



POLYSPIN EXPORTS LIMITED (100% EOU)

1, Railway Feeder Road
Cholapuram South 626 139
(Via) Rajapalayam, Tamilnadu, INDIA
Registered Office : 351, P.A.C.R. Salai,
Rajapalayam - 626 117.

Tel : 91 4563 284000 / 503 / 504
Fax : 91 4563 284505
e-mail : pelpack@vsnl.net
fabc@polyspin.in
CIN : L51909TN1985PLC011683



13th August 2018

The Deputy Manager,
Dept. of Corporate Service,
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Sir,

Scrip Code: 539354

Sub: Polyspin Exports Ltd – Annual Report – 2018

Pursuant to Regulation 34 of the Securities and Exchange Board of India) Listing Obligation & Disclosure Requirements) Regulation, 2015, we are submitting soft copy of the following:

Annual Report including the Audited Financial Statement (including Audited Consolidated Financial Statement)for the Financial Year 31st March 2018 and Reports of the Board of Directors and Auditors thereon.

Kindly take the same on record and acknowledge receipt.

Yours Faithfully

For POLYSPIN EXPORTS LTD.,

**(P.K. RAMASUBRAMANIAN)
COMPANY SECRETARY**

POLYSPIN EXPORTS LTD

RAJAPALAYAM



Annual Report
2017 - 2018



Founder

Sri. A.RAMMOHAN RAJA

POLYSPIN EXPORTS LIMITED

BOARD OF DIRECTORS	:	SHRI R. RAMJI, <i>Managing Director & CEO</i> SHRI K. LAKSHMINARAYANAN SHRI S.R. SUBRAMANIAN SHRI P. VAIDYANATHAN SHRI A. THIRUPPATHY RAJA SHRI S. SANKAR SHRI S.V. RAVI SMT. DURGA RAMJI
SECRETARY	:	SHRI P.K. RAMASUBRAMANIAN B.Sc., ACMA., ACS
AUDITORS	:	M/s. SRITHAR & ASSOCIATES CHARTERED ACCOUNTANTS No.32 - T.P. KOVIL STREET, 1 ST LANE TRIPILICANE, CHENNAI - 600 005.
SECRETARIAL AUDITOR	:	SHRI. B. SUBRAMANIAN B.Com., FCS., ACMA PRACTISING COMPANY SECRETARY FLAT No.: 1, PRITHVI APARTMENTS 7/4, SEETHA NAGAR, SECOND STREET NUNGAMBAKKAM CHENNAI - 600 034.
BANKERS	:	CITY UNION BANK LTD. RAJAPALAYAM
REGISTERED OFFICE	:	351, P.A.C.R. SALAI, RAJAPALAYAM - 626 117.
CORPORATE IDENTIFICATION NUMBER	:	L51909TN1985PLC011683
E-MAIL	:	pelpack@vsnl.net
PHONE NO	:	04563 - 221554 / 284000
FAX	:	04563 - 284505
WEBSITE	:	www.polyspin.org
ADMINISTRATIVE OFFICE	:	1, RAILWAY FEEDER ROAD CHOLAPURAM SOUTH - 626 139 RAJAPALAYAM.
LISTED STOCK EXCHANGE	:	BOMBAY STOCK EXCHANGE
REGISTRAR & TRANSFER AGENTS	:	M/S. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED 2ND FLOOR, KENCES TOWER NO.1, RAMAKRISHNA STREET NORTH USMAN ROAD, T.NAGAR CHENNAI - 600 017. PHONE NO: 044 - 28140801

POLYSPIN EXPORTS LIMITED

CIN : L51909TN1985PLC011683

Registered Office : 351, P.A.C.R. Salai, Rajapalayam - 626 117.

CORPORATE TEAM

Chief Executive Officer : Shri R. Ramji
Chief Operating Officer : Shri Ponram Barathy
Chief Financial Officer : Shri S. Seenivasa Varathan

Board Committees :

Audit Committee : Shri K. Lakshminarayanan, Chairman
Shri S. Sankar
Shri S.V. Ravi

Stake Holders Relationship Committee : Shri S.R. Subramanian, Chairman
Shri A. Thiruppathy Raja
Shri R. Ramji

Nomination and Remuneration Committee : Shri K. Lakshminarayanan
Shri S. Sankar
Shri A. Thiruppathy Raja

Corporate Social Responsibility Committee : Shri A. Thiruppathy Raja, Chairman
Shri R. Ramji
Shri S.V. Ravi

POLYSPIN EXPORTS LIMITED

Registered Office : 351, P.A.C.R. Salai, Rajapalayam - 626 117.

CIN : L51909TN1985PLC011683

NOTICE:

Notice is hereby given that the Thirty Third Annual General Meeting of the members of the company will be held at 9.30 A.M. on Monday, the 13th day of August, 2018, at Sri Arjuna Manthiram, No. 21/595, Sri Krishna Colony, P.A.C.R. Salai, Rajapalayam, to transact the following business.

ORDINARY BUSINESS:

1. Financial Statements and Reports:-

To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED THAT the Balance Sheet as at 31st March, 2018, Statement of Profit and Loss account for the year ended on that date, the Cash Flow Statement for the year ended on that date including Consolidated Balance Sheet as at 31st March, 2018 and Profit & Loss Account for the year ended on that date, the Director's Report and the Auditor's Report thereon, be and are hereby considered and adopted."

2. Dividend:-

To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED THAT a Dividend of Rs. 1.20 per Share, be and is hereby declared for the year ended 31st March, 2018."

3. Reappointment of Director:-

To consider and if thought fit, to pass with or without modification, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT Sri. S. R. SUBRAMANIAN (DIN: 00122325), Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."

4. Statutory Auditors:-

To appoint M/s. SRITHAR & ASSOCIATES, Chartered Accountant (Firm Registration No.015896S) to hold office as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of 37th Annual General Meeting and to fix their remuneration and pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT M/s. SRITHAR & ASSOCIATES, Chartered Accountant (Firm Registration No.015896S)

be and are hereby appointed as the Statutory Auditors of the company from the conclusion of this Annual General Meeting till the conclusion of 37th Annual General Meeting for the balance period of first term of five years under Section 139 of the Companies Act, 2013."

RESOLVED FURTHER THAT the auditor shall be paid a remuneration of Rs.50,000/- p.a exclusive of applicable taxes and out of pocket expenses as recommended by the Board of Directors and Audit committee for the financial year upto 2021-2022.

SPECIAL BUSINESS:

5. Appointment of Director:

To appoint Mr. VAIDYANATHAN PANCHAPAGESAN who was appointed as Additional Director of the company on 31st October 2017 and holds office till the conclusion of this Annual General Meeting and being eligible to be appointed as a Director of the company and to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. VAIDYANATHAN PANCHAPAGESAN (DIN: 00029503) who was appointed as Additional Director of the company on 31st October 2017 and holds office till conclusion of this Annual General Meeting be and is hereby appointed as Director of the company."

6. Re-appointment of Managing Director:

To Reappoint Mr. RAMMOHAN RAJA RAMJI as Managing Director of the company for a further period of three years and pass the following resolution with or without modification as a SPECIAL RESOLUTION:

"RESOLVED THAT on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the company, Sri. Rammohan Raja Ramji, Managing Director (DIN 00109393), be and is hereby reappointed as Managing Director of the Company for a period of three years with effect from 1st April 2018 subject to the provisions of Section 196, 197 read with Schedule V, Part II Section II of the Companies Act, 2013 and other applicable provisions of the Act, if any and Rules thereon and subject to such approval as may be required on the following terms and Conditions.

- Remuneration: Rs.7,00,000/- per month.
- Commission: Three percent commission on the net profits of the Company subject to the ceiling of the total annual salary.

- c. Perquisites: Payment as per the Company's rules, subject to the provisions of Schedule V Part II Section II of the Companies Act, 2013 and Income Tax Act 1961. It shall be restricted to 50% of the salary per annum.
- d. Contribution: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- e. Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service.
- f. Leave: Encashment of leave at the end of tenure.
- g. In case of inadequacy of profits the remuneration shall not exceed the limits as prescribed under Schedule V Part II Section II of the Companies Act, 2013.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to increase the remuneration payable to Sri. Rammohan Raja Ramji, Managing Director, subject to the limits as prescribed under section 196 and 197 read with Schedule V of the Companies Act, 2013, during the tenure of his employment.”

By order of the Board,

Place : Rajapalayam
Date : 29.05.2018

P.K. Ramasubramanian
Secretary

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 5 & 6 is set out in this report.
2. **The Register of members and the share transfer books of the Company will remain closed from 07.08.2018 to 13.08.2018 (both days inclusive) for annual closing for the purpose of determining the members eligible for dividend.**
3. The dividend on the Equity shares as recommended by the Board will be paid on the approval of the members of the company to the eligible shareholders whose name appear in the Company's register of members as on 13.08.2018 and to the eligible beneficial owners whose name appear in the list provided by the Depositories – National Securities Depository Ltd and Central Depository Services (India) Ltd as on 06.08.2018.
4. Under the provisions of section 125 of the Companies Act 2013, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. The

Shareholders can claim such dividends from IEPF as per the rules and regulations of the Companies Act, 2013 and the Central Government. Hence, members who have not claimed their dividend relating to earlier years may write to the Company for claiming the amount before it is transferred to the IEPF. The details of the due date for transfer of such unclaimed dividend to the IEP fund are given below.

Financial year ended	Dividend Percentage	Date of Declaration of Dividend	Last Date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2011	10%	05.09.2011	04.09.2018	03.10.2018
31.03.2012	10%	17.09.2012	16.09.2019	15.10.2019
31.03.2013	10%	23.09.2013	22.09.2020	21.10.2020
31.03.2014	12%	03.09.2014	02.09.2021	01.10.2021
31.03.2015	12%	29.09.2015	28.09.2022	27.10.2022
31.03.2016	12%	15.09.2016	14.09.2023	13.10.2023
31.03.2017	12%	26.09.2017	25.09.2024	24.10.2024

5. **A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

The Proxy form should be lodged with the company at least 48 hours before the scheduled commencement of the meeting.

Revenue stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy Form, for identification purpose.

6. Members are requested to kindly bring their copy of the Annual Report to the Annual General Meeting.
7. Members are requested to furnish and update their Email ID with Company and the Depository Participant. Members holding shares in Physical form are requested to dematerialize their holdings so as to enable the implementation of the Green Initiative.
8. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Member holding shares in electronic mode are requested to submit their PAN to the depository participants with whom they maintain their demat account. Members holding shares in physical form are requested to submit their PAN to the company.

9. **Electronic copy of the Notice of the 33rd Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered email address, physical copies of the Notice of the 33rd Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.**
10. **Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.polyspin.org for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Rajapalayam for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also write to the Company's email id: polyspinexportscs@gmail.com**
11. **Voting through electronic means:**
- a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Company is pleased to provide members facility to exercise their right to vote at the 33rd Annual General Meeting by electronic means and the business may be transacted through e-voting service provided by National Securities Depository Limited (NSDL)
- b. Remote e-voting means the facility of casting votes by a member using electronic voting system from a place other than the venue of Annual General Meeting.
- c. The facility for voting through ballot paper shall be made available at the meeting and members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting. Members who have already cast their votes through remote e-voting can attend the Annual General Meeting but cannot vote again.
- The instructions for remote e-voting are as under:
- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file namely "Polyspin Exports Limited e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsd.com>.
 - iii. Click on Shareholder – Login
 - iv. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password.
 - v. If you are logging in for the first time, please enter the User ID and Password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.
Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Polyspin Exports Limited as appearing in the Attendance Slip.
Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to subra1152@gmail.com with a copy marked to evoting@nsdl.com
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsd.co.in

- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- i. Initial password is provided at the bottom of the attendance slip for the Annual General Meeting:
EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- C. Other Instructions:**
- The cut-off date for determining the eligibility for Remote e-voting is fixed as 6th August, 2018.
- i. The e-voting period commence on **9th August, 2018 (9.00 A.M)** and ends on **12th August, 2018 (5.00 P.M)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 6th August, 2018 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 6th August, 2018**.
- iii. Mr. B. Subramanian, Practicing Company Secretary (Membership No. F2152 & C.P. 2275) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make a consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized to whom in writing who shall countersign the same.
- v. The result shall be declared on or after the Annual General Meeting of the Company. The results declared along with Scrutinizer's Report shall be placed on the Company's website www.polyspin.org and the website of NSDL within two days of passing the resolution at the Annual General Meeting of the company and communicated to the stock exchanges.
- vi. In compliance with regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the results of the e-voting shall be submitted to the stock exchange within 48 hours of the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.polyspin.org and the website of NSDL.

Details of the Directors seeking reappointment (in pursuance of Regulation 36 (3) of SEBI (Listing Obligation and Disclosures Requirements) Regulation 2015.

Item No. 3

Details of the Directors seeking reappointment (in pursuance of Regulation 36 (3) of SEBI (Listing Obligation and Disclosures Requirements) Regulation 2015

Name of Director	: Shri. S.R. SUBRAMANIAN
DIN	: 00122141
Date of Birth	: 31.03.1943
Date of appointment on Board	: 01.02.1985
Qualification	: M.Sc.,
Share Holding	: 90,500
Directorship held in other company:	Ganesh Agro Pack Private Limited Sri Siddhivinayak Shares Ltd.,
Member of Committee	: Stakeholders Relationship Committee
Relationship between Directors	: None of the directors is related
Others	: 40 Years Experience in Banking and Securities

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5

The board recommend for the appointment of Mr. VAIDYANATHAN PANCHAPAGESAN (DIN. 00029503) who was appointed as Additional Director of the company on 31st October 2017 and holds office till conclusion of this annual general meeting of the company and eligible to be appointed as a Director of the company subject to the approval of the members.

None of the Directors are interested in the above resolution except Mr. VAIDYANATHAN PANCHAPAGESAN.

Details of the Directors seeking appointment (in pursuance of Regulation 36 (3) of SEBI (Listing Obligation and Disclosures Requirements) Regulation 2015)

Name of the Director	: Shri. P. VAIDYANATHAN
DIN	: 00029503
Date of Birth	: 29.10.1947
Date of appointment on Board	: 31.10.2017
Qualification	: FCA., ACS., ACMA.,
Share Holding	: NIL
Directorship held in other company:	Hatsun Agro Product Limited Economist Communication Limited Suja Shoei Industries P. Limited Edelweiss Tokio Life Insurance - Company Limited Integrated Investment Management - Service LLP Srismart Services LLP
Member of Committee	: NIL

Profile:-

- He is a Chartered Accountant, Cost Accountant and Company Secretary by qualification.
- Pioneer in Financial Services Industry with over 40 years experience.
- He was the Non Executive Chairman of **City Union Bank Limited** (CUB) for 2 years till 27th Apr 2011. Also he was a board member of CUB from 1984 to 1992 and 2003 to 2011. Details of the bank available in www.cityunionbank.com
- He was a member of the Disciplinary Action Committee of **National Securities Depository Limited (NSDL)**. He was also a member of Executive Committee of NSDL.
- He was a member of '**Investors Education and Protection Fund**' committee managed by the Department of Corporate Affairs, Ministry of Finance.
- He was a Director in **Vijaya Bank** during 2011-2017. **Vijaya Bank** is a nationalized Bank headquartered in Bangalore with highest branches in Karnataka. The bank has built a network of 1200 branches, 49 Extension Counters and 551 ATMs, 789 centers. It has more than 11000 dedicated workforces.
- He is also an independent Director of **Hatsun Agro Product Limited** a leading manufacturer of Ice creams and Dairy Products.
- He is also an independent Director in **Edelweiss Tokio Life Insurance**, a new generation Insurance company, set up with a start up capital of INR 550 Crores. The company is a joint venture between Edelweiss Financial Services, one of India's leading diversified financial services companies and Tokio Marine Holdings Inc, one of the oldest and the biggest Insurance companies in Japan now with presence across 39 countries around the world.
- His other Directorships include **Economist Communications Limited**, publishers of Industrial Economist a business magazine, **Suja Shoei Industries Pvt Limited** a joint venture with Japanese Company engaged in automobile Rubber Products.
- He was a Director of Franklin Templeton Asset Management India Pvt. Ltd for more than a decade till March 2009.
- Promoted **Integrated Enterprises (India) Pvt. Ltd.**, retail financial services provider, Depository Participant, Merchant Banker, member of NSE & BSE and a POP of PFRDA. Integrated Enterprises is a 40-year-old Company with 125+ branches all over the country.
- He Regular Speaker on forums relating to Financial Management matters.

Item No. 6

Sri. Rammohan Raja Ramji, Managing Director (DIN 00109393), was reappointed as Managing Director of the Company for a period of three years with effect from 1st April 2018. The re-appointment was made subject to the provisions of Section 196, 197 read with Schedule V, Part II Section II of the Companies Act, 2013 and other applicable provisions of the Act, if any and Rules thereon. Re-appointment was made for three years on a remuneration of Rs. 7 lakhs per month together with commission, perquisites and other benefits.

The turnover crossed 100 Crores during the year 2014 and for the year ended 2018 the turnover was Rs. 181.44 Crores. The company has performed well under his management and leadership. The required expansion to keep pace with changes in manufacture has been started and is in progress. Taking into account the increased responsibility and progress, the Nomination and Remuneration Committee has recommended the re-appointment for a period of 3 years effect from 01.04.2018 on remuneration of Rs. 7.00 Lakhs per month, which is commensurate with structure of the industry.

Hence, the special resolution is proposed to be passed by the members of the company for the payment of the increased remuneration which is subject to the provisions of Section 196, 197 read with Schedule V Part II Section II of the Companies Act, 2013.

None of the Directors and key management personnel except Sri. R. Ramji, Sri. S.V. Ravi and Smt. Durga Ramji are interested in the Resolution.

A copy of the appointment letter together with terms and conditions is available for inspection by the members at the registered office of the company.

Sri. R. Ramji is the Director in the following Companies

S.No.	Name of the Company	Designation
1.	Polyspin Exports Limited	Managing Director
2.	Energyspin Private Limited	Director
3.	Polyspin Private Limited	Director
4.	Ramji Investments Private Limited	Director

Information required to be provided as per the provisions of Section II (A) (iv) of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION:

1. Nature of Industry : Manufacturing
2. Date of Commercial Production : Already Under Production
 1. FIBC Bags, Fabrics, Yarn
 2. Open End Spinning Yarn
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable

4. Financial Performance :

<u>Particulars</u>	Rupees in Lakhs		
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Sales	13,646.99	15,598.35	18,144.50
Profit before Interest & Depreciation	1,027.38	1,176.50	1,499.50
Profit after Interest & Depreciation	449.26	499.11	764.08
Profit after Tax	290.89	373.40	503.59
Dividend (12%)	48.00	48.00	48.00
Networth	1,815.13	2,148.08	2,598.11
EPS	7.27	9.34	12.59

5. Export performance and net foreign exchange earnings:

	Rupees in Lakhs		
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Exports-earnings in Foreign exchange	10,563.63	11,797.29	13,997.78
Foreign exchange out Flow	3,198.99	4,682.08	5127.71

II. INFORMATION ABOUT THE APPOINTEE:

1. Background : 26 Years experience in Woven sack Industry
2. Past Remuneration : Rs. 76.21 Lakhs p.a. (Salary & Perquisites)
3. Recognition or awards : For Export performance and safety to the Company
4. Job profile and his suitability :
 1. Over all control of Business of the Company as Managing Director
 2. Sustained Growth
 3. Stability
 4. Development
 5. Export Marketing
 6. Enhancing Share value
 7. Increase in turnover
 - 8 Consistent Dividend
 9. Diversification into new products

5. Remuneration proposed :

Remuneration as per the Resolution passed by the Board of Directors and set out in the Notice. No sitting fee is paid.

III. OTHER INFORMATION:

1. Inadequate profits:

The company has been consistently making profit and has been paying dividends. The company seeks the approval of the shareholders for the payment of the proposed remuneration only in the event of the company having no profits or inadequate profit as per the provisions, conditions and ceiling limits provided in Schedule V.

2. Steps Taken:

The company has implemented the expansion programme which will pave way for increased production and profitability.

3. Expected increase in productivity and profit:

It is expected that the sale volume will increase by 23% for the next financial year and the increase in the profit considerably, subject to the market conditions.

IV. DISCLOSURES:

The information and explanation may be taken as disclosure under the listing agreement.

