

Piotex Textech Private Limited

**Piotex Textech Private Limited**

CIN: U29262PN2012PTC144785

**Notes to the Accounts for the year ended 31 March 2023**

## **1. Background**

Piotex Textech Private Limited ("the Company") was incorporated on 17<sup>th</sup> September 2012. The Company is engaged in Trading of Textile Items, Contract Manufacturing of Cotton Bales, Viscose Fiber Bales, Polyester Fibers Bales, Cotton Yarn, Blended Yarn, Fabrics and providing solutions pertaining to Textile Technologies.

## **2. Significant accounting policies**

### **2.1 Basis for preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting.

### **2.2 Going concern**

Accordingly, these financial statements have been prepared on a going concern basis i.e. the assets and liabilities are recorded on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business.

### **2.3 Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### **2.4 Fixed assets & depreciation**

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. Cost of acquisition includes expenses on installation and construction and incidental expenses incurred during construction period.

Depreciation on fixed assets is provided on the Straight Line Method (SLM). The useful lives of fixed assets as prescribed in Schedule II to the Companies Act, 2013 are considered.



## 2.5 Impairment of assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the asset's net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal.

## 2.6 Inventories

Finished Goods Inventory is stated at cost or net realisable value whichever is less. Cost includes an appropriate share of labour and overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realizable value is made on an item by item basis.

## 2.7 Revenue recognition

Revenue from the sale of products is recognised when the risks and rewards of ownership of products are passed on to the customers. Revenue from sale of services is recognized when the provision of service is complete. Sales are recorded exclusive of indirect taxes such as Goods & Service Tax (GST).

## 2.8 Provisions & contingent liabilities

The Company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation. A disclosure for 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. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 2.9 Borrowing Cost

Borrowing costs include interest; amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.



## 2.10 Taxation

Income-tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), fringe benefit tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that they will be realized in future; however, where there is unabsorbed depreciation and carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

3. In the opinion of the Board, all assets other than fixed assets and non-current investments have a realizable value in the ordinary course of business which is not different from the amount at which it is stated.

4. No of Employees in receipt of remuneration aggregating not less than Rs.60,00,000/- or Rs.5,00,000/- per month when employed for part of the year

No. of Employees: NIL

5. Payment to Auditors \*:

Particulars	March 31, 2023 Rs.	March 31, 2022 Rs.
a. As auditors	2,00,000.00	2,32,000.00
b. For taxation matters	-	1,30,000.00
c. For other services	-	-
d. For reimbursement of expenses	-	-
<b>Total</b>	<b>2,00,000.00</b>	<b>3,62,000.00</b>

\* excluding Goods & Service Tax

6. Amount of exchange difference included in the Statement of Profit and Loss

Particulars	March 31, 2023 Rs.	March 31, 2022 Rs.
Exchange gain	97,792.75	NIL
Exchange loss	NIL	24,753.00



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7. Expenditure in foreign currency on account of:

Particulars	March 31, 2023 Rs.	March 31, 2022 Rs.
Travelling Expenses	NIL	Nil

8. Value of Imports calculated on CIF basis:

Particulars	March 31, 2023 Rs.	March 31, 2022 Rs.
Traded Goods	5,00,03,201.72	4,43,488.14

9. Value of Imported and Indigenous raw materials, spare parts and Components consumed: **NIL**

10. Earnings in Foreign Exchange

Particulars	March 31, 2023 Rs.	March 31, 2022 Rs.
FOB Value of Exports	NIL	NIL

11. Components of Deferred Tax Asset / (Liability) are as under:

Particulars	March 31, 2023 Rs.	March 31, 2022 Rs.
(i) Break up of Deferred tax liability as at year end		
Differences in the written down values of fixed assets	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
(ii) Break up of Deferred tax asset as at year end		
Differences in the written down values of fixed assets	7,20,210.00	25,763.00
Disallowance under Section 40(a)(ia) of Income-tax Act	50,336.00	27,332.00
<b>Total</b>	<b>7,70,546.00</b>	<b>53,095.00</b>
Deferred tax Asset/(liability) (net)	<b>7,70,546.00</b>	<b>53,095.00</b>

