹ In Lakhs)

I. Expenses recognized in the statement of profit and loss	31-Mar-19	31-Mar-18
Current Service Cost	9.08	8.19
Interest Cost [(Income)/Expense]	7.48	5.58
Actuarial Losses / (Gains) / Remeasurements in OCI	-0.22	13.27
Past Service cost	-	-
<b>Total</b>	<b>16.34</b>	<b>27.04</b>

(₹ In Lakhs)

II. Amount recognized in other comprehensive income (OCI)	31-Mar-19	31-Mar-18
Return on plan assets, excluding amount included in interest expense /(Income)	-	-
Remeasurement during the period due to:		
Change in financial assumptions- (Gain)/Loss		
Experience adjustments- (Gain)/Loss	(0.22)	13.27
Demographic Assumptions	-	-
<b>Total</b>	<b>(0.22)</b>	<b>13.27</b>

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

(₹ In Lakhs)

Particulars	31-Mar-19	31-Mar-18
Opening Defined Benefit Obligation	97.75	73.17
Current service cost	9.08	8.19
Interest cost	7.48	5.58
Actuarial loss/(gain) due to change in demographic Assumptions	-	-
Actuarial loss/(gain) due to change in financial assumptions	-	-
Actuarial loss/ (gain) due to experience adjustments	(0.22)	13.27
Benefits paid	(2.30)	(2.46)
Closing Defined Benefit Obligation	111.79	97.75

#### IV. Reconciliation of plan assets:

(₹ In Lakhs)

Particulars	31-Mar-19	31-Mar-18
Opening value of plan assets	-	-
Interest Income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Employer Direct Benefit Payments	2.30	2.46
Benefit Payments from Employer	(2.30)	(2.46)
Assets Withdrawn	-	-
Closing value of plan assets	-	-

#### V. Net (Asset) / Liability recognised in the Balance Sheet as at 31 March

	31-Mar-19	31-Mar-18
Present value of defined benefit obligation (DBO)	111.79	97.74
Net (Asset) / Liability	111.79	97.74

#### VI. The significant actuarial assumptions were as follows:

Particulars	31-Mar-19	31-Mar-18
Discount rate	7.75% p.a.	7.75% p.a.
Attrition rate		
Rate of return on plan assets		
Salary escalation rate	5% p.a.	5% p.a.



**VII. Bifurcation of present value of obligation at the end of the valuation period as per Schedule III of Companies Act, 2013:**

Particulars	31-Mar-19	31-Mar-18
<b>Current Liability</b>	4.54	2.77
Non - Current Liability	107.25	94.97
<b>Total</b>	<b>111.79</b>	<b>97.74</b>

**Sensitivity Analysis**

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

	As at 31 March 2019	As at 31 March 2018
Increase by 1% in discount rate	122.99	89.48
Decrease by 1% in discount rate	102.05	107.42
Increase by 1% in rate of salary increase	102.85	108.13
Decrease by 1% in rate of salary increase	122.21	88.75
Increase by -1% in rate of employee turnover	113.90	99.85
Decrease by -1% in rate of employee turnover	122.21	95.34

**34 CONTINGENT LIABILITY**

Contingent liability	Mar-19	Mar-18
a. Guarantee given by bank on behalf of Company	20.32	20.32
b. Claims against the company not acknowledge as debt	66.88	20.32
Commitments		
Estimated amount of Capital contract remaining to be executed for tangible Assets	107.00	250.00

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

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

**35. RECONCILIATION OF TAX EXPENSE**

	Year ended March 31, 2019	Year ended March 31, 2018
<b>(a) Income tax expenses :</b>		
Current tax- In respect of the current year	125.55	65.00
Deferred tax- In respect of the current year	(13.47)	(6.86)
<b>Total</b>	<b>112.08</b>	<b>58.14</b>
<b>(b) Income tax recognised in Other Comprehensive Income</b>		
Remeasurements of the defined benefit plans	-	3.23
<b>Total income tax expense recognised in the year (a + b)</b>	<b>112.08</b>	<b>61.37</b>



## 36. RELATED PARTY DISCLOSURES

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

Related Parties	Key Management personnel and their relatives	Non-Executive directors & their relationships
Ms. Smita Patel	Mr. Abhishek Patel	Mr. Arvind Nopany
	Mr. Jagdish Dokwal	Ms. Sheela Ayyar
	Ms. Gauri Gangal	Mr. Pranav Patel