By order of the Board,

Place : Rajapalayam

Date : 29.05.2018

P.K. Ramasubramanian
Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Thirty Third Annual Report on the working of the company and Audited Accounts for the year ended 31st March, 2018.

Financial Results	Year ended 31.03.2018 Rs.	Year ended 31.03.2017 Rs.
Sales and other Income =====	181,44,49,955	155,98,35,006
Operating Profit (Profit before interest, Depreciation and Tax)	14,99,50,195	11,76,50,728
Less : Interest	4,45,78,795	3,97,90,379
Profit before Depreciation and Tax	10,53,71,400	7,78,60,349
Less : Depreciation	2,89,63,377	2,79,48,586
Profit before Tax	7,64,08,023	4,99,11,763
Add : Other comprehensive income	1,51,141	56,78,308
	7,65,59,164	5,55,90,071
Less : Provision for Taxation - Current	2,26,00,000	1,15,00,000
Less : Provision for Taxation - Deferred	36,00,000	67,50,000
	5,03,59,164	3,73,40,071

DIVIDEND

Your Directors are pleased to recommend the payment of **Dividend at Re.1.20 per share on the face value of Rs.10/- per share.**

This Dividend is not taxable in the hands of the Members. However, Tax on the Dividend amounting to Rs. 9.79 Lakhs would be paid by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REVIEW OF THE OPERATION, CURRENT TRENDS AND FUTURE PROSPECTS: COMPANY PERFORMANCE

During the year under review the performance of your company was good. The turnover has increased from Rs.155.98 Crores to Rs. 181.44 Crores which is about 16.32% increase over the previous year's turnover. The table below shows comparative quantitative figures of production and sales of the company's products. There has been a marked improvement in the quantity wise production and sales over the previous year's figures.

PRODUCTION AND SALES

Quantity of Production and Sale of the Company's products i.e., FIBC bags and OE Spinning yarn for the year ended 31.03.2017 and 31.03.2018 are as follows:

	Year ended 31.03.2018 Quantity (Kgs.)	Year ended 31.03.2017 Quantity (Kgs.)
1. Production		
1) FIBC Bags & PP Woven Bags	90,68,342	72,39,476
2) PP Woven Fabrics	2,08,361	1,24,021
3) PP Yarn	1,63,890	13,84,579
4) Paper Bags	55,853	44,994
5) Cotton Yarn & Fabric	19,41,611	17,69,832
2. Sales		
1) FIBC Bags & PP Woven Bags	91,32,972	74,76,099
2) PP Woven Fabrics	2,08,361	1,24,021
3) PP Yarn	1,63,890	13,84,579
4) Paper Bags	55,853	52,263
5) Cotton Yarn & Fabric	19,94,502	18,10,339

CURRENT TREND AND FUTURE PROSPECTS:

As per the Report on the World Economic outlook by the International Monetary Fund, the Global economic activity continues to firm up and the Global output is estimated for 2018 and 2019 at 3.9 percent. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes.

The U.S. tax policy changes are expected to stimulate activity, with the short-term impact in the United States mostly driven by the investment response to the corporate income tax cuts. The effect on U.S. growth is estimated to be positive through 2020. The effects of the package on output in the United States and its trading partners contribute about half of the cumulative revision to global growth over 2018–19.

Further Market research analysts predict that the flexible intermediate bulk container (FIBC) market will grow steadily during the next four years and the constantly increasing demand from diverse sectors including food and horticulture due to the increase in production and trade of horticulture products and in the chemical and fertilizer sectors.

Since the company's products i.e., FIBC bags are mostly exported to U.S and Europe markets, the indications in the global growth forecast will strengthen the company's growth as well. Sustained growth will certainly result in a better profitability in the near future.

There was a remarkable increase in the production of FIBC bags during the financial year ended 31.03.2018 from 72,39,476 Kgs to 90,68,342 Kgs and the sales had increased from 74,76,099 Kgs., to 91,32,972 Kgs an increase of 22.16%.

The prospects for the current year is promising and your directors are hopeful of achieving better results barring any unforeseen circumstances.

BOARD OF DIRECTORS

SRI.S.R.SUBRAMANIAN, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

SRI.VAIDYANATHAN PANCHAPAGESAN was appointed as an additional director on 31st October, 2017 and holds office till conclusion of this Annual General Meeting and being eligible, your directors recommend for his appointment as a Director of the company subject to the approval of the members.

Declaration by Independent Directors:- The Independent Directors of the company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

Policy of Directors Appointment and remuneration: - In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company. The policy also envisages and takes into account the total involvement with dedication and human touch.

None of the Director is disqualified under Section 164 of the Companies Act, 2013.

BOARD EVALUATION

Pursuant to Section 134(3) (p) of the Companies Act, 2013, and Regulation 25(4) of LODR, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters. Pursuant to Schedule II Part D of LODR, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Directors at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

MEETINGS

During the year Five Board Meetings were held. The details of the Meetings of the Board and its various Committees are given in the Corporate Governance Report.

ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5) (vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the company.

INTERNAL FINANCIAL CONTROLS

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company.

INTERNAL AUDIT

Sri. P.S. Ramadoss ACA (F.No:201506) the Internal Auditor, submits Quarterly reports to the audit committee which are reviewed periodically by Audit Committee as well as by the Board. Further, the Board annually reviews the effectiveness of the Company's internal control and audit system.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013, it is reported that the Company has not given any loans, guarantees and no investments has been made in bodies corporate or firm during the financial year.

REPORT ON CORPORATE GOVERNANCE:

The Company has complied with the requirements of Corporate Governance as stipulated in Listing obligations and Disclosure Requirements. A report on Corporate Governance is annexed herewith and it forms part of the Directors Report as per Annexure – I as required under Schedule V (C) of LODR. A certificate from the Secretarial Auditor confirming compliance is also attached as Annexure - II, as required under Schedule V (E) of LODR. The code of conduct as approved by the board is provided in the above annexure and website.

CORPORATE SOCIAL RESPONSIBILITY

Company has taken corporate social responsibility initiatives. The Committee comprising one Independent Director and two directors has been constituted as CSR Committee to develop CSR policy and implement the CSR initiatives whenever it is applicable to the Company.

The company has contributed Rs.1,32,512/- to health care and education projects during the financial year. There are certain other projects which have been identified and depending upon their implementation and fulfillment, balance contribution will be made in due course. The material disclosure is made in Annexure – III.

AUDITORS:

The board of directors recommend for the appointment of M/S. SRITHAR AND ASSOCIATES (Firm Registration No. 015896S), Chartered Accountants, Chennai, as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of 37th Annual General

Meeting for the balance period of first term of five years, subject to the approval of the share holders at the forthcoming 33rd Annual General Meeting of the company.

COST AUDITORS:

As per provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Government has not notified the products of our company to which the Cost Audit would be applicable. Hence, the Cost Audit was not conducted for your company for the financial year 2017 – 18.

SECRETARIAL AUDITOR

Pursuant to Provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Your Company has appointed Mr. B. Subramanian, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2018.

The Secretarial Audit Report (in Form MR – 3) is attached as Annexure – IV to this report.

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

The information required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo are given in Annexure -V to this report.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES:

There are no Subsidiaries or Joint Ventures and there is an associate company viz., M/s. Lankaspin Private Limited, Srilanka. The particulars of the Associate Company are given in Form AOC 1 as per Annexure VI.

EXTRACT OF ANNUAL RETURN

The Annual Return for the financial year ended 31st March, 2018 in Form No: MGT-7 pursuant to Section 92 of Companies Act, 2013 and Rule 12 (2) of the Companies (Management and Administration) Rules, 2014, is being placed on the website of the company www.polyspin.org.

WOMEN AT WORK PLACE

The company has constituted an Anti-Sexual Harassment Policy in line with the requirements of the sexual harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. Internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year, the company has not received any complaints of harassment.

PUBLIC DEPOSITS:-

The company has not accepted any fixed deposit from the public during the year under section 73 of the Act.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the LODR, the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website.

A forum to enable the concerned personnel of the Company to report any deviation or other acts which are against the general code of conduct of personnel, business and other activities has been created.

RISK MANAGEMENT POLICY

Company has developed and implemented a risk management policy, as required under Regulation 17(9) of LODR and Pursuant to Section 134(3)(n) of the Companies Act, 2013. A committee of the Board named as Risk Management Committee has been formed by the Board to address and evaluate various risks impacting the Company, in practice with reference to the forex and interest rate. At present the board has not identified any element of risk which may threaten the existence and development of the company.

The Company has laid down a Risk Management Policy and Procedure to inform the Board Members about the Risk assessment and minimization process, which is a vigorous and active process for identification and mitigation of risks. Necessary inputs are provided to the Audit Committee on a monthly basis. The production and sales are monitored and any deviation from the projected is identified, solution found and necessary rectifications are done periodically.

Audit Committee as well as the Board of Directors have adopted the Risk Management Policy and the Audit Committee reviews the risk management and mitigation plan from time to time.

MATERIAL CHANGES AND COMMITMENTS

No Material changes and commitments, affecting the financial position of the Company has occurred between the end of the financial year 2017-18 and till the date of this report.

PERSONNEL

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors are annexed as Annexure - VII and forms part of this Report.

RELATED PARTY TRANSACTIONS:

There were no materially significant related party transactions which could have potential conflict with the interests of the Company. Transactions with related parties are in the ordinary course of business on arm's length basis and are periodically placed before the Audit Committee and Board for its approvals and Form AOC-2 is enclosed as Annexure- VIII.

An omnibus approval by the Audit committee is granted with reference to each party and the ceiling amount. Since the transactions are at an arm's length basis, there is no significance.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and in compliance with the Regulations of LODR. This Policy was considered and approved by the Board, which has been uploaded on the website of the Company.

HUMAN RESOURCES

Your company treats its "human resources" as one of its most important assets. Your company enjoys a very cordial relationship with workers and employees at all levels.

Your company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused attention are currently underway. Your Company's thrust is on the promotion of talent internally, through job rotation and job enlargement.

TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the company, as on the date of last AGM 26th September, 2017 with the Ministry of Corporate Affairs. An amount of Rs. 3,34,294/- unclaimed dividend pertaining to the year 2011 will be transferred to the IEP Fund before 03.10.2018.

CODE OF CONDUCT

The Board has laid down the code of conduct for Directors of the company and senior management personnel.

The Directors shall follow in letter and spirit the provisions as contained in section 166 of the Companies Act, 2013. They shall also follow general principles of pillars of character. The same with certain variation involving their nature of work applies to the senior management personnel. All the directors of the board and senior management personnel have confirmed the compliance with the code.

INSIDER TRADING

The company has formulated and implemented the code of conduct for prevention of insider trading with regard to

the securities by directors and designated person of the company as per SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct is posted on the web site of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm 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) they 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) they 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) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to take this opportunity to place on record their gratitude and sincere appreciation for the timely and valuable assistance and support received from Bankers – City Union Bank, Share Transfer Agents, Customers, Suppliers, Share Holders and Regulatory Authorities.

The Board also expresses and records its appreciation for the hard and dedicated efforts of the employees as a team at all levels.

**On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,**

S.V. RAVI
Director
(DIN : 00121742)

R.RAMJI
Managing Director & CEO
(DIN : 00109393)

Place : Rajapalayam
Date : 29.05.2018

ANNEXURE I TO DIRECTOR'S REPORT

REPORT ON CORPORATE GOVERNANCE

Your Company is generally complying with the requirements of the Corporate Governance Practices, Pursuant to the Listing Agreement read with Regulation 15(2) and Schedule V(C) of the SEBI (LODR) Regulations 2015. Certain Regulations are not mandatory for your company. However, for good corporate governance, disclosures are made as per the Regulations.

The Company is firmly and sincerely committed to the principles of good Corporate Governance and has taken all possible steps to enhance the interest of Shareholders, Employees, Customers and the Nation. Your Company believes in conducting the business in the most ethical way and that is the way in which it has conducted itself all these years and would continue to do so.

I. BOARD OF DIRECTORS

The Company is managed by the Board of Directors. Sri. R. Ramji is the Managing Director of the company. The Board consists of eight Directors out of whom seven are Non-executive Directors. There are three independent Directors, who are eminent persons in the field of Banking, Finance, Management and Business. There is one Director representing Women Directorship under the provisions of Section 149 of the Companies Act, 2013.

The Board evaluates the performance of Non-executive and Independent Directors.

The Board of Directors periodically review Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review.

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of LODR have been adequately complied with.

The Board consists of Eight Directors:

Name of the Directors	Category	Number of Other Directorship held	
		PUBLIC	PRIVATE
Sri. R. RAMJI	Executive - Managing Director	---	4
Sri. K. LAKSHMINARAYANAN	Non-Executive / Independent	---	---
Sri. S.R. SUBRAMANIAN	Non-Executive	---	1
Sri P. VAIDYANATHAN	Non-Executive	3	1
Sri. A. THIRUPATHY RAJA	Non-Executive / Independent	---	---
Sri. S. SANKAR	Non-Executive / Independent	---	7
Sri. S.V. RAVI	Non-Executive	---	3
Smt. DURGA RAMJI	Non-Executive - Women Directorship	---	4

Five Meetings of the Board of Directors of the Company was held during the year 2017-2018 on 26.05.2017, 24.07.2017, 26.09.2017, 31.10.2017 and 02.02.2018.

Name of the Directors	Attendance at the Board Meeting	Attendance at Last AGM
Sri. R. RAMJI	5	Yes
Sri. K. LAKSHMINARAYANAN	4	No
Sri. S.R. SUBRAMANIAN	3	Yes
Sri P. VAITHYANATHAN	1	---
Sri. A. THIRUPATHY RAJA	5	Yes
Sri. S. SANKAR	5	Yes
Sri. S.V. RAVI	5	Yes
Smt. R. DURGA RAMJI	5	Yes

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Sri. S.R. Subramanian	
Age (Years)	74	
Date of Appointment	01.02.1985	
Expertise in specific functional area	40 years experience in Banking and Securities	
Qualification	M.Sc.,	
List of outside Directorship held	PUBLIC	PRIVATE
	1	1
Chairman / Member of the Committee of the Board of Directors of the Company	Chairman of Stakeholders Relationship Committee	
Chairman / Member of the Committee of Directors of other Companies	NIL	

III. INDEPENDENT DIRECTORS

The Company has complied with provisions of Listing Agreement read with SEBI (LODR) Regulations, 2015 and the Provisions of Section 149(6) Companies Act, 2013 with respect to the appointment of Independent Directors. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013.

The Independent Directors held a meeting on 2nd February 2018, without the attendance of Non- Independent Directors and members of Management. All Independent Directors were present at the meeting and they have reviewed the performance of non-independent directors and the Board, performance of the Chairman and information flow structure of the Company.

The familiarization programmes were imparted to independent directors as required under the familiarization programme which is disclosed in the Company's website: www.polyspin.org. The Terms appointment letters of Independent Directors has been placed on the Company's website.

IV. AUDIT COMMITTEE :

Terms of Reference:

The Terms of Reference of the Audit Committee pertains to the areas referred to in Companies Act, 2013 and Pursuant to Regulation 18 of LODR. The Audit Committee consists of 2 independent Directors Sri. K. Lakshminarayanan (Chairman of the Committee), Sri. S. Sankar and Sri. S.V. Ravi. Sri. P.K. Ramsubramanian is the Secretary of the Committee.

The Audit Committee met Five times during the financial year on 26.05.2017, 24.07.2017, 26.09.2017, 31.10.2017 and 02.02.2018.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has formed Stakeholders Relationship Committee consisting of Sri. S.R. Subramanian (Chairman of the Committee), Sri. A. Thiruppathy Raja and Sri. R. Ramji. Sri.P.K. Ramsubramanian is the Compliance Officer.

The Committee met Five times during the financial year on 26.05.2017, 24.07.2017, 26.09.2017, 31.10.2017 and 02.02.2018.

No. of shareholders queries / complaints received during 2017-18 - 62
 No. of Complaints / queries not solved to the satisfaction of Shareholders - Nil
 No. of Pending Share Transfer - Nil
 No. of Pending Change of Address - Nil

Most of the queries related to non receipt of Dividends, which have been duly complied with by sending duplicate Dividend warrants.

VI. NOMINATION AND REMUNERATION COMMITTEE:

Under the provisions of the Companies Act, 2013, and LODR Regulations, a Remuneration Committee has been constituted with the three Non-executive / Independent Directors, namely Sri K.Lakshminarayanan, Sri S. Sankar and Sri A. Thiruppathy Raja, as members. Sri P.K. Ramsubramanian is the Secretary of the committee. Based on the approval accorded by the Remuneration Committee, the Board of Directors determine the Remuneration payable to the Managing Director which is subject to the approval of the shareholders

The nomination and Remuneration committee met once on 2nd February, 2018 during the financial year.

VII. REMUNERATION OF DIRECTORS

Details of Remuneration paid to the Managing Director during the year 2017-18 are given below :

<u>Name and Designation</u>	<u>Salary & Perquisites</u> <u>(Rupees in Lakhs)</u>
Sri. R. Ramji, Managing Director	76.21
No Commission has been paid to the - Managing Director, though he is eligible.	
No Stock option is provided.	

The Non-Executive Directors do not draw any remuneration. A sitting fee of Rs. 7,500/- per meeting is paid for attending the meeting of the Board of Directors.

Disclosure: Necessary disclosure as per the provisions of Companies Act, 2013 and LODR has been provided under the appropriate places in the Directors report.

VIII. DISCLOSURE OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2018

Name of the Non-Executive Directors	No. of Shares
1) Sri. K. LAKSHMINARAYANAN	7,500
2) Sri. S.R. SUBRAMANIAN	90,500
3) Sri. A. THIRUPPATHY RAJA	500
4) Sri. S. SANKAR	1,500
5) Sri. S.V. RAVI	6,300
6) Smt. DURGA RAMJI	3,45,209

IX. DISCLOSURE OF RELATIONSHIP OF THE DIRECTORS:

Sri Sri R. Ramji, Managing Director is related to Sri S.V. Ravi and Smt. Durga Ramji. Except this, there is no other relationship among the Directors.

X. WHISTLE BLOWER POLICY:

A forum to enable the concerned personnel of the Company to report any deviation or other acts which are against the general code of conduct of personnel, business and other activities has been created.

XI. RISK MANAGEMENT:

The Company has laid down a Risk Management Policy and Procedure to inform the Board Members about the Risk assessment and minimization process, which is a vigorous and active process for identification and mitigation of risks. Necessary inputs are provided to the Audit Committee on a monthly basis. The production and sales are monitored and any deviation from the projections is identified, solution found and necessary rectifications are done periodically.

Audit Committee as well as the Board of Directors have adopted the Risk Management Policy and the Audit Committee reviews the risk management and mitigation plan from time to time.

XII. DISCLOSURES:

- Disclosures on materially significant, related party transactions i.e., transaction of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of Company at large: **NIL**
- The companies in which the Non-executive Directors are holding the Directorship are considered Related parties as per Accounting Standard 24 issued by the Institute of Chartered Accountants of India and the transaction with such companies are disclosed in Notes No.35, Notes forming part of the accounts.
- Details of non compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **NIL**

4. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
5. As required under Regulation 46(2) of LODR, the following informations have been duly disseminated in the Company's website.
 - Terms and conditions of appointment of Independent Directors
 - Composition of various committees of Board of Directors
 - Code of conduct of Board of Directors and Senior Management Personnel
 - Details of establishment of Vigil Mechanism / Whistle Blower Policy
 - Criteria on making payments to non-executive directors
 - Policy on dealing with Related Party Transactions
 - Policy for determining materiality of events for disclosure
 - Details of familiarization Programmes imparted to Independent Directors
 - The e-mail address for grievance redressal and other relevant details.
6. Senior Management Personnel disclosed to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
7. The Company has complied with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of LODR, although many are not applicable to your company.
8. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.
9. The Company has also constituted the following Committee of Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEMBERS

S. No.	Name of Directors
1	Sri A. Thiruppathy Raja, Chairman - Independent Director
2	Sri R. Ramji, Managing Director
3	Sri S.V. Ravi, Director

Date of Meeting : 26th May, 2017 and 02nd February 2018

10. Credit Rating:

CARE, the companies Credit rating agency, have rated our borrowing programme as follows

Security	Rating
Long Term Bank facilities	CARE BB+ ; Stable
Short Term Bank facilities	CARE A4+

XIII. GENERAL BODY MEETING:

Details of the Date, Location and Time of the last three AGM

Date	Venue	Time
29.09.2015	Sri Arjuna Manthiram, Rajapalayam	9.30 A.M
15.09.2016	- do -	9.30 A.M
26.09.2017	- do -	9.30 A.M

Postal Ballot

No Special Resolution requiring Postal Ballot as required by the Companies (passing of the resolutions by postal ballot) Rules, 2001 / Section 110 of the Companies Act, 2013 Rules 22 of Companies (Management and Administrator) has been placed for Shareholders approval at the last Annual General Meeting and the company is not proposing any special resolution to be taken up at the ensuing Annual General Meeting through postal ballot.

