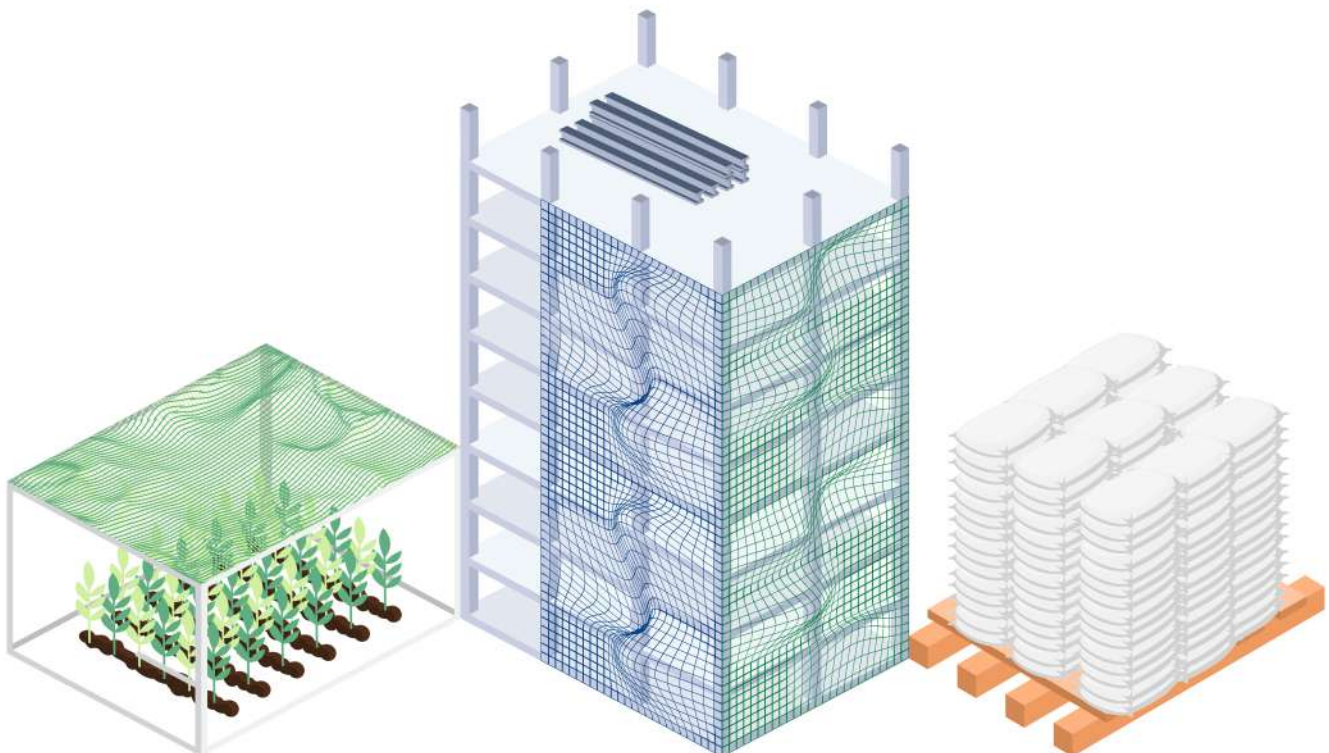
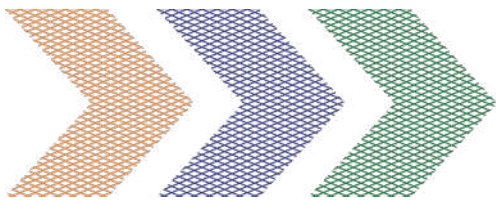


# Strong threads. Superior nets. Perfect packaging.

Agrotech | Packtech | Protech | Buildtech





## Forward Looking Statements

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

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

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

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

For private and limited circulation only

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# At a Glance

## About Us

Incorporated in

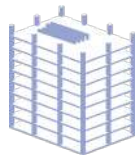
# 1984

Rishi Techtex is India's leading technical textiles manufacturer.

## Focus Segments



Agrotech



Buildtech



Protech



Packtech

## Plant Locations

**1** Daman

**2** Vapi

## Our Footprints



## Accreditations

Accredited as a Star Export House with the Directorate General of Foreign Trade, Ministry of Commerce & Industry, Government of India

Registered as a MSME with the Ministry of Micro, Small & Medium Enterprises, Government of India  
Quality management systems certified by the International Organization for Standardization (ISO) Under ISO 9001:2015

Registered as a MSME with the Ministry of Micro, Small & Medium Enterprises, Government of India  
Agro shade nets approved by the Bureau of Indian Standards (BIS)



# Corporate Information

## Board of Directors

Mr. Abhishek Patel  
DIN (05183410)  
(Managing Director)

Ms. Sheela Ayyar  
DIN (06656579)  
(Independent Director)

Mr. Kunal Rastogi  
DIN (01570584)  
(Independent Director)

Ms. Aakanksha Patel  
DIN (08314319)  
(Non-Executive, Non- Independent)

## Chief Financial Officer

Mr. Jagdish Dokwal

## Company Secretary

Ms. Gauri Gangal

## Auditors

HRK & Co.  
Off No119-120,Center Point,  
Above the IDBI Bank, N.H. No.8,  
Near Mahavir Nagar,Vapi,  
Gujrat- 396195

## Secretarial Auditor

Sudhanwa S Kalamkar & Associates  
No. 203, 2nd Floor, Flying Colors,  
Pandit Deen Dayal Upadhyay Marg,  
Above "Croma",  
Mulund West, Mumbai – 400 080.

## Internal Auditors

VSSK & Co.  
1st Floor, F. S. Tower,  
Above Bank of Baroda, Salabatpura,  
Ring Road, Surat- 395002.

## Bankers

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

## Registrars & Transfer Agents

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

## Registered Office

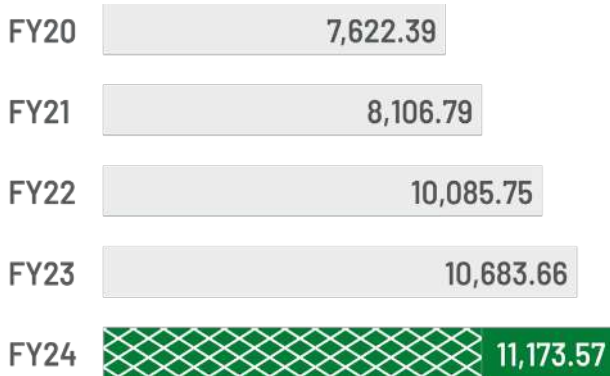
612, Veena Killedar Industrial Estate,  
10/14, Pais Street, Byculla (W),  
Mumbai – 400 011.

## Works

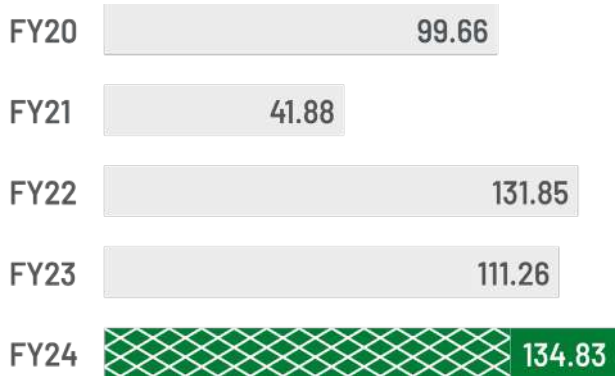
1. Causeway Road,  
Village Kachigam, Taluka Daman  
Union Territory of Daman & Diu
2. Plot No. 2910, Shade No. E,  
Near Divyesh Chemical,4th Phase,  
JIDC, Vapi- 396195

# Our Financial Score Card

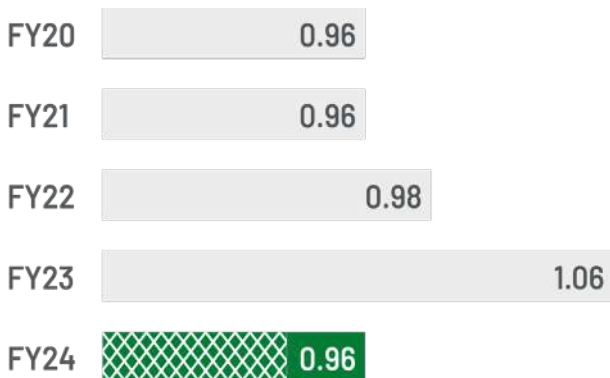
## Revenues ( ₹ Lakhs)



## Profit After tax ( ₹ Lakhs)



## Debt Equity Ratio



## Earning Per Share ( ₹ )




# Key Metrics of FY24 Performance

  over FY23

Profit Before Tax

₹ 2.26 crores

 81%

ROCE

13.05%

 30%


Loan Funds

₹ 5.70 crores

 33%


Interest Coverage Ratio

1.86%

 27%


Reserves and Surplus

₹ 24.45 crores

 5.84%

Earnings Per Share

₹ 1.82

 20.53%

# Key Numbers at a Glance

Particulars	2020	2021	2022	2023	2024
<b>Profit &amp; Loss Account (₹ Lakhs) :</b>					
Revenue (Net)	7,622.39	8,106.79	10,085.75	10,683.66	11,173.57
Total Income	7,663.00	8,122.45	10,108.44	10,725.11	11,196.16
EBIDTA (Excluding Other Income)	607.76	496.69	634.89	635.86	761.30
Profit/(Loss) Before Tax (PBT)	221.54	60.06	209.47	125.20	226.60
Profit/(Loss) After Tax (PAT)	99.66	41.88	131.85	111.26	134.83
<b>Balance Sheet (₹ Lakhs) :</b>					
Equity Capital	739.10	739.10	739.10	739.10	739.10
Reserves & Surplus	1,880.17	2,068.36	2,199.32	2,310.58	2,445.41
<b>Net worth</b>	<b>2,619.27</b>	<b>2,807.46</b>	<b>2,938.42</b>	<b>3,049.68</b>	<b>3,184.51</b>
Loan Funds	558.02	921.48	1,058.86	850.44	569.57
Current Liabilities	2,616.81	2,377.71	2,456.33	3,157.78	3,254.93
Other Liabilities	193.30	200.15	226.45	219.50	215.01
<b>Total Liabilities</b>	<b>5,987.40</b>	<b>6,306.80</b>	<b>6,680.06</b>	<b>7,277.40</b>	<b>7,224.02</b>
Gross Block Including CWIP	4,821.37	4,982.38	5,376.03	5,726.71	5,806.64
Accumulated Depreciation	2,638.23	2,837.85	2,969.29	3,204.17	3,469.49
<b>Net Block</b>	<b>2,183.14</b>	<b>2,144.53</b>	<b>2,406.74</b>	<b>2,522.54</b>	<b>2,337.15</b>
Investments	20.59	20.96	20.07	18.47	17.07
Sundry Debtors	910.83	1,033.98	1,199.55	1,402.17	1,604.13
Inventories	2,447.21	2,596.20	2,563.57	2,688.80	2,622.59
Other Current Assets	351.41	424.10	408.80	517.55	564.93
Total Current Assets	3,709.45	4,054.28	4,171.92	4,608.52	4,791.65
Other Assets	74.22	87.03	81.33	127.87	78.15
<b>Total Assets</b>	<b>5,987.40</b>	<b>6,306.80</b>	<b>6,680.06</b>	<b>7,277.40</b>	<b>7,224.02</b>
<b>Ratio Analysis :</b>					
EBIDTA Margin (%) (Excluding Other Income)	7.97	6.13	6.29	5.95	6.81
PAT Margin (%)	1.31	0.52	1.31	1.04	1.21
Debt-Equity Ratio	0.96	0.96	0.98	1.06	0.96
Total Assets Turnover	1.27	1.29	1.51	1.47	1.55
Fixed Assets Turnover	3.49	3.78	4.19	4.24	4.78
ROCE (%)	<b>13.49</b>	<b>7.97</b>	<b>10.55</b>	<b>10.07</b>	<b>13.05</b>
Debtors-Turnover Ratio (%)	11.95	12.75	11.89	13.12	14.36
Inventory-Turnover Ratio (%)	32.11	32.03	25.42	25.17	23.47
Interest Coverage Ratio	1.89	1.24	1.89	1.47	1.86
Current Ratio	1.42	1.71	1.70	1.46	1.47
Operating Profit Margin (%)	7.97	6.13	6.29	5.95	6.81
Net Profit Margin (%)	2.91	0.74	2.08	1.17	2.03
Any Changes of Return of Net Worth (Return on Equity)	3.00	0.81	2.83	1.69	3.07
<b>Ratios-Per Share (₹) :</b>					
Earnings Per Share (₹)	1.35	0.57	1.78	1.51	1.82
Dividend Per Share (₹)	0.00	0.00	0.00	0.00	0.00
Book Value Per Share (₹)	35.44	37.98	39.76	41.26	43.09



# Our Mission and Principles

## Our Vision

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

## Our Mission

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

## Our Core Values



### Customer centricity

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



### Transparency

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



### Innovation

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



### Responsibility

We build trust by delivering exceptional value to our customers.

# Our Business Segments

## Knitted Division (3,000 MTPA)



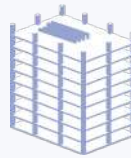
### Agrotech

#### PRODUCTS

- Shade nets
- Mulch Nets
- Crop Covers

#### END - USER INDUSTRIES:

- Agriculture
- Aquaculture
- Horticulture



### Buildtech

#### PRODUCTS

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

#### END - USER INDUSTRIES:

- Construction
- Engineering

## Woven Division (5,000 MTPA)



### Protech

#### PRODUCTS

- Fire retardant nets

#### END - USER INDUSTRIES:

- Construction
- Industries



### Packtech

#### PRODUCTS

- Woven sacks

#### END - USER INDUSTRIES:

- Cement
- Paint
- Petrochemicals

# Board of Directors

## Abhishek Patel

Managing Director since 2012

- 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

## Sheela Ayyar

Independent Director since 2015

- Reputed management professional with experience in business strategy
- Holds a Bachelor's degree in Commerce

## Kunal Rastogi

Independent Director since 2019

- Currently handles the business of Chemport India LLP
- More than twelve years of experience working with MNCs
- Holds a Bachelor's Degree in Commerce

## Aakanksha Patel

Non-Executive, Non-Independent Director since 2022

- Over a decade's experience in client management, capital strategy and business development
- Oversees the marketing of the products at Rishi Techtex and to create a new segment of customers
- Holds a Bachelor's Degree in Fashion Marketing and Promotion

Note from the Managing Director

# From Foundation to Future

## Reflecting on Our FY24 Performance and Beyond

Dear Shareholders,

At Rishi Techtex, we actively shape the future. This proactive mindset underpins our strategy and drives our commitment to continuous improvement and innovation. As we look ahead, we are excited to share that our strategic decisions are yielding positive results, preparing us effectively for what lies ahead.

**Over the past three years, we have made substantial capital investments in key areas such as automation, R&D, technology & software and operational efficiency.**

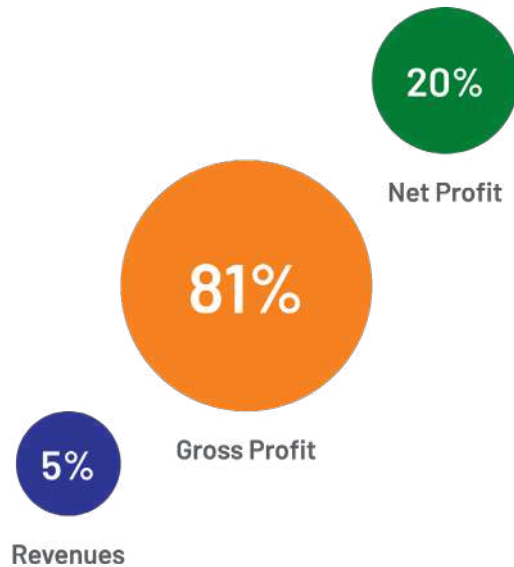
**This strategic focus has established a robust foundation for sustainable growth.**



## Charting the Future: Our Performance in FY24

In FY24, in spite of various macro-economic challenges, Rishi Techtex achieved a 5% increase in income, reaching ₹ 111.74 crore, up from ₹ 106.84 crore in FY23. This growth reflects our ability to navigate a complex market environment while maintaining fiscal stability. We have kept our costs under control, spending ₹ 109.70 crore, compared to ₹ 105.99 crore during the previous year.

Our focus on operational efficiency is evident in our impressive 81% increase in gross profit, rising from ₹ 1.25 crore in FY23 to ₹ 2.27 crore in FY24. Net profit also saw a significant 20% increase, from ₹ 1.11 crore to ₹ 1.35 crore.



Despite these positive results, FY24 was not without its challenges. For example, the decline in raw material prices due to increased domestic manufacturing was a positive. While this development has potential cost benefits, it has also intensified competition. To stay competitive, we are focusing on continuous innovation and cost-management.



Woven fabric manufacturing

## Leveraging a strong foundation for future growth

Our performance as seen in numbers has improved, and they are adding value: it demonstrates our readiness to earn sustainable profits in a future buoyant with opportunities.

In the following pages, I discuss our performance in detail and explain how our investments and achievements over the last three years have served as the launchpad for our ascent.

### ► Investments Driving Efficiency

Our commitment to automation and modernisation has been a cornerstone of our strategy. Between FY20 and FY23, we invested significantly in automating our operations to enhance product quality, optimise costs and improve sustainability.

One notable achievement is the 52% increase in output of bags produced through use of our automatic bagging lines, which rose from 23 lakh to 35 lakh bags per month.

This significant boost in production was achieved with minimal manpower costs, demonstrating the success of our automation efforts.

Over the past three years, we also upgraded our knitted nets division with new machinery. The installation of a Blown Film Plant, and a high-speed warp Raschel knitting machine has optimised raw material use and increased production capacity.

The combination of these has proved that modernisation is the only way forward within our segment of the market.

The modern infrastructure we have installed has also reduced plastic wastage, allowing for better utilisation of reprocessed materials and increased production capacity, reflecting our commitment to operational excellence and sustainability.

These strategic investments have led to substantial cost reductions and resource optimisation, positioning us for sustained growth and profitability.

### ► Fostering Innovation and Excellence

Between 2020 and 2023, we undertook a strategic transformation aimed at enhancing operational excellence and shifting towards



premiumisation. We collaborated with consultants to identify and implement efficiency gains, which resulted in increased productivity and cost reductions. Our investments in R&D and new equipment have expanded our product offerings and market share.

Our focus on innovation is evident in the new types of nets we have introduced, including heat-control and fire-resistant options. These products have been well-received by both domestic and international customers.

We are also developing a range of new products, such as onion shade nets for the agrotech division and a domestic heat-control net to replace costly imports.

Furthermore, our export strategy includes the innovation and supply of specialised shade nets designed to withstand Europe's extreme weather conditions.

These innovations have expanded our product offerings and bolstered our presence in the domestic and international markets. They demonstrate our capability to meet diverse customer needs that align with our premiumisation goals.

#### ➤ **Stable Performance & Strategic Focus**

In FY24, our strategic focus was on enhancing the productivity and effectiveness of our existing assets. This approach allowed us to maximise

value from previous investments and concentrate on improving performance within our current framework. Our professional team is now fully integrated with the organizational operations, creating a solid foundation for future expansion. Further, our commitment to quality and innovation has led to significant new partnerships and global recognition.

We continue to supply fire-resistant nets for prestigious events such as the Wimbledon Cup, Ryder Cup and Italian Open. These collaborations highlight our commitment to excellence and our ability to deliver high-quality products, globally.

#### ➤ **Pragmatic Financial Approach**

Our financial strategy is grounded in a pragmatic approach that combines strategic investments with operational efficiency. FY24 was a period of consolidation, where we concentrated on optimising costs and leveraging the investments made in previous years.

This approach has resulted in notable financial improvements, including an 18% increase in our debt-service coverage ratio, a 4% growth in net worth, and a 19% rise in return on capital employed.

We are committed to maintaining a healthy debt scenario, which complements our growth ambitions. Maintaining financial health and securing favourable financing terms are crucial as we plan for potential future expansions. Our strong financial position, combined with a focus on continuous improvement and strategic growth, positions us well for long-term success.

**Rishi Techtex is  
steadfast in its goal  
of continuous  
improvement and  
sustainable growth.**

”

## ► Macroeconomic Opportunities

With the Indian government's focus on modernising agriculture through scientific farm practices, we see a natural demand for our agri-nets that will serve in increasing crop yield. Also, the paints sector has witnessed the entry of new brands recently, a development that will help increase the customer share and pricing power of our bagging division.

The new government at the Centre as well as various state governments are following an 'ease of doing business' policy, and welcoming the setting up of manufacturing units. In this context, Rishi Techtex can evaluate the option of setting up new, state-of-the-art manufacturing facilities in states beyond its existing locations. Also, with excellent road infrastructure and connectivity across states, especially in West and North India, setting up a new unit will also help with faster logistics solutions.