12. Amount remitted during the year in foreign currency on account of Dividend – NIL

32. Details of Employee Benefits as required by the Accounting Standard 15 (Revised) Employee benefits are as under:

(A) **Defined Contribution Plan:**

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:



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Particulars	March 31, 2023	March 31, 2022
Contribution to employees provident fund	1,77,686.00	1,82,726.00
Contribution to employee state insurance scheme	Nil	Nil
Contribution to Labour Welfare Fund	Nil	Nil
Contribution to superannuation fund	Nil	Nil
<b>Total</b>	<b>1,77,686.00</b>	<b>1,82,726.00</b>

**(B) Defined Benefit Plans:**

The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service in line with Payment of Gratuity Act, 1972.

Changes in present value of defined benefit obligation and plan assets representing the reconciliation of opening and closing balances thereof are as follows:

Particulars	Amount in Rs.	
	March 31, 2023	March 31, 2022
Present value of defined benefit obligation as at the beginning of the year	25,73,405	1,072,193
Interest cost	1,77,565	68,385
Current service cost	457,443	198,374
Transfer In / (Out)	NIL	NIL
Benefit paid from the plan assets	Nil	Nil
Past service cost	Nil	Nil
Actuarial (gain)/loss	(430,236)	1,306,561
Present value of defined benefit obligation as at the end of the year	27,78,177	2,573,405
<b>Change in the fair value of plan assets</b>	<b>Nil</b>	<b>Nil</b>
Fair value of plan assets as at the beginning of the year	Nil	Nil
Contributions during the year	Nil	Nil
Expected return on plan assets	Nil	Nil
Benefit paid from the plan assets	Nil	Nil
Actuarial gain/(loss)	Nil	Nil
Fair value of plan assets as at the end of the year	Nil	Nil
<b>Net liability recognized in balance sheet</b>	<b>Nil</b>	<b>Nil</b>



**Component of expenses recognized in the statement of profit and loss for the year ended March 31, 2023**

Particulars	Amount in Rs.	
	March 31, 2023	March 31, 2022
Interest cost	177,565	68,385
Current service cost	457,443	198,374
Past service cost	Nil	Nil
Actuarial (gain)/ loss	(4,30,236)	12,34,453
Expected return on plan assets	Nil	Nil
<b>Total</b>	<b>2,04,772</b>	<b>15,01,212</b>

**Principal Actuarial Assumptions:**

Principal Actuarial Assumptions :	Gratuity	
	March 31, 2023	March 31, 2022
Discount Rate (%)	7.40%	6.90%
Salary Escalation (%)	5.00%	5.00%

- i. The Discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated terms of the obligations.
- ii. Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**33. Related Party Transactions:**

- (i) The nature of relationship and related party transactions as required by Accounting Standard –18 on “Related Party Disclosures” are given below :-

Name of the Party	Nature of relationship
Mrs. Sandhya Nimodiya	Director & Shareholder
Mrs. Chaitali Asalkar	Director & Shareholder
Mr. Yogesh Nimodiya	Director & Shareholder
Mr. Abhay Asalkar	Director & Shareholder
Adler Bizsol LLP	Joint Control Enterprises
Piotex Ventures Pvt Ltd	Joint Control Enterprises



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Name of the Party	Nature of relationship
Mrs. Sandhya Nimodiya	Director & Shareholder
Piotex Industries Private Limited	Joint Control Enterprises
Piotex Grover International Private Limited	Joint Control Enterprises

(ii) Transactions with related party during the year ended March 31, 2023

Name of the Party	Nature of Transactions	Amount in Rs.	
		March 31, 2023	March 31, 2022
Adler Bizsol LLP	Sale of Cotton & Accessories	Nil	43,51,777.00
Piotex Ventures Pvt Ltd	Advance for supply of Services	Nil	55,78,990.00
Piotex Industries Private Limited	Purchases of Services -Commission	Nil	51,65,954.00
Piotex Industries Private Limited	Sale of Cotton	Nil	87,47,877.00
Abhay Asalkar HUF	Commission Services Purchase	Nil	17,95,000.00
Yogesh Nimodiya HUF	Commission Services Purchase	Nil	17,95,000.00
Piotex Industries Pvt Ltd.	Purchase of Fabric	2,29,57,395.00	Nil
Piotex Industries Pvt Ltd	Sale of Fixed Assets	14,75,000.00	Nil
Piotex Industries Pvt Ltd	Facility Usage Charges	3,24,523.00	Nil
Piotex Ventures Pvt. Ltd	Sale of Traded Goods	43,93,701.58	Nil
Piotex Ventures Pvt. Ltd.	Unsecured Loan Given	20,00,000.00	Nil
Piotex Industries Pvt Ltd	Unsecured Loan Taken	21,28,00,000.00	Nil