Remote E-voting is provided pursuant to Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 (LODR). This has been more clearly explained in the notice to Annual General Meeting.

XIV. MEANS OF COMMUNICATION:

The Unaudited Quarterly results and Half yearly results are generally published in Business Line (English) and Dinamalar (Tamil). The results were also displayed on the company's website www.polyspin.org. All the financial results are provided to the Stock Exchange.

Tentative Schedule for Publication of Financial Results of the Company

The unaudited results of the first, second and third quarter are announced within 30-45 days of the end of the relevant quarter and the fourth quarter and annual audited results are announced within 60 days of the end of the Financial Year.

XV. MANAGEMENT DISCUSSION AND ANALYSIS

The matters that are required to be discussed as per the Listing Agreement in respect of Management Discussion and Analysis have been stated in the Directors Report.

XVI. SHAREHOLDERS INFORMATION :

1. FINANCIAL CALENDER : **Year ended March 31, 2018**
2. ANNUAL GENERAL MEETING : **THIRTY THIRD**
3. DATE & TIME : **13TH August, 2018 9.30 A.M.**
4. VENUE : Sri Arjuna Manthiram, No. 21/595, Sri Krishna Colony, P.A.C.R. Salai, Rajapalayam - 626 117.
5. DATE OF BOOK CLOSURE : **07.08.2018 to 13.08.2018 (Both days inclusive)**
6. E-VOTING DATE : **9th August, 2018 To 12th August, 2018**
(For details refer the Notice to Annual General Meeting) **Time : 9.00 A.M. to 5.00 P.M. Under NSDL Platform**
7. LAST DATE FOR RECEIPT OF PROXY FORM : **11th August, 2018- 9.30 A.M.**
8. DIVIDEND PAYMENT DATE : **Date of AGM**
9. LISTED STOCK EXCHANGE : Bombay Stock Exchange
The Company has paid Annual Listing fee to the above Stock Exchange for the financial year 2017 - 2018
10. STOCK CODE : BSE - 539354

11. STOCK PRICE PERFORMANCE

The Share price movement in Bombay Stock Exchange is given below.

Month	High (Rs.)	Low (Rs.)	No.of Shares Traded
April 2017	87.00	70.10	10,871
May 2017	82.95	61.40	18,110
June 2017	82.90	67.00	14,516
July 2017	81.00	66.75	26,556
August 2017	72.00	58.70	24,924
September 2017	81.50	58.65	59,718
October 2017	86.10	74.00	18,105
November 2017	113.40	87.15	81,203
December 2017	105.95	87.50	24,965
January 2018	134.80	100.70	58,671
February 2018	139.90	108.00	2,65,361
March 2018	133.75	111.10	28,160

Source : BSE website

12. SHARE TRANSFER SYSTEM :

The Board has delegated the authority for approving transfer, transmission, etc; of the Company's securities to the Share Transfer Committee of the Board of Directors constituted

for this purpose. Presently, the shares are transferred both in physical and dematerialised form and request for rematerialisation and / or transfer of shares in physical mode is also attended within the stipulated time.

The Transfers are normally processed within 15 Days by RTA from the date of receipt, if the documents are complete in all respects. The Committee consisting of Two Directors Sri R. Ramji, Sri S.V. Ravi & Company Secretary Sri P.K. Ramsubramanian are empowered to approve the share transfer. There are no pending Share Transfer as on 29.05.2018

The physical share transfer work has been entrusted with M/s. Integrated Registry Management Services Private Limited, who are the Depository Registrar.

The transfer of shares in Electronic form are processed and approved by NSDL / CDSL through their Depository Participants.

Company obtains half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 from a Company Secretary in practice and files a copy of the certificate with the Stock Exchanges within the prescribed time limit.

13. DEPOSITORY REGISTRAR :

M/s. Integrated Registry Management Services Private Limited,
2nd Floor, Kences Tower, No.1, Ramakrishna St,
North Usman Road, T.Nagar, Chennai 600 017.
Ph : 044 - 28140801

14. NAME OF THE DEPOSITORY : National Securities Depository Ltd.
Central Depository Services (India) Ltd.

15. ISIN No. : I N E 9 1 4 G 0 1 0 1 1

16. INVESTOR CORRESPONDENCE : Registered Office:
FOR TRANSFER, PAYMENT OF No.351, P.A.C.R.Salai,
DIVIDEND ON SHARES OR ANY Rajapalayam 626 117.
OTHER QUERY RELATING TO Ph : 04563 - 221554
THE SHARES OF THE COMPANY

17. NAME AND ADDRESS OF THE : Shri. P.K. Ramasubramanian
COMPLIANCE OFFICER Company Secretary,
No.351, P.A.C.R.Salai,
Rajapalayam 626 117.
Ph. : 04563 - 221554

18. Website : www.polyspin.org

19. A separate email ID has been created to facilitate the shareholders to redress their grievances. The email ID is : polyspinexportscs@gmail.com

20. PLANT LOCATION

100% EOU - FIBC Bags & Woven Bags Division

UNIT - I No.1, Railway Feeder Road,
Cholapuram South. Rajapalayam (Via),
Virudhungar Dist., Tamilnadu.

UNIT - II No. 415/1, Railway Feeder Road,
Cholapuram South. Rajapalayam (Via),
Virudhungar Dist., Tamilnadu.

UNIT - IV 505, Ramalingapuram Road,
Muthukudi. Virudhungar Dist., Tamilnadu.

OE Yarn Unit - Division

PEL Textiles,
206 B/1, Sankarankovil Road,
Cholapuram South. Rajapalayam (Via)

Windmill Unit (250 KW)

Pazhavoor Taluk, Tirunelveli District.

21. RANGEWISE HOLDINGS

RANGE	2017 - 2018	2017 - 2018	2016 - 2017
	No. of Shareholders	(%)	(%)
1 - 500	3046	16.09	18.53
501 - 1000	380	7.97	8.89
1001 - 2000	149	5.55	5.79
2001 - 3000	71	4.52	4.62
3001 - 4000	19	1.62	1.38
4001 - 5000	12	1.42	1.39
5001 - 10000	19	3.28	3.05
10001 - and above	28	59.55	56.35
	3724	100.00	100.00

22. DEMATERIALIZATION OF SHARES AS ON 31.03.2018

	No. of Shareholders	(%)	No. of Shares	(%)
CDSL	404	7.21	2,34,562	5.86
NSDL	883	19.96	27,91,558	69.79
Physical Form	2437	72.83	9,73,880	24.35
TOTAL	3724	100.00	40,00,000	100.00

Declaration from the Managing Director and Chief Executive Officer.

(Regulation 17(5) read with Schedule V(D) of SEBI (LODR) Regulations, 2015)

As provided under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Member and the senior management personnel have affirmed Compliance with the Company's code of conduct for the year ending 31st March 2018.

For POLYSPIN EXPORTS LIMITED,

R. RAMJI

Managing Director & CEO

(DIN : 00109393)

Place : Rajapalayam

Date : 29.05.2018

**CERTIFICATION BY MANAGING DIRECTOR
TO THE BOARD**

To The Board of Directors,
Polyspin Exports Limited,
Rajapalayam.

**Certification under Regulation 17(8) of SEBI (LODR)
Regulations**

We hereby certify to the Board that:

1. We have reviewed the financial statements and the Cash flow statements for the year ended 31.03.2018 and to the best of our knowledge and belief;
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the Internal Control System for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the auditors and the Audit Committee
 - (i) that there are no significant changes in internal control over financial reporting during the year.
 - (ii) that there are no significant changes in accounting policies during the year.
 - (iii) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

S. SEENIVASA VARATHAN

CFO

Place : Rajapalayam

Date : 29.05.2018

R. RAMJI

Managing Director & CEO
(DIN : 00109393)

**ANNEXURE II TO DIRECTOR'S REPORT
CERTIFICATE REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

(Pursuant to Schedule V (E) of SEBI (LODR)
Regulations, 2015)

To

The Members

Polyspin Exports Limited

CIN : L51909TN1985PLC011683

351, P.A.C.R. Salai,

Rajapalayam - 626 117.

1. I have examined the compliance of the conditions of Corporate Governance by Polyspin Exports Limited ("the Company") for the financial year ended **31st March 2018**, as stipulated under the Regulation numbers 17 to 27, 46(2) (b) to (i), Schedule II and Schedule V (paragraphs C, D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to procedures and implementation thereof, adopted by the company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statement of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to me, I certify that the Company has complied with the said conditions of Corporate Governance as stipulated under the Regulation numbers 17 to 27, 46(2) (b) to (i), Schedule II and Schedule V (paragraphs C, D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) as applicable.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

B. SUBRAMANIAN

Practicing Company Secretary

Membership No: 2152

Certificate of Practice: 2275

Flat No: 1, Prithvi Apartments,

7/4, Seetha Nagar Second Street,

Nungambakkam,

Chennai – 600 034.

Place : Rajapalayam

Date : 29.05.2018

ANNEXURE III TO DIRECTOR'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

- A brief outline of the Company's CSR Policy is that:
The company takes into account the importance and necessity of social responsibility for sustained growth of not only the company but also the nation. These will in the long run usher in welfare and wealth to the nation. The proposed implementation shall be on the following basis.
 - Promoting and providing eco friendly atmosphere
 - Promoting and providing education to the under privileged children and weaker section of the economy.
 - Eradicating hunger, poverty and malnutrition.
 - Provision of Drinking water, sanitation and medical assistance.
 - To contribute to organization which have made the above possible to an extent.
 - To protect National heritage.
- The composition of the CSR Committee:-
 - Sri. A. Thirupathy Raja, Chairman - Independent Director
 - Sri. R. Ramji, Managing Director
 - Sri. S.V. Ravi, Director
- Average net profit of the company for last three financial Years **Rs. 508.36 Lakhs**
- Prescribed CSR Expenditure— **Rs.10.17 Lakhs** (two per cent of the amount as in item 3 above)
- Details of CSR spent during the financial Year:-
 - Total amount to be spent for the financial year : **Rs.10.17 Lakhs**
 - Amount unspent, if any (Previous Financial year) : **Rs.13.98 Lakhs**

Total : Rs. 24.15 Lakhs

 - Manner in which the amount spent during the financial year is detailed below:-

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were under taken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on project or programs 2) over heads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency
1.	Eradicating Hunger, Poverty and Malnutrition, Promoting health care including preventive health care and Sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation	Health Care, Poverty and Sanitation	State Tamilnadu District Virudhunagar Rajapalayam	50,000	50,000	50,000	Direct
2.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	Environmental sustainability and ecological balance	State Tamilnadu District Virudhunagar Rajapalayam	25,000	25,000	25,000	Direct
3.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Education & Skill development	State Tamilnadu District Trichy & Virudhunagar Trichy & Rajapalayam	57,512	57,512	57,512	Direct
Total				1,32,512	1,32,512	1,32,512	

- The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.
- Balance unspent amount:- There are other projects which have been identified and depending upon their implementation and fulfillment, balance contribution will be made in due course.

**On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,**

S.V. RAVI

R. RAMJI

Place : Rajapalayam

Director

Managing Director & CEO

Date : 29.05.2018

(DIN : 00121742)

(DIN : 00109393)

ANNEXURE IV TO DIRECTOR'S REPORT

Form MR – 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
POLYSPIN EXPORTS LIMITED,
[CIN: L51909TN1985PLC011683]
351, PACR Salai,
Rajapalayam - 626 117.

I have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. POLYSPIN EXPORTS LIMITED** (hereinafter called "the Company") during the financial year from **1st April, 2017 to 31st March, 2018** (the year/audit period/period under review). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and I am expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company and furnished to me, forms and returns filed, compliance related action taken by the Company, during the financial year ended **31st March, 2018** and also after **31st March, 2018** but before the issue of this report, Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors; and the representations made and information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit.

- I hereby report that,
 - In my opinion, during the audit period covering the financial year ended on **31st March, 2018** (hereinafter referred to as "the year"), to the extent, in the manner and subject to the reporting made hereunder, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent.

The members are requested to read this report along with my letter of even date annexed to this report as Annexure -A.

- I have examined the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
 - The Companies Act, 2013 (the Act), the rules made there under;

- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- v. The following laws, that are specifically applicable to the Company:
- a) Essential Commodities Act, 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003).
- 1.3 I have also examined compliance with the applicable clauses of the following:-
- i. I have examined compliance with the Secretarial Standards (SS-1) on "Meeting of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India.
- ii. The listing Agreement entered into with Bombay Stock Exchange Limited.
- 1.4 During the period under review, and also considering the compliance related action taken by the Company after **31st March, 2018** but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
- 1.5 I am informed that, during the year the Company was not required to comply with the following laws / guidelines / regulations, consequently was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of:
- i. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- ii. The following Regulations and Guidelines prescribed under the SEBI Act;
- (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- iii. I am also informed that for the year, there were no other laws specifically applicable to the company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
2. I further report that:
- 2.1 The Board of Directors of the Company is duly constituted with one Executive Director, four Non-Executive Directors including one Woman Director and three Independent Directors. There was cessation of one independent director and appointment of one Non-Executive Director during the year.
- 2.2 Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda of Board meetings were sent atleast seven days in advance. A system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- 2.3 Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
3. I further report that,
- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

B. SUBRAMANIAN

Practicing Company Secretary

Membership No: 2152

Certificate of Practice: 2275

Flat No: 1, Prithvi Apartments,

7/4, Seetha Nagar Second Street,

Nungambakkam, Chennai – 600 034.

Place : Rajapalayam

Date : 29.05.2018

Annexure - A to Secretarial Audit Report of even date

To The Members,
POLYSPIN EXPORTS LIMITED,
 [CIN: L51909TN1985PLC011683]
 351, PACR Salai,
 Rajapalayam - 626 117.

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2018 is to be read along with this letter.

- Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. My responsibility is to express an opinion on the secretarial records produced for my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
- While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the company after **31st March, 2018** but before the issue of this report.
- I have considered compliance related actions taken by the company based on independent legal/ professional opinion obtained by the company in compliance with law.
- I have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. I have also examined the compliance procedures followed by the company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and book of accounts of the company.
- I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- My 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.

B. SUBRAMANIAN

Practicing Company Secretary
 Membership No: 2152
 Certificate of Practice: 2275
 Flat No: 1, Prithvi Apartments,
 7/4, Seetha Nagar Second Street,

Place : Rajapalayam
 Date : 29.05.2018

Nungambakkam,
 Chennai – 600 034.

ANNEXURE V TO DIRECTOR'S REPORT

In terms of Section 217 (i) (e) of the Companies Act (as amended) and the disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31.03.2018.

I. FIBC DIVISION

FORM A

I. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Energy Audit and conservation measure is regularly adopted and implemented.

A. POWER AND FUEL CONSUMPTION

Electricity		<u>2017-18</u>	<u>2016-17</u>
a) Purchased from Electricity Board			
Unit	KWH	12,22,833	7,18,913
Total Amount	Rs.	1,56,08,370	1,30,04,844
Rate / Unit	Rs.	12.76	18.09
b) Own Generation			
Through Diesel Generator Units	KWH	2,95,768	2,84,988
Unit per Litre of Diesel	KWH	3.82	3.38
Diesel Cost per Unit	Rs.	11.44	14.10
c) Consumed from generation / Windmill - own			
Unit	KWH	----	2,17,298
Total Amount	Rs.	----	13,79,842
Rate / Unit	Rs.	----	6.35
Windmill - CPP Power			
Unit	KWH	50,915	4,28,686
Total Amount	Rs.	2,16,889	18,21,916
Rate / Unit	Rs.	4.25	4.25
d) Purchase from CPP Power			
Unit	KWH	70,46,192	68,80,296
Total Amount	Rs.	3,69,33,552	3,92,05,390
Rate / Unit	Rs.	5.24	5.70

B. CONSUMPTION PER UNIT OF PRODUCTION

Products (with Details) - FIBC bags, Fabrics & Yarn	87,87,579 Kgs.	87,48,076 Kgs.
Electricity per Kg of Production	1.02 Unit / Kg.	0.97 Unit / Kg.

II. TEXTILE DIVISION

A. POWER AND FUEL CONSUMPTION (Pertaining to Cotton Yarn)

Electricity		<u>2017-18</u>	<u>2016-17</u>
a) Purchased from Electricity Board			
Unit	KWH	1,10,389	1,49,619
Total Amount	Rs.	42,54,320	45,11,746
Rate / Unit	Rs.	38.53	30.15
b) Own Generation			
Through Diesel Generator Units	KWH	51,900	35,730
Unit per Litre of Diesel	KWH	3.38	3.54
Diesel Cost per Unit	Rs.	18.04	15.56
c) Consumed from generation / Windmill - own			
Unit	KWH	3,31,553	70,157
Total Amount	Rs.	21,05,361	4,45,497
Rate / Unit	Rs.	6.35	6.35
Wind mill - CPP Power			
Unit	KWH	---	1,87,778
Total Amount	Rs.	---	7,98,057
Rate / Unit	Rs.	---	4.25
d) Purchased from CPP Power			
Unit	KWH	29,94,642	30,59,026
Total Amount	Rs.	1,60,21,335	1,76,19,990
Rate / Unit	Rs.	5.35	5.76

B. CONSUMPTION PER UNIT OF PRODUCTION (Pertaining to Cotton Yarn)

Product (with Details)	OE COTTON YARN	
100% Cotton Yarn (40s converted) Kgs.	6,89,680 Kgs.	7,09,273 Kgs.
Electricity per Kg of Production of Yarn Based on 40s Converted (in units)	5.06 Unit / Kg	4.94 Unit / Kg

II. TECHNOLOGY ABSORPTION AND INNOVATION :

Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of products.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Rs. in Lakhs)

Particulars	<u>2017-18</u>	<u>2016-17</u>
a. Earnings	13,997.78	11,797.29
b. Outgo	5,127.71	4,682.08

**On Behalf of the Board,
 For POLYSPIN EXPORTS LIMITED,**

S.V. RAVI

Director
 (DIN : 00121742)

R. RAMJI

Managing Director & CEO
 (DIN : 00109393)

Place : Rajapalayam
 Date : 29.05.2018

ANNEXURE VI TO DIRECTOR'S REPORT

FORM AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries – NIL**Part B Associates**

Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:-

Name of Associates	Lankaspin Private Limited, Sri Lanka.
1. Latest audited Balance Sheet Date	31 st March, 2018
2. Date on which the Associate was associated or acquired	2004
3. Shares of Associate or Joint Ventures held by the company on the year end (Nos.)	13,01,119
Amount of Investment in Associates or Joint Venture	Rs. 59,45,510
Extent of Holding (in percentage)	38.48%
4. Description of how there is significant influence	PROMOTER COMPANY
5. Reason why the associate / joint venture is not consolidated	N.A
6. Net worth attributable to shareholding as per latest audited Balance Sheet (in INR)	Rs. 102,62,297
7. Profit or Loss for the year (in INR)	Rs. 437,047
i. Considered in Consolidation	YES
ii. Not Considered in Consolidation	----

**On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,**

S.V. RAVI

Director
(DIN : 00121742)

R. RAMJI

Managing Director & CEO
(DIN : 00109393)

Place : Rajapalayam
Date : 29.05.2018

ANNEXURE VII TO DIRECTOR'S REPORT

Directors'/Employees Remuneration

Pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Director to the median remuneration of the employees and the percentage increase in remuneration of Managing Director, Company Secretary, CCO & Chief Financial Officer, in the financial year 2017-18 and the comparison of the remuneration of the Key Managerial Personnel against the performance of the company is as follows:

Name of the Director & Designation	Remuneration of Directors for the F.Y. 2017-18 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2017-18	Ratio of remuneration of each Director / to median remuneration of employees
Shri. R. Ramji Managing Director	76.21	----	135.38

Name of KMP & Designation	Remuneration of KMP for the F.Y. 2017-18 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2017-18	Comparison of the remuneration of KMP against performance of the company
Shri. P.S. Ramanathan Company Secretary CCO (upto 23.01.2018)	6.29	(5.55)	11.83
Shri. P.K. Ramasubramanian Company Secretary (w.e.f. 02.02.2018)	0.60	----	----
Shri. S. Seenivasa Varathan, CFO	19.67	78	19.63

- ii. In the financial year, there was an increase of 7.18 % in the median remuneration of employees.
iii. There were 2453 permanent employees on the rolls of Company as on 31st March, 2018.
iv. Relationship between average increase in remuneration and Company performance :

The PBIDT of the Company has increased by 18.74%, Profit before tax increased at 37.86% and the Profit after tax increased at 35.75%, whereas the increase in median remuneration was 7.18%. The average increase in median remuneration was in line with the performance of the Company and the median remuneration was decreased due to addition in the employees during the financial year.