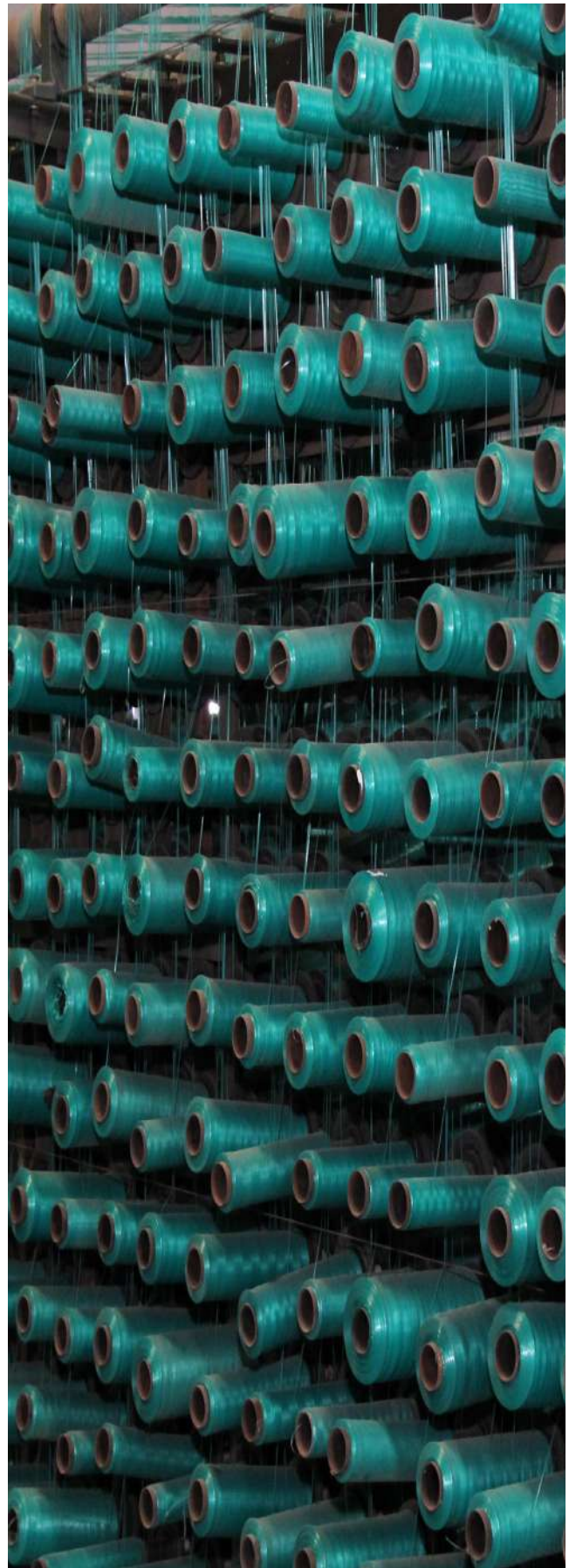
## Looking Ahead

The future holds great promise, and I am eager to seize the opportunities that lie ahead. As we move forward, our goal is not only to regain our pre-COVID profit margins but also to build on the solid foundation we have established over the past few years. While our industry's commodity-based nature presents unique challenges, our strategic focus on operational excellence, capacity expansion and geographic diversification positions us well to navigate these hurdles.

Rishi Techtex is steadfast in its goal of continuous improvement and sustainable growth. With a robust financial position and a committed team, we are confident of our ability to deliver exceptional value to our shareholders, customers, employees and the communities we serve.

Thank you for your ongoing support and partnership.

**Abhishek Patel**  
Managing Director  
Rishi Techtex Ltd



Tape manufacturing

**RISHI TECHTEX LIMITED****CIN: L28129MH1984PLC032008**

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

**NOTICE**

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of Rishi Techtex Limited will be held on Friday, 20th September, 2024 at 11.00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

**AS ORDINARY BUSINESS:**

- 1 To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2024 and the Report of the Board of Directors and Auditors thereon.**
- 2 To appoint Director in place of Ms. Aakanksha Patel (DIN: 08314319) who retires by rotation and being eligible offers herself for reappointment.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

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

**AS SPECIAL BUSINESS:**

- 3 Appointment of Mr. Pranab Chatterjee (DIN: 10739170) as a Director on the Board**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with 160 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Pranab Chatterjee (DIN: 10739170), who was appointed by the Board of Directors as an Additional Director with effect from August 12, 2024 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting; and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."

- 4 Appointment Mr. Pranab Chatterjee (DIN: 10739170) as an Independent Director of the Company**

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

**"RESOLVED THAT** Pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, as well as based on recommendation of the Nomination and Remuneration Committee, the appointment of Mr. Pranab Chatterjee (DIN: 10739170), who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, effective from September 20, 2024 till September 19, 2029 (both days inclusive), be and is hereby approved."

- 5 Re-appointment of Mr. Kunal Rastogi (DIN: 01570584) as an Independent Director for the Second term**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), if any, read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, and the Articles of Association of the Company, as well as based on recommendation of the Nomination and Remuneration Committee, Mr. Kunal Rastogi (DIN: 01570584), who was appointed as an Independent Director of the Company at the 35th Annual General Meeting of the Company for a period of five years, i.e., from August 09, 2019 to August 08, 2024, (both days inclusive) and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of five years, effective from 09th August, 2024 to 08th August, 2029 (both days inclusive)."

Place: Mumbai  
Date: 12.08.2024

**Registered Office:**

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

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

**Gauri Gangal**  
Company Secretary



**NOTES:**

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, and No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ("MCA") and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by and Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "Circulars"), companies are allowed to hold AGM through VC / OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC / OAVM. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of the Companies Act, 2013 ("the Act") and rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 40th AGM of the Company is being held through VC/OAVM on Friday, 20th September, 2024 at 11.00 a.m.. The deemed venue for the 40th AGM will be registered office of the Company i.e. 612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (West), Mumbai 400011.
2. The relevant explanatory statement pursuant to section 102 of the Act is annexed hereto.
3. Disclosure pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2), with respect to Directors seeking appointment/re-appointment at the 40th AGM is annexed hereto. The Directors have furnished the requisite declaration and consent for their appointment / re-appointment.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to askus@kalamkarassociates.com.
9. In case of the Joint holders attending the 40<sup>th</sup> AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and also for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Adroit Corporate Services Private Limited for assistance in this regard.
11. Updation of PAN and other details

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

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

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held

by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from [www.rishitechtext.com](http://www.rishitechtext.com). Members are requested to submit the said details to their DP in case the shares are held by them in demat form and to RTA in case the shares are held in physical form.

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

12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Adroit Corporate Services Private Limited in case the shares are held by them in physical form.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/ Exchange of securities certificate, Endorsement, Sub-division/ splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 available at [www.rishitechtext.com](http://www.rishitechtext.com)
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Adroit Corporate Services Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
15. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR /P/2021/11 dated 15th January, 2021 and Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, Notice of the 40th AGM along with the Annual Report for Financial Year 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories"). A copy of this Notice along with the Annual Report for Financial Year 2023-24 is uploaded on the Company's website [www.rishitechtext.com](http://www.rishitechtext.com), at website of the Stock Exchange i.e. The BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Central Depository Services (India) Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).
16. Members who wish to inspect the statutory documents or relevant documents referred to in the Notice can send an email to [info@rishitechtext.com](mailto:info@rishitechtext.com) upto the date of the 40th AGM.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The deemed venue for the 40th AGM shall be the Registered Office of the Company.
18. The Register of Members and Share Transfer Books of the Company will remain closed from 14.09.2024 to 20.09.2024 (both days inclusive).
19. Any person, who acquires Shares of the Company and become Member of the Company after dispatch of the Notice and holding Shares as on the cut-off date for remote E-voting i.e. Friday, 13th September, 2024 may follow the same instructions as mentioned below for E-voting.
20. All documents referred to in the Notice shall be made available for inspection by the Members of the Company, without payment of fees upto the date of AGM. Members desirous of inspecting the same may send their requests at [info@rishitechtext.com](mailto:info@rishitechtext.com) from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection.

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

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to cast their vote by electronic means i.e. remote e-voting, through the e-voting services provided by Central Depository Services (India) Limited ("CDSL") on all resolutions set forth in this Notice.
2. The e-voting period begins on Monday, 16th September, 2024 at 9.00 a.m. and ends on Thursday, 19th September, 2024 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 13th September, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
3. The Members who have not casted their vote by remote e voting prior to the Annual General Meeting ("AGM") can exercise their voting rights at the AGM. The Members who have already exercised their right to vote by remote e-voting may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to vote at the AGM.
4. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut off date viz. 13th September, 2024.
5. A person, whose name is recorded in Register of Members or in the Register of Beneficial Ownership maintained by the RTA/

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

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

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

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

- (i) The voting period begins on Monday, 16th September, 2024 (9:00 a.m. IST) and ends on, Thursday, 19th September, 2024 (5:00 p.m. IST) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 13th September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In order to increase the efficiency of the voting process and in pursuance of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-voting facility is being provided to all the demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DP. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication, but also ease and convenience of participating in e-voting process.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911.

Individual Shareholders holding securities in Demat mode with **NSDL** Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free nos.: 022 – 4886 7000 and 022 – 2499 7000.

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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name (Rishi Techtex Limited)> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [askus@kalamkarassociates.com](mailto:askus@kalamkarassociates.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 (Seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [info@rishitechtext.com](mailto:info@rishitechtext.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [info@rishitechtext.com](mailto:info@rishitechtext.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/ RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**.
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which**

**is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

Place: Mumbai  
Date: 12.08.2024

**Registered Office:**

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

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

**Gauri Gangal**  
Company Secretary

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

### Item No. 2

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

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

Ms. Aakanksha Patel holds a Bachelor's Degree in Fashion Marketing and Promotion and has a vast experience of approximately 12 years in independently handling client account related activities, client management, business development which in the opinion of Board will help the Company in aggressive marketing of its products and may help to create a new segment of customers apart from conventional customers.

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

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

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

### Item No. 3

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. Pranab Chatterjee (DIN: 10739170) as an Additional Director with effect from 12th August, 2024.

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

The Brief Profile of Mr. Pranab Chatterjee 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 B to the Notice.

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

Except Mr. Pranab Chatterjee, 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. Pranab Chatterjee.

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

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board appointed Mr. Pranab Chatterjee (DIN: 10739170) as an Additional Director of the Company with effect from August 12, 2024.

The appointment of Mr. Pranab Chatterjee as an additional director was made with the intension to appoint him as an Independent Director for a term of five years effective from the date of ensuing Annual General Meeting being September 20, 2024 upto September 19, 2029. Mr. Pranab Chatterjee has given his declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and the rules made thereunder, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act and (iv) he is not aware of any circumstance which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence. He has also given his consent to act as a Director.

In the opinion of the Board, Mr. Pranab Chatterjee is a person of integrity, possesses relevant expertise / experience and fulfils the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the Management. Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Pranab Chatterjee on the Board of the



Company and accordingly the Board recommends the appointment of Mr. Pranab Chatterjee as an Independent Director, as proposed in the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members.

Except for Mr. Pranab Chatterjee and/or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

#### Item No 5

Mr. Kunal Rastogi (DIN: 01570584) was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (‘the Appointment Rules’) at the 35th Annual General Meeting of the Company for a period of five years, i.e., from August 09, 2019 up to August 08, 2024.

Based on recommendation of the NRC, the Board had re-appointed Mr. Kunal Rastogi (DIN: 01570584) as an Independent Director, not liable to retire by rotation, for the second consecutive term of five years, i.e., from August 09, 2024 to August 08, 2029 (both days inclusive), subject to approval of the Members.

As per Section 149 of the Act, an independent director may hold office for two terms up to 5 (five) consecutive years each.

The Company has, in terms of Section 160(1) of the Act, received in writing notice from a Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Mr. Kunal Rastogi are provided as Annexure C to this Notice.

Mr. Kunal Rastogi has given his declaration to the Board, inter alia, confirming that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and the rules made thereunder, Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act and (iv) he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. He has also given his consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Appointment Rules.

In the opinion of the Board, Mr. Kunal Rastogi is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the Management. The Board considers that the continued association of Mr. Kunal Rastogi would be of immense benefit to the Company and is desirable to continue to avail his services as an Independent Director and accordingly the Board recommends the re-appointment of Mr. Kunal Rastogi as an Independent Director as set out at Item No. 5 of the accompanying Notice, for approval by the members, by way of Special Resolution.

Except for Mr. Kunal Rastogi and/or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Place: Mumbai  
Date: 12.08.2024

#### Registered Office:

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

**By Order of the Board  
For Rishi Techtext Limited  
Gauri Gangal  
Company Secretary**

## Annexure A

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

Name of the Director	Ms. Aakanksha Harshad Patel
DIN	08314319
Date of Birth	14.09.1988
Age	35 years
Nationality	Indian
Date of appointment	08.08.2022
Qualification	Bachelor's Degree in Fashion Marketing and Promotion
Nature of expertise in specific functional Area	Marketing
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company inter-se	Mr. Abhishek Harshad Patel - Managing Director - Brother
Brief Profile / Resume of the Director	Ms. Aakanksha Patel holds a Bachelor's Degree in Fashion Marketing and Promotion and has a vast experience of approximately 12 years in independently handling client account related activities, client management, business development which in the opinion of Board will help the Company in aggressive marketing of its products and may help to create a new segment of customers apart from conventional customers
Terms and Conditions of appointment, along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	Ms. Aakanksha Harshad Patel is being appointed as a "Non-Executive, Non-Independent Director", liable to be retire by rotation. The other terms and conditions of her appointment will be as per the Nomination and Remuneration Policy of the Company.
Directorship in Other listed entities	No Directorship in Other listed entities.
*Directorship in Other Companies(excluding Listed Entities, Foreign Companies and Section 8 Companies)	No Directorship in Other entities.
**Chairmanships / Memberships of Committees held in Committees of Other Companies	No chairmanships / memberships in committees of any other entities.
Names of listed entities from which she has resigned in the past 3(three) years	Has not resigned from any Listed Company in the past 3(three) years.
No. of shares held by Director: By Self: As a beneficial owner of :	Shares held by self: 400861.
Number of Meetings of the Board attended during the year	4 of 4

\*Excludes directorship in Private Companies.

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

## Annexure B

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

Name of the Director	Mr. Pranab Chatterjee
DIN	10739170
Date of Birth	12/05/1966
Age	58 years
Nationality	Indian
Date of appointment	12.08.2024
Qualification	Cost and Management Accountant (CMA)
Nature of expertise in specific functional Area	Cost and Management Accounting
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company inter-se	NA
Brief Profile / Resume of the Director	<p>Mr. Pranab Chatterjee is a qualified Cost and Management Accountant (CMA) having earned his certification in June 1996. He has been practicing as a Cost accountant in Surat since September 2012, following his previous practice in New Delhi, which he maintained until June 2010.</p> <p>Worked with various organizations such as Leo Ispat Limited, New Delhi; Ultimate Fashion Maker Limited, New Delhi ; &amp; Chanakya Consultants Pvt. Ltd., New Delhi as Finance Manager before coming into practice. Mainly engaged in the field of Excise, service tax &amp; Financial Accounting with specciation in Costing &amp; Budgeting section.</p> <p>Then engaged in profession of Cost Accounting in New Delhi. Now engaged in profession of Cost accounting in Surat and performing cost audits of more than 20 Cost audits including Limited companies.</p>
Terms and Conditions of appointment, along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	Mr. Pranab Chatterjee is being appointed as a "Non-Executive, Independent Director", not liable to be retire by rotation. The other terms and conditions of her appointment will be as per the Nomination and Remuneration Policy of the Company.
Directorship in Other listed entities	No Directorship in Other listed entities.
*Directorship in Other Companies (excluding Listed Entities, Foreign Companies and Section 8 Companies)	No Directorship in Other entities.
**Chairmanships / Memberships of Committees held in Committees of Other Companies	No chairmanships / memberships in committees of any other entities.
Names of listed entities from which she has resigned in the past 3 (three) years	Has not resigned from any Listed Company in the past 3(three) years.
No. of shares held by Director:	NIL
By Self:	
As a beneficial owner of :	
Number of Meetings of the Board attended during the year (Financial Year 2023-24)	Not Applicable as Mr. Pranab Chatterjee has been appointed as Additional Director with effect from August 12, 2024.

\*Excludes directorship in Private Companies.

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

**Annexure C**

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

Name of the Director	Mr. Kunal Rastogi
DIN	01570584
Date of Birth	23.12.1984
Age	40 years
Nationality	Indian
Date of appointment	09.08.2019
Qualification	Mr. Kunal Rastogi is a Commerce Graduate from Mumbai University.
Nature of expertise in specific functional Area	Marketing
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company inter-se	NIL
Brief Profile / Resume of the Director	Mr. Kunal Rastogi is a Commerce Graduate from Mumbai University. He is a partner in Chemport India LLP and CHEMIMPEX (INDIA) (LLP). He has more than Twelve years of experience working with MNC's in his career.
Terms and Conditions of appointment, along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	Mr. Kunal Rastogi is being appointed as a "Non-Executive, Independent Director", not liable to be retire by rotation. The other terms and conditions of his appointment will be as per the Nomination and Remuneration Policy of the Company.
Directorship in Other listed entities	No Directorship in Other listed entities.
*Directorship in Other Companies (excluding 2 Listed Entities, Foreign Companies and Section 8 Companies)	2
**Chairmanships / Memberships of Committees held in Committees of Other Companies	Nil
Names of listed entities from which he has resigned in the past 3 (three) years	Has not resigned from any Listed Company in the past 3 (three) years.
No. of shares held by Director:	NIL
By Self:	
As a beneficial owner of :	
Number of Meetings of the Board attended during the year (Financial Year 2023-24)	4 of 4

\*Excludes directorship in Private Companies.

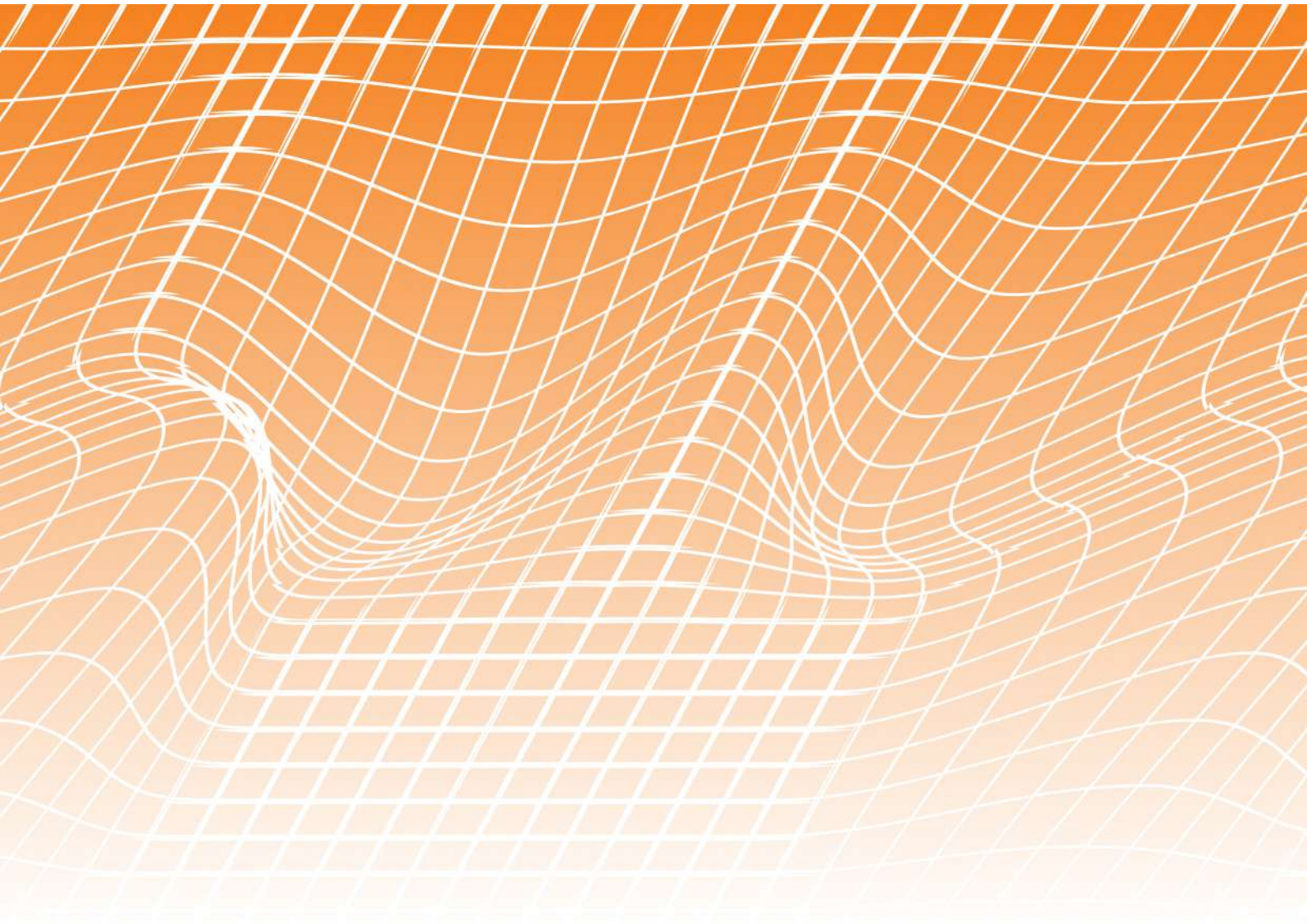
\*\*Excludes Membership/Chairmanship of Committees in Private Companies.