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

Nature of transaction	31-Mar-19	
	31-Mar-18	
<b>Related Party</b>		
Rent Paid	3.00	3.00
Loans & Deposit Paid		
<b>Key management personnel</b>		
Remuneration/ Reimbursement	99.97	97.39
Balance outstanding as at year end		
Receivable/ (Payable)		
<b>Non-executive directors and their relatives</b>		
Remuneration/ Reimbursement/sitting fees	0.73	0.63
Professional Fees		
Balance outstanding as at year end		
Receivable/ (Payable)		

## 37. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

### i) Financial risk management objective and policies

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

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

#### Market risk

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

#### Interest rate risk

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

#### Interest rate sensitivity

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

#### Credit risk

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

Movement in allowance for credit loss during the year was as follows :	Mar-19	Mar-18
Balance at 1 <sup>st</sup> April	3,327,890	3607100
Add :- Provided during the year	2,239,284	
Less :- Reversal during the year	3,327,890	279210
Balance as at 31 <sup>st</sup> March	2,239,284	3,327,890
Net Trade receivable	101,777,115	100,430,024



## ii) Capital Management

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

### Categories of financial instruments and fair value thereof

Particulars	Mar-19	Mar-18
<b>Financial assets</b>		
Measured at amortised cost:-		
Trade Receivables	101,777,115	100,430,024
Cash and cash equivalents and bank balances	19,348,896	9,125,703
Other financial assets	70,052	322,859
Loans		
Restricted deposits		
<b>Total</b>	<b>121,196,063</b>	<b>109,878,586</b>
<b>Financial Liabilities</b>		
Measured at amortised cost:-		
Borrowings	159,132,876	124,263,396
Acceptance		
Trade payables	77,411,554	81,679,952
Other financial liabilities	9,498,450	5,264,190
<b>Total</b>	<b>246,042,880</b>	<b>211,207,538</b>

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

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

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

Level 3: unobservable inputs for the asset or liability

Particulars	Mar-19	Mar-18
<b>Financial assets:- Carrying value/fair value</b>		
Measured at fair value through profit and loss:		
Investments	3,633,386	3,728,009
<b>Total</b>	<b>3,633,386</b>	<b>3,728,009</b>

## 38. MICRO, SMALL AND MEDIUM ENTERPRISES

Pursuant to the Micro, Small and Medium Enterprise Development Act, 2006, the Company had asked for confirmation from its vendors regarding their status under the said Act. On the basis of the confirmation received from the vendors the details of outstanding amount as at the year end together with interest payable is below:

(₹ in Lakhs)

Particulars	As at 31/03/19	As at 31/03/18
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year		
Principal	0.78	NIL
Interest	0.16	NIL
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
d) the amount of interest accrued and remaining unpaid at the end of each accounting year;	0.16	NIL
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL



### 39. OPERATING LEASES

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

Particulars	(₹ In Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Lease rental charges for the year	52.21	21.16
Future Lease rental obligation payable (under non-cancellable lease)	-	-
Not later than one year	34.64	37.45
Later than one year but not later than five years	19.18	74.88
Later than five years	-	-

b. The total of future minimum sublease payment expected to be received under non – cancellable subleases at the end of reporting period is NIL

c. Lease payments recognised as an expense in the period

### 40. EARNING PER SHARE

Particulars	(₹ In Lakhs)	
	Mar-19	Mar-18
a) Profit after tax attributable to equity shareholders of the company	292.17	252.91
b) Earning per share (Basic & Diluted)		
Number of Equity Shares	7,391,000.00	7,391,000.00
Nominal value of equity shares	10.00	10.00
EPS (Basic & Diluted)	3.95	3.46

### 41. AUDITORS REMUNERATION

Particulars	(₹ In Lakhs)	
	Mar-19	Mar-18
<b>As auditor:</b>		
Statutory audit (including IFC)	3.50	2.95
In other capacity:		
Reimbursement of expenses	-	0.04

For and on behalf of the Board of Directors

**Abhishek Patel**  
Managing Director  
DIN: 05183410

**Jagdish Dokwal**  
Chief Financial Officer

**Gauri Gangal**  
Company Secretary  
M. No: 52130  
Mumbai  
28-May-19

**Sheela Ayyar**  
Director  
DIN: 06656579



**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.rishitechtextex.com](http://www.rishitechtextex.com) Tel No. 022-23075677/23074585  
Fax No. 022-23080022 CIN No. L28129MH1984PLC032008