- v. Comparison of the remuneration of the Key Managerial Personnel against the performance (PBT) of the Company:

Name of Key Managerial Personnel	Increase / (Decrease)	
	Remuneration (%)	Company Performance (%)
Shri. R. Ramji, Managing Director	----	28.36
Shri. P.S. Ramanathan, Company Secretary upto 23.01.18	(5.55)	28.36
Shri S. Seenivasa Varathan, Chief Financial Officer	78	28.36

- vi. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

Closing Market Price per Share in		% Increase	Price Earning Ratio		Market Capitalization Rs. in Lakhs	
As on 31.03.2017	As on 31.03.2018	% 31.03.2018	As on 31.03.2017	As on 31.03.2018	As on 31.03.2017	As on 31.03.2018
81.00	114.50	41.36	8.67	9.04	3240.00	4580.00

The Company had allotted shares under its IPO in 1995 at the price of INR 10 per equity share. The company's shares are listed in BSE Ltd.

- vii. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 was 3.50% whereas the increase in the managerial remuneration for the same financial year was -NIL. The increase in remuneration was in line with the performance of the Company, industrial standards and individual employee's performance. There is no exceptional circumstance for increase in the managerial remuneration.
- viii. Key parameters for the variable component of remuneration of Directors:
None of the Directors received any remuneration other than sitting fees during the financial year 2017-18.
- ix. Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:
Not applicable since none of the Directors received any remuneration.
- x. It is hereby affirmed that the remuneration paid during the year 2017-18 is as per the Remuneration Policy of the Company:

**On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,**

Place : Rajapalayam Date : 29.05.2018	S.V. RAVI Director (DIN : 00121742)	R. RAMJI Managing Director & CEO (DIN : 00109393)
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ANNEXURE VIII TO DIRECTOR'S REPORT

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

a) Name(s) of the related party and nature of relationship	Nil
b) Nature of Contracts / arrangement / transactions	Nil
c) Duration of the Contracts / arrangements / transactions	Nil
d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e) Justification for entering into such contracts or arrangements or transactions	Nil
f) Date(s) of approval by the Board	Nil
g) Amount paid as advance, if any	Nil
h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188	Nil

2. Details of material contracts or arrangement or transaction at arm's length basis:

a) Name (s) of the related party / Nature of relationship	No Fresh Contract or agreement has been entered during the year
b) Nature of Contracts / arrangements / transactions	
c) Duration of the Contracts / arrangements / transactions	
d) Salient terms of the Contracts or arrangements or transactions including the value, if any	
e) Date(s) of approval by the Board, if any	
f) Amount paid	

**On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,**

Place : Rajapalayam Date : 29.05.2018	S.V. RAVI Director (DIN : 00121742)	R. RAMJI Managing Director & CEO (DIN : 00109393)
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INDEPENDENT AUDITOR'S REPORT

The Members of M/s. Polyspin Exports Limited

Report on the standalone IND AS Financial Statements

We have audited the accompanying standalone IND AS financial statements of Polyspin Exports Limited, which comprise the Balance Sheet as at March 31, 2018 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 significant accounting policies and other explanatory information.

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 Companies Act, 2013 with respect to the preparation of these standalone IND AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 Rule 7 of the Companies (Accounts) Rules, 2014.

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 standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

Opinion

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 the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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, 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, Statement of Profit and Loss, the Cash Flow Statement and the 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, we give our separate report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements – Refer to Note No. 37.3 to the financial statements
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii) There has been no delay in transferring amounts required to be transferred to the investor Education and protection Fund by the Company.

For M/s. SRITHAR & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No. 015896S

Place : Rajapalayam

S. SRITHAR

Date : 29.05.2018

Membership No. 209047

Annexure referred to in paragraph 1 of our Report of even date to the members of Polyspin Exports Limited on the accounts of the Company for the year ended

31st March 2018

In terms of Companies (Auditor's Report) Order 2016, issued by Central Government of India, in terms of Section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that: -

1. FIXED ASSET

- i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

- ii) The Company has instituted a programme of physically verifying its fixed assets in a phased manner over a period of three years. In accordance with this programme, scheduled fixed assets were verified during the year and no material discrepancies were noticed during such verification.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company

2. INVENTORIES

The management has conducted physical verification of its inventories at reasonable intervals during the year. No material discrepancies were noticed during such verification; the discrepancies wherever noticed were accounted for appropriately in the books of account.

3. LOANS TO PARTIES LISTED U/S 189 OF THE ACT

The Company has not granted any loans, secured or unsecured, to parties covered in register maintained under Section 189 of The Companies Act, 2013.

4. COMPLIANCE WITH SECTIONS 185 & 186 OF THE ACT

- i) In connection with matters specified u/s 185 of the act, the Company has not advanced any loans, directly or indirectly, to any of its directors or to any other person in whom the directors are interested, or has given any guarantee or provided security in connection with any loan taken by any other person.
- ii) The company has not made any investments in any other companies within the meaning of section 186(1) of the act.
- iii) In connection with matters specified under section 186(2) of the act, the company has not advanced any loans, directly or indirectly, to any person or body corporate, or has given any guarantee or provided security in connection with any loan taken by any other body corporate or any other person or acquired any securities of companies in excess of limits stipulated

5. The Company has not accepted any deposits from the public.

6. The Central Government has not stipulated the maintenance of Cost Records, under section 148(1) of the act, for the industry within which the company operates.

7. STATUTORY DUES

- i) According to the records maintained by the company and the information and explanations given to us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, VAT / Sales Tax, GST, Duty of Customs, Service Tax, Cess.

POLYSPIN EXPORTS LIMITED

- ii) According to the records maintained by the company and the information and explanations given to us, there were no arrears of undisputed statutory dues, in respect of provident fund, income tax, sales tax, value added tax, GST, duty of customs, service tax, cess which remained outstanding as at 31st March 2018, for a period of more than six months from the date they became payable.
- iii) According to the records of the company and the information and explanations given to us, the disputed statutory dues relating to Central excise duty under the Central Excise act, 1944, pertaining to earlier years aggregating to Rs.393.62 lakhs on account of matters pending before appropriate authorities is as under and for which no provision had been made in the accounts.

S.No.	Name of the Statute	Nature of the Dues	Forum where the dispute is pending	Period	Amount (Rs. in Lakhs)
1.	Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Madurai.	June 2008 To March, 2013	71.70
2.	Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Madurai.	January, 2009 To March, 2013	129.10
3.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2010 To March, 2011	3.69
4.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2013 To December, 2014	70.11
5.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2014 To September, 2014	30.04
6.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	October, 2014 To March, 2015	30.23
7.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2015 To September, 2015	25.24
8.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	October, 2015 To March, 2016	33.51
TOTAL					393.62

8. The Company has not defaulted in the repayment of any dues to a financial institution, bank or government or debenture holders.
9. Term loans were utilised for the purposes for which they were obtained.
10. Based upon the audit procedures performed and information and explanations given to us by the management, no fraud by the company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. The provisions of section 406(1) of the act do not apply to the company.
13. The transactions entered into with related parties are in compliance with requirements of sections 177 & 188 of the act and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The Company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M/s. SRITHAR & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Registration No. 015896S

Place : Rajapalayam
 Date : 29.05.2018

S. SRITHAR
 Membership No. 209047

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Holding Company on the consolidated IND AS financial statements for the year ended 31st March, 2018]

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of the Group, in respect of companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the entities of the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 business, including adherence to the respective

company's policies, the safeguarding of 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 were 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 judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 controls 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 Group, in respect of companies incorporated outside India, 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, 2018, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to one associate of the Holding Company which is company incorporated outside India, is based on the corresponding reports of the auditors of such companies incorporated outside India.

For M/s. SRITHAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047

Place : Rajapalayam
Date : 29.05.2018

POLYSPIN EXPORTS LIMITED

BALANCE SHEET as at 31st March, 2018

Particulars	Notes No.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
<u>ASSETS</u>				
Non-current assets				
Property, Plant and Equipment	3	38,19,13,571	39,74,56,413	37,75,57,535
Capital work-in-progress	3	25,47,129	3,53,109	2,30,11,916
Other Intangible assets	3	3,90,291	81,459	1,16,369
Financial Assets				
i) Other Investments	4	67,12,010	68,37,790	63,49,390
ii) Trade receivables	5	----	40,78,974	40,78,974
iii) Others Financial Assets	6	1,10,97,241	1,27,10,789	1,23,86,223
Other non-current assets	7	10,05,935	1,52,684	8,26,048
		40,36,66,177	42,16,71,218	42,43,26,455
Current assets				
Inventories	8	24,33,14,187	20,47,95,744	17,81,68,494
Financial Assets				
i) Trade receivables	9	24,80,68,911	18,08,49,946	13,56,95,574
ii) Cash and cash equivalents	10	1,59,16,505	1,94,87,708	1,81,36,278
iii) Other Bank Balance	11	3,65,12,201	2,60,41,074	2,11,57,565
iv) Other Financial Assets	12	6,13,17,212	2,45,86,304	1,63,76,779
Current Tax Assets (Net)		1,30,56,008	2,73,98,175	2,69,58,076
Other Current assets	13	2,02,94,212	4,16,86,016	6,41,52,841
		63,84,79,236	52,48,44,967	46,06,45,607
Total Assets		104,21,45,413	94,65,16,185	88,49,72,062
<u>EQUITY AND LIABILITIES</u>				
EQUITY				
Equity Share capital	14	4,00,00,000	4,00,00,000	4,00,00,000
Other Equity	15	21,98,11,559	17,48,07,731	14,15,12,566
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
i) Borrowings	16	8,82,36,698	12,01,89,163	14,06,51,282
Deferred tax liabilities (Net)	17	3,51,83,000	3,15,83,000	2,48,33,000
Current liabilities				
Financial Liabilities				
i) Borrowings	18	41,05,43,081	33,13,55,533	31,58,14,247
ii) Trade Payables	19	15,84,46,556	14,40,59,227	10,66,14,683
iii) Other Financial Liabilities	20	3,24,00,220	2,25,79,373	2,07,85,971
Other current liabilities	21	3,49,24,299	4,65,58,158	5,98,76,313
Provisions	22	2,26,00,000	3,53,84,000	3,48,84,000
		65,89,14,156	57,99,36,291	53,79,75,214
Total Equity and Liabilities		104,21,45,413	94,65,16,185	88,49,72,062

As per our report of even date
M/s. SRITHAR & ACCOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 206115
Rajapalayam
29.05.2018

R. RAMJI
Managing Director & CEO
P.K. RAMASUBRAMANIAN
Secretary
S. SEENIVASA VARATHAN
CFO
26

S.R. SUBRAMANIAN
P. VAIDYANATHAN
A. THIRUPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2018

Particulars	Notes No.	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs.
INCOME			
Revenue from Operations	23	180,99,93,737	155,27,24,167
Other Income	24	44,56,218	71,10,839
Total Income		181,44,49,955	155,98,35,006
EXPENSES			
Cost of Raw Material consumed	25	107,84,15,858	89,23,71,119
Changes in / Inventories of Finished Goods	26	(1,56,23,171)	(4,96,907)
Stock-in-Process			
Employee Benefit Expenses	27	26,56,36,677	20,68,25,796
Finance Costs	28	4,45,78,795	3,97,90,379
Depreciation & Amortisation Expenses		2,89,63,377	2,79,48,586
Other Expenses	29	33,60,70,396	34,34,84,270
Total Expenses		173,80,41,932	150,99,23,243
Profit before Exceptional Items and Tax		7,64,08,023	4,99,11,763
Exceptional Items		----	----
Profit before Tax		7,64,08,023	4,99,11,763
Tax Expenses:-			
- Current Tax		2,26,00,000	1,15,00,000
- Deferred Tax		36,00,000	67,50,000
		5,02,08,023	3,16,61,763
Profit after Tax			
Other Comprehensive Income			
Items that will not be reclassified to Profit or loss			
- Remeasurement gains/(losses) on defined benefit plan (net)		1,51,141	56,78,308
Total Comprehensive Income		5,03,59,164	3,73,40,071
Earnings per Share (Basic)		12.59	9.34
Face Value of Rs. 10/- each			

As per our report of even date
M/s. SRITHAR & ACCOCIATES
Chartered Accountants
Firm Registration No. 015896S
S. SRITHAR
Membership No. 206115
Rajapalayam
29.05.2018

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S. SEENIVASA VARATHAN
CFO

S.R. SUBRAMANIAN
P. VAIDYANATHAN
A. THIRUPPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

	2017 - 2018	2016 - 2017
	(Rupees in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Extraordinary items	764.08	499.12
Depreciation	289.63	279.49
Interest & Finance Charges	445.78	397.90
Loss on Sale of Assets	11.02	69.12
(Profit) on Sale of Assets	(4.55)	(8.75)
Interest Income	(28.70)	(26.62)
Dividend Income	(0.37)	(10.53)
Income Tax Paid	199.32	103.55
Operating Profit before working Capital Changes	<u>1676.21</u>	<u>1303.28</u>
ADJUSTMENTS FOR		
- Trade and other Receivables	265.00	(615.66)
- Inventories	(385.18)	(266.27)
- Trade Payables	143.87	374.44
Cash Generated from Operations	1699.90	795.57
Less : Interest & Finance Charges	445.78	397.90
Net Cash from Operating Activities	(A) <u>1254.12</u>	(A) <u>397.89</u>
NET CASH USED IN INVESTING ACTIVITIES		
Investments in Fixed Assets	(209.29)	(376.21)
Proceeds from Sale of Assets	43.46	64.30
Investments in Equity instruments	1.26	(4.88)
Interest Received	28.70	26.62
Dividend Received	0.37	10.53
	(B) <u>(135.50)</u>	(B) <u>(279.64)</u>
NET CASH USED IN FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Repayments)	(309.53)	(204.62)
Proceeds from Short Term Borrowings (Net of Repayments)	(540.49)	137.95
Payment of Dividend and Tax thereon	(52.92)	(55.52)
	(C) <u>(902.94)</u>	(C) <u>(122.19)</u>
Net Increase in Cash & Cash Equivalents	(A+B+C) <u>215.68</u>	(A+B+C) <u>(3.94)</u>
Cash & Cash Equivalents as at 31 st March, 2017	948.22	952.16
Cash & Cash Equivalents as at 31 st March, 2018	1163.90	948.22
Net Change in Cash & Cash Equivalents	215.68	(3.94)

As per our report of even date
M/s. SRITHAR & ACCOCIATES
Chartered Accountants
Firm Registration No. 015896S
S. SRITHAR
Membership No. 206115
Rajapalayam
29.05.2018

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P. VAIDYANATHAN
A. THIRUPPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

NOTES FORMING PART OF ACCOUNTS:

1. General Information:

Polyspin Exports Limited (PEL or the Company) is a Public Limited Company incorporated in India. PEL's shares are listed on Bombay Stock Exchange and the Scrip Code is 539354. The address of the Registered office is 351, P.A.C.R. Salai, Rajapalayam – 626 117, Tamilnadu.

The company was incorporated in 1985 and commenced commercial production during 1990.

The company is engaged in manufacture of FIBC bags, PP Fabric, PP yarn, Paper bags, etc., with an installed capacity of 10800 MTS per annum and manufacturer of OE yarn with an installed capacity of 1312 Rotors. The company's FIBC bags are primarily exported to U.S.A, Europe and African Countries.

The financial statements were approved for issue by the board of directors of the company on 29th May, 2018.

2. Significant Accounting Policies:-

2.1: Statement of Compliance:-

These financial statements have been prepared in accordance with the Indian Accounting Standards (“IND AS”) prescribed under section 133 of the companies Act, 2013 (the Act) read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with the previously applicable Indian GAAP, under historical cost convention, on accrual basis, including the Accounting Standards notified under the relevant provisions of the companies Act, 2013.

The financial statements for the year ended 31st March, 2018 are PEL's first IND AS compliant financial statements. The company adopted IND AS in accordance with IND AS 101 – “First Time Adoption of Indian Accounting Standards”. The date of transition to IND AS is 1st April, 2016. The transition was carried out from the previously applicable Indian GAAP as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

2.2: Basis of Preparation:-

These financial statements have been prepared on the historical cost basis except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of

whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the company takes into account those characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes fair value measurement are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:-

- 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 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and presentational currency:

These financial statements are presented in Indian Rupee (INR) which is also the functional Currency. Unless otherwise stated, all amounts are rounded off to the nearest rupee.

Use of Estimates and Judgments:-

The preparation of Financial Statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the accounting policies and/or the notes to the financial statements.

The mandatory exceptions to the retrospective application under IND AS 101 that are applicable to the Company are as below:

Mandatory Exceptions under IND AS 101	Compliance
Derecognition of previously recognized financial assets/financial liabilities	
An entity shall apply the derecognition requirements in IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS.	The Company has applied the de-recognition requirements prospectively.

Hedge accounting	
At the date of transition to IND AS an entity shall measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities. An entity shall not reflect in its opening Ind AS Balance Sheet a hedging relationship that does not qualify for hedge accounting in accordance with IND AS 109.	The Company has measured derivatives at fair value through profit and loss. The Company does not have any hedging relationship that meets the qualifying criteria for Hedge accounting.
Classification and measurement of financial assets	
Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to IND AS.	The Company has evaluated the facts and circumstances existing on the date of transition to IND AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.
Impairment of Financial Assets	
Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort.	The Company has applied impairment requirements retrospectively.

The voluntary exemptions to the retrospective application under Ind AS 101 that are applicable to the Company are as below:

Voluntary Exemption under Ind AS 101	Option exercised
Deemed Cost	
An entity may elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment, intangibles by applying IND AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.	The Company has opted to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

Investments in Subsidiary and Associates	
An entity is required to account for its investments in subsidiaries, joint ventures and associates either (a) at cost; or (b) in accordance with IND AS 109. Such cost shall be cost as per IND AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to IND AS or Previous GAAP carrying amount at that date.	The Company has opted to measure its investment in subsidiaries / associates as per the previous GAAP carrying amount as at the date of transition to Ind AS
Designation of previously recognised financial instruments	
An entity may designate an investment in an equity instrument as at fair value through other comprehensive income (FVTOCI) in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to IND AS.	The Company has designated all equity instruments in companies other than subsidiaries / associates at FVTOCI, based on the assessment made on the date of transition to IND AS.

2.3 Current versus Non-Current Classification:-

The company presents assets and liabilities in the balance sheet based on Current / Non-Current classification. An asset is treated as current when it is:-

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cost or cost equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current

A Liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as Non-Current

The company has deemed its operating cycle as twelve months for the purpose of Current / Non-Current classification.

2.4 Revenue recognition:-

Revenue is measured at the fair value of consideration received or receivable.

a. Sale of Goods:-

Revenue from sale of goods is recognized when the company has transferred to the buyer the significant risks and rewards of ownership of the goods, it no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the cost incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognized gross of excise duty but net of other taxes collected on behalf of third parties.

b. Power generated from windmill:-

Power generated from windmill that are covered under wheeling and Banking arrangement with TANGEDCO and the same were consumed at factories. The monetary values of such power generated that are captively consumed are not recognized as revenue for the company.

c. Scrap Sale:-

Scrap sale is recognized at the fair value of consideration received or receivables upon transfer of significant risk and rewards. It comprises of invoice value of goods including excise duty excluding applicable taxes on sale.

d. Dividend Income

Dividend Income from investment in shares of corporate bodies is accounted when the company's right to receive the dividend is established.

e. Interest Income

Interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time proposition basis, by reference to the principal outstanding and the effect interest rate applicable, which is the rate exactly discounts estimated future cash receipts through the expected life of financial assets to that assets net carrying amount on initial recognition.

f. Export Incentive:-

Export Incentive on account of Merchandise exports from India Scheme (MEIS) are accrued in the year when the right to receive as per the terms of the scheme is established in respect of exports made and accounted to the extent, there is no uncertainty about its ultimate collection.