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Name of the Party	Nature of Transactions	March 31, 2023	March 31, 2022
Adler Bizsol LLP	Facility Usage Charges	5,31,138.06	Nil
<b>Key Managerial Personnel</b>			
Mr. Abhay Asalkar	Directors' Remuneration	38,50,706.00	40,16,820.00
Mr. Yogesh Nimodiya	Directors' Remuneration	38,26,406.00	40,16,820.00
Mrs. Sandhya Nimodiya	Directors' Remuneration	22,73,606.00	21,00,000.00
Mrs. Chaitali Asalkar	Directors' Remuneration	22,94,136.00	21,00,000.00

Amount in Rs.

Name of the Party	Nature of Transactions	Receivables / (Payable) as at	
		March 31, 2023	March 31, 2022
Adler Bizsol LLP	Sale of Cotton & accessories	Nil	(37,655.10)
Piotex Ventures Pvt Ltd	Advance for supply of services	Nil	99,30,187.5
Piotex Industries Pvt Ltd	Sale & Purchases of Yarn	Nil	(50,44,390)
Piotex Ventures Pvt.Ltd	Unsecured Loan Given	20,96,658.00	Nil
Piotex Ventures Pvt. Ltd	Sale of Service	1,51,548.58	NIL
Piotex Industries Pvt Ltd	Unsecured Loan Taken	(3,38,18,089.00)	NIL
Piotex Industries Pvt Ltd	Purchase of Fabric	(28,10,994)	NIL
Adler Bizsol LLP	Sale of Service	5,33,713.06	NIL



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34. Trade Receivables Ageing

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	55,30,36,186.16	1,75,35,897	-	61,475	-	57,06,33,558.16
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

35. Trade Payables Ageing

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	14,46,43,409.00	-	-	-	14,46,43,409.00
(ii) Others	16,86,01,811.26	1,17,821.03	2,73,112.00	52,85,343.00	16,89,92,744.29
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-



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36. Micro, Small and Medium Enterprises

Amount in Rs.

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	14,46,43,409.00	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) 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 MSMED Act	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

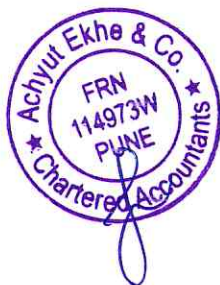
37. Ratio Analysis

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting Period	% of Change	Reasons for the change
Current Ratio	Current Assets	Current Liabilities	1.41	1.53	-8.17%	NIL
Debt Equity Ratio	Debt Capital	Shareholder's Equity	0.34	0.18	89.13%	NIL



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Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting Period	% of Change	Reasons for the change
Debt Service coverage ratio	Earnings before Interest, Depreciation and Tax	Debt Service (Interest + Principal)	25.42	5.03	405.27%	Less Debt Repayment Scheduled in current year
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	47.16%	62.90%	-25.02%	Lower Margins due to higher purchase prices during the year
Inventory Turnover Ratio	COGS	Average Inventory	79.58	204.18	-61.02%	Higher Inventory due to higher purchases in the year end
Trade Receivables turnover ratio	Net Sales	Average trade receivables	13.84	39.72	-65.17%	Higher Trade Receivables due to higher credit sales in the year end
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Average Trade Payables	24.40	69.17	-64.73%	Higher Trade Payables due to higher credit purchases in the year end



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Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting Period	% of Change	Reasons for the change
Net capital turnover ratio	Sales	Working capital (CA-CL)	23.06	54.37	-57.58%	Higher Working Capital levels due to higher credit sales in the year end
Net profit ratio	Net Profit	Sales	1.29%	1.60%	-19.70%	NIL
Return on Capital employed	Earnings before interest and tax	Capital Employed	38.34%	76.58%	-49.94%	Lower Margins due to higher purchase prices during the year
Return on investment	Net Profit	Investment	-	-	0.00%	Not Applicable as the Company has not made any investment during the year

38. Corporate Social Responsibility Expenditure

Gross amount required to be spent by the company during the year is Rs. **16,67,750/-** (previous year Rs.10,97,125) (calculated as per 2% of the average net profits of the company made during the three immediately preceding financial years).

