



RISHI TECHTEX

Rishi Techtex Limited

WEAVING A BETTER TOMORROW

Agritech | Packtech | Protech | Buildtech

37th Annual Report
2020 - 2021

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other communicate - written and oral - that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions.

We have tried, where ever possible, to identify such statements by using words such as 'anticipate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

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

Contents

Overview - 2

Know Us Better - 2

Our Financial Scorecard - 4

Chairman's Message - 8

An Esteemed Board - 3

5 Year Financial Highlights - 6

Notice - 13

Management Discussion and Analysis - 30

Economy Overview - 30

Company Overview - 34

Industry Overview - 32

Key Development in FY2021 - 36

Reports and Financials - 43

Director's Report - 44

Corporate Governance Report - 56

Declaration of the MD - 55

Standalone Financials Statements - 68

Independent Auditor's Report - 69

Statement of Profit & Loss - 79

Notes forming part of Financial Statement - 82

Balance Sheet - 77

Cash Flow Statement - 80

Circular for Inviting Deposits - 108

Know Us Better

A leading technical textile (techtex) player



Incorporated in 1984, Rishi Techtex Limited (RTL) is one of India's leading science-driven technical textile companies. It is engaged in the manufacturing of woven sacks and technical textile products, including PE knitted fabrics, protection nets and shade fabrics. Innovation & R&D, supported by state-of-the-art manufacturing, has been the bedrock of its foundation and growth.

With our state-of-the-art manufacturing facility at Daman, Daman and Diu and Vapi, Gujarat, we are the leading, multi-product Indian company with domestic and global clientele for shade and protection nets. Besides being one of India's top suppliers of agro shade nets, we also provide high-quality horticulture shade nets.

One of India's top suppliers



An Esteemed Board

Abhishek Patel

Managing Director since 2012 (DIN : 05183410)

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

Pranav Jayantilal Patel

Director since 2001 (DIN : 00171387)

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

Sheela Ayyar

Director since 2015 (DIN : 06656579)

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

Kunal Rastogi

Director w.e.f. 09.08.2019 (DIN : 01570584)

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

Corporate Information

BOARD OF DIRECTORS

Mr. Abhishek Patel

Managing Director
DIN: 05183410

Mr. Pranav J. Patel

Non-Executive Director
DIN: 00171387

Ms. Sheela Ayyar

Independent Director
DIN: 06656579

Mr. Kunal Rastogi

Independent Director
DIN: 01570584

LISTED AT

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

REGISTERED OFFICE

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

MANUFACTURING LOCATIONS

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.

CHIEF FINANCIAL OFFICER

Mr. Jagdish Dokwal

COMPANY SECRETARY

Ms. Gauri Gangal

STATUTORY AUDITOR

Attar & Associates

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

SECRETARIAL AUDITOR

Sudhanwa S Kalamkar & Associates

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

INTERNAL AUDITOR

HRK Corp Advice Private Limited

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

BANKERS

Canara Bank

Tamrind lane Branch
Crossly House,
British Hotel Lane,
Fort, Mumbai - 400001
Phone. 022-22702051/60

REGISTRARS AND TRANSFER AGENTS

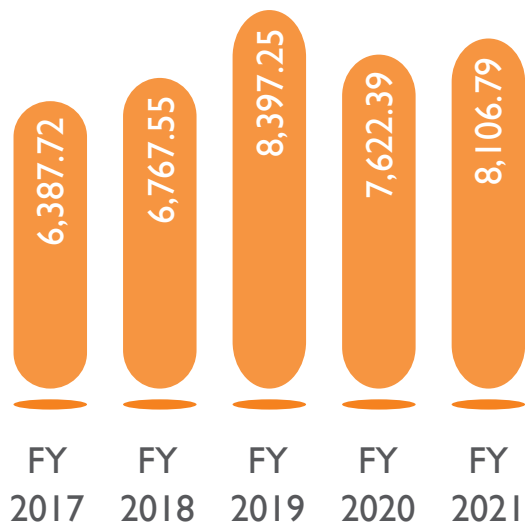
Adroit Corporate Services Pvt. Ltd.