Place: Mumbai  
Date: 12.08.2024

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

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

**Gauri Gangal**  
Company Secretary



# **Management Discussion & Analysis**



Global Performance

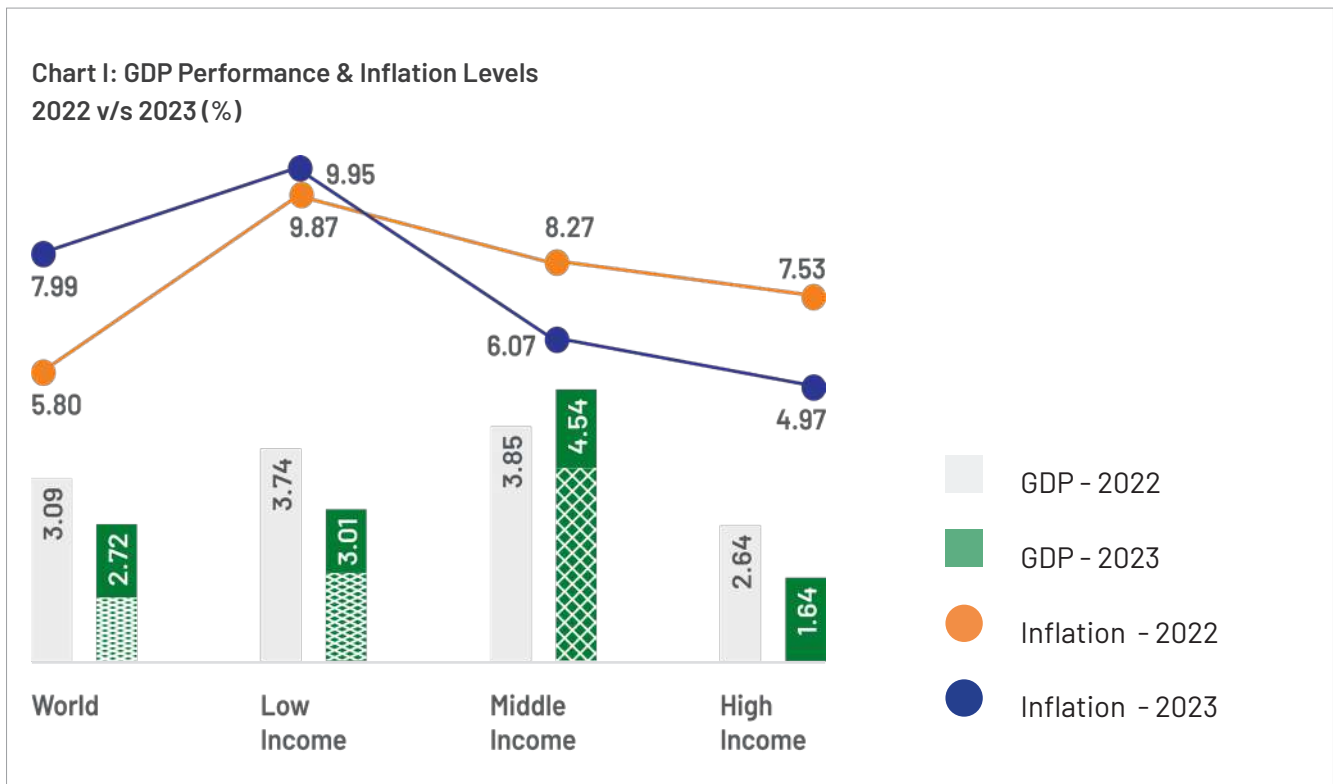
# A Year of Contrasts: The Global Economy in FY24

During the year, the world economy was marked by a mix of challenges and opportunities, revealing a complex and evolving landscape.

global GDP decelerated -12% in 2023 as compared to its performance in 2022.

According to World Bank estimates (Refer Chart I: GDP Performance & Inflation Levels 2022 v/s 2023),

Simultaneously, global inflation levels decreased by about -27% between 2022 and 2023.





Blown film for shade net

## The Challenges

Countries around the world struggled to find stability as they grappled with the lingering effects of the overlapping shocks of the past four years. And, then, there were some new challenges:

### ➤ Geopolitical Risks & Their Outcomes

The conflict in the Middle East & Israel coming on top of Russia's invasion of Ukraine, has heightened geopolitical risks. The escalation in conflict has led to surging energy prices, with broader implications for global activity and inflation.

### ➤ Inflation & Monetary Tightening

Global inflation is projected to remain above its 2015-19 average beyond 2024. While advanced economies eased monetary tightening measures, real policy interest rates remained elevated during the year. As a result, although inflation levels were below their 2022 peak, they will return to acceptable levels only gradually, definitely not during the current fiscal.

### ➤ Sluggish Levels of Global Trade

In 2023, the increase in global trade was the slowest it has been in the last 50 years, except during periods of global recession.

While the trade in goods contracted due to tepid industrial production, the trade in services continued to recover from the effects of the Covid-19 pandemic, but at a slower pace than expected.

## The Opportunities

On the flip side, the evolving landscape also presented opportunities for economic revival in many countries:

### ➤ Economic Resilience

On the upside, a resurgence in economic activity and declining inflation in advanced economies have the potential to be sustained, even when confronted with strong headwinds. However, in order to sustain further and improve, the supply of labour would need to improve.

### ➤ Employment Trends In a New World

Job markets in advanced economies gained momentum despite some initial cooling down. Unemployment rates were low, which supported economic growth.

Also, although wages have been rising, the growth is not quick enough to cause runaway inflation.

Additionally, the gap between high and low earners narrowed due to more people working from home, which has lowered pay expectations for high-paying jobs.

Overall, while FY24 presented both opportunities and challenges, it also highlighted the need for adaptability, innovation and cooperation in navigating the complexities of the global economy. The actions taken now will shape the economic and social landscape for years to come.



## India's Economic Performance

# On a Strong and Stable Path

In FY24, the Indian economy continued to demonstrate resilience and stability while navigating geopolitical challenges and consolidating its post-Covid recovery (*Refer table: India's Economic Performance Highlights - FY24*).

With strong GDP growth of 8.2% in FY24, following 9.7% and 7.0% in the previous years, India is on firm footing. In terms of sectoral contributions to Gross Value Added (GVA) at current prices, agriculture accounted for 17.7%, industry 27.6% and services 54.7%.

Further, in June 2024, the NDA government was formed after being elected to power for a third term.

This robust and stable performance has positively impacted India's credit perception in the global economy. For the first time in 13 years, S&P Global Ratings upgraded India's sovereign credit rating outlook from 'stable' to 'positive', in May 2024, citing robust economic growth and sound fundamentals.

### India's Economic Performance Highlights - FY24

Gross Domestic Product (%)	8.2%
Global Economic Ranking	5th
Sovereign Credit Rating	Positive
Y-o-Y Increase in GVA (Overall)	6.5%
Industry	11.6%
Construction	9.5%
Services	7%
Agriculture	-0.8%



## Towards Resource & Supply Self-Sufficiency

### ► The Shift in Global Economic Dynamics

India's Economic Survey 2023-24 indicates a slow-down in globalization, with nations increasingly focusing on promoting their domestic enterprises, impacting global trade and investment. Consequently, the year witnessed fewer global trade agreements and a decline in foreign investments, requiring a greater emphasis on domestic growth.

### ► Localization and Domestic Priorities

With rising interest rates in developed countries and competitive subsidies, India faces challenges in attracting overseas investment. The focus is shifting towards boosting local industry and ensuring self-sufficiency.

### ► The Era of 'Just in Case' Over 'Just in Time'

Increasing geo-economic fragmentation has prompted a shift from efficiency to resilience, underscoring the need for a steady and secure supply of domestic resources.

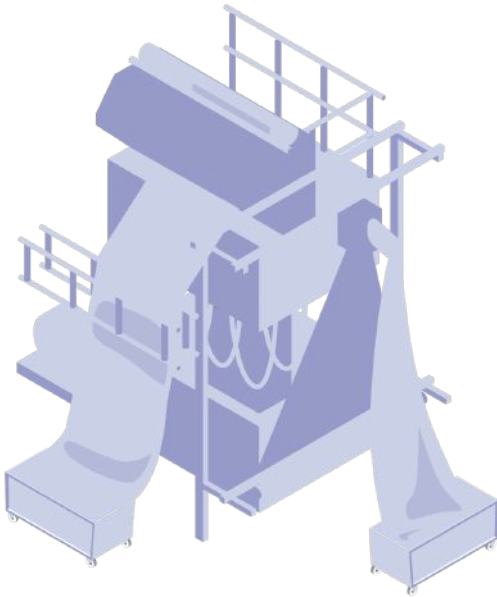
## Looking Ahead: An Optimistic Outlook for FY25

In FY25, the Indian economy is positioned for broad-based and inclusive growth, emphasizing self-reliance and domestic resource generation to navigate global uncertainties.

Growth is expected to be supported by strong domestic investment demand, improved agricultural performance, and an increase in merchandise and services exports.



Circular Looms weaving fabric



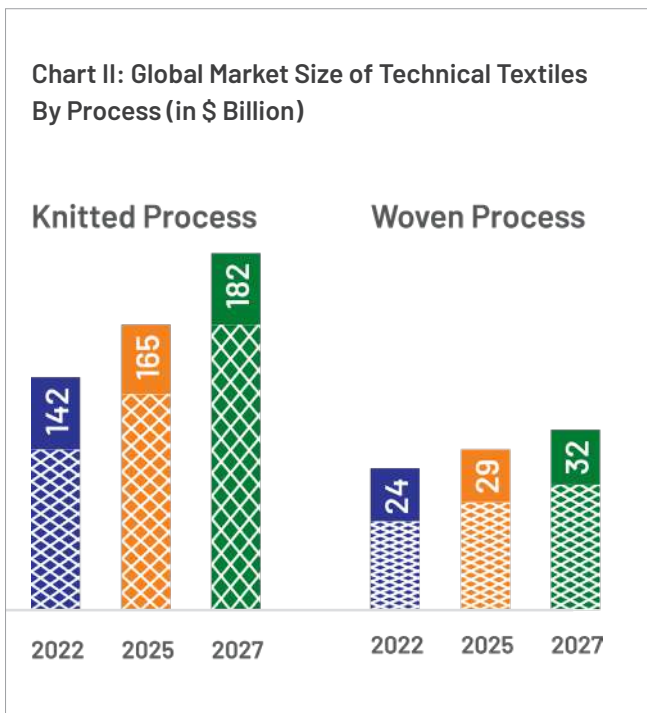
Technical Textiles Industry

# Sector Performance in FY24

## Global Context

The global technical textiles market is booming. Valued at \$212 billion in 2022, it is projected to reach \$274 billion by 2027, growing at a steady 5.2% yearly. (Refer Chart II: Global Market Size of Technical Textiles Industry by Process).

This growth highlights the increasing demand for technical textiles and their diverse applications across industries, including automotive, construction, healthcare and sports. The expanding market reflects ongoing innovations and the rising importance of technical textiles in modern manufacturing and product development.



The Asia-Pacific region accounted for the highest market share of 30% in 2023, and is expected to dominate in the global market during the forecast period.

The huge demand in this region is due to the bulk availability of raw materials and heightened demand for technical textiles in end-use industries such as clothing packaging.

Among developed countries, the US and Europe commanded the largest share of technical textiles, 25% and 22%, respectively. They continue to be the largest end-users and importers of technical textiles – a trend attributed to their increasing well-developed industrial sector.

## Assessing the Potential for Technical Textiles in India

India's technical textile market is expected to reach \$23.3 billion by 2027, growing at a Compounded Annual Growth Rate (CAGR) of 7.6%, among the fastest growth rates in the Asia-Pacific region. India exports technical textiles, including medical apparel, worth \$2.5 billion, and is targeting \$10 billion in the next five years.

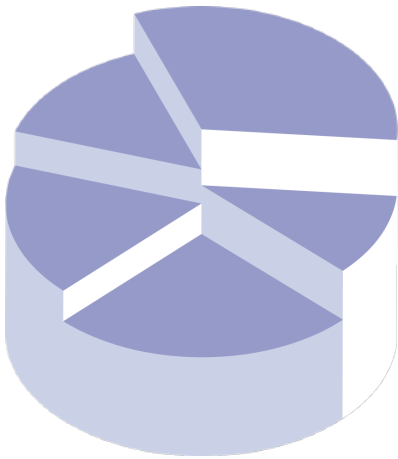
Acknowledging the importance of this sector, the central government in the recent Union Budget for FY25, increased the allocation for the National Technical Textiles Mission to ₹375 crore, from ₹175 crore in 2023-24 – an increase of 120.59%.

Further, production-linked incentives (PLIs) for the textile sector will enable individual state governments to offer affordable infrastructure for textile manufacturing, such as land and power at reduced rates.

In conclusion, as the global technical textile industry continues to grow, India is poised to benefit from this expansion. Both domestic consumption and exports are expected to grow rapidly in the next few years, making this an important time for the industry.



Circular Looms weaving fabric



## Performance Review

# Rishi Techtex: FY24 Performance

The Board of Directors presents its report along with the audited financials of the company for the year ended 31<sup>st</sup> March 2024 (Refer Table: Financial and Operational Highlights).

Financial and Operational Highlights		
Particulars	FY24	FY23
Total Revenues	₹ 11,196.16 lakhs	₹ 10,725.11 lakhs
Total Expenses	₹ 10,969.56 lakhs	₹ 10,599.91 lakhs
Profit/ (Loss) Before Tax	₹ 226.60 lakhs	₹ 125.20 lakhs
Operating Profit Margin	6.81%	5.95%
Total Tax Expense	₹ 91.77 lakhs	₹ 13.94 lakhs
Profit/ (Loss) for the period	₹ 134.83 lakhs	₹ 111.26 lakhs
Net Profit Margins	2.03%	1.17%
Debtors' Turnover	14.36%	13.12%
Inventory Turnover	23.47%	25.17%
Interest Coverage Ratio	1.86%	1.47%
Current Ratio	1.47%	1.46%
Debt-Equity Ratio	0.96%	1.06%

## Performance Analysis

FY24 saw stable revenue growth of 4%, year-over-year, increasing from ₹10,725.11 lakh to ₹11,196.16 lakh. Similarly, costs remained relatively steady, rising 3%, from 10,599 lakh to ₹10,969.56 lakh. A key highlight of the year was the substantial 81% surge in gross profit, from ₹125.20 lakhs in FY23 to ₹226.60 lakh in FY24. Net profit also demonstrated robust growth, climbing 21% to ₹134.83 lakh from ₹111.26 lakh in the previous fiscal. These remarkable numbers are a direct result of our strategic focus on optimising operations, enhancing profitability and fostering innovation.

### ► Asset Optimisation and Operational Efficiency

The company's CAPEX in the previous years started delivering results in FY24, prioritising the optimum production capacity of existing assets. By leveraging recent investments in modernised equipment and high-speed automation, we increased production without adding people. This strategic focus on operational efficiency contributed significantly to the overall improvement in profitability.

### ► Systematic Renegotiation of Customer Contracts

An important part of our growth strategy was the systematic renegotiation of customer contracts. By closely examining existing agreements and identifying areas of improvement, we were able to secure more favorable terms, including pricing adjustments, payment terms and contract durations. This proactive approach not only immediately boosted revenue but also strengthened our long-term customer relationships by demonstrating our commitment to mutual value creation. Customers are prepared to pay a premium for our modern products albeit in a slow yet sure manner.

### ► Product Premiumisation & Outsourcing

In FY24, our R&D focus was on developing innovative products to create new market segments. For example, building on the success of our grape net product, we developed a prototype for a red onion net. Simultaneously, we strategically partnered with companies

possessing cutting-edge equipment to meet additional demand requirements. For instance, our collaboration with a printing partner, who has invested in the latest BOPP printing technology, enabled us to offer high-quality printed bags at reduced costs. These combined efforts of product premiumisation and strategic outsourcing have solidified our reputation as industry innovators and significantly boosted profit margins.

## Challenges to Performance

While the numbers reflect a successful year, we also faced several challenges.

### ► Sustainability Challenges

Plastics are crucial in the technical textile industry because of their strength, durability, flexibility and environmental resistance. However, the global push to reduce the use of plastic poses challenges for manufacturers who rely on it. Alternative materials often fail to meet the specific needs of technical textiles, such as strength and water resistance. This dependence on plastic, along with changing regulations, creates uncertainty and potential disruptions in supply chains and production.

### ► Impediments to Exports

Europe is one of Rishi Techtex's principal export markets. However, the European Union's Carbon Border Tax Mechanism carbon tax has increased our costs by requiring us to either invest in cleaner technologies or pay higher taxes for our carbon emissions. This situation creates a competitive disadvantage for us in the European market as we must absorb these additional costs to comply with the regulations.

### ► Increasing Overhead Costs

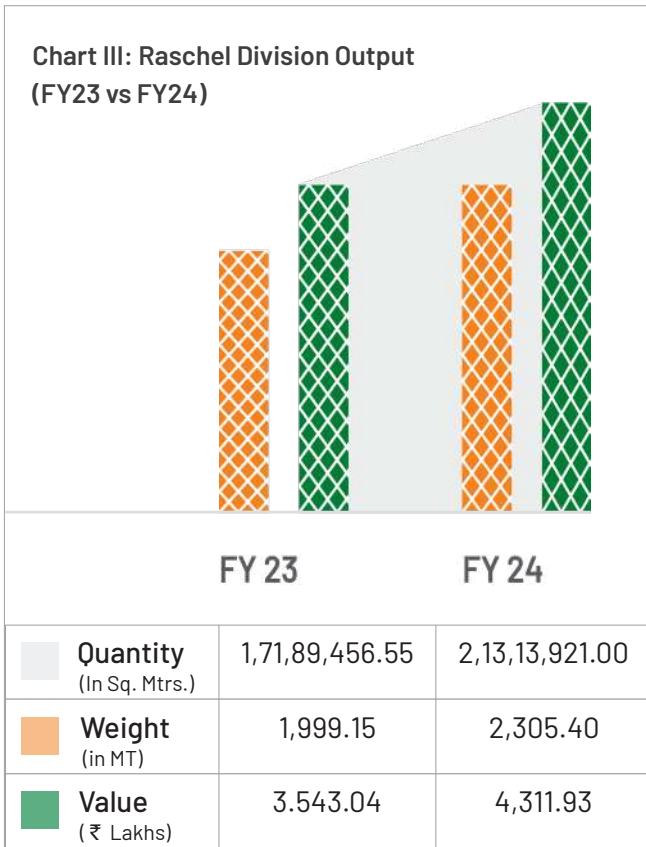
In FY24, our growth was also impacted by rising overhead costs, such as increasing rent, and the gap between customer payments and bank repayment schedules. Higher borrowing costs and rents reduce profitability, while delays in customer payments create cash-flow challenges. These financial factors affected our overall profitability.

## Segment-Wise Review

In the following pages, we will present a detailed performance overview of our two manufacturing departments: Raschel Department and Woven Department.

### Raschel Division

In FY24, the Raschel Department witnessed double-digit growth on all output parameters. The department increased its quantity output by 19%, while the weight of the products manufactured rose 13%. Revenues generated by this segment also registered a y-o-y growth of 18% (Refer Chart III: Raschel Department Output)



### FY2024 Highlights

#### ➤ Stentering Process Improvements

The Raschel division made significant strides in FY24, focusing on enhancing product quality and the product development process.

Advantage	Description
Improved dimensional stability	Fabrics maintain their size & shape during use
Enhanced stiffness and stability	Provides a more structured and durable final product
Reduced curl	Minimises unwanted fabric curling
Increased gloss	Enhances the visual appeal of the fabric
Improved strength	Strengthens the fabric for better performance




#### ➤ Shade Sail Enhancements

Rishi Techtex has made several improvements to its shade sail offerings, resulting in a more durable and functional product.

Improvement	Description
Durable Stitching	High-grade, parachute-grade thread ensures exceptional stitching strength, allowing the shade sail to withstand harsh weather
Enhanced Fabric Stability	The stentering process improves the fabric's stability, stiffness, dimensional accuracy and anti-curl properties
Reinforced Structure	High-strength webbing (2,000 kg) provides additional reinforcement, preventing damage caused by strong winds

➤ **New Product Development**

The Raschel division is actively developing innovative new products to meet evolving market demands.

Product	Description
Cooling Shade Net	This product utilises special additives to block infrared rays, effectively reducing the temperature under the shade by 2-30° Celsius
Reflective Nets	Rishi Techtex is developing a high-quality reflective (aluminium) shade net that aims to rival leading brands such as Ginegar, currently imported from Israel. In FY24, we manufactured 1,70,984 sq mt of reflective nets, which weighed 18.53 MT.
Reflective Nets 45%	
Reflective Nets 60%	
Reflective Nets 75%	

➤ **Steady Export Revenues**

In FY24, Rishi Techtex consolidated its position as a leading exporter in the Raschel segment.

Our continued partnership with a major client specialising in events and venues underscores the division's ability to meet the demands of this challenging market.



Rishi Techtex's fire-retardant nets at the 44<sup>th</sup> edition of the Ryder Cup Tournament held at the Marco Simone Golf and Country Club in Guidonia Montecelio in Rome, Italy.

## In the Spotlight

Optical pest control leverages the power of light to deter and manage pests without harmful chemicals. By manipulating specific colours and light wavelengths, we can influence pest behaviour and physiology. For instance, red nets have proved effective in repelling onion thrips, a notorious agricultural pest. These insects are less drawn to red light, leading to reduced crop infestation.

