



INDEPENDENT AUDITOR'S REPORT

**The Members of
Piotex Textech Private Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Piotex Textech Private Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities 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 the ethical requirements that are relevant to our audit of the 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.



Information Other than the Financial Statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act and other accounting principles generally accepted in India. 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work



and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 purpose 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, 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". Our report expresses an unmodified

opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which could impact its financial position.
 - 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.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("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.
 - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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
 - c. Based on audit procedures, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. The Company has not declared and paid any dividend during the year.
 - vi. Requirement of mandatory audit trail in company accounting software is postponed to financial years commencing on or after the 1st April, 2023 specified in notification No. F. No.1/19/2013-CL-V Part III dated 1st April 2021 read along

with notification No. G.S.R. 235(E) dated 31st March, 2023 issued by the Ministry of Corporate Affairs. Accordingly, reporting for the same is not applicable.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, as amended:

The Company is a private company and hence, provisions of Section 197 of the Act do not apply to the Company.

For Achyut Ekhe & Co.
Chartered Accountants
Firm Registration No.114973W



Sameer Ekhe

Partner

Membership No.: 124933

UDIN: 23124933B6UJBK8422



Pune,
Date - 01-09-2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31st March 2023, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment ("PPE").
- (a) (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a phased program of physical verification of Property, Plant and Equipment which provides for verification of each item of PPE at regular intervals, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain PPE were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and based on examination of the documents provided to us, the title deeds of Buildings are held in the name of the Company. In respect of Land that has been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company where the company is the lessee in the agreement.
- (d) The Company has not revalued its Property, Plant and Equipment (PPE) & intangible assets during the year. Accordingly, reporting under paragraph 3(i) (d) of the Order regarding Revaluation of PPE and intangible assets is not applicable.
- (e) According to the information, explanations given and represented to us by the management of company, No Proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. According to the information and explanations given to us, no discrepancies were noticed as a result of such physical verification by the management.
- (b) According to the information and explanations given to us, the quarterly returns or statements filed by the Company in respect of working capital limits availed from banks on the basis of security of current assets, are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us, during the year the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under paragraph 3(iii)(a)(A) and 3(iii)(a)(B) of the Order is not applicable.



(b) According to the information and explanations provided to us, the terms and conditions of the grant of all advances in the nature of loans are not prejudicial to the Company's interest. (Paragraph 3(iii)(b) of the Order)

(c) According to the information and explanations provided to us, no schedule of repayment of principal and payment of interest has been stipulated in respect of advances in the nature of loans.

(d) According to the information and explanations provided to us, no schedule of repayment of principal and payment of interest has been stipulated in respect of advances in the nature of loans. Hence, reporting under paragraph 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations provided to us, no loan or advance in the nature of loan has fallen due during the year. Hence, reporting under paragraph 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations provided to us, the Company has granted advances in the nature of loans repayable on demand. In respect of the same –

- the aggregate amount during the year – Rs.20,00,000/-
- percentage thereof to the total loan granted – 100 per cent (only one loan)
- aggregate amount of loans granted to promoters – NIL
- aggregate amount of loans granted to related parties - Rs.20,00,000/-

(iv) In our opinion and according to the information and explanations given to us:

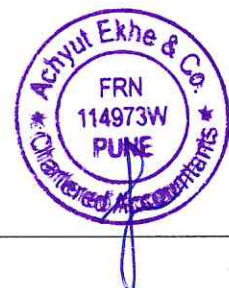
- a. In respect of loans granted by the company, the company has complied with the provisions of sections 185 and 186 of the Act.
- b. The Company has not given guarantees or provided securities or made investments which are covered by the provisions of Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public, hence the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable. Further, according to the information and explanations given to us, no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunals. Accordingly, reporting under paragraph 3(v) of the Order is not applicable.



- (vi) According to the information and explanations given to us and having regard to the nature of the company's business / activities, maintenance of cost records has not been specified under sub-Section (1) of Section 148 of the Act by the Central Government. Accordingly, reporting under Clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March 2023, for a period of more than six months from the date they became payable.
- (c) There are no dues on account of income tax, goods and services tax and any other statutory dues as may be applicable, that have not been deposited on account of any dispute as on 31st March 2023.
- (viii) According to the information and explanations given to us and as represented by the management, we have not come across any transactions, not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) Based on representation given by the management of the company and according to the information and explanations given to us-
- a. The Company has not defaulted in the repayment of loans or other borrowing or in the payment of interest thereon to any lender.
- b. We report that the company has not been declared wilful defaulter by any bank or financial institute or government or any government authority.
- c. We report that 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, we report that the Company has not used funds raised on short term basis for long term purposes.
- e. The company do not have any subsidiary, associates & joint venture during financial year 2021-22. Accordingly reporting under paragraph 3(ix)(e) and 3 (ix)(f) is not applicable.
- (x) In our opinion and according to the information and explanations given to us:
- a. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under paragraph 3(x)(a) of the Order is not applicable.

- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- (xi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and according to the information and explanations given to us,
- a. No fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the period, nor have we been informed of any such case by the Management.
 - b. No report under Section 143(12) of the Act in Form ADT-4 has been filed during the year.
 - c. As represented to us by the management, no whistle-blower complaints have been 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. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the Accounting Standards 18, Related Party Disclosure specified under section 133 of Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014. Further Company is not required to constitute an Audit Committee under section 177 of the act. Accordingly, to this extent, reporting under paragraph 3(xiii) of the Order is not applicable.
- (xiv) (a) In our opinion and based on our examination, during the year, the company has an internal audit system under Section 138 of the Act, commensurate with the size and nature of its business.
- (b) Reports of the Internal Auditors for the period under audit have been considered during the course of our audit.
- (xv) In our 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 him. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable.



(xvi) In our opinion and according to the information and explanations given to us:

- a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi)(a) of the Order is not applicable.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under paragraph 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred any cash loss during the financial year ended on 31st March 2023 and the immediately preceding financial year. Accordingly, reporting under paragraph 3(xvii) of the Order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under paragraph 3(xviii) of the Order is not applicable.

(xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, 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. 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) In our opinion and according to the information and explanations given to us:

- a. In respect of other than ongoing projects, there is no unspent amount that would be required to transferred to a Fund specified in in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to section 135(5) of the said Act. Accordingly reporting under paragraph 3(xx) of the Order is not applicable.
- b. There are no unspent amounts with respect to ongoing projects that would be required to be transferred to a special account in compliance of provisions of Section 135(6) of the Act.



Piotex Textech Private Limited

Independent Auditor's Report on Financial Statements of the Company for the year ended March 31, 2023

(xxi) In our opinion and according to the information and explanations given to us, the company does not have any subsidiaries, associates and joint ventures as on 31st March 2023 hence company does not require to prepare Consolidated Financial Statements. Accordingly reporting under paragraph 3(xxii) of the Order is not applicable.

For Achyut Ekhe & Co.

Chartered Accountants

Firm Registration No.114973W



Sameer Ekhe

Partner

Membership No.: 124933

UDIN: 23124933B6UJBK8422

Pune,

Date - 01-09-2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of the Company for the year ended 31st March, 2023)

Report on the Internal Financial Controls Over Financial Reporting 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 the Company as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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. 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 respects.



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external 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 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 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, to the best of our information and according to the explanations given to us, 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, 2023 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 Achyut Ekhe & Co.

Chartered Accountants

Firm Registration No.114973W



Sameer Ekhe

Partner

Membership No.: 124933

UDIN: 23124933B6UJBK8422

Pune,

Date - 01-09-2023