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

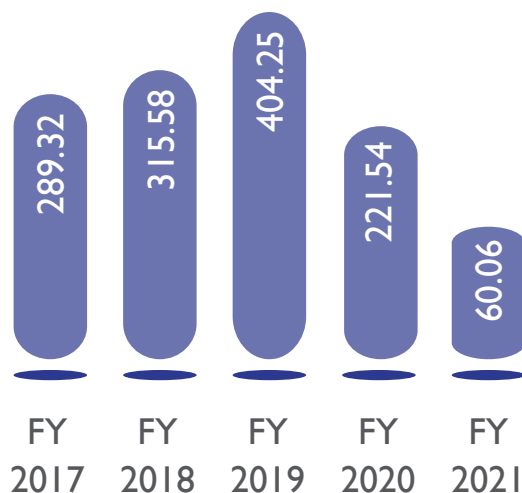
Our Financial Scorecard



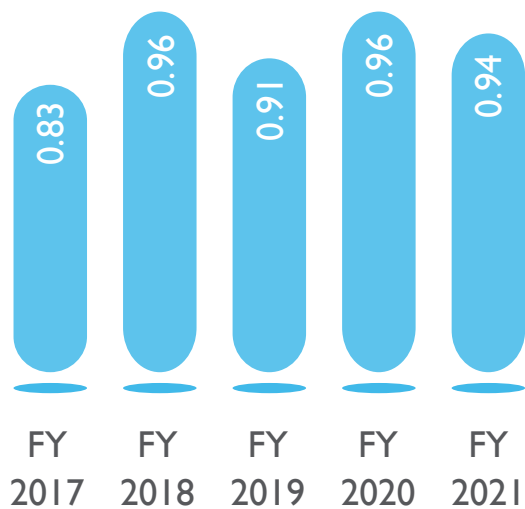
Revenues (Rs Lakhs)



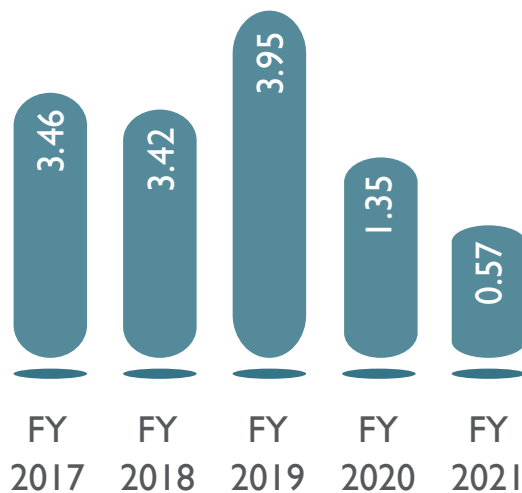
Profit Before Tax (Rs Lakhs)



Debt-Equity Ratio (%)



Earnings Per Share (Rs)



Our Performance in FY21



6.13%

EBITDA Margin

2,068.36

Reserves and Surplus (Rs in lakhs)



7.97%

Return on Capital Employed (ROCE)

37.98

Book Value Per Share (Rs.)



5-Year Financial Highlights - At a Glance

Profit and Loss Account (In Rs Lakhs)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenue (Net)	6,387.72	6,767.55	8,397.25	7,622.39	8,106.79
Total Income	6,406.98	6,789.12	8,411.50	7,663.00	8,122.45
EBITDA (Excluding Other Income)	539.99	628.92	827.61	607.76	496.69
Profit/Loss Before Tax (PBT)	289.32	315.58	404.25	221.54	60.06
Profit/Loss After Tax (PAT)	244.99	252.91	292.17	99.66	41.88

Balance Sheet (In Rs Lakhs)	FY2017	FY2018	FY2019	FY2020	FY2021
Equity Capital	708.7	739.1	739.1	739.1	739.1
Reserves and Surplus	1,238.82	1,489.98	1,781.20	1,880.17	2,068.36
Net Worth	1,947.52	2,229.08	2,520.30	2,619.27	2,807.46
Loan Funds	487.51	554.45	427.22	558.02	921.48
Current Liabilities	1,988.36	2,262.57	2,511.40	2,616.81	2,377.71
Other Liabilities	141.76	134.89	121.42	193.3	200.15
Total Liabilities	4,565.15	5,180.99	5,580.34	5,987.40	6,306.80
Gross Block (Including CWIP)	3,799.09	4,381.48	4,565.31	4,821.37	4,982.38
Accumulated Depreciation	2,321.90	2,476.57	2,671.40	2,638.23	2,837.85
Net Block	1,477.19	1,904.91	1,893.91	2,183.14	2,144.53
Investments	39.95	37.28	36.34	20.59	20.96
Sundry Debtors	760.65	1,004.30	1,017.77	910.83	1,033.98
Inventories	1,570.21	1,690.91	2,082.37	2,447.21	2,596.20
Other Current Assets	654.54	468.13	473.01	351.41	424.1
Total Current Assets	2,985.40	3,163.34	3,573.15	3,709.45	4,054.28
Other Assets	62.61	75.46	76.94	74.22	87.03
Total Assets	4,565.15	5,180.99	5,580.34	5,987.40	6,306.80