This innovative approach offers several advantages. It significantly reduces the reliance on chemical insecticides, safeguarding the environment and improving crop health.

Red nets also enhance sunlight penetration and regulate temperature, creating a more favourable growing environment.

Studies have shown that these nets can decrease insecticide use by 25-50%, particularly against pests like onion thrips.

In FY24, Rishi Techtex developed a new flat mono net that offers superior coverage and cooling benefits. Monofilament is traditionally cylindrical and used to strengthen nets. Our hope is that with flat mono, we can offer a high-shade factor as well as strength for specific purposes. With 42,000 square metres supplied for testing purposes, we anticipate positive feedback from farmers. This ground-breaking product represents a significant step towards sustainable, cost-effective farming practices. It also demonstrates our commitment to innovative, environmentally friendly solutions for the agricultural sector.

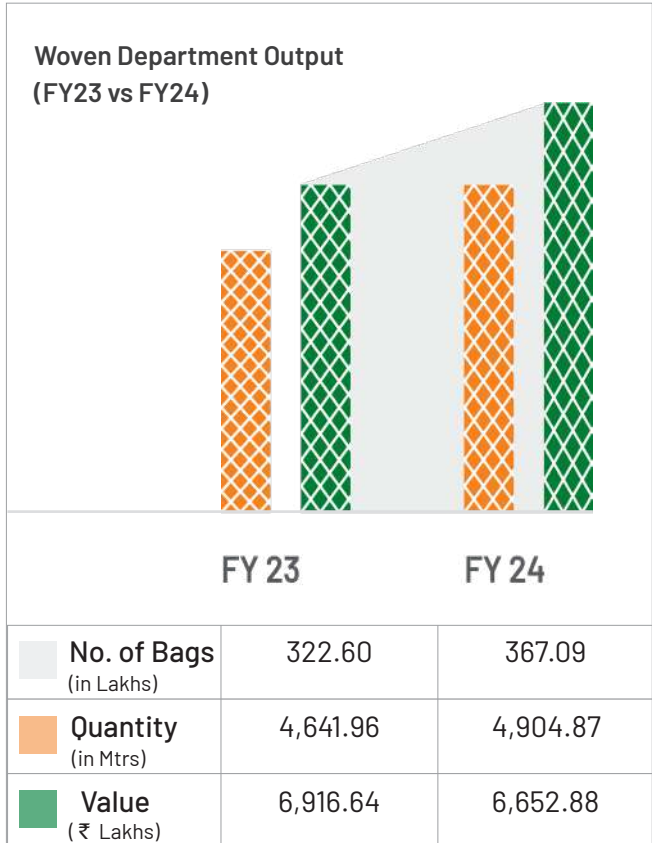


Red shade nets on display

## Woven Division

In FY24, the Woven Department reported a 12% increase in the number of bags manufactured.

The quantity of raw material consumed also went up by 4%, given the increase in manufacturing volume.





## Highlights FY24

### ► Operational Excellence

The division demonstrated exceptional operational efficiency during the fiscal year. By optimising processes and maximising asset utilisation without additional capital investment, the division achieved a remarkable 50% increase

in monthly bag production. This translated into a significant reduction in per-unit cost and enabled the division to venture into new product segments.



A Slitting Machine at Rishi Techtex's Vapi factory in Gujarat

➤ **Technological Advancement**

To enhance capabilities and competitiveness without incurring additional capital expenditure, Rishi Techtex strategically partnered with a printing specialist equipped with the latest BOPP printing technology.

This collaboration enabled us to offer superior quality printed bags at reduced costs.

By combining product premiumisation with this strategic outsourcing initiative, we consolidated our position as industry innovators and significantly improved our profit margins.

Overall, the Woven Division's performance in FY24 was exceptional, marked by significant growth, operational excellence and strategic investments.



View of the state-of-the-art BOPP Machine

**Spotlight - Woven Division**

The Woven Division achieved substantial growth in FY24 through a strategic focus on customer de-risking and market expansion. By diversifying its client portfolio to include several industry-leading companies, the division strengthened its market position.

This strategic approach not only mitigated risks associated with client concentration but also opened up new avenues for growth and profitability.





## Human Resources

# A Strategic Focus on Upskilling

Rishi Techtex has prioritised human capital development to optimise the utilisation of its modernised factory equipment.

The company focused on internal development rather than external hiring, fostering a skilled and committed workforce. Through targeted training and skill-enhancement programmes, employees have been empowered to adapt to the evolving technological landscape.

This approach has resulted in increased efficiency, improved productivity, and a more engaged workforce.

As the company continues to invest in advanced machinery, the focus on employee development will remain paramount to ensure seamless integration and optimal performance.



Rishi Techtex's team at work at the Vapi factory



Forward Strategy

# A Blueprint for Future Success

Rishi Techtex is positioned for sustained growth and profitability, building on the resilience and strong foundations established during the last three years. While the company has regained pre-pandemic operational stability, the focus is shifting to restoring pre-pandemic profit margins and accelerating growth.

➤ **Profitability**

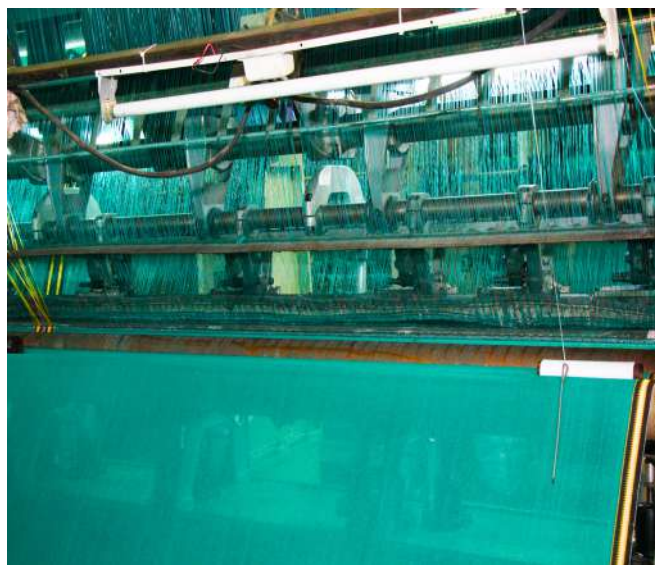
By optimising operations and capitalising on increased sales, the company aims to achieve a net profit margin of 4% in the near future, gradually moving towards its pre-pandemic target of 6%. The successful repayment of pandemic related loans is a significant milestone, providing financial flexibility for future investments and expansion.

➤ **Stability**

Rishi Techtex is committed to a strategy of continuous improvement, focusing on operational efficiency and cost management to drive sustainable profitability. With a prudent financial foundation and a clear growth trajectory, the company is well-positioned to capitalise on emerging opportunities and deliver long-term value to its stakeholders.

➤ **Growth**

Rishi Techtex is embarking on an ambitious growth strategy centred on operational efficiency and geographic expansion. The company is exploring a comprehensive restructuring of its manufacturing processes to optimise production and reduce costs. It is also exploring the possibility of acquiring land to set up a state-of-the-art manufacturing unit in any new state in Central India to accommodate future growth.



Shade net production on a raschel knitting machine



# Opportunities and Threats

## Launch of PM MITRA Scheme

Last year, the central government launched the PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme to boost growth in the textile and technical textile industries.

The scheme is inspired by the '5F' vision of Hon'ble Prime Minister, Shri Narendra Modi – Farm to Fibre to Factory to Fashion to Foreign.

It is in line with the vision of building an *Aatmanirbhar Bharat* and positioning India prominently on the global textiles map.

The programme envisages special zones equipped with all the facilities textile companies need to set up operations.

The government will spend ₹4,445 crore until 2028 to build these zones.

These special zones will have everything, from spinning and weaving to dyeing, printing and making clothes, all in one place. This approach will save companies time and money.

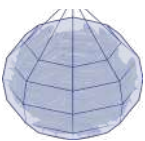
The central government and individual state governments will work with private companies to build and run these zones.

The government aims to attract ₹70,000 crore in investments and create 20 lakh new jobs through this programme.

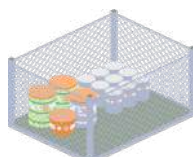
## Segment-Wise Growth Opportunities

### Agrotech

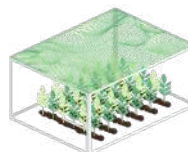
#### Applications



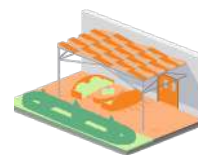
Fishing Nets



Anti-Bird Nets



Crop Covers

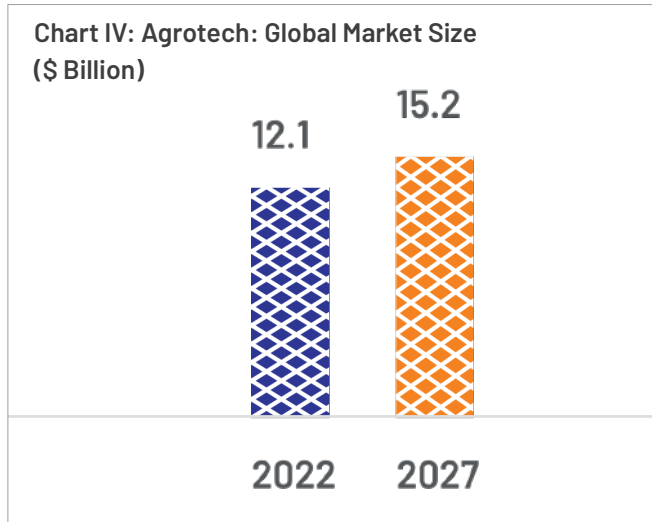


Shade Nets

**Potential**

Agrotech refers to specialised fabrics used in farming and gardening. They can be woven, non-woven or knitted. These materials have a variety of uses, including:

- Protecting crops and livestock by shielding them from harsh weather, insects and birds.
- Improving soil conditions by preventing drying, controlling nutrient levels, and aiding in post-harvest processes.
- Weed and insect control by creating barriers and deterrents.



The global market for agrotech is booming. (Refer Chart IV: Agrotech: Global Market Size). It is expected to be worth \$15.2 billion by 2027, driven by an increasing need for efficient

**Packtech**

**Applications**



Shopping Bags



Tea Bags



Treated Wrapping



Jute Hessian & Sacks

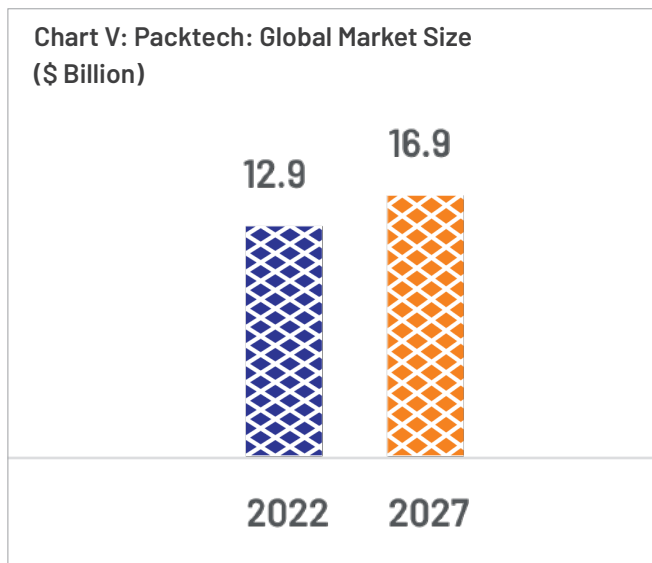
**Potential**

The global packtech sector is experiencing robust growth due to several factors (Refer Chart V: Packtech: Global Market Size).

The ease of manufacturing plastic packaging has led to lower production costs, making it easily accessible to consumers. Consequently, plastic packaging has become the dominant choice across various industries.

India has emerged as a global leader in this sector, accounting for a 40 - 45% market share.

The country's strong manufacturing capabilities have resulted in substantial exports.



# Buildtech

## Applications



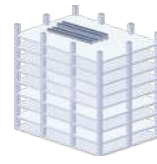
Awnings & Canopy



Canvas Tarpaulin



Hoarding



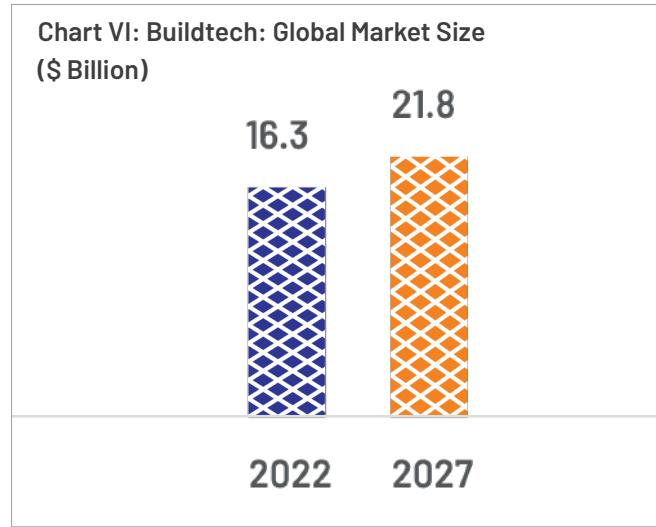
Scaffolding Nets

## Potential

The buildtech sector is poised for substantial growth driven by a surge in infrastructure spending (Refer Chart VI: Buildtech: Global Market Size).

This increased investment is fuelling demand for innovative construction materials and technologies. Products like architectural membranes and scaffolding nets are gaining popularity as awareness of their benefits spreads.

Additionally, the construction industry’s focus on worker safety is driving demand for protective clothing, contributing to the overall expansion of the buildtech market.



# Protech

## Applications



Fire Retardant Fabrics



Fire Retardant Jackets



Industrial Gloves

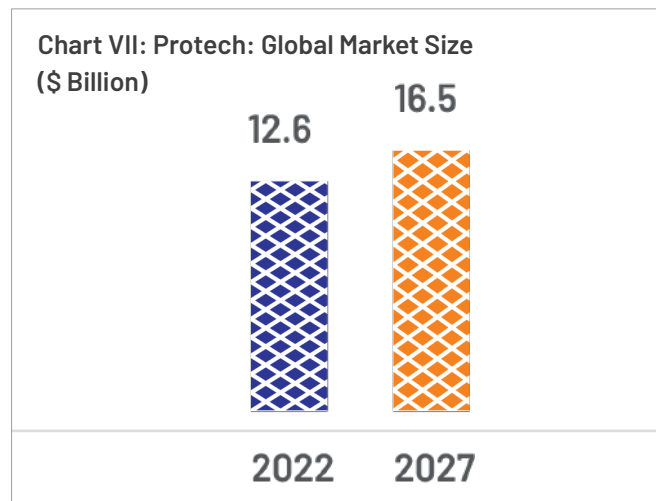


High Altitude Tents

## Potential

Protech fire retardant nets are specialized protective barriers designed to contain and mitigate the spread of fire.

Engineered with advanced flame-resistant materials, these nets offer critical protection for personnel and property in high-risk environments.



Applications for Protech fire retardant nets span across various industries, including:

- **Firefighting:** Creating safe zones, protecting equipment, and controlling fire spread.
- **Construction:** Enclosing hazardous areas, preventing fire propagation, and safeguarding workers.
- **Industrial:** Protecting critical infrastructure, isolating fire zones, and minimizing damage.
- **Defence:** Shielding military personnel and equipment, creating defensive perimeters.

Rishi Techtex is poised to capitalise on the growing technical textiles market. Our strategy centres on three key pillars:

- First, our unwavering commitment to R&D and quality, exemplified by our globally certified products, positions us strongly in both domestic and international markets.
- Second, strategic investments in cutting-edge technology will optimise our operations.
- Third, we will drive growth through innovation, developing high-margin, science-led, indigenous 'Made in India' products tailored to the evolving needs of different industry applications.

By executing this strategy, we aim to further strengthen our market position, expand our reach, and achieve sustained success in the technical textiles sector.

## Risks and Uncertainties

The organisation operates in a dynamic environment subject to various risks, including those arising out of external factors. These may encompass geopolitical events such as conflicts or terrorism, natural disasters, pandemics and man-made catastrophes. Additionally, fluctuations in currency exchange rates due to changes in domestic and international policies could impact the company's financial performance.

Furthermore, industry-specific challenges such as raw material availability, oil price volatility, and interest rate changes pose potential risks.

## Internal Controls

To mitigate these risks, the company has established a robust system of internal controls covering all financial and operational aspects of its business. The system is designed to align with the company's size, nature of operations, and regulatory requirements.

Regular internal audits are conducted to assess the effectiveness and adequacy of these controls. Corrective actions are promptly implemented based on audit findings to ensure continuous improvement.

## Cautionary Statement

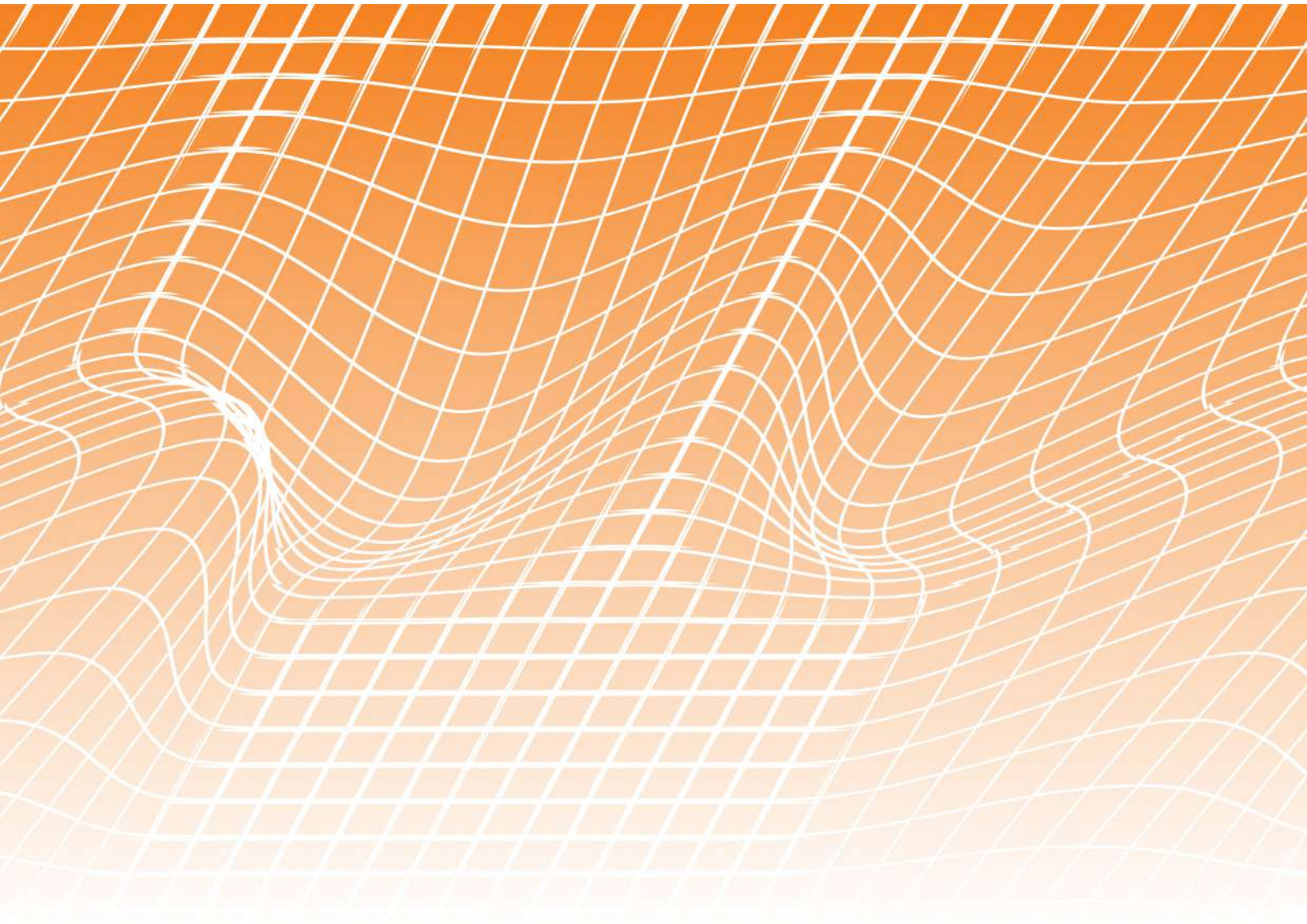
The Management Discussion and Analysis section includes forward-looking statements regarding the company's objectives, projections, estimates and expectations. These statements are subject to inherent uncertainties and risks.

Actual results may differ materially from those expressed or implied, due to various factors, including but not limited to economic conditions impacting demand, supply and pricing, changes in government regulations, tax laws, and other relevant external factors.



Automated woven bag production line





# **Reports & Financials**

## Directors' Report

To,  
The Members,  
Rishi Techtex Limited

Your Directors have pleasure in presenting their 40th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2024.

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

Particulars	2023-24	2022-23
Total Income	11196.16	10725.11
Profit before Tax	226.60	125.20
Provision for Tax	91.77	13.94
Profit after Tax	134.83	111.26
Total Comprehensive Income for the period	134.83	111.26

### DIVIDEND:

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

### RESERVES:

As on March 31, 2024, the reserves and surplus has increased to ₹2445.41 lakhs as compared to ₹ 2310.58 lakhs during the last year.