The company has not spent any amount towards Corporate Social Responsibility (CSR) during the year. The Company would carry forward this shortfall and will spend the said amount in next year.

Corporate Social Responsibility (CSR)	31-Mar-23	31-Mar-22
(a) amount required to be spent during the year	16,67,750.00	10,97,125.00
(b) amount of expenditure incurred	Nil	10,97,125.00



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Corporate Social Responsibility (CSR)	31-Mar-23	31-Mar-22
(c) shortfall at the end of the year	Nil	Nil
(d) total of previous years shortfall	Nil	Nil
(e) Reasons for shortfall	NA	NA
(f) Nature of CSR activities,	Capital Expenditure	Capital Expenditure
(g) Details of related party transactions	NA	NA

39. Expenditure incurred in foreign currency:	Year ended	
	31 March 2023	31 March 2022
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and consultation fees	NIL	NIL
Interest	NIL	NIL
Other matters	NIL	NIL

40. Earnings in foreign exchange	Year ended	
	31 March 2023	31 March 2022
I. Export of goods on F.O.B. basis;	NIL	NIL
II. Royalty, know-how, professional and consultation fees	NIL	NIL
III. Interest and dividend	NIL	NIL
IV. Other income, indicating the nature thereof.	NIL	NIL

41. Details of Crypto Currency or Virtual Currency	Year ended	
	31 March 2023	31 March 2022
(a) Profit or loss on sale of Crypto currency/Virtual Currency	NIL	NIL
(b) Amount of currency held as at the reporting date,	NIL	NIL
(c) Deposits/Advances received for the purpose of trading or investing in Crypto Currency/ virtual currency.	NIL	NIL



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42. Contingent liabilities and commitments	Year ended	
	31 March 2023	31 March 2022
<b>(i) Contingent liabilities</b>		
(a) Claims against the company not acknowledged as debt	NIL	NIL
(b) Guarantees	NIL	NIL
(c) Other money for which the company is contingently liable in respect of bills discounted and export sales ondeferred credit	NIL	NIL
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
(b) Uncalled liability on shares and other investments partly paid	NIL	NIL
(c) Other commitments	NIL	NIL
(d) Export Obligation Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	NIL	NIL

43. Dividend on Equity Shares	Year ended	
	31 March 2023	31 March 2022
<b>Proposed dividend on equity shares not recognised as liability</b>		
Final dividend per share	NIL	NIL
Total dividend	NIL	NIL
Payout ratio	NIL	NIL

**44. Relationships with Struck Off Companies**

The Company does not have any relationships with struck-off companies as at the Balance date.

**45.** No scheme of arrangement for the Company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**46.** The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and no proceeding has been initiated or is pending against the Company for holding any benami property.

**47.** The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.



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48. Disclosure in respect of Borrowings on the basis of security against current assets:

The Company has borrowed funds from Bank on the basis of security of current assets and quarterly returns / statements of current assets filed by the Company with the Banks are in agreement with the Books of Account of the Company.

49. Foreign Currency Exposure (not covered by derivative instruments)

(A) Details of Derivative Instruments (for hedging)

The Company has not entered into any transaction of derivative instruments outstanding as on 31st March 2023.

(B) Details of foreign currency exposures that are not hedged by a Derivative instrument or otherwise: **NIL**


50. Previous year's figures have been regrouped, wherever necessary, to conform to this year's classification.

For Piotex Textech Pvt Ltd

  
Abhay Asalkar  
Director  
DIN: 06851614  
Place: **PUNE**  
Date: **01-09-2023**

  
Yogesh Nimodiya  
Director  
DIN:06851606

As per our report of even date  
For Achyut Ekhe & Co.

  
(CA. Sameer K Ekhe)  
Partner  
M.No.124933