**GENERAL INFORMATION**

- a) Date of incorporation of the company - February 7, 1984
- b) Business carried on by the company and its subsidiaries with the details of branches or units, if any;  
Nature of Business: The Company is engaged in manufacture of HDPE/PP, Paper Laminated Bags and Shade nets.  
Units: Village Kachigam, Taluka Daman, Union Territory of Daman And Diu.  
The Company has no subsidiaries.
- c) Brief particulars of the management of the company;  
The Company is being managed by Managing Director under the superintendence, control and direction of the Board of Directors.
- d) Names, addresses, DIN and occupations of the directors;

Name of Directors	Address of Directors	DIN	Occupation
Mr. Abhishek Patel	8- B, Suvas Apartment, 68F, Neapeansea Road, Mumbai- 400006	05183410	Business
Mr. Pranav J. Patel	Flat No. 1001-1002 Premium Tower II, Shalimar Township, A. B. Road, Indore 452001- Madhya Pradesh	00171387	Business
Mr. Arvindkumar Nopany	11-A, Nilamber-1, Sayed Vasam Road, Nr. Vasam 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:** Volatility in the cost of raw materials due to instability of oil prices and fluctuation in exchange rate is leading variation in standard pricing.  
**Interest Rate:** High Rate of Interest rate is adversely affecting the earnings of the Company.
- f) Details of default, including the amount involved, duration of default and present status, in repayment of –
- statutory dues; **Nil**
  - debentures and interest thereon - **Nil**
  - loan from any bank or financial institution and interest thereon. **Nil**

**PARTICULARS OF THE DEPOSIT SCHEME**

- a. Date of passing of board resolution : **May 29, 2014**
- 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:
- 10% of the aggregate of the paid up share capital and free reserves and Security Premium Account (Under Rule 3(1)(a)) – **247.12 lacs**  
Such Deposits are repayable not earlier than three months from the date of deposit or renewal thereof.
  - 35% of the aggregate of the paid-up share capital and free reserves and Security Premium (under Rule 3(3)) – **864.93 lacs**  
The aggregate of deposits actually held on the last day of the immediately preceding financial year – ₹ **45.00/- Lacs**  
The date of issue of the Circular or advertisement – The effective date of issue of circular will be the date of dispatch of the circular.



Amount of deposit proposed to be raised - 35% of the aggregate of the paid-up share capital and free reserves and Security Premium i.e. 864.93 lacs

Amount of deposit repayable within the next twelve months – Rupees 30.00Lacs only

e. Terms of raising of deposits :

Duration – One to three years

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

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

f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid - The Scheme will be opened after filing the approved circular with ROC.

g. Reasons or objects of raising the deposits – The monies received as deposits will be utilised for the operations of the Company.

h. Credit rating obtained; Company has received credit rating from CRISIL ratings vide its letter dated 3<sup>rd</sup> April, 2019 for Long Term Rating: CRISIL BBB-/Positive and Short Term Rating: CRISIL A3.

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

j. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons - Nil

**DETAILS OF ANY OUTSTANDING DEPOSITS**

a. Amount Outstanding – ₹45.00 Lacs

b. Date of acceptance –

Date of Acceptance	No. of Depositors	Amount of Deposit
28.02.2017	4	3000000
28.02.2018	2	1000000
28.02.2019	1	500000

c. Total amount accepted – ₹45.00

d. Rate of interest – 12.5%

e. Total number of depositors –7

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

Accounting Year	(₹ In Lakhs)	
	Profit Before Tax	Profit After Tax
Year ended 31.3.2017	289.32	244.99
Year ended 31.03.2018	315.58	252.90
Year ended 31.03.2019	404.25	292.17

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 31.3.2017	Nil
Year ended 31.03.2018	Nil
Year ended 31.03.2019	Nil



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

(₹ In Lakhs)

	As at 31.3.2017	As at 31.03.2018	As at 31.03.2019
<b>Liabilities</b>			
Share Capital	708.70	739.10	739.10
Reserves & Surplus	1,238.82	1,489.98	1,781.20
Non-Current Liabilities	543.47	611.75	453.65
Current Liabilities	2,074.16	2,340.16	2,606.39
	<b>4,565.15</b>	<b>5,180.99</b>	<b>5,580.34</b>
<b>Assets</b>			
Fixed Assets	1,477.19	1,904.91	1,893.91
Investment	39.95	37.28	36.34
Other Non-Current Financial Assets	62.61	75.46	76.94
Current Assets	2,985.40	3,163.34	3,573.15
	<b>4,565.15</b>	<b>5,180.99</b>	<b>5,580.34</b>

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

(₹ In Lakhs)