### COMPANY'S WORKING DURING THE YEAR:

The company earned total income of ₹ 11196.16 lakhs as compared to ₹ 10725.11 lakhs earned in the previous year showing increase of 4.39%.

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2024 and the date of this Report, other than those disclosed in this Report. There has been no change in the nature of business of your Company.

### CREDIT RATINGS:

Subsequent to the end of the financial year under review, the Company has received the following credit ratings from CRISIL vide letter dated 5th June, 2024.

Total Bank Loan Facilities Rated	₹ 34 Crore
Long-Term Rating	CRISIL BBB-/Stable
Short-Term Rating	CRISIL A3

### SIGNIFICANT AND MATERIAL ORDERS:

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

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

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

As mandated by the notification of Ministry of Corporate Affairs, dated 16th February 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015, your Company has implemented Indian Accounting Standards ("IND AS") to record financial transactions pursuant to Notification from financial year 2017-2018. During the year 2023-2024; the Company has continued to successfully implement the Ind AS.

### SUBSIDIARIES /JOINT VENTURES/ASSOCIATE COMPANIES:

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

**INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

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

**AUDIT OBSERVATIONS AND EXPLANATION BY THE BOARD:**

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

**REPORTING OF FRAUDS BY AUDITORS:**

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

**DEPOSITS:**

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

- a) accepted during the year : ₹ 45.00 Lakhs
- b) remained unpaid or unclaimed as at the end of the year : Nil
- c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved;
  - (i) at the beginning of the year - Nil
  - (ii) maximum during the year - Nil
  - (iii) at the end of the year - Nil

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

**AUDITORS:****STATUTORY AUDITOR:**

In the 39th Annual General Meeting; M/S. HRK & Co., Chartered Accountants, Vapi, Gujarat (FRN : 146985W) were appointed as the Statutory Auditors of the Company for a term of 5 financial years commencing from 2023-2024 to hold office till the conclusion of the 44th Annual General Meeting of the Company.

Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed there under, your Company has obtained a declaration from the Statutory Auditors that they meet with the requisite criteria as provided under the provisions of the Companies Act 2013 read with applicable Rules and Advisories, to continue as the Statutory Auditors of the Company for the financial year 2024-2025. The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

**AUDIT REPORT:**

As per the provisions of the Companies Act, 2013, the Auditors Report on Financial Statements for the year ended 31st March, 2024 as issued by the Statutory Auditor; M/S. HRK & Co., Chartered Accountants, forms part of this Annual Report.

**SHARE CAPITAL:**

The paid up Equity Share Capital as on March 31, 2024 was ₹ 739.10 Lakhs. There was no change in the Share Capital of the Company during the financial year under report.

As on March 31, 2024, following two directors are holding shares of the Company:

Mr. Abhishek Patel

Ms. Aakanksha Patel

**EXTRACT OF THE ANNUAL RETURN:**

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

<https://www.rishitechtext.com/Admin/FinancialFile/Annual%20Return%202023%202024.pdf>

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

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

**BOARD OF DIRECTORS:**

Details of Board of Directors:

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

As on the date of Balance sheet; there is no Nominee Director on the Board of the Company. No Director of the Company is either member of more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director and necessary disclosures to this effect have been received by the Company from all the Directors. There is no change in composition of Board of Directors in the FY 2023-2024.

**Appointment/Reappointment**

The Board on the recommendation of NRC and in accordance with provisions of the Act and SEBI Listing Regulations has re-appointed Mr. Kunal Rastogi (DIN: 01570584) as a Non-Executive Independent Director on the Board for a second term of 5 years, w.e.f. August 09, 2024 subject to approval of Members at this AGM.

The Board on the recommendation of NRC and in accordance with provisions of the Act and SEBI Listing Regulations, has appointed Mr. Pranab Chatterjee (DIN: 10739170) as an Additional Director, Non-Executive with effect from August 12, 2024 proposed to be appointed by approval of members as a Non-Executive Independent Director for a term of five years effective from September 20, 2024 till September 19, 2029.

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

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards (SS)-2 on General Meetings are given in the Notice of AGM, forming part of the Annual Report.

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

During the year, in all Four Board Meetings were held i.e. on 29th May, 2023, 14th August, 2023, 8th November, 2023 and 7th February, 2024. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

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

**Declaration by Independent Director(s):**

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

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

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

**Formal Annual Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Board has carried out the evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance

evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

#### **Code of Conduct:**

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

All Board members and senior management personnel have affirmed compliance with the Code for the year ended on March 31, 2024. Declaration to this effect signed by the Managing Director of the Company for the year ended on March 31, 2024 has been included elsewhere in this report.

#### **Familiarization Programme for Independent Directors:**

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

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

#### **KEY MANAGERIAL PERSONNELS (KMPs):**

As on March, 31, 2024, Mr. Abhishek Patel, Managing Director, Mr. Jagdish Dokwal, Chief Financial Officer and Ms. Gauri Gangal, Company Secretary are the Key Managerial Personnel of your Company. During the financial year under review, there were no changes in the Key Managerial Personnel (KMP) of the Company.

#### **COMMITTEES OF THE BOARD:**

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

#### **The Board currently has the following Committees:**

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

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

- 2. Nomination & Remuneration Committee:**

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

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

- 3. Shareholders/Investors Grievance Committee:**

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

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

- 4. Finance Committee:**

The Company has a Finance Committee comprising of three Directors viz. Mr. Abhishek Patel, Ms. Aakanksha Patel, and Mr. Kunal Rastogi for looking after the matters pertaining to expansion and finance of the Company. Finance Committee met on 17th January, 2024 during the financial year 2023-24.

**Independent Directors' Meeting:**

During the year under review, the Independent Directors met on 30th January, 2024 inter alia to discuss the evaluation of the performance of all independent directors and the Board of directors as whole. It also evaluates the timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively.

**RISK MANAGEMENT POLICY:**

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

**VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

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

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

The Company has constituted Internal Complaint Committee (ICC) for all locations to the extent applicable, pursuant to the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 to consider and resolve all sexual harassment complaints reported by women. The Company has taken adequate care and caution in line with the requirements of the Act. During the year 2023-2024, the Company has not received any sexual harassment complaint.

**LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

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

**RELATED PARTY TRANSACTIONS:**

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

As per the SEBI Listing Regulations, if any Related Party Transactions ('RPT') exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statement whichever is lower, would be considered as material and would require Members approval. In this regard, during the year under review, the Company has taken necessary Members approval and has entered into material transaction with related party. All related party transactions entered during the year were in the ordinary course of the business and at an arm's length basis. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company for FY 2023-24.

The details of RPTs during FY 2023-24, including transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements. Members may refer to Notes to Accounts (Note No. 35) forming part of the financial statements for transactions with related parties.

**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 'B'**.

**SECRETARIAL AUDIT REPORT:**

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

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2023-24 which call for any explanation from the Board of Directors.

M/s Sudhanwa S. Kalamkar & Associates, Company Secretaries have been re-appointed to conduct the secretarial audit of the Company for the financial year 2024-25. They have confirmed that they are eligible for the said appointment.

**COMPLIANCE WITH SECRETARIAL STANDARDS:**

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

**CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR):**

The provisions of section 135 of the Companies Act, 2013 related to constitution of Corporate Social Responsibility (CSR) Committee and mandate to spend amount as prescribed by statute is not applicable to Company for the financial year 2023-2024 as the Company does not fulfill any criteria set by the provisions of section 135(1) of the Act.

**STATEMENT OF SALIENT FEATURES OF FINANCIAL STATEMENT:**

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

**MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**LISTING:**

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

**CORPORATE GOVERNANCE REPORT:**

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

**HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:**

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

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

The total number of persons employed in your Company as on March 31, 2024 were 190.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

**ACKNOWLEDGEMENTS:**

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

By Order of the Board

**Abhishek Patel**  
Managing Director  
DIN: 05183410

**Sheela Ayyar**  
Director  
DIN: 06656579

Place: Mumbai  
Date: 12.08.2024



**Annexure A**

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

**A. CONSERVATION OF ENERGY**

The Company has initiated various steps for conservation of energy. The Company has replaced old motors and connections to prevent power leakage. Additionally, for heat dissemination, better insulators were installed and recycling units were refurbished.

Old computer systems and machinery were replaced for energy efficient operations. By preventing heat loss the company saved on energy.

**B. TECHNOLOGY ABSORPTION**

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

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

The Company 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 ₹ 1292.47 lakhs. No Expenditure in foreign currency was incurred on account of Travelling and Expenditure on account of spares and components is ₹ 4.27 Lakhs. There is no import of Capital Goods is during the FY 2023-2024.

**Annexure B**

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	26.07:1

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

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

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

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

The increment in the median remuneration of the employees is around 3.19%.

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

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

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

The average percentile increase in the salaries of employees other than Managerial Personnel is 4.16%.

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

Yes

## Annexure C

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024**

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

To,  
The Members,  
Rishi Techtex Limited, Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Authorized Representatives, and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under, as applicable.
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. **[not applicable to the Company during the audit period];**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **[not applicable to the Company during the audit period];**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulation. 2021 **[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, 2021 **[Not applicable to the Company during the audit period];** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not applicable to the Company during the audit period].**

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

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

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

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

- (b) The Air (Prevention & Control of Pollution) Act, 1981
- (c) Environment (Protection) Act 1986 and the Plastics Waste Management Rules, 2016

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

I further report that:

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

I further report that:

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

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

**Sudhanwa S Kalamkar**  
ACS: 18795 CoP: 7692  
ICSI Peer Review Certificate No: 2478/2022  
UDIN issued by the ICSI: A018795F000404928

Place: Mumbai  
Date: 28-05-2024

**'Annexure A to Secretarial Audit Report 23-24**

To,  
The Members,  
Rishi Techtex Limited, Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Sudhanwa S Kalamkar**  
ACS: 18795 CoP: 7692  
ICSI Peer Review Certificate No: 2478/2022  
UDIN issued by the ICSI: A018795F000404928

Place: Mumbai  
Date: 28-05-2024

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

**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, 2024.

By Order of the Board

**Abhishek Patel**  
Managing Director

Place: Mumbai  
Date: 28.05.2024

## CORPORATE GOVERNANCE REPORT

### STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

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

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

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

### CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which has been posted on the website of the Company [www.rishitechtext.com](http://www.rishitechtext.com). All Board members and senior management personnel have affirmed compliance with the code for the year ended March 31, 2024. Declaration to this effect signed by the Managing Director of the Company for the year ended March 31, 2024 has been included elsewhere in this report.

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

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

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

### BOARD OF DIRECTORS (as on 31.03.2024):

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

As required under Regulation 17A & 26(1) of SEBI Listing Regulations and as confirmed by directors, none of the Directors on the Board of Company was a Director (including holding any alternate directorships) in more than 10 public limited companies (as specified in Section 165 of the Act) and Director in more than 7 equity listed entities or acted as an Independent Director in more than 7 equity listed entities. Further, as on March 31, 2024, none of the Directors on the Board was a Member of more than 10 Committees across all the Indian public limited companies in which he/she was a Director. As on the date of Balance sheet; there is no Nominee Director on the Board of the Company.

A certificate from M/s. Sudhanwa S. Kalamkar & Associates, Company Secretary in practice stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

The Board meets at least once in a quarter to consider the performance of businesses, quarterly performance of the Company and Financial Results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. The maximum time gap between any 2 (two) Meetings of the Board is not more than 120 (One Hundred and Twenty) days. The agenda of the Board is circulated in advance and contains all the relevant information. The Board periodically reviews compliance reports of all laws applicable to the Company. During the Financial Year 2023-2024, in all Four Board Meetings were held i.e. on 29th May, 2023, 14th August, 2023, 8th November, 2023 and 7th February, 2024. The Board had accepted all the recommendations of the Committees of the Board of Directors during the Financial Year 2023-24.

The necessary quorum was present for all the meetings. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2024 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name	Category	Number of Board Meetings Attended during FY 2023-2024	Whether attended last AGM held on 15th September, 2023	Number of Directorships in Other Public Companies		Number of Committee Positions held in Other Public Companies		Directorship in Other Listed Entities. (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Abhishek Patel	Promoter/ Executive Director	4	Yes	-	-	-	-	-
Ms. Aakanksha Patel	Non Executive/ Non Independent Director	4	Yes	-	-	-	-	-
Mrs. Sheela Ayyar	Non Executive/ Independent Director	4	yes	-	1	-	1	Rishi Laser Limited (Non-Executive/ Independent Director)
Mr. Kunal Rastogi	Non Executive/ Independent Director	4	Yes	-	-	-	-	-

Details of equity shares of the Company held by the Directors as on March 31, 2024 are given below:

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

During the year under review, all committee recommendations placed before the Board of Directors were accepted.

#### INDEPENDENT DIRECTORS

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

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

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

#### Meeting of Independent Directors:

During the year under review, the independent directors met on January 30, 2024, inter alia, to discuss, review and assess:

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

All the Independent Directors were present at the above meeting.

Familiarization Program for Independent Directors:

The Company conducts familiarization programs for Independent Directors to enable them to understand their roles, rights and responsibilities. The Independent Directors when they are appointed are given a detailed orientation on the Company, industry, strategy, policies and Code of Conduct, regulatory matters, business, financial matters, human resource matters of the Company. Presentations are also made at the Board and committee meetings which facilitates them to clearly understand the business of the Company and the environment in which the Company



Company and the environment in which the Company operates. Operational updates are provided for them to have a good understanding of Company's operations, businesses and the industry as a whole. They are periodically updated on material changes in regulatory framework and its impact on the Company. The Company's Policy of conducting familiarisation program has been disclosed at the website of the Company at [www.rishitechtext.com](http://www.rishitechtext.com)

### BOARD TRAINING AND INDUCTION

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

### Skills Matrix for the Board of Directors:

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

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

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

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

### COMMITTEES:

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

The Board currently has the following Committees:

#### Audit Committee

In terms of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act, the Audit Committee of the Board of Directors, as on March 31, 2024 comprising of three Directors out of which two-third are independent directors. Mrs. Sheela Ayyar, having sound financial background and financial expertise is a Chairman of the Committee with the other members being Mr. Abhishek Patel and Mr. Kunal Rastogi.

The main functions of the Audit Committee were:

- (A) Reviewing Financial Statements before submission to the Board.
- (B) Reviewing internal control system and recommending improvement.
- (C) Recommending appointment of Statutory Auditors and fixing Audit fees.
- (D) Discussing with statutory Auditors the scope of Audit, conducting post audit discussions to ascertain area of concern.
- (E) Reviewing the functioning of Vigil Mechanism under the Whistle-Blower Policy of the Company.
- (F) Reviewing policies in relation to the implementation of the Prevention of Insider Trading Code to note the dealing by Designated Persons in securities of the Company and to provide directions on any penal action to be initiated, in case of any violation of the said code.

While reviewing the financial statements the committee focused on:

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

During the Financial Year 2023-2024, in all Four Audit Meetings were held i.e. on 29th May 2023, 14th August 2023, 8th November 2023 and 7th February, 2024 and the gap between any 2 (two) consecutive Meetings did not exceed 120 (One Hundred and Twenty) days. The necessary quorum was present for all the Meetings.

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

M/S. HRK & Co., Chartered Accountants, Vapi, Gujarat (FRN : 146985W) , the Statutory Auditors of the Company appointed by the shareholders at its 39th AGM held on 15th September, 2023 for a term of 5 financial years is responsible for performing Independent Audit of the Financial Statements and expressing an opinion on the conformity of those Financial Statements with the Accounting Principles generally accepted in India.

The Audit committee annually reviews the confirmation of Independence made by the Auditors and on a quarterly basis. Also approves of the fees paid to the Auditors by the Company.

#### **Nomination & Remuneration Committee:**

In terms of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act, the Nomination and Remuneration Committee, as on March 31, 2024, comprised of 3 (Three) Directors. The Nomination & Remuneration committee consists of three Directors, Mrs. Sheela Ayyar, Ms. Aakanksha Patel and Mr. Kunal Rastogi. Mr. Kunal Rastogi is chairman of the Committee.

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**

- 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.
- 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.
- 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**

- 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.
- Independent Director: An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

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

##### **3. Evaluation**

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

#### 4. Removal

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

#### 5. Retirement

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

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

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

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

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

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

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

Period: Three years from 01.04.2023

Salary : INR 5,00,000/-

HRA : INR 3,00,000/-

Others : INR 4,00,000/-

Besides the above the Managing Director is entitled to perquisites such as PF, Gratuity and LTA. Actual remuneration received by the Managing Director for the year 2023-2024:

Mr. Abhishek Patel - INR 118.79 Lakhs

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

During the financial year 2023-2024, the committee met on 30th January, 2024 and the meeting was attended by all the Members.

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

#### Shareholders/Investors Grievance Committee:

In terms of Regulation 20 of the Listing Regulations and Section 178 of the Act, the Stakeholders' Relationship Committee, as on March 31, 2024 consists of three Directors, Mr. Abhishek Patel, Mr. Kunal Rastogi and Ms. Aakanksha Patel. Mr. Kunal Rastogi is the chairman of the Committee.

The Committee has been constituted to look into Redressal of Shareholders Complaints and correspondence with SEBI and the Stock Exchange. The Committee also takes on record the requests received for transfer, transmission, dematerialization, rematerialization, issue of duplicate share certificates etc. requests received from shareholders and hold its Meetings at such duration as may be required. There are no complaints pending with the Company. During the financial year 2023-2024, the committee met two times, on 7th August, 2023 and 30th January, 2024.

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

#### Name, designation and address of Compliance Officer:

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

Details of investor complaints received and redressed during FY 2023-2024 are as follows:

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

#### Finance Committee:

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

During the year, Finance Committee Meeting was held on 17th January, 2024 and meeting was attended by Mr. Abhishek Patel, Mr. Kunal Rastogi and Ms. Aakanksha Patel.

#### GENERAL MEETINGS

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

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

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

39th AGM- Friday, 15.09.2023 at 11.00 a.m. through Video Conferencing

- Special Resolutions:

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

Particulars	Date of Meeting	Whether Special Resolution passed	Details of the Special Resolution
37th AGM	September 20, 2021	No	-
38th AGM	September 26, 2022	Yes	Re-appointment and Remuneration of Mr. Abhishek Harshad Patel (DIN: 05183410) as Managing Director of the Company for the term commencing from 1st April, 2023
39th AGM	September 15, 2023	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.
- Subsidiary companies  
The Company Does not have any Subsidiary company

### DISCLOSURES

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

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

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with the SEBI Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31.03.2024.

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

### MEANS OF COMMUNICATION

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

- Financial Calendar
- Financial Year:  
The financial year of the Company is from April 1 to March 31, each year.
- Publication of Unaudited/Audited Results

Quarter/Year Ending	Reporting date	Type of Result
June 30, 2023	Within 45 days from the end of quarter	Unaudited
September 30, 2023	Within 45 days from the end of quarter	Unaudited
December 31, 2023	Within 45 days from the end of quarter	Unaudited
March 31, 2024	Within 60 days from the end of quarter	Audited

### BOOK CLOSURE DATE

14.09.2024 to 20.09.2024 (both days inclusive)

### STOCK MARKET DETAILS

- Listing on Stock Exchange:  
The shares of the Company are listed on the Mumbai Stock Exchange.
- Stock Code:  
Physical Segment :523021  
CDSL/NSDL ISIN NO INE989D01010
- Stock Market Data for the year 2023-2024  
The High and Low of share price of the Company during each month in the last financial year at the Stock Exchange, Mumbai and performance in comparison to BSE Sensex.

**BSE SENSEX**

Month	High	Low	Total Number of Equity Shares Traded
April 23	20.82	18.85	43532
May 23	26.8	21	28585
June 23	30	22.31	71990
July 23	32.59	25	203484
August 23	30.32	24.65	127036
September 23	37	23.75	952255
October 23	36.5	28.01	320048
November 23	51.19	29.62	766440
December 23	44.9	37.26	134361
January 24	41.98	34.32	157549
February 24	44.98	39.6	242440
March 24	54.9	41	345673

Outstanding GDRs/ADRs/Warrants:

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

- Communication Details :
- Compliance Officer of the Company:

Name: Ms Gauri Gangal, Company Secretary is the Compliance officer of the Company.

Address: Rishi Techtex Ltd., 612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (W), Mumbai 400011.

Tel No.: 022-23075677/23074585

Email: investors@rishitechtext.com

- Registrar and Transfer Agents (for Physical as well as for Electronic Transfers):  
Name: Adroit Corporate Services Private Limited,  
Address: 17/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,  
Marol Naka, Mumbai 400059  
Phone No.: 022-42270400/ 42270422/ 42270423 Fax No. 022-28503748  
Email id: sandeeps@adroitcorporate.com

- SHARE TRANSFER SYSTEM:

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

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

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

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

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

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

As on 31st March, 2024, 7111071 equity shares representing 96.21% of the total paid-up Capital of the Company are held in dematerialised form.

**CERTIFICATES FROM PRACTISING COMPANY SECRETARIES**

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

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

**CEO AND CFO CERTIFICATION**

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

**ANNUAL CERTIFICATE ON SECURITY TRANSFER**

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

**RECONCILIATION OF SHARE CAPITAL AUDIT**

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

**RELATED PARTY TRANSACTIONS**

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

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

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

During FY 2023-24, the Company did not have any material pecuniary relationship or transactions with Non-Executive Director apart from paying Director's remuneration.