Ratio Analysis	FY2017	FY2018	FY2019	FY2020	FY2021
EBITDA Margin (%) (Excluding Other Income)	8.45	9.29	9.86	7.97	6.13
PAT Margin (%)	3.84	3.74	3.48	1.31	0.52
Debt-Equity Ratio	0.83	0.96	0.91	0.96	0.94
Total Assets Turnover	1.4	1.31	1.5	1.27	1.29
Fixed Assets Turnover	4.32	3.55	4.43	3.49	3.78
ROCE (%)	16.10	17.04	21.47	13.49	7.97
Debtors Turnover Ratio (%)	11.91	14.84	12.12	11.95	12.75
Inventory Turnover Ratio (%)	24.58	24.99	24.8	32.11	32.03
Interest Coverage Ratio	3.34	2.75	2.77	1.89	1.24
Current Ratio	1.50	1.40	1.42	1.42	1.71
Operating Profit Margin (%)	8.45	9.29	9.86	7.97	6.13
Net Profit Margin (%)	4.53	4.66	4.81	2.91	0.74
Any Changes of Return of Net Worth (Return on Equity)	4.08	4.27	5.47	3	0.81
Ratios Per Share					
Earnings Per Share (Rs)	3.46	3.42	3.95	1.35	0.57
Book Value Per Share (Rs)	27.48	30.16	34.1	35.44	37.98

Our Commitment



We remain committed to satisfy our customers' needs by providing them with high-quality, value-oriented and scientific protection solutions. Our aim is to become one of the top global manufacturers of PE knitted fabrics and shade nets.

Our Mission. Our Promise.

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



Our Core Values

Customer Centricity



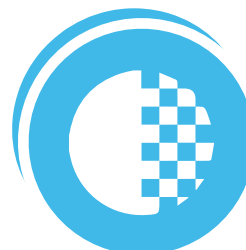
We build trust by delivering exceptional value to our customers.

Innovation



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

Transparency



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

Responsibility



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

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

As I write to you, the world continues to face unprecedented situations as a result of the COVID-19 crisis. The outbreak has led to far-reaching socio-economic impact across the world, including India, severely impacting lives and livelihoods. At Rishi Techtex Limited, we stand in solidarity with all the frontline workers who have been working selflessly to fight the ongoing pandemic and serve the nation.

Similar to global economies, the COVID-19 outbreak deepened the challenges being faced by the Indian economy. The pandemic has ravaged the economic foundations of world trade and is forcing an unprecedented social, economic and business reset. Although the economy has been regaining momentum with the lifting of partial lockdowns, normal economic activity still seems distant. The outbreak fundamentally changed the way we live, work, making 'work from home', 'social distancing', and 'higher technology adoption' the 'new normal'.

How we performed

Let's talk about our performance for the year.

The inevitable measures taken to contain COVID-19 impacted our financial and operational performance. This was further aggravated by a temporary closure of our production facility. The year qualifies as one of the most challenging in our history of more than three decades.

Total Income stood at Rs 8,122.45 lakhs, a marginal increase of 6% compared to Rs 7,663 lakhs in the previous financial year. The bottom line was severely affected by the second wave of COVID-19 and the resultant lockdowns, fluctuating commodity prices and increasing competition. Net Profit after Tax stood at Rs 41.88 lakhs vis-à-vis Rs 99.66 lakhs in the earlier year. Gross Revenue of Rs 8,106.80 lakhs included domestic sales at Rs 6,533.10 lakhs and exports at Rs 1,573.69 lakhs.

Revenue from exports has been growing year on year. Total exports at 971.59 MT increased 21.2% in FY2021, compared to 801.86 MT in FY2020. Exports to UAE, Saudi Arabia and Qatar were the largest contributors to revenue and reported a YoY increase. Exports contributed 20% to total revenue, compared to 19% in the previous year.

Our gearing and net worth ratios were comfortable due to limited capex and modest incremental working capital requirements. Debt protection measures too were healthy. During the year, the manufacturing plant operated at 65% capacity utilisation.