	As at 31.3.2017	As at 31.03.2018	As at 31.03.2019
Net profit before tax & extraordinary items	289.32	315.58	404.25
Adjustment for Depreciation, Int. and other items	227.38	296.36	394.70
Operating profit before working capital change	<b>516.70</b>	<b>611.93</b>	798.95
(a) Cash generated from operations	361.58	682.85	764.41
(b) Cash flow from Investing Activities	(453.38)	(571.02)	(170.14)
(c) Cash Flow from Financing Activities	151.79	(66.32)	(373.14)
Net increase in cash & cash equivalents (a+b+c)	15.66	(17.15)	109.04
Opening Balance cash & cash equivalents	17.29	32.95	15.80
Closing Balance cash & cash equivalents	32.95	15.80	124.84

- e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company – The Balance Sheet and Profit and Loss for the year ended 31.03.2017 and 31.03.2018 are drawn as per Ind AS.

#### DECLARATION BY THE DIRECTORS THAT-

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

1. **Mr. Abhishek Patel** :

2. **Mr. Pranav Patel** :

3. **Mr. Arvind Nopany** :

4. **Ms. Sheela Ayyar** :

Date: 28<sup>th</sup> May, 2019

Place: Mumbai



# RISHI TECHEX LIMITED

CIN: L28129MH1984PLC032008

Regd. Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai - 400 011  
Tel No. 022-23075677/23074585, Fax No. 022-230820022

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :

Registered address :

E-Mail Id :

Folio No/ Client Id :

DP Id :

I/We, being the member(s) of .....shares of the above mentioned company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E Mail Id: \_\_\_\_\_

Signature:.....or failing him/her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E Mail Id: \_\_\_\_\_

Signature:.....or failing him/her

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E Mail Id: \_\_\_\_\_

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Thirty Fifth Annual General Meeting to be held on Wednesday, 25<sup>th</sup> September, 2019 at 10:15 a.m. at Killachand Conference Room, 2<sup>nd</sup> Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution For
<b>ORDINARY BUSINESS</b>	
1	Adoption of Accounts
2	To appoint a Director in place of Mr. Pranav Patel (DIN 00171387), who retires by rotation and being eligible offers himself for reappointment.
<b>SPECIAL BUSINESS</b>	
3	To appoint Mr. Kunal Rastogi (DIN: 01570584) as a Director on the Board.
4	To appoint Mr. Kunal Rastogi (DIN: 01570584) as an Independent Director of the Company.
5.	To re-appoint Mrs. Sheela Ayyar (DIN:06656579) as an Independent Director of the Company for second term.
6.	To increase borrowing powers of the Board and authorization limit to secure the borrowings under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013

Affix  
Revenue  
Stamp

Signed this .....day of .....2019

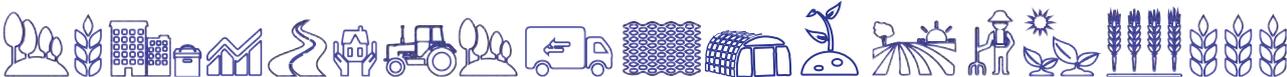
Signature of Shareholder.....

Signature of Proxy Holders(s) .....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



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## RISHI TECHTEX LIMITED

CIN: L28129MH1984PLC032008

Regd. Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai - 400 011  
Tel No. 022-23075677/23074585, Fax No. 022-230820022

### ATTENDANCE SLIP

Regd. Folio \_\_\_\_\_.

35<sup>th</sup> Annual General Meeting

To be handed over at the entrance of the meeting venue.

\_\_\_\_\_  
Name of the attending member (in block letters)

\_\_\_\_\_  
Name of Proxy (in block letter to be filled in by the proxy attending instead of the members).

No. of Shares held. \_\_\_\_\_

I hereby record my presence at the 35<sup>th</sup> Annual General Meeting at Killachand Conference Room, 2<sup>nd</sup> Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020, on Wednesday, 25<sup>th</sup> September 2019 at 10.15 a.m.