**VIGIL MECHANISM**

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

The Whistle Blower Policy for Directors and Employees is available on the Company's website at [www.rishitechtext.com](http://www.rishitechtext.com)

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

The Company is committed to creating and maintaining an environment in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Company. To redress complaints of sexual harassment, an Internal Complaints Committee (ICC) of Rishi Techtex Limited has been formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. During the Year 2023-2024, the Company has not received any sexual harassment complaint.

**NOMINATION FACILITY**

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

**SHARES HELD IN ELECTRONIC FORM**

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

#### SHARES HELD IN PHYSICAL FORM

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

#### SHAREHOLDING PATTERN AS ON 31ST MARCH 2024:

Category	No. of Shares held	% to Paid up Capital
Promoters	2545923	34.45
Banks/Financial Institutions	-	-
Bodies Corporate	611431	8.27
Non Resident Indians	125780	1.70
Public	4107866	55.58
<b>Total</b>	<b>7391000</b>	<b>100.00</b>

#### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2024:

No. of Shares	No. of Shareholders	% to Total	No. of Shares	% to Total
Up to 5000	3566	84.99	441715	5.98
5001-10000	264	6.29	211518	2.86
10001-20000	154	3.67	238550	3.23
20001-30000	45	1.07	113125	1.53
30001-40000	24	0.57	82371	1.11
40001-50000	42	1.00	195055	2.64
50001-100000	47	1.12	344090	4.66
Above 100000	54	1.29	5764576	77.99
<b>Total</b>	<b>4196</b>	<b>100</b>	<b>7391000</b>	<b>100</b>

#### PLANT LOCATION

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

#### ADDRESS FOR CORRESPONDENCE

The Compliance Officer,  
Rishi Techtex Limited,  
(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



**CHIEF FINANCIAL OFFICER CERTIFICATION**

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

We have reviewed the attached financial statements and the cash flow statement of Rishi Techtex Limited for the financial year ended 31st March, 2024 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2024 which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditor's and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditor's and the Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the financial year ended 31st March, 2024.
- (ii) significant changes, if any, in accounting policies made during the financial year ended 31st March, 2024 and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Rishi Techtex Limited**

**Jagdish Dokwal**  
Chief Financial Officer

Place: Mumbai  
Date: 28.05.2024

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Rishi Techtex Limited.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rishi Techtex Limited** having CIN L28129MH1984PLC032008 and having registered office at 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (West), Mumbai 400011 (hereinafter referred to as 'the Company') produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary, and explanations furnished to me by the Company and its' Officers, I hereby certify that, none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2024**, have been de-barred or disqualified from being appointed or continuing as Director of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Abhishek Patel	05183410	01-11-2012
2	Ms. Aakanksha Patel	08314319	08-08-2022
3	Ms. Sheela Ayyar	06656579	27-07-2015
4	Mr. Kunal Rastogi	01570584	09-08-2019

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

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

**Sudhanwa S Kalamkar**

ACS: 18795 CoP: 7692

UDIN issued by the ICSI: A018795F000404972

ICSI Peer Review Certificate No: 2478/2022

Place: Mumbai  
Date: 28-05-2024

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Rishi Techtex Limited.

I have examined the compliance of the conditions of Corporate Governance by **Rishi Techtex Limited** (the Company) for the year ended on **March 31, 2024**, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on **March 31, 2024**.

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

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

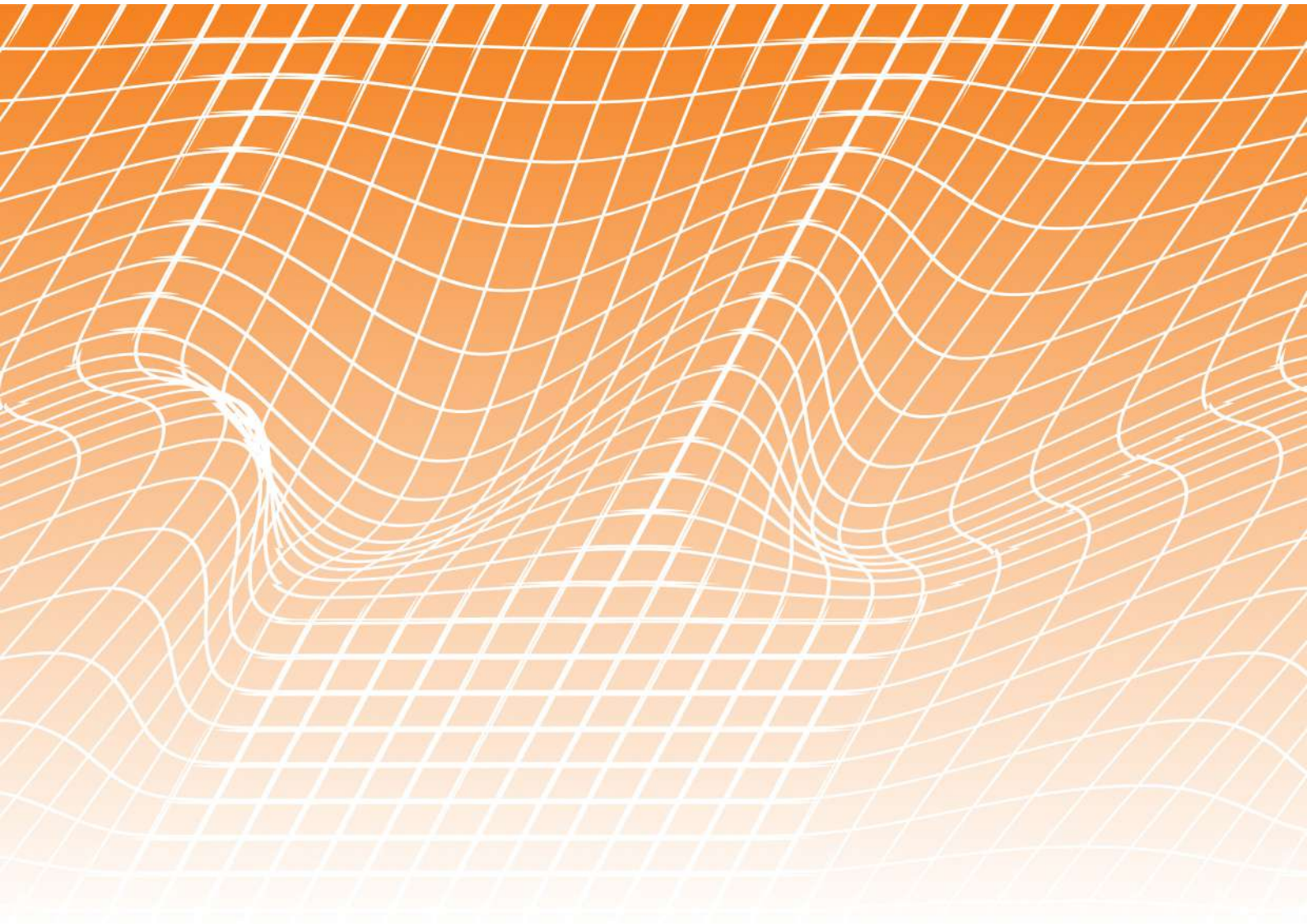
**Sudhanwa S Kalamkar**

ACS: 18795 CoP: 7692

UDIN issued by the ICSI: A018795F000404972

ICSI Peer Review Certificate No: 2478/2022

Place: Mumbai  
Date: 28-05-2024



# **Standalone Financial Statements**

## Independent Auditor's Report

TO THE MEMBERS OF RISHI TECHTEX LIMITED

### Report on the Standalone Financial Statements

#### Opinion

- We have audited the accompanying standalone financial statements of **Rishi Techtex Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, 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.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2024 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

- We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) 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

- 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.

Sr. No.	Key Matters	How our Audit Addressed these Matters
1.	<p><b>Uncertain Indirect unsettled and disputed tax provision (as described in note 34 of the financial statements)</b></p> <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 have obtained all the details of litigation upto 31st March, 2024. There is no change in the status of the case.</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 2023-24 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>

- |   |   |   |
|---|---|---|
| 2 | <b>Accounting for Expected Credit Loss on trade receivables</b>   | <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> |
|   | <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> |   |

#### Information other than the standalone financial statements and auditors report thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations. We have nothing to report in this regard.

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

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

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

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

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

6. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  10. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of section 143(11) of the Act ("the Order"), we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) 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. 39. This amount has been shown as contingent liabilities in Accounts.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024.
- iv. The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For HRK & Co**

Chartered Accountants  
Firm Registration No: 146985W

**CA Ankit Raythatha**

Partner  
Membership No.187750  
UDIN:24187750BJZZBD5496

Place: Mumbai

Date: 28th May, 2024



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

We report that -

- i. In respect of its Property, Plant & Equipment and Intangible Assets:
  - a. (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment and Intangible Assets.
  - (B) The Company has maintained proper records showing full particulars of its Intangible Assets.
  - b. As explained to us, the Property, Plant & Equipment have been physically verified by the management in accordance with planned programme of Verification of Property, Plant & Equipment's, once in three years, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the company, for the title deed of Immovable properties comprising of land taken on lease & building constructed thereon disclosed as Property, Plant & Equipment in the financial statement, we state that the lease agreement in respect of said immovable properties are executed in the name of the company and the Cost of Construction of the Building were incurred by the Company and are accounted in its Books of Accounts.
  - d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or its Intangible Assets.
  - e. There are no proceedings been initiated, or are pending, against the Company for holding any Benami Property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.
- ii. In respect of its Inventories:
  - a. The Inventories were physically verified during the year by the Management at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. It has been stated to us that no material discrepancies, to the extent of 10% or more, were noticed on such physical verification done by the Management.
  - b. The Company sanctioned Working Capital Limits from any Banks or Financial Institutions, which were secured against the Book Debt, or Inventories of the Company. Hence, the Company has submitted Monthly Returns to bank refer point no 30(I) for details related to this clause.
- iii. The Company has neither granted any Loans(Secured or Unsecured)to, nor have made investments in, Companies, Firms, Limited Liability Partnerships or other Parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, Clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- vi. According to information and explanation given us, the Central Government has not prescribed the maintenance of cost records u/s 148(1) of the Companies Act, 2013, for the activities carried out by the Company.
- vii. a. According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Profession Tax, Cess etc or any other material Statutory Dues applicable to it and there is no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2024, for a period of more than six months from the date they became payable.

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

- b. According to the information and explanations given to me, there are no dues as referred to in sub-clause (a) above, which have not been deposited on account of any dispute with the authorities.
- viii. In our opinion and according to the information and explanations given to us, the Company has not Surrendered or Disclosed any Transaction, previously Unrecorded in the Books of Account, in the tax assessments (held during the year) under the Income Tax Act, 1961, as its Income. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of Loans or Other Borrowing or in the Payment of Interest thereon to any Lender
- (b) The Company has not been declared Wilful Defaulter by any Bank or Financial Institution or Government or any Government Authority.
- (c) The Term Loans were Applied for the Purpose for which the Loans were Obtained.
- (d) On an overall Examination of the Financial Statements of the Company, no Funds raised on Short-Term basis have been used for Long-Term purposes by the Company.
- (e) The Company does not have any Subsidiary, Associates or Joint Venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any Subsidiary, Associates or Joint Venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) 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 Partially or Optionally Convertible debentures during the year under report and hence paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on the Audit Procedures performed for the Purpose of Reporting the True and Fair view of the Financial Statements and according to the Information and Explanations given to us, No fraud by the Company or No material fraud on the Company has been Noticed or Reported during the year.
- (b) According to the Information and Explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have made enquiries for the details of Whistle Blower complaints, if any, received by the Company during the year, while determining our nature, timing and extent of Audit Procedures. We have found that there were no Whistle Blower complaints received by the Company during the year.
- 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)(a), (b) & (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv. The Company does not have any Independent Internal Audit System employed by it, during the year covered under this Report. Therefore, we are unable to Report on paragraph 3(xiv)(a) & (b) of the Order for the period covered under this Report.
- We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In my opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. Further, the company does not have any Investments in Subsidiary Company or any Associate Company. Hence, the provisions of Section 192 of the Companies Act, 2013 are not applicable. Therefore, reporting on paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the Regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Company is not having any Investments in Subsidiary or Associate. Also, the Company is neither a Subsidiary Company or an Associate Company to any other Company or Entity. Hence, the Company is not Part of any Group for the Purpose of Core Investment Company as defined in the Regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any Cash Loss in the Current Year and in the Immediately Preceding Financial Year.
- xviii. There has been Resignation of the Statutory Auditors during the year due to statutory rotation requirement of Auditors.

- xix. On the basis of the Financial Ratios disclosed in Note No. 30(G) to the Financial Statements, Ageing and Expected dates of Realization of Financial Assets and payment of Financial Liabilities, Other Information accompanying the Financial Statements, our Knowledge of the Board of Directors and Management plans and based on our Examination of the Evidence supporting the Assumptions, nothing has come to our attention, which causes us to believe that any Material Uncertainty exists as on the Date of the Audit Report that Company is not capable of meeting its Liabilities existing at the date of Balance Sheet as and when they fall due, within a Period of One Year from the Balance Sheet date. We, however, state that this is not an Assurance as to the Future Viability of the Company. We further state that our reporting is based on the Facts up to the Date of the Audit Report and we neither give any Guarantee nor any Assurance that all Liabilities falling due within a Period of One year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company does not fall within the Class of Companies to which the Provisions of Section 135 of Act is Applicable, during the Financial Year to which this Report is being issued. Therefore, reporting on paragraph 3(xx)(a) & (b) of the Order is not applicable to the Company.
- xxi. There have been no qualifications or adverse remarks by the auditors in the Companies (Auditor's Report) Order (CARO) report of the companies included in the consolidated financial statements.

**For HRK & Co**

Chartered Accountants  
Firm Registration No: 146985W

**CA Ankit Raythatha**

Partner  
Membership No.187750  
UDIN: 24187750BJZZBD5496

Place: Mumbai  
Date: 28th May, 2024

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Rishi Techtext Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

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

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, 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 HRK & Co

Chartered Accountants  
Firm Registration No: 146985W

#### CA Ankit Raythatha

Partner  
Membership No.187750  
UDIN:24187750BJZZBD5496

Place: Mumbai  
Date: 28th May, 2024

## Standalone Balance Sheet as at 31st March 2024

(₹ In Lakhs)

Particulars	Note no.	As at 31 March 2024	As at 31 March 2023
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3.1	2337.15	2522.54
(b) Intangible assets	3.2	-	-
(c) Capital Work In Progress	3.3	-	-
(d) Non-current investments	4	17.07	18.47
(e) Other financial assets	5	78.15	77.49
(f) Other non-current assets	6	-	-
<b>Total Non Current Assets</b>		<b>2432.37</b>	<b>2618.50</b>
<b>(2) Current assets</b>			
(a) Inventories	7	2622.59	2688.80
(b) Financial assets			
(i) Trade receivables	8	1604.13	1402.17
(ii) Cash and cash equivalents	9	8.47	9.44
(iii) Others Bank Balance	10	131.46	121.57
(iv) Others Financial Assets	11	0.03	2.51
(c) Other current assets	12	424.97	419.41
<b>Total Current Assets</b>		<b>4791.65</b>	<b>4643.90</b>
<b>TOTAL ASSETS</b>		<b>7224.02</b>	<b>7262.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
a) Equity Share capital	13	739.10	739.10
b) Other equity	14	2445.41	2310.58
<b>Total Equity (a+b)</b>		<b>3184.51</b>	<b>3049.68</b>
<b>LIABILITIES</b>			
<b>(2) Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	15	257.76	435.31
ii) Other financial liabilities	16	0.00	47.83
b) Deferred Tax Liability (net)	17	215.01	219.50
c) Non-Current Liability - Provisions	18	126.87	144.76
<b>Total Non Current Liabilities</b>		<b>599.64</b>	<b>847.40</b>
<b>(3) Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	2255.89	2139.20
ii) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises	20	627.93	563.63
b) Total outstanding dues of creditors others than micro enterprises and small enterprises	20	315.07	423.91
b) Other current liabilities	21	72.00	73.43
c) Provisions	22	156.15	159.26
d) Current Tax liabilities (net)	23	12.83	5.89
<b>Total Current Liabilities</b>		<b>3439.87</b>	<b>3365.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,224.02</b>	<b>7,262.40</b>
Material accounting policies and estimates	2	0.00	0.00

The accompanying note are an integral part of the financial statement.

As per our report of even date attached

For **HRK & Co**

Chartered Accountants

Firm's Registration Number - 146985W

**CA Ankit Raythatha**

Partner

Place: Vapi

Membership No. 187750

UDIN: 24187750BJZBD5496

Mumbai

28th May, 2024

For and on behalf of the Board of Directors

**Abhishek Patel**

Managing Director

DIN 05183410

**Gauri Gangal**

Company Secretary

M. No: 52130

Mumbai

28th May, 2024

**Sheela Ayyar**

Director

DIN 06656579

**Jagdish Dokwal**

Chief Financial Officer

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**Standalone Statement of Profit and Loss for the year ended 31st March 2024**

(₹ In Lakhs)

Particulars	Note no.	Year ended 31 March 2024	Year ended 31 March 2023
<b>INCOME</b>			
<b>I</b> Revenue from operations	24	11173.57	10683.66
<b>II</b> Other income	25	22.59	41.45
<b>III Total Income (I+II)</b>		<b>11196.16</b>	<b>10725.11</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	26	8127.22	8270.81
Changes in inventories of finished goods, by-product and work in progress	27	96.06	(175.36)
Employee benefits expense	28	1027.35	1015.68
Finance cost	29	263.14	267.35
Depreciation and amortization expense	3	271.56	243.31
Other expenses	30	1184.23	978.12
<b>Total expenses (IV)</b>		<b>10969.56</b>	<b>10599.91</b>
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>226.60</b>	<b>125.20</b>
<b>VI Tax expense</b>			
Current tax		70.53	20.89
Deferred tax		-4.49	-6.95
Income tax relating to earlier years		25.73	0.00
<b>Total</b>		<b>91.77</b>	<b>13.94</b>
<b>VII Profit for the year</b>		<b>134.83</b>	<b>111.26</b>
<b>VIII Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss		-	-
Remeasurement of the net defined benefit liability/asset		-	-
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>
<b>IX Total comprehensive income for the year</b>		<b>134.83</b>	<b>111.26</b>
<b>X Earnings per equity share (Nominal value per share ₹ /-)</b>			
a) Basic (₹)		1.82	1.51
b) Diluted (₹)		1.82	1.51
Significant accounting policies and estimates	2		

The accompanying notes are an integral part of the financial statement.

There were no Exceptional Item(s) and discontinued operation(s) during the periods presented.  
As per our report of even date attached

For **HRK & Co**

Chartered Accountants  
Firm's Registration Number - 146985W  
**CA Ankit Raythatha**  
Partner  
Place: Vapi  
Membership No. 187750  
UDIN: 24187750BJZZBD5496

28th May, 2024

For and on behalf of the Board of Directors

**Abhishek Patel**  
Managing Director  
DIN 05183410

**Gauri Gangal**  
Company Secretary  
M. No: 52130  
Mumbai  
28th May, 2024

**Sheela Ayyar**  
Director  
DIN 06656579

**Jagdish Dokwal**  
Chief Financial Officer

## Cash Flow Statement for the year ended 31st March 2024

(₹ In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	226.60	125.20
<b>Adjustments for:</b>		
Depreciation and amortization expenses	271.56	243.31
Interest & Other finance charges	263.14	267.35
Dividend Received	0.00	(0.01)
Interest Received	(12.82)	(5.67)
Deferred Tax	(4.49)	(6.95)
Net foreign exchange (gain) / loss	(9.77)	(26.59)
Loss on sale of Property, plant and equipment	0.00	(9.18)
Operating Profit Before Working Capital Changes	<b>734.22</b>	<b>587.46</b>
<b>Adjustments For Changes In Working Capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets</b>		
Trade receivables	(201.96)	(202.62)
Inventories	66.22	(125.23)
Other Financial Asset	(7.41)	(8.91)
Other current assets	(5.56)	(99.69)
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Borrowing	116.69	440.38
Trade payables	(44.54)	143.51
Short-term provisions	(1.43)	(3.22)
Short-Term Liabilities and provisions	(3.12)	59.12
Current Tax Liability (net)	6.94	20.89
<b>Cash generated from operations</b>	<b>660.05</b>	<b>811.69</b>
Taxes paid (net of refunds)	91.79	13.94
<b>Net cash generated from operating activities</b>	<b>568.26</b>	<b>797.75</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including Capital Work in Progress)	(86.16)	(359.11)
Interest Received	12.82	5.67
Sale of Fixed Assets	0.00	9.18
Net foreign exchange gain / (loss)	9.77	26.59
Other Financial Asset	0.75	(44.94)
Dividend received	0.00	0.01
<b>Net cash generated from / (used in) investing activities</b>	<b>(62.82)</b>	<b>(362.60)</b>

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**Cash Flow Statement for the year ended 31st March 2024**

(₹ In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Borrowings (Net of Repayments)	(177.55)	(174.77)
Interest and other finance charges	(263.14)	(267.35)
Provisions	(17.89)	4.70
Other Financial Liability	(47.83)	2.42
<b>Net cash generated from / (used in) Financing Activity</b>	<b>(506.41)</b>	<b>(435.00)</b>
Net increase / (decrease) in cash and cash equivalents [(A)+(B)+(C)]	(0.97)	0.15
Cash and cash equivalents as at 1st April 2023	9.44	9.29
<b>Cash and cash equivalents as at 31st March 2024</b>	<b>8.47</b>	<b>9.44</b>
Cash and cash equivalents comprise of:		
Cash on hand	0.27	1.23
Balance with scheduled banks in current account	8.20	8.21
Balance with scheduled banks in current account	0.00	0.00
<b>Total</b>	<b>8.47</b>	<b>9.44</b>

As per our attached report of even date

For **HRK & Co**

Chartered Accountants

Firm's Registration Number - 146985W

**CA Ankit Raythatha**

Partner

Place: Vapi

Membership No. 187750

UDIN: 24187750BJZZBD5496

28th May, 2024

For and on behalf of the Board of Directors

**Abhishek Patel**

Managing Director

DIN 05183410

**Gauri Gangal**

Company Secretary

M. No: 52130

Mumbai

28th May, 2024

**Sheela Ayyar**

Director

DIN 06656579

**Jagdish Dokwal**

Chief Financial Officer



## Notes to the IndAS Financial statements as at and for the year ended 31st March, 2024

### 1. General information:

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

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

These financial statements were authorized for issue by the Board of Directors on May 28, 2024.