2.5 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost, less accumulated depreciation /amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises of purchase price, import duties, levies and any attributable cost of bringing the assets on its working condition for the intended use.

For transition to IND AS, the company has elected to continue the carrying value of all of its property, plant and equipment recognized as at 1st April, 2016 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

When each major expenses on fixed assets, day to day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalization criteria in accordance with IND AS 16 are charged to statement of Profit and Loss for the period during which such expenses are incurred.

The company identifies the significant parts of plant and equipment separately (which are required to be replaced at intervals) based on their specific useful lives. The cost of replacement of significant parts are capitalized and the carrying amount of replaced parts are derecognized.

PPEs eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognized in the statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements are recognized in statement of Profit and Loss, when the recognition criteria are met.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and property under construction) less their residual value, over their useful lives. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation for PPE on additions is calculated on pro rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro rata basis up to the date on which such assets have been discarded / sold.

Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

2.6 Investment Property:-

The company does not have any investment property as on the Balance sheet date. Hence there is no disclosure as per the requirements of INDAS 16.

2.7 Intangible Assets:-

Intangible Assets are recognized when the asset is identifiable is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Intangible assets are amortized over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team. It's accounting classification is given below:-

1. Nature of intangible Assets - Computer Software
2. Estimated useful life - 3 Years
3. Amortization of intangible Assets - Computer Software
4. Accounting Classification - Depreciation & Amortization

For transition to IND AS, the company has elected to continue with the carrying value of all its intangible assets recognized at as 1st April, 2016 (Transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

2.8 Inventories:-

Inventories are valued at the lower of cost and net realizable value.

Cost of Raw materials, Stores and Spares, Fuel, Packing materials, etc., are valued at cost, computed on moving weighted average basis including the cost incurred in bringing the inventories to their present location or net realizable value whichever is lower.

Process stock and finished goods are valued at moving weighted average cost including the cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Borrowing Costs:-

Borrowing costs include interest expense calculated using the effective interest rate method (EIR), other costs incurred in connection with borrowing of funds and exchange differences to the extent regarded as an adjustment to the interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets (net of income earned on temporary deployment of funds) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

2.10 Financial Assets:-

Financial Assets comprises of investments in equity, trade receivables, cash and cash equivalents and other financial assets.

Classification:-

The company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through Profit or Loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Initial Recognition and Measurement:-

All financial assets are recognized initially at fair value plus, in the case of financial assets not recognized at the fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurements of financial assets are dependent on initial categorization. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

De-recognition of Financial Assets:-

A Financial Asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the company has transferred its rights to receive cash flows from the asset.

2.11 Financial Liabilities:-

Financial Liabilities comprises of Borrowings from banks, Trade Payables, Derivative financial instruments, Financial Guarantee obligation and other financial liabilities.

Classification:-

The company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss

(FVTPL). Such financial liabilities including derivative that are liabilities, shall be subsequently measured at fair value.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss. Any difference between the proceeds (Net of transactions costs) and the redemption amount is recognized in Profit or Loss over the period of the borrowings using the EIR method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that same or all of the facility will be drawn down.

Trade and Other payables:-

A payable is classified as 'Trade Payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the company prior to the end of financial year, which are unpaid. They are recognized initially at their fair value and subsequently measured at amortized cost using the EIR method.

De-recognition of Financial Liabilities:-

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

2.12 Impairment of Non-financial Assets:-

The carrying values of assets include property, plant and equipment, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.

Non financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired.

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

2.13 Foreign Currency Transaction and Translation:-

Transactions in foreign currencies are translated to the functional currency of the company (i.e. INR) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date, except for those derivative balances that are within the scope of IND AS – 109 “Financial instruments” are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are reported in the statement of Profit and Loss.

Foreign Exchange differences regarded as an adjustment to interest costs are recognized in the statement of Profit and Loss. Realized or unrealized gain in respect of the settlement or translation of borrowing is recognized as an adjustment to interest cost to the extent of the loss previously recognized as an adjustment to interest cost to the extent of the loss previously recognized as an adjustment to interest cost.

2.14 Employee Benefits:-

Employee benefits in the form of Provident Fund & Employee State Insurance are defined contribution plans. The company recognizes contribution payable to a defined contribution plan as an expense, when an employee renders the related services.

The company contributes monthly at 12% of employees' basic salary to Employees Provident Fund & Employees Pension Fund administered by the Employees provident fund organization, Government of India. The company has no further obligations.

Gratuity liability and leave encashment liability are defined benefit plans. The cost of providing benefit under the defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The company has its own approved Gratuity fund with LIC Group Gratuity cash accumulations scheme and the contribution to that fund are being made to LIC.

The leave encashment entitlement is computed on calendar year basis and payment made to the Employees accordingly in the succeeding January of every year. Hence, there is no outstanding liability towards leave encashment.

Re-measurements of the net defined benefit liability / asset comprise:-

1. actuarial Gains and Losses;
2. the return on plan assets, excluding amounts included in net interest on the net defined benefit liability / asset; and
3. any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability / asset.

Reimbursements of net defined benefit liability / asset are charged or credited to other Comprehensive Income.

2.15 Provision, Contingent Liabilities and Contingent Assets:-

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, embodying economic benefits in respect of which a reliable estimate can be made.

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the financial statements.

Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Contingent Assets are not recognized.

2.16 Taxes on Income:-

Income tax expenses comprises of current tax and deferred tax. It is recognized in the statement of Profit and Loss, except to the extent that it relates to items recognized directly in Equity or Other comprehensive income. In such cases, the tax is also recognized directly in Equity or in other comprehensive income.

Current Tax:-

Current tax is the amount of tax payable on the taxable income for the year, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax:-

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

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 assets realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT)

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period (i.e.) the period for which MAT credit is allowed to be carried forward, in the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS												
Particulars	Tangible Assets											Intangible Assets
	Land Rs.	Building Rs.	Plant and Machinery Rs.	Power Generation Equipment Rs.	Furniture & Fittings Rs.	Vehicles Rs.	Office Equipment Rs.	Library Rs.	Total Rs.	Capital Work in Progress Rs.	Computer Software Rs.	
Gross Carrying Amount												
As at 01.04.2016	51,08,948	10,96,32,424	38,73,06,056	57,87,276	4,03,761	1,12,62,109	25,14,529	12,435	52,20,27,538	2,30,11,916	2,50,000	
Additions	----	1,92,19,799	3,95,09,027	----	----	14,36,348	1,14,655	----	6,02,79,829	3,53,109	----	
Deductions	----	----	1,69,55,241	----	----	----	----	----	1,69,55,241	2,30,11,916	----	
As at 31.03.2017	51,08,948	12,88,52,223	40,98,59,842	57,87,276	4,03,761	1,26,98,457	26,29,184	12,435	56,53,52,126	3,53,109	2,50,000	
Additions	----	44,44,347	1,11,23,436	----	68,580	10,80,663	15,90,269	----	1,83,07,295	25,47,129	4,28,115	
Deductions	2,08,565	----	65,77,887	----	----	25,108	90,500	----	69,02,060	3,53,109	----	
As at 31.03.2018	49,00,383	13,32,96,570	41,44,05,391	57,87,276	4,72,341	1,37,54,012	41,28,953	12,435	57,67,57,361	25,47,129	6,78,115	
Accumulated Depreciation and Impairment												
As at 01.04.2016	----	2,00,82,443	11,22,48,369	44,34,593	3,31,410	52,31,703	21,29,050	12,435	14,44,70,003	----	1,33,631	
Depreciation	----	35,07,545	2,31,48,474	1,57,278	11,050	9,80,364	1,08,965	----	2,79,13,676	----	34,910	
Disposals	----	----	44,87,966	----	----	----	----	----	44,87,966	----	----	
Deduction on Impairment	----	----	----	----	----	----	----	----	----	----	----	
As at 31.03.2017	----	2,35,89,988	13,09,08,877	45,91,871	3,42,460	62,12,067	22,38,015	12,435	16,78,95,713	----	1,68,541	
Depreciation	----	40,25,557	2,32,92,647	1,57,279	11,068	11,74,525	1,83,018	----	2,88,44,094	----	1,19,283	
Disposals	----	----	18,29,618	----	----	25,108	41,291	----	18,96,017	----	----	
As at 31.03.2018	----	2,76,15,545	15,23,71,906	47,49,150	3,53,528	73,61,484	23,79,742	12,435	19,48,43,790	----	2,87,824	
Carrying Amount 31.03.2018	49,00,383	10,56,81,025	26,20,33,485	10,38,126	1,18,813	63,92,528	17,49,211	----	38,19,13,571	25,47,129	3,90,291	
Carrying Amount 31.03.2017	51,08,948	10,52,62,235	27,89,50,965	11,95,405	61,301	64,86,390	3,91,169	----	39,74,56,413	3,53,109	81,459	
Carrying Amount 01.04.2016	51,08,948	8,95,49,981	27,50,57,687	13,52,683	72,351	60,30,406	3,85,479	----	37,75,57,535	2,30,11,916	1,16,369	

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
FINANCIAL ASSETS			
4. OTHER INVESTMENTS			
Investments In Equity Instruments			
(Unquoted)			
Number (Equity Shares)	Face Value Per Unit	Trade Investment (Long term)	
365	Rs. 1,000/-	M/s. Ganesh Agro Pack (P) Ltd, India.	3,65,000
13,01,119	SLR 10/-	M/s. Lankaspin (P) Ltd., Sri Lanka	59,45,510
800	\$ 1/-	M/s. Polyspin USA Inc., USA	----
36,500	Rs. 11/-	M/s. OPG Power Generation (P) Ltd., India.	4,01,500
		Investments	67,12,010
			<u>68,37,790</u>
			<u>63,49,390</u>
5. TRADE RECEIVABLES			
Unsecured considered good	----	<u>40,78,974</u>	<u>40,78,974</u>
6. OTHER FINANCIAL ASSETS (NON CURRENT)			
Security Deposits with Electricity Board / Others	84,83,118	1,17,81,561	1,12,84,028
Loans to Employees	26,14,123	9,29,228	11,02,195
	1,10,97,241	<u>1,27,10,789</u>	<u>1,23,86,223</u>
7. OTHER NON CURRENT ASSETS			
Unsecured, Considered good			
Advance to Suppliers / Others	10,05,935	<u>1,52,684</u>	<u>8,26,048</u>
8. INVENTORIES			
Raw Material	3,97,32,173	4,09,06,701	1,60,33,984
Rawmaterials - Goods in transit	2,53,02,568	----	----
Stores and Spares	1,43,01,830	1,55,34,598	1,42,76,972
Work In Process	14,35,88,483	11,71,11,916	11,62,98,699
Finished Goods	1,91,13,409	3,00,13,660	3,11,62,201
Process Waste	12,75,724	12,28,869	3,96,638
	24,33,14,187	<u>20,47,95,744</u>	<u>17,81,68,494</u>
9. TRADE RECEIVABLES			
Unsecured considered good	24,80,68,911	<u>18,08,49,946</u>	<u>13,56,95,574</u>
10. CASH AND CASH EQUIVALENTS			
Cash on Hand	18,46,423	1,91,157	16,10,050
Balance with Banks			
- In Current Accounts	1,10,51,422	1,64,27,917	1,26,50,961
- In Unclaimed Dividend Accounts	30,18,660	28,68,634	38,75,267
	1,59,16,505	<u>1,94,87,708</u>	<u>1,81,36,278</u>

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
11. OTHER BANK BALANCE			
Fixed deposits with banks having balance maturity of twelve months or less			
- Not under Lien	1,96,80,253	1,40,36,139	1,14,03,928
- Under Lien	1,68,31,948	1,20,04,935	97,53,637
	<u>3,65,12,201</u>	<u>2,60,41,074</u>	<u>2,11,57,565</u>
12. OTHER FINANCIAL ASSETS (CURRENT)			
GST / MEIS Scrip / CST Claim Receivables	6,12,79,012	2,45,48,104	1,63,38,579
Security Deposit	38,200	38,200	38,200
	<u>6,13,17,212</u>	<u>2,45,86,304</u>	<u>1,63,76,779</u>
13. OTHER CURRENT ASSETS			
Advance to Suppliers / Others - Unsecured, Considered good	75,82,609	1,05,57,388	3,94,87,271
Accrued Income	5,080	58,25,908	49,48,591
Prepaid Expenses	7,72,624	26,65,338	21,42,324
Other Current Assets	1,19,33,899	2,26,37,382	1,75,74,655
	<u>2,02,94,212</u>	<u>4,16,86,016</u>	<u>6,41,52,841</u>
14. EQUITY SHARE CAPITAL			
-Authorised			
50,00,000 Equity Shares Rs. 10/- each			
[Previous Year : 50,00,000 Equity Shares of Rs. 10/- each]	5,00,00,000	5,00,00,000	5,00,00,000
-Issued, Subscribed and Paid up			
40,00,000 Equity Shares Rs. 10/- each fully paid-up.			
[Previous Year : 40,00,000 Equity Shares of Rs. 10/- each]	4,00,00,000	4,00,00,000	4,00,00,000
	<u>4,00,00,000</u>	<u>4,00,00,000</u>	<u>4,00,00,000</u>
14.1. Reconciliation of the Number of Shares Outstanding			
Number of Shares at the beginning	40,00,000	40,00,000	40,00,000
Number of Shares at the end	<u>40,00,000</u>	<u>40,00,000</u>	<u>40,00,000</u>

14.2. The details of share holders holding more than 5% shows

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No.of Shares	%	No.of Shares	%	No.of Shares	%
i. Sri. R. Ramji	6,60,857	16.52	6,52,807	16.32	6,37,257	15.93
ii. Smt. Durga Ramji	3,45,209	8.63	3,44,209	8.61	3,37,189	8.43
iii. M/s. Polyspin Private Limited	2,52,800	6.32	2,52,800	6.32	2,52,800	6.32
iv. Integrated Registry Management Services (P) Ltd	----	---	2,33,124	5.83	2,50,000	6.25

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
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15. OTHER EQUITY

Particulars	General Reserves and Surplus		
	Reserve	Retained Earnings	Total
Balance as at 01.04.2015	11,01,00,000	23,40,423	11,24,40,423
Profit / (Loss) for the year	-----	2,90,89,595	2,90,89,595
Less : Provision for Dividend Tax (2014-15)	-----	(17,452)	(17,452)
Transfer to General Reserve	2,30,00,000	(2,30,00,000)	-----
Balance as at 01.04.2016	13,31,00,000	84,12,566	14,15,12,566
Profit / (Loss) for the year	-----	3,16,61,763	3,16,61,763
Add: Provision for Taxation (Previous Year - Excess)	-----	15,59,830	15,59,830
Other Comprehensive Income	-----	56,78,308	56,78,308
Transfer to General Reserve	3,30,00,000	(3,30,00,000)	-----
Dividend Paid	-----	43,38,240	43,38,240
Dividend tax paid	-----	9,77,167	9,77,167
Less : Provision for Taxation (Previous Year)	-----	2,89,329	2,89,329
Balance as at 31.03.2017	16,61,00,000	87,07,731	17,48,07,731
Profit / (Loss) for the year	-----	5,02,08,023	5,02,08,023
Other Comprehensive Income	-----	1,68,297	1,68,297
Add: Provision for Taxation Previous Year 2015-16	-----	7,02,521	7,02,521
Less: Provision for Taxation Previous Year 2016-17	-----	1,61,812	1,61,812
Less: Provision for Taxation Previous Year 2017-18	-----	6,21,430	6,21,430
Dividend Paid	-----	43,14,604	43,14,604
Dividend tax Paid	-----	9,77,167	9,77,167
Transfer to General Reserve	4,39,00,000	(4,39,00,000)	-----
Balance as at 31.03.2018	21,00,00,000	98,11,559	21,98,11,559

16. BORROWINGS (NON CURRENT)

-Secured

Term Loan from City Union Bank 8,59,58,059 10,89,64,987 12,46,55,028

- From Others

Hire Purchase Loan 22,78,639 24,28,901 26,81,971

Buyer's Credit - Capital Goods ---- 50,15,340 95,34,348

- Unsecured

Advance Against Term Deposit ---- 37,79,935 37,79,935

	8,82,36,698	12,01,89,163	14,06,51,282
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POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
16.1 Rupee Term Loan and Working capital finance from Bank is secured by a First charge, by way of equitable mortgage of specified assets under this loan.			
16.2 Hire Purchase Loan is secured by hypothecation of Specified Vehicle purchased under the Scheme.			
16.3 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.			
16.4 The Term Loan from Bank are repayable in equated monthly installments.			
16.5 Repayment to Term Loan :			
Facility 1 - Rs. 101.37 Lakhs Balance amount is repayable in 26 equated monthly installments starting from April-19			
Facility 2 - Rs. 604.12 Lakhs Balance amount is repayable in 29 equated monthly installments starting from April-19			
Facility 3 - Rs. 81.20 Lakhs Balance amount is repayable in 37 equated monthly installments starting from April-19			
Facility 4 - Rs. 72.88 Lakhs Balance amount is repayable in 48 equated monthly installments starting from April-19			
17. DEFERRED TAX LIABILITIES			
Deferred Tax Liabilities	<u>3,51,83,000</u>	<u>3,15,83,000</u>	<u>2,48,33,000</u>
18. BORROWINGS (CURRENT)			
-Secured			
From City Union Bank			
- Foreign Currency loan on Raw Material	81,68,596	84,77,624	4,97,42,420
- Foreign Bills Discounted	15,42,56,483	11,17,89,784	8,29,52,728
- Packing Credit in foreign currency (PCFC)	15,58,13,538	12,79,92,182	10,60,38,552
- Cash Credit on Raw Material and Book debts	9,23,04,464	7,53,34,290	7,70,80,547
From Others - Bills Discounted	----	77,61,653	----
	<u>41,05,43,081</u>	<u>33,13,55,533</u>	<u>31,58,14,247</u>
18.1 Working Capital Finance from Bank is further secured by hypothecation of all Current Assets of the Company.			
18.2 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.			
19. TRADE PAYABLES			
Trade Payables	<u>15,84,46,556</u>	<u>14,40,59,227</u>	<u>10,66,14,683</u>
20. OTHER FINANCIAL LIABILITIES			
Unpaid Dividend	20,34,657	23,69,211	38,49,163
Liability for Operating and Other Expenses	2,96,85,404	1,80,95,205	1,49,17,762
Liability for Other Finance	6,80,159	21,14,957	20,19,046
	<u>3,24,00,220</u>	<u>2,25,79,373</u>	<u>2,07,85,971</u>
21. OTHER CURRENT LIABILITIES			
Current Liability for Long Term Debt	3,32,00,000	3,80,65,521	4,34,39,136
Liability for Operating and Other Expenses	10,62,525	15,44,769	21,26,403
Advance from Customers	6,61,774	69,47,868	1,43,10,774
	<u>3,49,24,299</u>	<u>4,65,58,158</u>	<u>5,98,76,313</u>
22. PROVISIONS			
Provision for Taxation	<u>2,26,00,000</u>	<u>3,53,84,000</u>	<u>3,48,84,000</u>