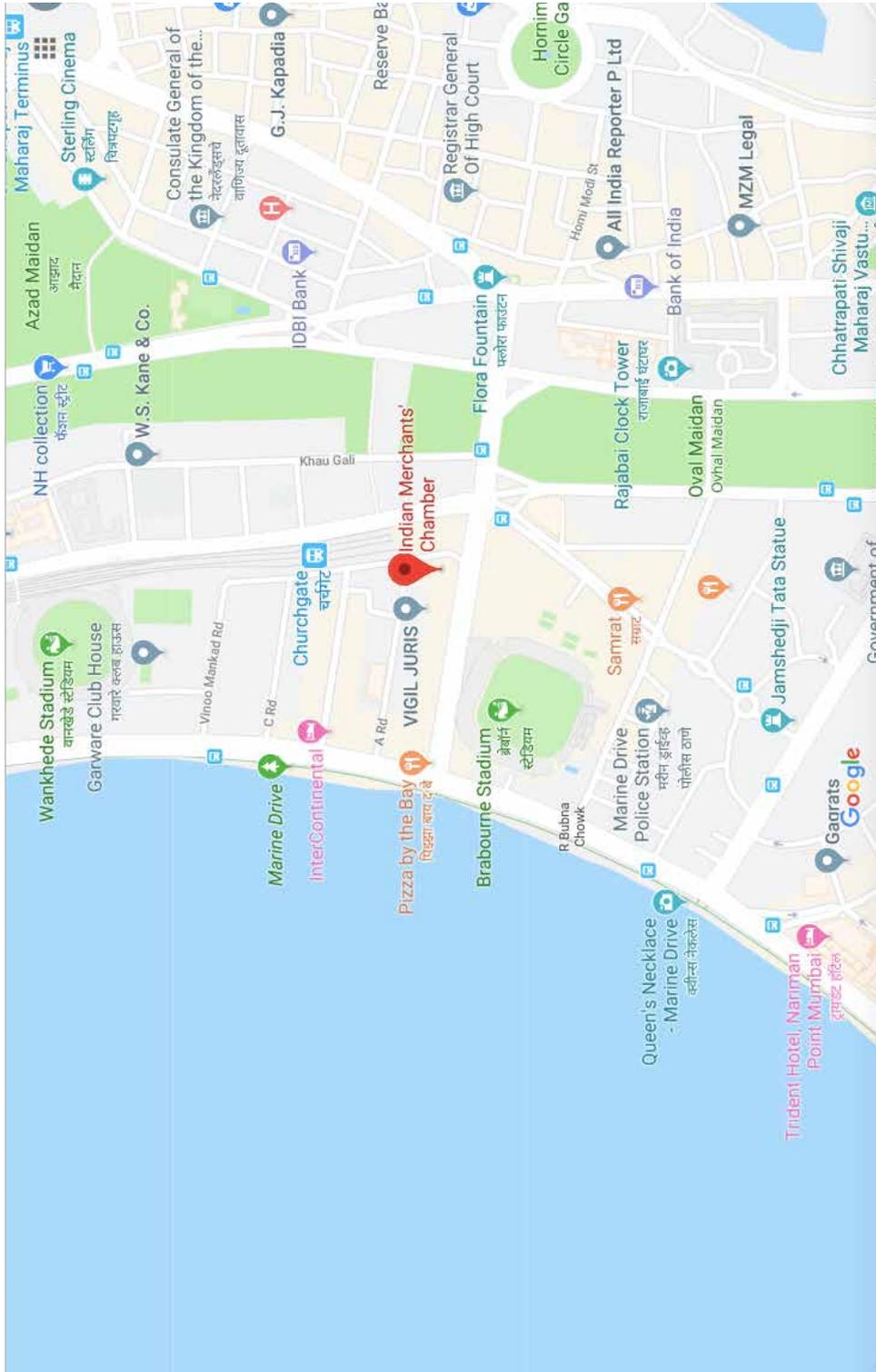
Member's / Proxy's Signature

#### Notes:

1. Interested joint shareholders may obtain attendance slip from the Registered Office of the Company.
2. Shareholders/joint shareholders proxies are requested to bring the attendance slip with them. Duplicate slip will not be issued at the entrance of the venue.



## Route map to AGM Venue



#### **UPDATION OF EMAIL ID**

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

#### **UPDATION OF PAN AND BANK MANDATE**

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

#### **UPDATION OF ADDRESS**

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

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

#### **GREEN INITIATIVE**

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

#### **BENEFICIAL OWNER DISCLOSURE**

All Shareholders who directly or together with indirect holding, holds more than 10% shares in the Company are requested to communicate their Significant Beneficial Interest, if any; in Form BEN -1. The MCA rule in this regard are hosted on the website of the Company along with Form BEN-1.



**RISHI TECHTEX**

Registered Office

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

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Tel. : 022-23074897 / 23074585 / 23075677

Fax : 022-23080022

E-mail : [info@rishitechtex.com](mailto:info@rishitechtex.com)

riteknowledge@labs.com