### 2A. Summary of Material Accounting Policies

This note provides a list of the Material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### i. Basis of Preparation

##### a) Statement of Compliance

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.

##### b) Historical cost convention

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- Financial assets and financial liabilities measured initially at fair value (refer accounting policy on financial Instruments);
- Defined benefit and other long-term employee benefits.

#### ii. Use of estimates

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

#### iii. Revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and/or services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. For determining the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation, judgment is required. The transaction price could be either a fixed amount of customer consideration or variable.

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

#### iv. Foreign Currency Transaction

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).

#### v. Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property, Plant & Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred. Subsequent expenditures related to an item of Property, Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

#### Depreciation

Depreciation is provided at written down value method according to useful lives of the Assets at the rate specified in Schedule II of the Companies Act, 2013. Depreciation on additions/deletions is provided on pro-rata basis to the months of additions/deletions. The estimated useful life of the Property, Plant and Equipment is as below:

Assets class	Useful life
Factory Building	30 years
Plant & Equipment	15 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computer & Audio visual	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

#### vi. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

Assets class	Useful life
Website Development	6 years
Technical Know-How	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### vii. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**viii. Financial instruments**

Financial assets (other than trade receivables) and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit or loss are recognised immediately in the statement of profit or loss.

**Financial assets****Classification**

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Subsequent Measurement**

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income:

**Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ('ECL') allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

**Derecognition of financial assets:**

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- 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 derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

**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 recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**ix. 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.

**x. Trade receivables**

Trade receivables that do not contain a significant financing component are measured at transaction price of good sold or services rendered as defined in Ind AS 115, Revenue from Contract with Customers.

**xi. Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

**xii. Leases**

The Company's lease asset classes primarily consist of leases for land.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

- Applied the exemption not to recognize right-of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

**xiii. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and deferred tax for the year**

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**xiv. Provisions and Contingent Liabilities**

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.

**xv. Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**xvi. Subsequent events**

Financial statements are approved after considering 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Company may provide a disclosure in the financial statements considering the nature of the transaction.

**xvii. Earnings per share**

Basic earnings per share is computed by dividing the profit after tax before other comprehensive income by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

**xviii. Segment reporting**

The board of directors assesses performance of the Company as Chief Operating Decision Maker. The Company is operating in single reportable segment of 'Technical Textile' in terms of Ind AS 108. Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected in the financial statements themselves as at and for the financial year ended 31st March 2024.

**xix. Going Concern**

When preparing financial statements, Management makes an assessment of the Company's ability to continue as going concern. Financial Statements is prepared on going concern basis unless management either intends to liquidate the Company or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as going concern, those uncertainties are disclosed. When the financial statements is not prepared on a going concern basis, that fact is disclosed, together with the basis on which the financial statements is prepared and the reason why the Company is not regarded as going concern.

**xx. Rounding of amounts**

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**xxi. Recent Accounting Developments:**

The following Indian Accounting Standards have been modified on miscellaneous issues with effect from April 1, 2023. Such changes include clarification/guidance on:

**Ind AS 1 – Presentation of Financial Statements**

The amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in Company's financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to IndAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 – Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 101 – First time adoption of Ind AS**

Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with right-of-use assets, lease liabilities, decommissioning / restoration / similar liabilities.

**Ind AS 107 – Financial Instruments:**

Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

Notes: None of the above amendments had any material effect on the company's financial statements except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

**2B. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2A, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the Company has made critical judgements and estimates.

**Useful lives of property, plant and equipment**

The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Estimation of defined benefit obligation**

The company has defined benefit plans for its employees which are actuarially valued. Such valuation is based on many estimates and other factors, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

**Provisions and Contingencies**

In the normal course of business, contingent liabilities arise from litigations and claims. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions, etc.

**Defined benefit obligations**

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

## 3 Property, plant and equipment

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 1st April, 2023	Additions During the year	Adjustment/Deduction during the year	As at 31st March, 2024	Upto 1st April, 2023	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year	As at 31st March, 2023	As at 31st March, 2024
1	Freehold Land	1.27	0.00	0.00	1.27	0.00	0.00	0.00	0.00	1.27	1.27
2	Building	417.18	13.80	0.00	430.98	244.29	20.21	0.00	0.00	172.89	166.48
3	Plant & Equipments	4969.93	57.77	0.00	5027.70	2693.29	234.54	0.00	0.00	2276.64	2099.87
4	Furniture & Fixtures	33.09	3.20	0.00	36.29	14.86	1.24	0.00	0.00	18.23	20.20
5	Vehicles	42.29	0.00	6.23	36.06	30.16	2.75	0.00	6.23	12.13	9.37
6	Office equipment	96.53	0.22	0.00	96.75	78.99	6.53	0.00	0.00	17.54	11.23
7	Electrical installation	156.79	11.16	0.00	167.95	133.02	6.29	0.00	0.00	23.77	28.64
8	Tools & die	9.63	0.00	0.00	9.63	9.56	0.00	0.00	0.00	0.07	0.08
	<b>Total</b>	<b>5726.71</b>	<b>86.16</b>	<b>6.23</b>	<b>5806.64</b>	<b>3204.17</b>	<b>271.56</b>	<b>0.00</b>	<b>6.23</b>	<b>2522.54</b>	<b>2337.15</b>
	Previous Year	5376.03	360.01	9.33	5726.71	2969.29	243.31	0.00	8.43	2406.74	2522.54

## Note No. 3.1 Intangible assets

Sl. No.	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK			
		As at 1st April, 2023	Additions During the year	Adjustment/Deduction during the year	As at 31st March, 2024	Upto 1st April, 2023	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year	As at 31st March, 2023	As at 31st March, 2024
	<b>Total</b>	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-



**Note No. 3.2 Capital Work-in-Progress**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
<b>Projects Work-in-Progress</b>				
Less than 1 year	0.00		0.00	
1 year to 2 years	0.00		0.00	
2 years to 3 years	0.00		0.00	
More than 3 years	0.00	0.00	0.00	0.00
		<b>0.00</b>		<b>0.00</b>
<b>Projects Temporarily Suspended</b>				
Less than 1 year	0.00		0.00	
1 year to 2 years	0.00		0.00	
2 years to 3 years	0.00		0.00	
More than 3 years	0.00	0.00	0.00	0.00
		<b>0.00</b>		<b>0.00</b>
		<b>0.00</b>		<b>0.00</b>

## Notes

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

**4 Non-current Investment**

(₹ In Lakhs)

Particulars	Face Value (₹)	Number of Shares	As at 31.03.2024	Number of Shares	As at 31.03.2023
(1) Designated at fair value through profit or loss:					
<b>(i) Quoted at Cost</b>					
M/s Adarsh Chemical & Fertilisers Ltd	10.00	-	-	28,000	1.40
<b>(ii) Unquoted at Cost</b>					
M/s Centennial Finance Private Limited	10.00	1,380,000	17.07	138,000	17.07
			<b>17.07</b>		<b>18.47</b>

**5 Other financial Assets -non current ( at amortised Costs)**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
Security Deposites (Secured)	0.00		0.00	
Security Deposites - unsecured considered good	78.15		77.49	
Other Bank Balance (FD with more than 12 month Maturity)	0.00	78.15	0.00	77.49
		<b>78.15</b>		<b>77.49</b>

**6 Other non current assets**

(Unsecured, considered good)

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
Balance with Government Authorities	-		-	
		-		-
		-		-

**7 Inventories**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
Raw materials	823.24		781.98	
Work-in-progress	1574.51		1642.45	
Finished goods	82.44		110.55	
Stores and spares	142.40	2622.59	153.82	2688.80
		<b>2622.59</b>		<b>2688.80</b>

(At lower of cost and net realizable value, unless stated otherwise)

All inventories of Company have been hypothecated to secure borrowings of the Company.

**8 Trade receivables - Current**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
<b>Unsecured, considered good</b>				
Due from related parties	0.00		0.00	
Due from others	1604.13		1402.17	
Less : Allowance for doubtful debts (expected credit loss)	0.00	1604.13	0.00	1402.17
		<b>1604.13</b>		<b>1402.17</b>
<b>TRADE RECEIVABLES AGEING SCHEDULE</b>				
<b>Undisputed, considered good</b>				
Less than 6 months		1552.79		1350.83
6 months to 1 year		0.00		0.00
1 year to 2 years		0.00		0.00
2 years to 3 years		0.00		0.00
More than 3 years		0.00		0.00
<b>Disputed, considered good</b>				
Less than 6 months		0.00		0.00
6 months to 1 year		0.00		0.00
1 year to 2 years		0.00		0.00
2 years to 3 years		0.00		35.08
More than 3 years		51.34		16.26
		<b>1604.13</b>		<b>1402.17</b>

**9 Cash and cash equivalents**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
<b>Balances with banks</b>				
In Margin Money Deposit (FD Maturity within Months)	0.00		0.00	
In current accounts	8.20		8.21	
Cash on hand	0.27	8.47	1.23	9.44
		<b>8.47</b>		<b>9.44</b>

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

**10 Loans - current (at amortised costs)**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
Other Bank Balance (FD Maturity Less than 12 Months)	131.46		121.57	
		131.46		121.57
		<b>131.46</b>		<b>121.57</b>

**11 Other financial assets - Current**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Other Receivables	0.03	2.51
	0.03	2.51
	<b>0.03</b>	<b>2.51</b>

**12 Other current assets**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>(Unsecured, considered good)</b>		
Advance tax (Net of Provision)	44.03	28.17
Advance to Suppliers & Others	32.46	17.03
Prepaid Expenses	32.42	26.23
<b>Balance with Government Authorities</b>		
(i) MAT Adjustment of Previous Years	25.39	83.87
(ii) GST Refund Receivable	12.66	12.44
(iii) Balance in GST	278.01	247.59
(iv) VAT credit receivable	0.00	4.08
	424.97	419.41
	424.97	419.41

**13 Equity Share Capital**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Authorised shares</b>		
80,00,000 Equity shares of ₹ 10/- Each	800.00	800.00
	<b>800.00</b>	<b>800.00</b>
<b>Issued, Subscribed and fully Paid up shares</b>		
7,391,000 equity shares of ₹ 10/- each (Refer note (a) below)	739.10	739.10
<b>Balance at end of year</b>	<b>739.10</b>	<b>739.10</b>

**a) Reconciliation of Number of Shares (Equity)**

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

	2023-24		2022-23	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares outstanding as at the beginning of the year	7,391,000.00	739.10	7,391,000.00	739.10
Add: Number of Shares Issued during the Year	-	-	-	-
<b>Number of Shares outstanding as at the end of the year</b>	<b>7,391,000.00</b>	<b>739.10</b>	<b>7,391,000.00</b>	<b>739.10</b>

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

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

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

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

Name of the Shareholders	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	% held	No. of Shares	% held
Abhishek Patel	1,017,095	13.76%	1,017,095	13.76%
Smita Patel	635,998	8.61%	635,998	8.61%
Centennial Finance Pvt.Ltd	509,964	6.90%	509,964	6.90%
Arvind Baburao Joshi	439,750	5.95%	439,750	5.95%
Aakanksha Patel	400,861	5.42%	400,861	5.42%

## 14 Other Equity

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Non Current Portion	Current Portion	Non Current Portion	Current Portion
<b>Captial 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		587.04
Add: Addition during the year (Share Warrant)		-		-
Add: Addition during the year (Pref. Issue)		-		-
Less: Preliminary Expenses (Pref. Issue)		-		-
Balance at end of year		<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>-</b>		<b>-</b>
<b>Retained Earning</b>				
Balance at the beginning of year		1272.59		1161.33
Add : Profit for the year		134.83		111.26
Add : Other comprehensive income during the year		-		-
Add : Changes in fair value of current investments & non Current Investments		-		-
Add:MAT of earlier years adjustment A/c		-		-
Less:Tax Impact on Gratuity		-		-
Less:Deferred Tax Impact		-		-
Balance at end of year		1407.42		1272.59
<b>TOTAL</b>		<b>2445.41</b>		<b>2310.58</b>

## 15 Borrowings

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
	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, Machinaries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹ 5.50 lacs (previous year ₹ 4/-lacs)/ Month from April 2019 to March 2023)	0.00	0.00	0.00	8.84
2. Term loan From Canara Bank Under GECL: Secured by First Charge on Companies Land and Building, Machinaries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹ 9.44/-lacs (previous year ₹ 9.44 /-lacs)//Month for 36 months From September 21 to July 2024.)	0.00	47.22	47.22	113.33
3. Term loan From Canara Bank: Secured by First Charge on Companies Land and Building, Machinaries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹ 5.96 lacs /Month from April 2022 to September 2026)	125.01	79.72	202.34	82.12
4. Term loan From Canara Bank under GECL: Secured by First Charge on Companies Land and Building, Machinaries at Survey No.381, Causway Road, Kachigam, Daman. (Repayment of ₹ 4.42 lacs/Month ) from January 2024 to December 2026.)	92.75	53.00	145.75	13.25
<b>Total Secured Loan</b>	<b>217.76</b>	<b>179.94</b>	<b>395.31</b>	<b>217.54</b>

Particulars	As at 31.03.2024		As at 31.03.2023	
	Non Current Portion	Current Portion	Non Current Portion	Current Portion
From other parties				
Unsecured				
Deposits received from members	40.00	5.00	40.00	5.00
<b>Total of Unsecured Loan</b>	<b>40.00</b>	<b>5.00</b>	<b>40.00</b>	<b>5.00</b>
<b>Total</b>	<b>257.76</b>	<b>184.94</b>	<b>435.31</b>	<b>222.54</b>

**Notes;**

- Term loans from banks are secured by way of equitable mortgage created or to be created on all the present and future immovable properties including all land, buildings, structures, all plant and equipment attached thereon of the Company and hypothecation of all the movable properties including movable machinery, spares, tools and accessories, etc., present and future, subject to prior charges created and / or to be created in favour of the Company's bankers on stocks of raw materials, semi finished and finished goods, consumable stores and other movable assets excluding vehicles specifically hypothecated against vehicle loans, as may be required for working capital requirements in the ordinary course of business.
- The interest rates range from 7% to 8% per annum. For term loan and interest rate for OCC is from 9 to 11%.

**16 Other financial liabilities - Non Current**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
Creditor for capital goods	0.00		0.59	
Payable on Contractually Reimbursable Expenses	0.00	0.00	47.24	47.83
		<b>0.00</b>		<b>47.83</b>

**17 Deferred Tax Liabilities (net)**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
<b>Deferred Tax Liabilities</b>				
Depreciation on Property, Plant, & Equipment	256.88		266.32	
<b>Total (A)</b>		<b>256.88</b>		<b>266.32</b>
<b>Deferred Tax Assets</b>				
Provision for Bonus	5.17		5.27	
Provision for Gratuity	35.29		40.27	
Provision for Leave Encashment	1.41		1.28	
<b>Total (B)</b>		<b>41.87</b>		<b>46.82</b>
		<b>215.01</b>		<b>219.50</b>

**18 Non-Current Liability - Provisions**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
<b>Provision for employee benefits:</b>				
Provision for Gratuity	126.87		144.76	
		126.87		144.76
		<b>126.87</b>		<b>144.76</b>

**19 Short - term borrowings**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
<b>Other Loans</b>				
From banks - Secured	2070.95		1916.66	
Current Maturities of Long Term Debt	184.94		222.54	
		2255.89		2139.20
		<b>2255.89</b>		<b>2139.20</b>

Notes:

- 1) Cash credits/working capital loans are secured by hypothecation of raw materials, semi finished and finished goods, other movable assets excluding vehicles specifically hypothecated against loans and book debts, present and future of the Company.
- 2) The interest rates for Cash credits/working capital loans from banks range from 9% to 11% per annum before subvention.
- 3) The Company has been sanctioned working capital limits from banks during the year on the basis of security of current assets of the Company.

**20 Trade payables**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
<b>Total outstanding dues of micro enterprises and small enterprises</b>				
Creditors for goods	627.27		563.63	
Creditors for services	0.66	627.93	0.00	563.63
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>				
Creditors for goods	214.92		347.30	
Creditors for services	100.15		76.61	
Provisions for Expenses	0.00	315.07	0.00	423.91
		<b>943.00</b>		<b>987.54</b>
<b>Trade Payables Ageing Schedule (Outstanding for following periods from due date of payment)</b>				
<b>Micro and small enterprises</b>				
Less than 1 year	627.93		563.63	
1 year to 2 years	0.00		0.00	
2 years to 3 years	0.00		0.00	
More than 3 years	0.00	627.93	0.00	563.63
<b>Other</b>				
Less than 1 year	315.07		423.91	
1 year to 2 years	0.00		0.00	
2 years to 3 years	0.00		0.00	
More than 3 years	0.00	315.07	0.00	423.91
		<b>943.00</b>		<b>987.54</b>

**21 Other current liabilities**

(₹ In Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
Employee benefits payable	42.90		41.65	
Statutory liabilities	29.10	72.00	31.78	73.43
		<b>72.00</b>		<b>73.43</b>

**22 Provisions**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Provision for employee benefits:</b>		
(i) Provision for leave encashment	5.06	3.44
(ii) Provision for gratuity liability	0.00	13.14
	5.06	16.58
<b>Provision - Others:</b>		
(i) Provision - others	151.09	142.68
	151.09	142.68
	<b>156.15</b>	<b>159.26</b>

**23 Current Tax Liabilities (Net)**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Advance Tax</b>		
<b>Current Tax Liability</b>		
Provision for tax	70.53	20.89
Less: MAT Utilisation	(32.70)	0.00
Less: Advance Tax	(25.00)	(15.00)
<b>Total Liability as on date</b>	<b>12.83</b>	<b>5.89</b>

**24 Revenue from operations**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Sale of Goods	11137.40	10662.46
Sale of Scrap	36.18	21.20
Other Operating Revenues	0.00	0.00
	<b>11173.57</b>	<b>10683.66</b>

**25 Other income**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Interest income:</b>		
Fixed Deposits with Banks	12.82	5.67
<b>Other Non-Operating Income:</b>		
Dividend income	0.00	0.01
Other Non Operating Income - Profit on sale of Assets	0.00	9.18
Net (gain) / loss on foreign currency transactions and translation	9.69	26.59
Other income	0.08	0.00
<b>Total</b>	<b>22.59</b>	<b>41.45</b>

**26 Cost of Raw Material consumed**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Inventory at the Beginning of the year	781.98	840.29
Add : Purchases (net)	8168.47	8212.50
Less : Inventory at the end of the year	823.24	781.98
	<b>8127.22</b>	<b>8270.81</b>

**27 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Stock at the end of the Year:</b>		
Work-in-progress	1574.51	1642.45
Finished goods	82.44	110.55
<b>Total(A)</b>	<b>1656.95</b>	<b>1753.00</b>
Less: Stock at the Beginning of the year		
Work-in-progress	1642.45	1499.87
Finished goods	110.55	77.77
<b>Total(B)</b>	<b>1753.01</b>	<b>1577.64</b>
<b>Total (B-A)</b>	<b>96.06</b>	<b>(175.36)</b>

**28 Employee benefit expense**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Salaries and Wages	974.01	950.91
Contributions to provident and other funds	37.01	39.03
Leave Encashment	6.57	3.44
Gratuity expenses	(1.69)	13.14
Staff welfare expenses	11.44	9.16
<b>Total</b>	<b>1027.35</b>	<b>1015.68</b>

**29 Finance cost**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Interest Expenses	248.59	250.53
Bank Charges	14.55	16.82
	<b>263.14</b>	<b>267.35</b>

**30 Other expenses**

(₹ In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Consumption of stores and spares</b>		
Opening Stock of stores and spares	153.82	145.64
Add: Purchases during the year	232.46	169.72
Less: Closing Stock	142.40	153.82
<b>Consumption of Stores and Spares</b>	<b>243.89</b>	<b>161.54</b>
<b>Other Misc Expenses</b>		
Power and fuel	384.92	311.04
Selling and distribution expense	170.86	122.98
Rent Includes Lease Rentals	80.17	68.80
Processing charges	77.43	85.75
Legal and professional	50.84	71.02
Repairs and maintenance - Machinery	28.68	28.94
Security charges	21.30	20.54
Travelling and conveyance	20.60	19.75
Repairs and maintenance - Others	15.61	5.40
Insurance	15.34	15.77
Printing and Stationary	6.75	5.89
Postage, Telephone, Telex	4.85	4.89
Internal Audit Expenses	4.80	4.80
Rates and taxes	3.20	2.10
Sundry Dr./Cr. Balance written off	0.14	4.62
Miscellaneous expenses	51.26	40.79
	<b>936.77</b>	<b>813.08</b>
<b>Statutory Auditor Payment</b>		
Tax and Statutory Audit Fees	3.50	3.50
Reimbursement of Expenses	0.08	0.00
	<b>3.58</b>	<b>3.50</b>
	<b>1184.23</b>	<b>978.12</b>



**31 Employee Benefit Obligations****a. Short-term Employee Benefits**

These benefits include wages and salaries, including other monetary and non-monetary benefits, compensated absences which are either non-accumulating or accumulated and expected to be availed within twelve months after the end of the reporting period.