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
23. SALES / REVENUE FROM OPERATIONS		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn	143,01,64,017	120,50,50,525
- Cotton Yarn	5,12,978	----
<u>Merchant Export Sales</u>		
- FIBC Bags / Fabric / Yarn	2,33,63,613	----
- Cotton Yarn	4,30,36,320	8,38,74,574
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn	2,36,94,400	7,13,01,956
- Cotton Yarn	21,93,19,592	14,34,90,050
Central Excise Duty	15,57,546	82,81,090
	<u>174,16,48,466</u>	<u>151,19,98,195</u>
Less : Sales Return	----	13,08,549
	<u>174,16,48,466</u>	<u>151,06,89,646</u>
OTHER OPERATING INCOME		
Sale of Plastic scrap	2,54,24,526	1,53,09,200
Sale of Cotton Waste	23,56,776	14,81,109
MEIS Scrip - Sales	3,97,90,655	2,32,46,000
Rebate on Service Tax	7,73,314	19,98,212
	<u>180,99,93,737</u>	<u>155,27,24,167</u>
24. OTHER INCOME		
Interest Receipts	28,69,599	26,62,252
Dividend Receipts	37,197	10,53,124
Foreign Exchange Fluctuations	10,94,747	----
Profit on Sale of Land	4,48,035	----
Profit on Sale of Vehicle	6,640	----
Profit on Sale of Machinery	----	8,75,322
Profit on High Sea Sales	----	25,20,141
	<u>44,56,218</u>	<u>71,10,839</u>
25. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	79,41,35,957	66,17,68,593
Printing Materials	96,85,499	1,29,67,789
Yarn	5,75,50,152	3,87,49,281
Cotton Yarn / Hank yarn purchases	11,19,326	----
Cotton & Cotton Waste	19,21,65,705	16,62,58,908
BOPP Film Purchases	33,30,172	19,08,786
LLDPE Liner Purchases	12,89,610	7,19,040
Kraft Paper Purchases	67,23,559	----
Fabric Purchases	1,24,15,878	99,98,722
	<u>107,84,15,858</u>	<u>89,23,71,119</u>
26. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	14,83,54,445	14,78,57,538
Closing Stock	16,39,77,616	14,83,54,445
	<u>(1,56,23,171)</u>	<u>(4,96,907)</u>

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
27. EMPLOYEE BENEFITS EXPENSE		
Remuneration to Managing Director	61,80,846	61,81,801
Salaries & Wages	18,10,20,376	14,00,96,687
P.F. & E.S.I. Contribution	2,72,78,515	2,19,12,359
Labour Welfare Expenses	1,84,46,085	1,32,40,811
LIC Group Gratuity	1,71,57,853	1,19,91,671
Bonus / Ex-gratia	1,55,53,002	1,34,02,467
	<u>26,56,36,677</u>	<u>20,68,25,796</u>
28. FINANCE COSTS		
Interest on		
- Fixed Loans	1,49,94,371	1,92,28,605
- Working Capital facilities	2,93,69,580	2,02,83,483
- Others Borrowing cost	5,669	22,425
H.P. Finance Charges	2,09,175	2,55,866
	<u>4,45,78,795</u>	<u>3,97,90,379</u>
29. OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Repairs & Maintenance		
- Building	62,97,176	17,19,156
- Machinery	37,52,447	45,79,240
- General	16,70,033	19,22,384
Processing Charges paid	4,04,04,356	6,89,71,239
Stores & Spares Consumed	7,17,98,559	4,92,87,774
Power & Fuel	7,98,57,039	8,12,68,774
	<u>20,37,79,610</u>	<u>20,77,48,567</u>
Postage & Telephone	40,36,715	25,81,584
Printing & Stationery	16,55,489	13,85,264
Travelling Expenses	69,83,261	85,18,440
Director's sitting fees	1,57,500	1,80,000
Bank Charges	77,03,313	86,53,234
Corporate Social Responsibility (CSR)	1,32,512	6,05,000
Central Excise Duty	15,57,546	82,81,090
Professional Charges	27,28,261	34,80,297
Licence, Taxes & Fees	14,19,817	13,57,123
Insurance Charges	35,90,254	26,98,091
Subscription & Periodicals	3,99,510	3,02,508
Filing Fees	50,100	1,04,400
Audit Fees	1,50,000	63,000
Vehicle Maintenance	42,60,899	34,75,256
Miscellaneous Expenses	6,04,242	4,57,079
Ineligible ITC on RCM	6,18,548	----
Commission paid	44,51,619	30,87,659
Donation	2,68,500	82,000
Rent	20,19,496	6,59,165
Quality Claim Charges	31,08,914	17,14,489
Testing Charges	17,72,539	7,78,315
Service Tax	10,62,151	2,30,233
Loss on Forex Fluctuations (Net)	1,63,689	3,00,56,471
Sales Promotion Expenses	77,81,350	21,20,055
Ocean Freight	5,16,77,766	4,36,77,108
Lorry Freight	1,81,15,147	42,55,610
Loss on Sale of Assets	11,02,478	69,12,524
Sales Discount	77,707	19,708
Bad Debts	46,02,583	----
Provision for Diminution on Investments	38,880	----
	<u>33,60,70,396</u>	<u>34,34,84,270</u>

30. NOTES FORMING PART OF ACCOUNTS:-

30.1. The Company has fulfilled export obligations, net foreign exchange earnings and other conditions, as applicable till date, in terms of schemes of Government of India, for 100% EOU.

Rs. in Lakhs

30.2. EARNINGS PER SHARE :	Year Ended 31-03-2018	Year Ended 31-03-2017
a) Total Comprehensive Income (after Tax)	503.59	373.40
b) Number of Equity Shares	40,00,000	40,00,000
c) Basic and diluted Earnings per share (Face Value Rs.10/- per Equity Share)	12.59	9.34

31. Financial Risk Management:-

The company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the company's operations. The company's principal financial assets include loans and advances, trade receivables and cash and bank balances that arise directly from its operations.

The company also enters into derivative transaction to hedge foreign currency and not for speculative purposes. The company is exposed to Market risk, Credit risk and Liquidity risk and the company's senior management oversees the management of these risks.

31.1. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The company's activities expose it to a variety of financial risks, including the effect of changes in foreign currency exchange rates and interest rates.

31.2. Currency Risk

Foreign Currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates.

The company's exposure in USD and other foreign currency denominated transactions in connection with exports of finished goods, besides import of raw materials, capital goods and spares, etc., purchased in foreign currency, gives rise to exchange rate fluctuation risk. The company has following policies to mitigate this risk:

The company has entered into foreign currency forward contracts both for export and import, after taking into consideration of the anticipated foreign exchange inflows / outflows, timing of cash flows, tenure of the forward contract and prevailing foreign exchange market conditions.

Details of Derivative Instruments Outstanding (hedged):-

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	USD (In Million)	Rs. (In Laks)	USD (In Million)	Rs. (In Laks)	USD (In Million)	Rs. (In Laks)
Forward contract						
SOLD :						
USD / INR	----	----	----	----	1.611	1136.55
EURO / INR	----	----	----	----	0.028	22.18
BOUGHT :						
USD / INR	5.38	3599.49	2.50	1690.46	0.986	668.03
EURO / INR	----	----	0.031	21.66	0.024	17.93

The company's exposure to foreign currency risk (un-hedged) as detailed below :-

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Currency (USD in Millions)	1.358	----	----
Rs. in Lakhs	908.92	----	----
Currency (EURO in Millions)	----	0.031	0.122
Rs. in Lakhs	----	21.92	95.34

Risk sensitivity on Foreign Currency Fluctuations:-

(Rs. in Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
USD / INR	9.09	9.09	----	----	----	----
EURO / INR	----	----	0.22	0.22	0.95	0.95

31.3. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market in interest rates related primarily to the company's long term debt obligation with floating interest rates.

The company's fixed rate borrowings are carried at amortized cost and therefore are not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

The following table shows the fixed rate borrowings of the company :-

(Rs. in Lakhs)

	As at 31.03.18	As at 31.03.17
Fixed rate borrowings	869.58	1201.89
Floating Rate borrowings	Nil	Nil

31.4. Credit Risk

Credit risk is the risk that a counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables

The company extends credit to customers in the normal course of business. Outstanding customer receivables are regularly monitored. The company has also taken advances from its customers, which mitigate the credit risks to an extent. An impairment analysis is performed at each reporting date on an individual basis for major customers.

Details of trade receivables is given below:-

Trade Receivables	Outstanding		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured - considered Good	2480.69	1808.50	1356.96
Doubtful	46.02	----	----
Less : Provision for Bad debts	(46.02)	----	----
Total	2480.69	1808.50	1356.96

Deposits with banks

Generally the company has maintained fixed deposits and balance with the banks with which the company has also availed borrowings. The company does not maintain significant cash balances other than those required for its day to day operations.

31.5. Liquidity Risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's objective is to maintain a balance between continuity or funding and flexibility through the use of Packing credit loan, Letter of credit, Buyer's credit and Working capital limits. The company ensures it has sufficient cash to meet its operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times.

The company has access to the following undrawn borrowing facilities at the end of the reporting period:-

Particulars	As at 31.03.18	As at 31.03.17
Floating Rate - Expiring within one year- working capital limits.	77.93	24.91

31.6. Capital Management:-

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the company. The primary objective of the company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize share holder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through capital, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements.

The following monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. (Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Long Term Borrowings	882.37	1,201.89	1,406.51
Current liability for long term debt	332.00	380.65	434.39
Short Term Borrowings	4105.43	3,313.55	3,158.14
Less: Cash and Cash Equivalent	524.29	455.29	392.94
Net Debt (A)	4,795.51	4,440.80	4,606.10
Equity share capital	400.00	400.00	400.00
Other Equity	2,198.11	1,748.07	1,415.12
Total Equity (B)	2,598.11	2,148.07	1,815.12
Total Capital Employed (C) = (A) + (B)	7,393.62	6,588.87	6,421.22
Capital gearing Ratio A/C	64.86%	67.40%	71.73%

There have been no breaches in the financial covenants of any interest bearing loans / borrowing.

The company has been consistently focusing on reduction in long term borrowings.

31.7. Fair value of Financial Assets and Liabilities:-

Comparison by class of the carrying amounts and fair value of the company's financial instruments that are recognized in the financial statements:

Financial Instruments by category

Rs. In Lakhs

Particulars	As at 31.03.2018		As at 31.03.2017		As at 1.04.2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :						
Other Investments	67.12	67.12	68.38	68.38	63.49	63.49
Trade Receivables	2,480.69	2,480.69	1,808.50	1,808.50	1,356.96	1,356.96
Cash and Bank Balances	159.16	159.16	194.88	194.88	181.36	181.36
Other Bank Balances	365.12	365.12	260.41	260.41	211.57	211.57
Other Financial Assets	613.17	613.17	245.86	245.86	163.77	163.77
Financial Liabilities :						
Borrowings	4,105.43	4,105.43	3,313.56	3,313.56	3,158.14	3,158.14
Trade Payables	1,584.46	1,584.46	1,440.59	1,440.59	1,066.15	1,066.15
Other Financial Liabilities	324.00	324.00	225.79	225.79	207.86	207.86

During the year ended 31st March, 2018 and 31st March, 2017, there are no transfer between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements, and there is no transaction / balance under Level 3.

Fair Valuation Technique:

The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:-

1. Fair value of cash deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amount largely due to the short term maturities of these instruments.
2. The fair value of derivatives are based on marked to market valuation statements received from banks with whom the company has entered into the relevant contracts.

Fair value hierarchy:

The following table provides the fair value measurement hierarchy of company's assets and liabilities, grouped into level 1 to level 3 as described below:-

1. Quoted prices / Published NAV (unadjusted) in active markets for identical assets or liabilities (Level 1)
2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability (i.e. as prices) or indirectly (i.e. derived from prices) Level 2. It includes fair value of the financial instruments that are not traded in an active market (for example, over the counter derivatives) and are determined by using valuation technique. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.
3. Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) Level 3. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

32. Explanatory Notes on preparation and presentation of financial statements upon transition to INDAS

In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at 1-4-2016, which is the Company's date of transition to IND AS. The following note explains the nature of adjustments made by the Company read with in restating its previous GAAP Financial Statements including its Balance Sheet as at 1-4-2016 and the financial statements as at and for the year ended 31-3-2017.

32.1. Depreciation and Amortization expense

Under previous GAAP, the carrying value of significant components of Property, Plant and Equipment which have

completed their useful life, have been charged off against opening balance of Retained Earnings for the financial year 2016-17 as permitted by Schedule II to the Companies Act, 2013. However, under IND AS, this has been taken through profit and loss for the year ended 31-3-2017 as it not a GAAP difference.

32.2. Investments

Under previous GAAP, long term equity instruments were measured at cost less provision for permanent diminution. At the date of transition to IND AS, the excess /deficit of fair value of equity instruments over the previous GAAP carrying amount is recognised as fair value gain/loss, in the FVTOCI reserve/Other Comprehensive Income for the year ended 31-3-2017

32.3. Classification of Financial Instruments

The company has evaluated the facts and circumstances on date of transition to INDAS for the purpose of classification and measurement of financial assets/financial liabilities. Accordingly, bifurcation of assets/liabilities as financial/Non-financial is identified and reclassified. However, this reclassification is not presented as transition adjustments.

32.4. Dividend

Under previous GAAP, dividends proposed by the Board of Directors are recognized as proposed dividend in the financial statements even though it is approved by the shareholders in the AGM. However, under IND AS, dividend has to be recognized upon approval by the shareholders in the Annual General Meeting. Accordingly, Proposed Dividend (including Dividend Distribution Tax) recognized as liability in the financial year 2015-16 as per previous GAAP has been reversed with corresponding credit to Equity as at the date of transition i.e. 1-4-2016 and recognized in the Equity during the year ended 31-3-2017 as declared and paid.

32.5. Transaction cost on Borrowings

Under previous GAAP, transaction costs (loan processing fees) incurred in connection with borrowings is charged to profit or loss upfront. Under IND AS, transaction cost is to be included in the initial recognition and charged to profit or loss using the effective interest method. Accordingly, transaction cost on borrowings is reversed to Equity, for the loans outstanding as at 1-4-2016 and additional interest expense is recognized in the Opening Equity for the period upto 1-4-2016, using Effective Interest Rate method (EIR). For the year ended 31-3-2017, the Company has reversed the transaction cost pertaining to the Borrowings availed during the year 2016-17 and the additional Interest impact computed using EIR method is recognized as Finance cost.

32.6. Deferred Tax

Deferred tax is accounted using income statement approach by computing the differences between taxable profits and accounting profits for the period under previous GAAP. As per IND AS 12, the deferred tax is to be computed using the balancesheet approach, which is based on temporary

differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax adjustments are recognized either in retained earnings or a separate component of equity.

32.7. Defined Benefit Plan

Under previous GAAP, actuarial gains and losses are charged to profit or loss. Under INDAS re-measurements of net defined benefit asset/liability comprising of actuarial gains or losses are arising from experience adjustments and changes in actuarial assumption are charged/credited to other comprehensive income. There is no impact on the total equity as at 31-3-2017. However for the period upto the date of transition, the Company has transferred all re-measurement costs recognized in the past periods within accumulated profits or loss (a component of equity), in accordance with provisions of Para 122 of IND AS 19.

32.8. Excise Duty

Under previous GAAP, Sale of goods and scraps was presented as net of excise duty. However, under INDAS, sale of goods and scraps includes excise duty. Excise duty on sale of goods and scraps is separately shown as a line item in the Statement of Profit and Loss as part of expenses. However, there is no impact on the total equity and profit.

32.9. Other Comprehensive Income (OCI)

This is a new classification under IND AS. Any income or expense that are not required to be recognized in profit or loss are shown under a new category namely OCI in the Statement of Profit and Loss namely re-measurements of defined benefit plans, gains and losses from investments in equity instruments designated at fair value through other comprehensive income, gains and losses on financial assets measured at fair value through other comprehensive income, changes in revaluation surplus and gains and losses arising from translating the financial statements of a foreign operation.

32.10. Bank Overdraft

Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in the same were shown as part of financing activities. Under IND AS, Bank overdrafts repayable on demand are to be treated as an integral part of the cash management process. Accordingly, Bank overdraft is included in Cash and Cash equivalents for the purpose of presentation of Statement of Cash Flows.

EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2017

Particulars	Year ended 31st March, 2017		
	Previous GAAP	Effect of transition to IND AS	As per IND AS Statement of Profit and Loss
INCOME			Rs. in Lakhs
Sales / Revenue from Operations	15,444.43	82.81	15,527.24
Other Income	71.11	----	71.11
Total Income	15,515.54	82.81	15,598.35
EXPENSES			
Cost of Raw Material consumed	8,923.71	----	8,923.71
Changes in / Inventories of Finished Goods, stock-in-Process	(4.97)	----	(4.97)
Employee Benefit Expenses	2,011.47	56.78	2,068.26
Finance Costs	397.68	0.22	397.90
Depreciation & Amortisation Expenses	279.49	----	279.49
Other Expenses	3,352.26	82.58	3,434.84
Total Expenses	14,959.64	139.59	15,099.23
Profit/(Loss) before Exceptional Items and Tax	555.90	(56.78)	499.12
Exceptional Items - Expense (Net)	----	----	----
Profit / (Loss) before Tax	555.90	(56.78)	499.12
Tax Expense :-			
- Current Tax	115.00	----	115.00
- Deferred Tax	67.50	----	67.50
Profit / (Loss) After Tax	373.40	(56.78)	316.62
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
- Remeasurement gains/(losses) on defined benefit plan	----	56.78	56.78
Total Comprehensive Income for the year	373.40	----	373.40
(Comprising profit/(Loss) and other comprehensive income for the year)			

POLYSPIN EXPORTS LIMITED

Disclosure as required by IND AS 101 First time adoption of the Indian Accounting Standards

Reconciliation of Balance Sheet as at the date of transition 01.04.2016 and as at 31.03.2017

Particulars	Notes No.	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Transition Adjustments	IND AS	Previous GAAP	Transition Adjustments	IND AS
<u>ASSETS</u>							
Non-current assets							
Property, Plant and Equipment		3,975	---	3,975	3,776	---	3,776
Capital work-in-progress	3	4	---	4	230	---	230
Other Intangible assets		1	---	1	1	---	1
Financial Assets							
i) Other Investments	4	68	---	68	63	---	63
ii) Trade receivables	5	---	41	41	---	41	41
iii) Others Financial Assets	6	---	127	127	---	124	124
Other non-current assets	7	---	2	2	---	8	8
Current assets							
Inventories	8	2,048	---	2,048	1,782	---	1,782
Financial Assets							
i) Trade receivables	9	1,849	(41)	1,808	1,398	(41)	1,357
ii) Cash and cash equivalents	10	455	(260)	195	393	(212)	181
iii) Other Bank Balance	11	---	260	260	---	212	212
iv) Other Financial Assets	12	---	246	246	---	164	164
Current Tax Assets (Net)			274	274	---	270	270
Other Current assets	13	1,065	(648)	417	1,207	(565)	642
Total Assets		<u>9,465</u>		<u>9,465</u>	<u>8,850</u>		<u>8,850</u>
<u>EQUITY AND LIABILITIES</u>							
EQUITY							
Equity Share capital	14	400	---	400	400	---	400
Other Equity	15	1,686	62	1,748	1,357	58	1,415
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
i) Borrowings	16	1,202	---	1,202	1,407	---	1,407
Deferred tax liabilities (Net)	17	316	---	316	248	---	248
Current liabilities							
Financial Liabilities							
i) Borrowings	18	3,314	---	3,314	3,158	---	3,158
ii) Trade Payables	19	1,441	---	1,441	1,066	---	1,066
iii) Other Financial Liabilities	20	---	226	226	---	208	208
Other current liabilities	21	696	(230)	466	807	(208)	599
Provisions	22	412	(58)	354	407	(58)	349
Total Equity and Liabilities		<u>9,465</u>		<u>9,465</u>	<u>8,850</u>		<u>8,850</u>

The reconciliation of Net profit reported in accordance with previous GAAP to total comprehensive income in accordance with IND AS is given below:

PARTICULARS	Year ended 31.03.2017
Net profit as per the previously applicable Indian GAAP	373.40
Reconciling Items	
Reclassification of actuarial (gain) /losses arising in respect of employee benefit plans, to others after tax	(56.78)
Other comprehensive income (OCI) Profit after tax as per IND AS,	316.62
Reclassification of actuarial (gains) /losses arising in respect of employee benefit plans, from the statement of profit and loss - Net of tax	56.78
Total Comprehensive Income as per IND AS	373.40

33. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 19 - EMPLOYEE BENEFITS

Defined Contribution Plan:

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as follows:

Particulars	Rs. in Lakhs	
	2017-18	2016-17
Employer's contribution towards:		
- Provident Fund & EPS	199.75	167.09
- Employee State Insurance	73.03	52.03

Defined Benefit Plan (Gratuity):

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC)

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognises each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