**b. Long-term Employee Benefits****i) Defined Contribution Plans**

The Company makes Provident Fund contributions, which are defined contribution plans, for qualifying employees. Company has no further payment obligations once the contributions have been paid. Under the Provident Fund Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are in compliance with the rates specified in the rules of the schemes. The Company recognised ₹ 37.01 Lakh (previous year ₹ 39.03 Lakh) as an expense and included in Note 28 – Employee Benefit Expenses ‘Contribution to Provident Fund and Other Funds’ in the Statement of Profit and Loss for the year ended 31st March 2024.

**ii) Defined Benefit Plans**

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.

The following table sets out the unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

		(₹ In Lakhs)	
<b>I. Expenses recognized in the statement of profit and loss</b>		<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
1	Current Service Cost	7.38	10.15
2	Interest Cost [(Income)/Expense]	10.04	9.66
3	Actuarial Losses / (Gains) / Remeasurements in OCI	(19.11)	(6.67)
4	Past Service cost	-	-
<b>Total</b>		<b>(1.69)</b>	<b>13.14</b>
		(₹ In Lakhs)	
<b>II. Amount recognized in other comprehensive income (OCI)</b>		<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
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	21.49	3.96
	Demographic Assumptions	-	-
<b>Total</b>		<b>21.49</b>	<b>3.96</b>
		(₹ In Lakhs)	
<b>III. Reconciliation of defined benefit obligation:</b>		<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Opening Defined Benefit Obligation		144.76	140.06
Current service cost		7.37	10.15
Interest cost		10.04	9.66
Actuarial loss/(gain) due to change in demographic assumptions		-	-
Actuarial loss/(gain) due to change in financial assumptions		2.38	2.71
Actuarial loss/ (gain) due to experience adjustments		(21.49)	3.96
Benefits paid		16.21	8.44
<b>Closing Defined Benefit Obligation</b>		<b>126.85</b>	<b>144.76</b>

(₹ In Lakhs)

IV. Reconciliation of plan assets:	As at 31st March, 2024	As at 31st March, 2023
Opening value of plan assets	-	-
Interest Income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Employer Direct Benefit Payments	16.21	8.44
Benefit Payments from Employer	(16.21)	(8.44)
Assets Withdrawn	-	-
<b>Closing value of plan assets</b>	<b>-</b>	<b>-</b>

(₹ In Lakhs)

V. Net (Asset) / Liability recognised in the Balance Sheet as at 31 March	As at 31st March, 2024	As at 31st March, 2023
Present value of defined benefit obligation (DBO)	144.76	140.06
Net (Asset) / Liability	126.85	144.76

VI. The significant actuarial assumptions were as follows:	As at 31st March, 2024	As at 31st March, 2023
Discount rate	7.08% p.a.	7.35% p.a.
Attrition rate		
Rate of return on plan assets		
Salary escalation rate	4.00% p.a.	4.00% p.a.

(₹ In Lakhs)

VII. Bifurcation of present value of obligation at the end of the valuation period as per Schedule III of Companies Act 2013:	As at 31st March, 2024	As at 31st March, 2023
Current Liability	0.00	0.00
Non - Current Liability	126.85	144.76
<b>Total</b>	<b>126.85</b>	<b>144.76</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.

(₹ In Lakhs)

	As at 31 March 2024	As at 31 March 2023
Increase by 1% in discount rate	118.47	134.42
Decrease by 1% in discount rate	136.48	156.78
Increase by 1% in rate rate, of salary increase	136.33	157.99
Decrease by 1% in rate rate, of salary increase	118.44	133.20
Increase by -1% in rate rate, of employee turnover	129.61	148.03
Decrease by -1% in rate rate, of employee turnover	123.78	141.07

### Note 32 Financial Instruments (Fair Value Measurements)

The Company has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, capital management, markets risk, credit risks and liquidity risks are as follows:

**a) Classification of Financial Assets and Liabilities**

(₹ In Lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>A. Financial Assets</b>			
<b>I. Measured at Amortised Cost</b>			
(i) Trade receivables	8	1604.13	1402.17
(ii) Cash and cash equivalents	9	8.47	9.44
(iii) Security deposits	10	131.46	121.57
(iv) Others	11	0.03	2.51
<b>Total</b>		<b>1744.09</b>	<b>1535.69</b>
<b>B. Financial Liabilities</b>			
(i) Borrowings	19	2255.89	2139.20
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	20	627.93	563.63
b) Total outstanding dues of creditors others than micro enterprises and small enterprises	20	315.07	423.91
<b>Total</b>		<b>3198.89</b>	<b>3126.74</b>

**b) Fair Value Hierarchy of Financial Assets and Liabilities**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (i) recognised and measured at fair value and (ii) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, Company has classified its financial instruments into three levels prescribed under the accounting standards below:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3: Level 3 inputs are unobservable inputs for the asset or liability.

Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Measured at Fair Value Through Profit or Loss (FVTPL)**

(₹ In Lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>A. Financial Assets Measured at Fair Value Through Profit or Loss</b>			
<b>I. Measured at Fair Value</b>			
(i) Investments	4	17.07	18.47
<b>Total</b>		<b>17.07</b>	<b>18.47</b>

**Measured at Amortised Cost for which Fair Value is disclosed**

The fair values of all current financial assets and liabilities including trade receivables, cash and cash equivalents, bank balances, trade payables and other current financial assets and liabilities are considered to be the same as their carrying values, due to their short term nature. The fair values of all non-current financial assets and liabilities including are considered to be the same as their carrying values, as the impact of fair valuation is not material.

**c) Capital Management**

Total equity as shown in the balance sheet includes equity share capital, securities premium and retained earnings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

**d) Financial risk management**

Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and its impact on the financial statements

**(i) 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.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will find it difficult in meeting its obligations associated with its financial liabilities in time. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, Company's treasury maintains flexibility in funding by maintaining availability under cash and cash equivalents, bank deposits and mutual funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

**(iii) 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 investments because of fluctuations in the interest rates. Cash flow interest rate risk 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.

**(iv) 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.

**(v) 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 :**

(₹ In Lakhs)

Particulars	Note No.	As at	As at
		31st March, 2024	31st March, 2023
<b>A.</b>			
		1402.17	1199.15
		0.00	0.00
		0.00	0.00
		1604.13	1402.17
		<b>1604.13</b>	<b>1402.17</b>

**33 Earning Per Share (EPS)**

(₹ In Lakhs)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	134.83	111.26
Weighted Average number of equity shares used as denominator for calculating EPS	73.91	73.91
Basic and Diluted Earnings per share	1.82	1.51
Face Value per equity share	10.00	10.00

### 34 Segment

The Company is operating in single reportable segment of 'Technical textiles in terms of Ind AS 108. Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected in the financial statements themselves as at and for the financial year ended 31st March 2024.

#### Entity wide disclosures

##### Information about products and services:

The Company is in a single line of business of "Shade Net and Plastic woven sacks"

##### Information about major customers:

One customer during the year ended 31st March 2024 and 31st March 2023 contributed to more than 10% of the revenue individually. Revenue from this customer was ₹ 1122.64 lakh during the year ended 31st March 2024 and ₹ 1661.69 lakhs during the 31st March 2023.

##### Geographical Information:

(₹ In Lakhs)

Particulars	Within India (Audited)		Outside India (Audited)		Total (Audited)	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Revenue from Operations	9881.11	9606.40	1292.47	1077.25	11173.57	10683.66
Carrying amount of Non Current Assets*	2432.37	2618.50	0.00	0.00	2432.37	2618.50

\* Other than financial Assets, DTA & Net Advance Tax Paid

### 35 Related Party Disclosures

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

Related Parties	Key Management personnel and their relatives	Non Executive directors & their relationships
Ms. Smita Patel	Mr. Abhishek Patel	Ms. Sheela Ayyar
	Mr. Jagdish Dokwal	Ms. Aakanksha Patel
M/s Centennial Fabrics Ltd	Ms. Gauri Gangal	Mr. Kunal Rastogi

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

(₹ In Lakhs)

Nature of transaction	As at 31st March, 2024	As at 31st March, 2023
<b>Related Party</b>		
Rent Paid - Smita Patel	3.00	3.00
Transaction with Centennial Fabrics Ltd		
Purchase of Material	3608.47	3057.40
<b>Key management personnel</b>		
Remuneration/ Reimbursement	161.01	148.19
<b>Balance outstanding as at year end</b>		
Receivable/ (Payable)		
<b>Non-executive directors and their relatives</b>		
Remuneration/ Reimbursement/sitting fees	0.50	0.50
Professional Fees		
<b>Balance outstanding at year end</b>		
Receivable/ (Payable)		
Centennial Fabrics Ltd	533.95	563.63

Centennial Fabrics Ltd	533.95	563.63
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**36 Income taxes relating to operations****a) Tax expense recognised in the statement of profit and loss**

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current tax	70.53	20.89
Deferred tax	(4.49)	(6.95)
Income tax relating to earlier years	25.73	0.00
	<b>91.77</b>	<b>13.94</b>

**b) Tax expense recognised in other comprehensive income**

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Remeasurement of defined benefit obligation	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

**c) Deferred tax balance**

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred tax assets	256.88	266.32
Deferred tax liabilities	41.87	46.82
Net deferred tax liabilities	<b>215.01</b>	<b>219.50</b>

**37 RATIO ANALYSIS**

Particulars	As at 31st March, 2024	As at 31st March, 2023	Variance
<b>1 CURRENT RATIO (In Times)</b>			
(Total Current Assets / Current Liabilities)	1.39	1.38	1%
Current Liabilities = Total Current Liabilities - Current Maturities of Non current Borrowings & Lease Obligations			
<b>2 NET DEBT EQUITY RATIO (In Times)</b>			
(Net Debt / Average Equity)	0.75	0.80	-7%
Net Debt = Non Current Borrowings + Current Borrowings + Non current and Current Lease Liabilities - current Investments - Cash & Cash Equivalents - Other Balances with Banks			
Equity = Equity Share Capital + Other Equity			
<b>3 DEBT SERVICE COVERAGE RATIO (In Times)</b>			
EBIT / Net Finance Charges	2.05	1.73	18%
EBIT = Profit before taxes (+/-) Exceptional Items + Net Finance Charges			
Net Finance Charges = Finance Costs (excluding interest on current borrowings) - Interest Income - Dividend Income from Current Investments - Net Gain / Loss on sale of Current Investments			
<b>4 CURRENT LIABILITY RATIO (In Times)</b>			
(Total Current Liabilities / Total Liabilities)	0.48	0.46	3%
<b>5 TOTAL DEBTS TO TOTAL ASSET RATIO</b>			
(Non-current Borrowings + Current Borrowings + Non Current & Current Lease Liabilities) / Total Assets	0.35	0.35	-2%
<b>6 DEBTORS TURNOVER RATIO (In Times)</b>			
(Average Trade Receivable / Turnover in Days)	52.40	47.90	9%
Turnover = Revenue From Operations			

Particulars	As at 31st March, 2024	As at 31st March, 2023	Variance
<b>7 INVENTORY TURNOVER RATIO (In Times)</b>	86	92	-7%
(Average Inventory/ Sale of Product in days)			
<b>8 NET PROFIT MARGIN (%)</b>			
(Net Profit after tax/ Turnover)	1%	1%	0%
Turnover = Revenue From Operations			
<b>9 NET WORTH</b>			
(Equity Share Capital + Other Equity+ Hybrid Perpetual Securities)	3,184.51	3,049.68	4%
<b>10 TRADE PAYABLES TURNOVER RATIO (In Times)</b>			
(Cost of Goods & Services / Average Trade Payables)	8.72	8.20	6%
<b>12 NET CAPITAL TURNOVER RATIO (In Times)</b>			
(Turnover / Average Working Capital)	8.27	8.36	-1%
<b>13 RETURN ON CAPITAL EMPLOYED (%)</b>			
(Earning before Interest & Tax / Capital Employed)	15%	13%	19%

**38 Right of Use assets (Operating Leases)**

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

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease rental charges for the year	80.18	68.80
Future Lease rental obligation payable (under non-cancellable lease)	-	-
Not later than one year	77.48	79.79
Later than one year but not later than five years	-	83.60
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

**39 Capital and contingent Liability**

(₹ In Lakhs)

Sr No	Contingent liability	As at 31st March, 2024	As at 31st March, 2023
a.	Guarantee given by bank on behalf of Company	20.32	20.32
b.	Claims against the company not acknowledged as debt	66.88	66.88
c.	Income tax Demand on account of Unexplained Credit	28.57	28.57

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

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

appellate tribunal.

Appeal filed against adjudication order passed by the Adjudicating authority and the hearing date is 12th August 2024.

#### 40 Micro, Small and Medium Enterprises

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

(₹ In Lakhs)

Sr. No.	Particulars	As at	
		31st March, 2024	31st March, 2023
1	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 Amount	627.93	488.62
	Interest Amount	-	3.79
2	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;	-	-
3	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;	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	3.79
5	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	-	-

#### 41 Immovable Property Not Held In Company's Name

The Company holds the title deeds of all immovable properties in their name.

#### 42 Details Of Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

#### 43 Registration Of Charges or Satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

#### 44 Undisclosed Income

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### 45 Details of Crypto / Virtual Currency

The Company has not traded or invested in crypto currency.

#### 46 Wilful defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

#### 47 Number of layers

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

#### 48 Quarterly return to financial institutions

The Monthly/ Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.



**49 Transaction with Struck off Companies**

The Company did not enter any transaction with struck off companies.

**50 Data back up**

As per MCA notification dated August 05, 2022, the Central Government has notified that Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the companies are required to maintain back up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the companies are required to create back up on servers physically located in India on a daily basis. To comply with this requirement, the Company takes the back up on daily basis.

As per our attached report of even date

For **HRK & Co**

Chartered Accountants

Firm's Registration Number - 146985W

**CA Ankit Raythatha**

Partner

Place: Vapi

Membership No. 187750

UDIN: 24187750BJZZBD5496

Mumbai

28th May, 2024

For and on behalf of the Board of Directors

**Abhishek Patel**

Managing Director

DIN 05183410

**Gauri Gangal**

Company Secretary

M. No: 52130

Mumbai

28th May, 2024

**Sheela Ayyar**

Director

DIN 06656579

**Jagdish Dokwal**

Chief Financial Officer

**FORM DPT 1**  
**CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT**  
**INVITING UNSECURED DEPOSITS**

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

**RISHI TECHTEX LIMITED**

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

**GENERAL INFORMATION**

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

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

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

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

The Company has **no subsidiaries**.

c) Brief particulars of the management of the company;

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

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

Name of Directors	Address of Directors	DIN	Occupation
Mr. Abhishek Patel	8- B, Suvas Apartment, 68F, Neapeansea Road, Mumbai- 400006	05183410	Business
Ms. Sheela Ayyar	B-704, Florentine Building, Hiranandani Gardens, Powai, Mumbai-400076	06656579	Business
Ms. Aakanksha Patel	8- B, Suvas Apartment, 68F, Neapeansea Road, Mumbai- 400006	08314319	Business
Mr. Kunal Rastogi	51 Mehr Naz, Cuffe Parade, Colaba, Mumbai 400005	01570584	Business

e) Management's perception of risk factors;

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

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

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

i) statutory dues - **Nil**

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

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

**PARTICULARS OF THE DEPOSIT SCHEME**

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

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

c. Type of deposits: **Unsecured**

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

**a.** 10% of the aggregate of the paid up share capital and free reserves and Security Premium Account (Under Rule 3(1)(a)) - ₹ **313.54 lakhs**

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

**b.** 35% of the aggregate of the paid-up share capital and free reserves and Security Premium (under Rule 3(3)) - ₹ **1097.40 lakhs**

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

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

Amount of deposit proposed to be raised - **35% of the aggregate of the paid-up share capital and free reserves and Security Premium i.e. ₹ 1097.40 lakhs**

Amount of deposit repayable within the next twelve months - ₹ **25.00 Lakhs only**

e. Terms of raising of deposits :

Duration - **One to three years**

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

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

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

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

h. Credit rating obtained; Company has received credit rating from CRISIL ratings wide its letter dated 9th June, 2022 for Long Term Rating: CRISIL BBB-/Stable(Reaffirmed)and Short Term Rating: CRISIL A3 (Reaffirmed).

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

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

#### DETAILS OF ANY OUTSTANDING DEPOSITS

a. Amount Outstanding - ₹ **45.00Lacs**

b. Date of acceptance -

Date of Acceptance	No. of Depositors	Amount of Deposit
<b>28.02.2023 &amp; 31.03.2022</b>	<b>3</b>	<b>3000000</b>
<b>28.02.2024 &amp; 31.03.2022</b>	<b>1</b>	<b>1000000</b>
<b>28.02.2022</b>	<b>1</b>	<b>500000</b>

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

d. Rate of interest - **12.5%**

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

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

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

#### FINANCIAL POSITION OF THE COMPANY

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

(₹ In lacs)

Accounting Year	Profit Before Tax	Profit After Tax
Year ended 31.03.2022	209.47	131.85
Year ended 31.03.2023	125.20	111.26
Year ended 31.03.2024	226.60	134.83

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

Accounting Year	Dividend on Equity Shares
Year ended 31.03.2022	Nil
Year ended 31.03.2023	Nil
Year ended 31.03.2024	Nil

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

(₹ In lacs)

	As at 31.03.2022	As at 31.03.2023	As at 31.03.2024
<b>Liabilities</b>			
Share Capital	739.10	739.10	739.10
Reserves & Surplus	2199.32	2310.58	2445.41
Non-Current Liabilities	1022.00	847.40	599.64
Current Liabilities	2719.64	3380.32	3439.87
	<b>6680.06</b>	<b>7277.40</b>	<b>7224.02</b>
<b>Assets</b>			
Fixed Assets	2406.74	2522.54	2337.15
Investment	20.07	18.47	17.07
Other Non-Current Financial Assets	81.33	127.87	78.15
Current Assets	4171.92	4608.52	4791.65
	<b>6680.06</b>	<b>7277.40</b>	<b>7224.02</b>

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

(₹ In lacs)

	As at 31.03.2022	As at 31.03.2023	As at 31.03.2024
Net profit before tax & extraordinary items	209.47	125.20	226.60
Adjustment for Depreciation, Interest and other items	450.83	462.26	507.62
<b>Operating profit before working capital change</b>	<b>660.30</b>	<b>587.46</b>	<b>734.22</b>
(a) Cash generated from operations	581.07	811.69	660.05
(b) Cash flow from Investing Activities	(446.27)	(362.60)	(62.82)
(c) Cash Flow from Financing Activities	(57.30)	(435.00)	(506.41)
<b>Net increase in cash &amp; Cash equivalents (a+b+c)</b>	<b>(0.12)</b>	<b>0.15</b>	<b>(0.97)</b>
Opening Balance cash & Cash equivalents	<b>9.41</b>	<b>9.29</b>	<b>9.44</b>
Closing Balance cash & Cash equivalents	<b>9.29</b>	<b>9.44</b>	<b>8.47</b>

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

#### DECLARATION BY THE DIRECTORS THAT-

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

1. Mr. Abhishek Patel :
2. Ms. Aakanksha Patel :
3. Mr. Kunal Rastogi :
4. Ms. Sheela Ayyar :

Date: 28th May, 2024

Place: Mumbai

**CERTIFICATE FROM STATUTORY AUDITORS**

(pursuant to section 73(2) of the Companies Act 2013 read with the second proviso to Rule 4(1) of the Companies (Acceptance of Deposits) Rules 2014)

We HRK & Co. have been approached by Rishi Techtext Limited ("the Company"), to verify and issue a Certificate pursuant to the provisions of Rule 4(1) of the Companies (Acceptance of Deposits) Rules 2014 ("the Deposit Rules") to facilitate the issuance of Circular in Form DPT-1 by the Company. In this regard we have perused through

- 1) Company's Financial Statements for the period ended March 31, 2024.
- 2) Register of Deposits required to be maintained under Rule 14 of the Deposit Rules 2014.
- 3) Other books and papers, maintained by the Company in the process of acceptance of deposits from the Members.

Based the perusal and explanation given by the Company's Officials, Agents we state that:

The Company has not committed default in the repayment of deposits or in the payment of interest on such deposits accepted either before or after the commencement of the Act

**For HRK & Co.**

Chartered Accountants  
Firm Registration No: 146985W

**CA Ankit Raythatha**

Membership No. 187750  
Partner  
UDIN:24187750BJZZBK5405

Place: Vapi

Date: 20/06/2024

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





**RISHI TECHTEX**

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)