A. Change in Defined Benefit Obligation

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Defined Benefit Obligation at beginning of year	2,08,80,019	2,28,29,599
Current Service Cost	49,69,467	41,57,422
Past Service Cost	15,61,494	----
Interest Expense	15,43,534	17,31,991
Benefit Payments from Plan Assets	(19,26,901)	(23,59,418)
Re-measurements - Due to Financial Assumptions	(2,50,810)	4,96,613
Re-measurements - Due to Experience Adjustments	3,89,872	(59,76,188)
Defined Benefit Obligation at end of year	2,71,66,676	2,08,80,019
Discount Rate	7.85%	7.75%
Salary Escalation Rate	5.00%	5.00%

B. Change in fair value of Plan Assets

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Fair value of Plan Assets beginning of year	1,81,78,798	1,31,82,537
Interest income	13,34,189	9,60,226
Employer Contributions	82,56,163	63,46,959
Benefit Payments from Plan Assets	(19,26,901)	(23,59,418)
Other (Mortality & other Charges Paid to LIC of India	(3,05,651)	(1,50,239)
Remeasurements - Return on Assets (Excluding Interest Income)	2,90,204	1,98,733
Fair Value of Plan Assets at end of year	2,58,26,802	1,81,78,798
Weighted Average Asset Allocations at the year end		
Equities	----	----
Bonds	----	----
Gilts	---	----
Insurance Policies	100%	100%
Total	100%	100%

C. Components of Defined Benefit Cost

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Current Service Cost	49,69,467	41,57,422
Past Service Cost	15,61,494	----
Total Service Cost	65,30,961	41,57,422
Interest Expense on DBO	15,43,534	17,31,991
Interest (Income) on plant Assets	(13,34,189)	(9,60,226)
Interest (Income) on Reimbursement Rights	3,05,651	1,50,239
Total Net Interest Cost	5,14,996	9,22,004
Defined Benefit Cost included in P & L	70,45,957	50,79,426
Remeasurements - Due to Financial Assumptions	(2,50,810)	4,96,613
Remeasurements - Due to Experience Adjustments	3,89,872	(59,76,188)
(Return) on plan Assets (Excluding Interest Income)	(2,90,204)	(1,98,733)
Total Re-measurements in OCI	(1,51,141)	(56,78,308)
Total Defined Benefit Cost recognized in P&L and OCI	68,94,816	(5,98,882)
Discount Rate	7.85%	7.75%
Salary Escalation Rate	5.00%	5.00%

POLYSPIN EXPORTS LIMITED

A. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Defined Benefit Obligation	2,71,66,676	2,08,80,019
Fair Value of Plan Assets	2,58,26,802	1,81,78,798
Funded Status	13,39,874	27,01,221
Effect of Asset Ceiling / Onerous Liability	----	----
Net Defined Benefit Liability / (Asset)	13,39,874	27,01,221

B. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Net Defined Benefit Liability / (Asset) at beginning of year	27,01,221	96,47,062
Defined Benefit Cost included in P & L	70,45,957	50,79,426
Total Re-measurements included in OCI	(1,51,141)	(56,78,308)
Employer Contributions	(82,56,163)	(63,46,959)
Net Defined Benefit Liability / (Asset) at end of year	13,39,874	27,01,221

Additional Disclosure items

Current and Non-Current Liability and Asset

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Non-Current Assets	-----	----
Current Liabilities	29,92,747	25,14,543
Non - Current Liabilities	2,41,73,928	1,83,65,476

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	2,78,528
Year 2	21,66,660
Year 3	3,91,030
Year 4	20,65,528
Year 5	4,14,508
Beyond 5 years	2,18,50,422

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2018	31.03.2017
Discount Rate	7.85%	7.75%
Salary Escalation - First 5 Years	5.00%	5.00%
Salary Escalation - After 5 Years	5.00%	5.00%
Expected Rate of Return on plan Assets	7.75%	8.00%
Mortality Table	IALM (2006-08) Table	
Disability Rate	No explicit Loading	
Withdrawal Rate	1% to 3%	1% to 3%
Retirement Age	58 Years	58 Years
Average Future Service	19.38	20.08

34. LOSS ON IMPAIRMENT OF INVESTMENT AND PROVISION FOR BAD DEBTS IN ASSOCIATE COMPANY:

Due to unsatisfactory outcome in our Associate Company at USA, Namely Polyspin USA Inc, the company has made a provision of Rs. 36.56 Lakhs in its standalone financial results towards impairment of Investments & trade receivables as bad debts.

35. REPORTING ON RELATED PARTIES :

In accordance with the Accounting Standard (IND AS 24) issued by the Institute of Chartered Accountants of India, the Company has identified the following companies as Related parties:

A) Associate Companies :

1. Polyspin Private Limited
2. Lankaspin Private Ltd., Sri Lanka.
3. Energyspin Private Ltd.
4. Chola Packaging Private Ltd.
5. Ganesh Agro Pack Private Ltd.
6. Ramji Investments Private Ltd.

B) Key Management Personnel and Relatives :

- i) Sri R. RAMJI
Managing Director and CEO
- ii) Sri P.K. RAMASUBRAMANIAN
Secretary and Compliance Officer
- iii) Sri. S. SEENIVASA VARATHAN
Chief Financial Officer

C) Transaction during the year with Related Parties :

Sl. No.	Particulars	Year Ended 31-03-2018		Year Ended 31-03-2017	
		(Rs. in Lakhs)			
		Associate / Subsidiary Companies	Key Management Personnel	Associate Companies	Key Management Personnel
1.	Processing charges paid	233.36	---	528.85	---
2.	Remuneration to Directors	---	76.21	---	76.22
3.	Sale of PP Strips / Yarn	161.64	---	1240.68	---
4.	Sale of Fabric	203.12	---	157.15	---
5.	Sale of Sack	---	---	70.81	---
6.	MEIS Duty Credit Scrip Sales	85.67	---	19.14	---
7.	Assets sold during the year	43.31	---	14.04	---
8.	Assets purchases during the year	1.25	---	21.28	---
9.	Purchase of Fabric & Stitching Yarn	143.66	---	98.73	---
10.	Purchase of Laminated Woven Fabric	0.10	---	---	---
11.	Purchase of Packing Materials	11.95	---	6.44	---
12.	Factory Rent	8.64	---	4.68	---
13.	Wind mill Energy captive consumption	2.16	---	17.42	---

POLYSPIN EXPORTS LIMITED

D) Significant Related Party Transactions :- Rs. in Lakhs

Particulars	2017-18	2016-17
1. Processing Charges Paid		
Polyspin Private Limited	181.19	520.63
Ganesh Agro Pack (P) Ltd.,	13.85	4.73
Energyspin (P) Ltd	38.32	----
Chola Packaging (P) Limited	----	3.49
2. Remuneration to Directors		
Sri. R. Ramji, Managing Director	76.21	76.22
3. Sale of PP Strips / Yarn		
Energyspin (P) Ltd.,	----	218.00
Ganesh Agro Pack (P) Ltd.,	----	6.51
Chola Packaging (P) Ltd.,	----	4.62
Lankaspin Private Limited, Sri Lanka.	161.64	1011.55
4. Sale of PP Fabric		
Lankaspin Private Limited, Sri Lanka	200.18	133.28
Chola Packaging (P) Ltd.,	2.94	23.87
5 Sale of Sacks		
Ganesh Agro Pack (P) Ltd.,	----	70.81
6. MEIS Scrip Sales		
Polyspin Private Limited	85.67	19.14
7. Assets Sold during the year		
Lankaspin Private Limited, Sri Lanka.	----	8.75
Energyspin (P) Ltd.,	----	4.96
Chola Packaging (P) Limited	41.30	----
Ganesh Agro Pack (P) Ltd.,	2.01	0.33
8. Assets purchases during the Year		
Polyspin Private Ltd.,	---	21.28
Ganesh Agro Pack (P) Ltd.,	1.25	---
9. Purchase of Fabric & Stitching Yarn		
Polyspin Private Limited	----	81.74
Ganesh Agro Pack (P) Ltd.,	143.66	16.99
10. Purchase of Laminated Woven Fabric		
Chola Packaging (P) Limited	0.10	----
11. Purchase of Packing Materials		
Energyspin (P) Ltd.,	----	0.07
Ganesh Agro Pack (P) Ltd.,	11.95	6.37
12. Factory Rent		
Polyspin Private Limited	4.71	4.20
Energyspin (P) Ltd.,	3.45	----
Ramji Investments Private Ltd.,	0.48	0.48
13. Windmill Energy captive consumption		
Ganesh Agro Pack (P) Ltd.,	2.16	17.42

36. SEGMENTWISE REPORTING

As Required under Accounting Standard (IND AS 108), the Segment Revenue, Results and Capital employed are furnished below:-

(Rs. in Lakhs)

Sl. No.	Particulars	Year ended	
		31.03.2018	31.03.2017
1.	Segment Revenue (Net Sales / Income from operation)		
	a) FIBC Bags, Fabric, Yarn	14787.79	12846.34
	b) Cotton Yarn	2628.69	2260.56
	Total	17416.48	15106.90
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn	1106.98	841.06
	b) Cotton Yarn	102.88	55.74
	Total	1209.86	896.80
	Less : Financial Charges	445.78	397.68
	Profit Before Tax	764.08	499.12
3.	Capital Employed (Segment assets - Segment Liabilities)		
	a) FIBC Bags, Fabric, Yarn	1968.77	1530.82
	b) Cotton Yarn	629.34	617.26
	Total	2598.11	2148.08

2017 - 2018 **2016 - 2017**

37.1. Auditors' Remuneration :	Rs.	Rs.
Audit Fees / Statutory Auditors	50,000	50,000
Tax Audit Fees /Appeal Fees	50,000	----
Certification Fees	----	13,000
Other Services	50,000	----

2017 - 2018 **2016 - 2017**

37.2. Managing Director's Remuneration :	Rs.	Rs.
Salary	60,00,000	60,00,000
Perquisites	16,20,846	16,21,801

37.3. Contingent Liabilities not Provided for : **2017 - 2018** **2016 - 2017**

	Rs.	Rs.
i) Unexpired Letter of Credit	268.13	616.72
ii) Bank Guarantee	105.00	105.00

iii) The Company has challenged the levy of duty of excise and customs aggregating to Rs. 393.62 Lakhs on wrong calculation of SION Norms for the consumption of UV Master batches (Imported) for production of FIBC Bags meant for export (100% E.O.U) and the same is pending before the appropriate jurisdictional authorities.

37.4 As at 31.03.2018, the company has no outstanding dues to Micro, Small and Medium Enterprises (Previous year: Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

37.5 The Company has generated power out of Wind mill installed at Pazhavor Taluk, Tirunelveli District, and the generated power was captively consumed by the Company by drawing the power from TNEB Grid. The Power and Fuel consumed is net of Rs. 21.05 Lakhs being the credit given by TNEB for the transfer of power to the Grid.

37.6 Our Company's shares are listed at Bombay Stock Exchange with stock code of 539354.

37.7 Deferred Tax (AS- 22):

Deferred Tax Liability (Net) for Rs.36.00 Lakhs as on 31.03.2018 has been provided from the Current year's Profit in accordance with the Accounting for deferred tax in pursuance of AS-22 issued by the Institute of Chartered Accountants of India.

	For the year ended	
	31.03.2018	31.03.2017
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	3,31,553 KWH	2,93,313 KWH
Units Captively Consumed	3,31,553 KWH	2,93,313 KWH
	(included under Power & Fuel)	

37.8 Figures relating to previous year have been regrouped wherever found necessary.

Signature to Notes 1 to 37

As per our report of even date
M/s. SRITHAR & ACCOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 206115

Rajapalayam
29.05.2018

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S. SEENIVASA VARATHAN
CFO

S.R. SUBRAMANIAN

P. VAIDYANATHAN

A. THIRUPATHY RAJA

S. SANKAR

S.V. RAVI

Directors

INDEPENDENT AUDITOR'S REPORT

The Members of M/s. Polyspin Exports Limited

Report on the Consolidated INDAS Financial Statements

We have audited the accompanying consolidated IND AS financial statements of Polyspin Exports Limited, (hereinafter referred to as "the Holding Company") and its Associates the (Holding Company together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2018 the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and the consolidated statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated IND AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated IND AS financial statements in terms of the requirements of the companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated IND AS financial statements by the Directors of the Holding Company, as aforesaid

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated IND AS financial statements based on our audit. While conducting the audit, We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit

report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding Company's preparation of the consolidated IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated INDAS financial statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, in sufficient and appropriate to provide a basis for our audit opinion on the consolidated IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the Associates, the aforesaid consolidated 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 the accounting principles generally accepted in India including the INDAS

- a) In the case of the Balance Sheet, of the consolidated state of affairs of the group as at March 31, 2018;
- b) In the case of the consolidated Statement of Profit (including other comprehensive income) and Loss, of the profit for the year ended on that date; and
- c) In the case of the consolidated Cash Flows and consolidated changes in Equity for the year ended on that date.

OUR OPINION IS NOT MODIFIED IN RESPECT OF THESE MATTERS

Other Matters

We did not audit the IND AS financial statements of one Associate, whose IND AS financial statements reflect total assets of Rs. 950.60 Lakhs as at 31st March, 2018, total revenues of Rs.1802.59 Lakhs and net cash outflows amounting to Rs. 5.38 Lakhs for the year ended on that date, as considered in the consolidated IND AS financial statements. These IND AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated IND AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

One of the associate is located outside India whose financial statements have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries (refer Note No.41 to the consolidated IND AS financial statements). The Holding Company's management has converted the financial statements of such associate located outside India to IND AS financial statements (i.e from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and relevant for preparation of the aforesaid consolidated IND AS financial statements). We have audited these conversion adjustments made by the Holding Company's management.

Our opinion in so far as it relates to the balances and affairs of such associates located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us. Our opinion on the Consolidated IND AS Financial Statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Our opinion is not modified in respect of matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated IND AS financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated IND AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated IND AS financial statements;
- d) In our opinion, the aforesaid consolidated IND AS financial statements comply with the Indian 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 of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associates companies incorporated in India, none of the directors of the Group companies incorporated outside India is disqualified as on 31st March, 2018 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 Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- h) The consolidated IND AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note Nos. 37.3 to the consolidated IND AS financial statements;
- i) The company does not have any long term contracts requiring a provision for material foreseeable losses.
- j) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. SRITHAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047

Place : Rajapalayam
Date : 29.05.2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Holding Company on the consolidated IND AS financial statements for the year ended 31st March, 2018]

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") In conjunction with our audit of the consolidated IND AS financial statements of the Holding Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of the Group, in respect of companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the entities of the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 business, including adherence to the respective company's policies, the safeguarding of 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 were 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 judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Guidance Note issued by the ICAI.

OPINION

In our opinion, the Group, in respect of companies incorporated outside India, 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, 2018, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to one associate of the Holding Company which is company incorporated outside India, is based on the corresponding reports of the auditors of such companies incorporated outside India.

For M/s. SRITHAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 015896S

Place : Rajapalayam
Date : 29.05.2018

S. SRITHAR
Membership No. 209047

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET as at 31st March, 2018

Particulars	Notes No.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	38,19,13,571	39,74,56,413	37,75,57,535
Capital work-in-progress	3	25,47,129	3,53,109	2,30,11,916
Other Intangible assets	3	3,90,291	81,459	1,16,369
Financial Assets				
i) Other Investments	4	1,10,31,429	1,09,86,401	1,06,01,769
ii) Trade receivables	5	----	40,78,974	40,78,974
iii) Other Financial Assets	6	1,10,97,241	1,27,10,789	1,23,86,223
Other non-current assets	7	10,05,935	1,52,684	8,26,048
		<u>40,79,85,596</u>	<u>42,58,19,829</u>	<u>42,85,78,834</u>
Current assets				
Inventories	8	24,33,14,187	20,47,95,744	17,81,68,494
Financial Assets				
i) Trade receivables	9	24,80,68,911	18,08,49,946	13,56,95,574
ii) Cash and cash equivalents	10	1,59,16,505	1,94,87,708	1,81,36,278
iii) Other Bank Balance	11	3,65,12,201	2,60,41,074	2,11,57,565
iv) Other Financial Assets	12	6,13,17,212	2,45,86,304	1,63,76,779
Current Tax Assets (Net)		1,30,56,008	2,73,98,175	2,69,58,076
Other Current assets	13	2,02,94,212	4,16,86,016	6,41,52,841
		<u>63,84,79,236</u>	<u>52,48,44,967</u>	<u>46,06,45,607</u>
Total Assets		<u><u>104,64,64,832</u></u>	<u><u>95,06,64,796</u></u>	<u><u>88,92,24,441</u></u>
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	14	4,00,00,000	4,00,00,000	4,00,00,000
Other Equity	15	22,41,30,978	17,89,56,342	14,57,64,945
		<u>26,41,30,978</u>	<u>21,89,56,342</u>	<u>18,57,64,945</u>
LIABILITIES				
Non-current Liabilities				
Financial Liabilities				
i) Borrowings	16	8,82,36,698	12,01,89,163	14,06,51,282
Deferred tax liabilities (Net)	17	3,51,83,000	3,15,83,000	2,48,33,000
		<u>12,34,19,698</u>	<u>15,17,72,163</u>	<u>16,54,84,282</u>
Current Liabilities				
Financial Liabilities				
i) Borrowings	18	41,05,43,081	33,13,55,533	31,58,14,247
ii) Trade Payables	19	15,84,46,556	14,40,59,227	10,66,14,683
iii) Other Financial Liabilities	20	3,24,00,220	2,25,79,373	2,07,85,971
Other current Liabilities	21	3,49,24,299	4,65,58,158	5,98,76,313
Provisions	22	2,26,00,000	3,53,84,000	3,48,84,000
		<u>65,89,14,156</u>	<u>57,99,36,291</u>	<u>53,79,75,214</u>
Total Equity and Liabilities		<u><u>104,64,64,832</u></u>	<u><u>95,06,64,796</u></u>	<u><u>88,92,24,441</u></u>

As per our report of even date
M/s. SRITHAR & ACCOCIATES
Chartered Accountants
Firm Registration No. 015896S
S. SRITHAR
Membership No. 206115
Rajapalayam
29.05.2018

R. RAMJI
Managing Director & CEO
P.K. RAMASUBRAMANIAN
Secretary
S. SEENIVASA VARATHAN
CFO

S.R. SUBRAMANIAN
P. VAIDYANATHAN
A. THIRUPPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2018

Particulars	Notes No.	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs.
INCOME			
Revenue from Operations	23	199,02,52,546	172,44,40,894
Other Income	24	47,51,181	75,68,259
Total Income		199,50,03,727	173,20,09,153
EXPENSES			
Cost of Raw Material consumed	25	117,77,32,260	100,03,72,149
Change in / Inventories of Finished Goods	26	1,03,88,167	1,16,03,192
Stock-in-Process			
Employee Benefit Expenses	27	28,60,70,855	22,49,99,665
Finance Costs	28	4,76,19,662	4,25,52,894
Depreciation & Amortisation Expenses		3,17,86,104	3,07,70,498
Other Expenses	29	36,37,36,319	36,92,57,315
Total Expenses		191,73,33,367	167,95,55,713
Profit before Exceptional Items and Tax		7,76,70,360	5,24,53,440
Exceptional Items		----	----
Profit before Tax		7,76,70,360	5,24,53,440
Tax Expenses:-			
- Current Tax		2,34,18,450	1,19,06,176
- Deferred Tax		36,00,000	67,50,000
Profit after Tax		5,06,51,910	3,37,97,264
Other Comprehensive Income			
Items that will not be reclassified to Profit or loss			
- Remeasurement gains/(losses) on defined benefit plan (net)		1,51,141	56,78,308
Total Comprehensive Income		5,08,03,051	3,94,75,572
Profit/ (Loss) Attributable to :			
- Owners of the Company		5,08,03,051	3,94,75,572
- Non-controlling interests		---	---
Of the Total Comprehensive Income above :			
(Net of tax) - attributable to			
- Owners of the Company		5,06,51,910	3,37,97,264
- Non-controlling interests		---	---
Other comprehensive income (loss) attributable to :			
- Owners of the Company		1,51,141	56,78,308
- Non-controlling interests		---	---
Earnings per Share (Basic)		12.70	9.87
Face Value of Rs. 10 each			

As per our report of even date
M/s.SRITHAR & ACCOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 206115
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29.05.2018

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Directors

POLYSPIN EXPORTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

	2017 - 2018	2016 - 2017
	(Rupees in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Extraordinary items	776.70	524.53
Depreciation	317.86	307.70
Interest & Finance Charges	476.20	425.53
Loss on Sale of Assets	11.02	69.12
(Profit) on Sale of Assets	(4.55)	(13.17)
Interest Income	(28.87)	(26.78)
Dividend Income	(0.37)	(10.53)
Income Tax Paid	199.32	120.45
Operating Profit before working Capital Changes	1747.31	1396.85
ADJUSTMENTS FOR		
- Trade and other Receivables	224.69	(681.76)
- Inventories	(385.18)	(266.27)
- Trade Payables	143.87	374.44
Cash Generated from Operations	1730.69	823.26
Less : Interest & Finance Charges	476.20	425.53
Net Cash from Operating Activities	(A) 1254.49	(A) 397.73
NET CASH USED IN INVESTING ACTIVITIES		
Investments in Fixed Assets	(209.29)	(376.21)
Proceeds from Sale of Assets	43.46	64.30
Investments in Equity instruments	1.26	(4.88)
Interest Received	28.87	26.78
Dividend Received	0.37	10.53
	(B) (135.33)	(B) (279.48)
NET CASH USED IN FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Repayments)	(309.53)	(204.62)
Proceeds from Short Term Borrowings (Net of Repayments)	(541.03)	137.95
Payment of Dividend and Tax thereon	(52.92)	(55.52)
	(C) (903.48)	(C) (122.19)
Net Increase in Cash & Cash Equivalents	(A+B+C) 215.68	(A+B+C) (3.94)
Cash & Cash Equivalents as at 31 st March, 2017	948.22	952.16
Cash & Cash Equivalents as at 31 st March, 2018	1163.90	948.22
Net Change in Cash & Cash Equivalents	215.68	(3.94)

As per our report of even date
M/s. SRITHAR & ACCOCIATES
 Chartered Accountants
 Firm Registration No. 015896S

S. SRITHAR
 Membership No. 206115

Rajapalayam
 29.05.2018

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 Secretary

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P. VAIDYANATHAN
A. THIRUPPATHY RAJA
S. SANKAR
S.V. RAVI
 Directors

NOTES FORMING PARTS OF ACCOUNTS:-

1. Principles of Consolidation:-

The consolidated financial statements (CFS) relate to Polyspin Exports Limited (the Company) and its associated companies (the company and its association collectively referred to as the Group). The consolidated financial Statements have been prepared on the following basis:-

1. The financial statements of the company and its associate companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealized Profit or Losses, in accordance with Indian Accounting Standard 110 – “Consolidated Financial Statements”.
2. In case of foreign Associate companies, revenue items are consolidated at the average currency rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange differences in translating the financial statements of foreign associate companies are recognized in other comprehensive income
3. The excess of the cost of investment in a associate company over the company's share of net assets at the time of acquisition of shares in the Associate Company is recognized in the CFS as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve, in equity.
4. In the case of investment in associate companies, where the company's shareholding is less than 50%, Non controlling interest in the net assets of consolidated Associate Companies is indentified and presented in the consolidated balance sheet separately from liabilities and equity of the company shareholders.

Non-controlling interest in the net assets of Consolidated Associate Companies consists of:

- i. The amount of equity attributable to Non-Controlling interest at the date on which investment in a Associate Company is made, and
 - ii. The Non-Controlling interest share of movements in equity since the date the parent – Associate relationship came into existence.
5. Non-Controlling interests share of Net Profit / Loss of Consolidated Associate Companies for the year is identified and adjusted against the Profit / Loss after tax of the Group, in order to arrive at the Profit / Loss after tax attributable to shareholders of the company.

6. The CFS are prepared using uniform accounting policies for like transactions and other events in similar Circumstances and are presented in the same manner as the company's separate financial statements.
7. The financial statement of the Associate Companies used in the consolidation are drawn up to the same reporting date as that of the company (i.e.) 31st March, 2018.

The list of associate company which is included in the Consolidation and the Company's holding therein are as under:

S.No.	Name of the Company	Ownership / Voting Power in % at as			Principal Place of Business / Country of Incorporation
		31.03.2018	31.03.2017	01.04.2016	
1.	Lankaspin Private Limited	38.48	38.48	38.48	Sri Lanka

These Consolidated Financial Statement were approved for issue by the Board of Directors of the company on 29th May, 2018.

2. Significant Accounting Policies:-

These are set out under Significant Accounting Polices as given in the Company's Separate (Consolidated) IND AS Financial Statements.

Explanation of Transition to INDAS:-

IND AS 101: First Time Adoption of Indian Accounting Standards:-

Mandatory Exception and optional Exemption:-

The group has prepared the opening balance sheet as per IND AS as on 1st April, 2016 (the transition date) by recognizing all assets and liabilities, Whose recognition is required by IND AS, not recognizing items of assets or liabilities which are not permitted by IND AS, reclassifying items from the previously applicable Indian GAAP to IND AS and applying IND AS in measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exception and optional exemptions out of which the once which are relevant for a group are as detailed below:-

Mandatory Exceptions to the retrospective application of IND AS:-

Classification and Measurements of Financial Assets:-

IND AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition and the group has complied accordingly. As per IND AS 101, for financial assets or financial liabilities classified as at amortized cost, if it is impracticable for an entity to apply retrospectively the effective interest method as mentioned in IND AS 109, the

fair value of the financial assets or financial liabilities at the date of transition to IND AS shall be the new gross carrying amount of that financial asset or financial liability at the date of transition to IND AS.

Voluntary exemption availed:

The mandatory exceptions to the retrospective application under IND AS 101 that are applicable to the Company are as below:

Mandatory Exceptions under Ind AS 101	Compliance
Derecognition of previously recognized financial assets/financial liabilities	
An entity shall apply the derecognition requirements in IND AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.	The Company has applied the de-recognition requirements prospectively.
Hedge accounting	
At the date of transition to IND AS an entity shall measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities. An entity shall not reflect in its opening IND AS Balance Sheet a hedging relationship that does not qualify for hedge accounting in accordance with IND AS 109.	The Company has measured derivatives at fair value through profit and loss. The Company does not have any hedging relationship that meets the qualifying criteria for Hedge accounting.
Classification and measurement of financial assets	
Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to IND AS.	The Company has evaluated the facts and circumstances existing on the date of transition to IND AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.
Impairment of Financial Assets	
Impairment requirements under IND AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort.	The Company has applied impairment requirements retrospectively.

The voluntary exemptions to the retrospective application under IND AS 101 that are applicable to the Company are as below:

Voluntary Exemption under IND AS 101	Option exercised
Deemed Cost	
An entity may elect to measure an item of property, plant and equipment and intangible asset at the date of transition to IND AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment, intangibles by applying IND AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.	The Company has opted to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition.
Investments in Subsidiary and Associates	
An entity is required to account for its investments in subsidiaries, joint ventures and associates either (a) at cost; or (b) in accordance with IND AS 109. Such cost shall be cost as per IND AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to IND AS or Previous GAAP carrying amount at that date.	The Company has opted to measure its investment in subsidiaries / associates as per the previous GAAP carrying amount as at the date of transition to IND AS.
Designation of previously recognised financial instruments	
An entity may designate an investment in an equity instrument as at fair value through other comprehensive income (FVTOCI) in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to IND AS.	The Company has designated all equity instruments in companies other than subsidiaries / associates at FVTOCI, based on the assessment made on the date of transition to IND AS.

The management has applied the following estimates assumptions / judgements in preparation and presentation of financial statements:-

Functional and presentational currency:

These financial statements are presented in Indian Rupee (INR) which is also the functional Currency. Unless otherwise stated, all amounts are rounded off to the nearest rupee.

Use of Estimates and Judgments:-

The preparation of Financial Statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the accounting policies and / or the notes to the financial statements.

The mandatory exceptions to the retrospective application under IND AS 101 that are applicable to the Company are as below:

2.1 Current versus Non-Current Classification:-

The company presents assets and liabilities in the balance sheet based on Current / Non-Current classification. An asset is treated as current when it is:-

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cost or cost equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as Non-Current

A Liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

All other liabilities are classified as Non-Current

The company has deemed its operating cycle as twelve months for the purpose of Current / Non-Current classification.

2.2 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost, less accumulated depreciation /amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises of purchase price, import duties, levies and any attributable cost of bringing the assets on its working condition for the intended use.

For transition to IND AS, the company has elected to continue the carrying value of all of its property, plant and equipment recognized as at 1st April, 2016 (transition date) measured as per the previously applicable Indian GAPP and use that carrying value as its deemed cost as at transition date.

When each major expenses on fixed assets, day to day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalization criteria in accordance with IND AS 16 are charged to statement of Profit and Loss for the period during which such expenses are incurred.

The company identifies the significant parts of plant and equipment separately (which are required to be replaced at intervals) based on their specific useful lives. The cost of replacement of significant parts are capitalized and the carrying amount of replaced parts are derecognized.

PPEs eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognized in the statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in statement of Profit and Loss, when the recognition criteria are met.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and property under construction) less their residual value, over their useful lives. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation for PPE on additions is calculated on pro rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro rata basis up to the date on which such assets have been discarded / sold.

Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

2.3 Investment Property:-

The company does not have any investment property as on the Balance sheet date. Hence there is no disclosure as per the requirements of IND AS 16.

2.4 Intangible Assets:-

Intangible Assets are recognized when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Intangible assets are amortized over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team. It's accounting classification is given below:-

1. Nature of intangible Assets - Computer Software
2. Estimated useful life - 3 Years
3. Amortization of intangible Assets - Computer Software
4. Accounting Classification - Depreciation & Amortization

For transition to IND AS, the company has elected to continue with the carrying value of all its intangible assets recognized as at 1st April, 2016 (Transition date) measured as per the previously applicable Indian GAPP and use that carrying value as its deemed cost as at transition date.

2.5 Inventories:-

Inventories are valued at the lower of cost and net realizable value.

Cost of Raw materials, Stores and Spares, Fuel, Packing materials, etc., are valued at cost, computed on moving weighted average basis including the cost incurred in bringing the inventories to their present location or net realizable value whichever is lower.

Process stock and finished goods are valued at moving weighted average cost including the cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.6 Borrowing Costs:-

Borrowing costs include interest expense calculated using the effective interest rate method (EIR), other costs incurred in connection with borrowing of funds and exchange differences to the extent regarded as an adjustment to the interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets (net of income earned on temporary deployment of funds) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

2.7 Financial Assets:-

Financial Assets comprises of investments in equity, trade receivables, cash and cash equivalents and other financial assets.

Classification:-

The company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through Profit or Loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Initial Recognition and Measurement:-

All financial assets are recognized initially at fair value plus, in the case of financial assets not recognized at the fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurements of financial assets are dependent on initial categorization. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

De-recognition of Financial Assets:-

A Financial Asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the company has transferred its rights to receive cash flows from the asset.

2.8 Financial Liabilities:-

Financial Liabilities comprises of Borrowings from banks, Trade Payables, Derivative financial instruments, Financial Guarantee obligation and other financial liabilities.

Classification:-

The company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss (FVTPL). Such

financial liabilities including derivative that are liabilities, shall be subsequently measured at fair value.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss. Any difference between the proceeds (Net of transactions costs) and the redemption amount is recognized in Profit or Loss over the period of the borrowings using the EIR method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that same or all of the facility will be drawn down.

Trade and Other payables:-

A payable is classified as 'Trade Payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the company prior to the end of financial year, which are unpaid. They are recognized initially at their fair value and subsequently measured at amortized cost using the EIR method.

De-recognition of Financial Liabilities:-

A financial liability is de recognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

2.9. Impairment of Non-financial Assets:-

The carrying values of assets include property, plant and equipment, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.

Non financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired.

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

2.10. Foreign Currency Transaction and Translation:-

Transactions in foreign currencies are translated to the functional currency of the company (i.e. INR,) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date, except for those derivative balances that are within the scope of IND AS – 109 “Financial instruments” are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are reported in the statement of Profit and Loss.

Foreign Exchange differences regarded as an adjustment to interest costs are recognized in the statement of Profit and Loss. Realized or unrealized gain in respect of the settlement or translation of borrowing is recognized as an adjustment to interest cost to the extent of the loss previously recognized as an adjustment to interest cost to the extent of the loss previously recognized as an adjustment to interest cost.

2.11. Employee Benefits:-

Employee benefits in the form of Provident Fund & Employee State Insurance are defined contribution plans. The company recognizes contribution payable to a defined contribution plan as an expense, when an employee renders the related services.

The company contributes monthly at 12% of employees' basic salary to Employees Provident Fund & Employees Pension Fund administered by the Employees provident fund organization, Government of India. The company has no further obligations.

Gratuity liability and leave encashment liability are defined benefit plans. The cost of providing benefit under the defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The company has its own approved Gratuity fund with LIC Group Gratuity cash accumulations scheme and the contribution to that fund are being made to LIC.

The leave encashment entitlement is computed on calendar year basis and payment made to the Employees accordingly in the succeeding January of every year. Hence, there is no outstanding liability towards leave encashment.

Re-measurements of the net defined benefit liability / asset comprise:-

1. actuarial Gains and Losses;
2. the return on plan assets, excluding amounts included in net interest on the net defined benefit liability / asset; and

- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

Reimbursements of net defined benefit liability / asset are charged or credited to other Comprehensive Income.

2.12. Provision, Contingent Liabilities and Contingent Assets:-

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, embodying economic benefits in respect of which a reliable estimate can be made.

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the financial statements.

Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Contingent Assets are not recognized.

2.13. Taxes on Income:-

Income tax expenses comprises of current tax and deferred tax. It is recognized in the statement of Profit and Loss, except to the extent that it relates to items recognized directly in Equity or Other comprehensive income. In such cases, the tax is also recognized directly in Equity or in other comprehensive income.

Current Tax:-

Current tax is the amount of tax payable on the taxable income for the year, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax:-

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

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 assets realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT)

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period (i.e.) the period for which MAT credit is allowed to be carried forward, in the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS														
Particulars	Tangible Assets											Intangible Assets		
	Land Rs.	Building Rs.	Plant and Machinery Rs.	Power Generation Equipment Rs.	Furniture & Fittings Rs.	Vehicles Rs.	Office Equipment Rs.	Library Rs.	Total Rs.	Capital Work in Progress Rs.	Computer Software Rs.			
Gross Carrying Amount														
As at 01.04.2016	51,08,948	10,96,32,424	38,73,06,056	57,87,276	4,03,761	1,12,62,109	25,14,529	12,435	52,20,27,538	2,30,11,916	2,50,000			
Additions	----	1,92,19,799	3,95,09,027	----	----	14,36,348	1,14,655	----	6,02,79,829	3,53,109	----			
Deductions	----	----	1,69,55,241	----	----	----	----	----	1,69,55,241	2,30,11,916	----			
As at 31.03.2017	51,08,948	12,88,52,223	40,98,59,842	57,87,276	4,03,761	1,26,98,457	26,29,184	12,435	56,53,52,126	3,53,109	2,50,000			
Additions	----	44,44,347	1,11,23,436	----	68,580	10,80,663	15,90,269	----	1,83,07,295	25,47,129	4,28,115			
Deductions	2,08,565	----	65,77,887	----	----	25,108	90,500	----	69,02,060	3,53,109	----			
As at 31.03.2018	49,00,383	13,32,96,570	41,44,05,391	57,87,276	4,72,341	1,37,54,012	41,28,953	12,435	57,67,57,361	25,47,129	6,78,115			
Accumulated Depreciation and Impairment														
As at 01.04.2016	----	2,00,82,443	11,22,48,369	44,34,593	3,31,410	52,31,703	21,29,050	12,435	14,44,70,003	----	1,33,631			
Depreciation	----	35,07,545	2,31,48,474	1,57,278	11,050	9,80,364	1,08,965	----	2,79,13,676	----	34,910			
Disposals	----	----	44,87,966	----	----	----	----	----	44,87,966	----	----			
Deduction on Impairment	----	----	----	----	----	----	----	----	----	----	----			
As at 31.03.2017	----	2,35,89,988	13,09,08,877	45,91,871	3,42,460	62,12,067	22,38,015	12,435	16,78,95,713	----	1,68,541			
Depreciation	----	40,25,557	2,32,92,647	1,57,279	11,068	11,74,525	1,83,018	----	2,88,44,094	----	1,19,283			
Disposals	----	----	18,29,618	----	----	25,108	41,291	----	18,96,017	----	----			
As at 31.03.2018	----	2,76,15,545	15,23,71,906	47,49,150	3,53,528	73,61,484	23,79,742	12,435	19,48,43,790	----	2,87,824			
Carrying Amount 31.03.2018	49,00,383	10,56,81,025	26,20,33,485	10,38,126	1,18,813	63,92,528	17,49,211	----	38,19,13,571	25,47,129	3,90,291			
Carrying Amount 31.03.2017	51,08,948	10,52,62,235	27,89,50,965	11,95,405	61,301	64,86,390	3,91,169	----	39,74,56,413	3,53,109	81,459			
Carrying Amount 31.03.2016	51,08,948	8,95,49,981	27,50,57,687	13,52,683	72,351	60,30,406	3,85,479	----	37,75,57,535	2,30,11,916	1,16,369			

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
FINANCIAL ASSETS			
4. OTHER INVESTMENTS			
Investments In Equity Instruments			
(unquoted)			
Number (Equity Shares)	Face Value Per Unit	Investment (Long term)	
365	Rs. 1,000/-	M/s. Ganesh Agro Pack (P) Ltd, India.	3,65,000
13,01,119	SLR 10/-	M/s. Lankaspin (P) Ltd., Sri Lanka	1,02,64,929
800	\$ 1/-	M/s. Polyspin USA Inc., USA	----
36,500	Rs. 11/-	M/s. OPG Power Generation (P) Ltd., India.	4,01,500
		Investments	1,10,31,429
			<u>1,09,86,401</u>
			<u>1,06,01,769</u>
5. TRADE RECEIVABLES			
Unsecured, considered good		----	<u>40,78,974</u>
			<u>40,78,974</u>
6. OTHER FINANCIAL ASSETS (NON CURRENT)			
Security Deposits with Electricity Board / Others		84,83,118	1,17,81,561
Loans to Employees		26,14,123	9,29,228
		<u>1,10,97,241</u>	<u>1,27,10,789</u>
			<u>1,23,86,223</u>
7. OTHER NON CURRENT ASSETS			
Unsecured, Considered good			
Advance to Suppliers / Others		10,05,935	1,52,684
			<u>8,26,048</u>
8. INVENTORIES			
Raw Material		3,97,32,173	4,09,06,701
Rawmaterials - Goods in transit		2,53,02,568	----
Stores and Spares		1,43,01,830	1,55,34,598
Work In Process		14,35,88,483	11,71,11,916
Finished Goods		1,91,13,409	3,00,13,660
Process Waste		12,75,724	12,28,869
		<u>24,33,14,187</u>	<u>20,47,95,744</u>
			<u>17,81,68,494</u>
9. TRADE RECEIVABLES			
Unsecured considered good		24,80,68,911	18,08,49,946
			<u>13,56,95,574</u>
10. CASH AND CASH EQUIVALENTS			
Cash on Hand		18,46,423	1,91,157
Balance with Banks			
- In Current Accounts		1,10,51,422	1,64,27,917
- In Unclaimed Dividend Accounts		30,18,660	28,68,634
		<u>1,59,16,505</u>	<u>1,94,87,708</u>
			<u>1,81,36,278</u>

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
11. OTHER BANK BALANCE			
Fixed deposits with banks having balance maturity of twelve months or less			
- Not under Lien	1,96,80,253	1,40,36,139	1,14,03,928
- Under Lien	1,68,31,948	1,20,04,935	97,53,637
	<u>3,65,12,201</u>	<u>2,60,41,074</u>	<u>2,11,57,565</u>
12. OTHER FINANCIAL ASSETS (CURRENT)			
GST / MEIS / CST Claim Receivables	6,12,79,012	2,45,48,104	1,63,38,579
Security Deposit	38,200	38,200	38,200
	<u>6,13,17,212</u>	<u>2,45,86,304</u>	<u>1,63,76,779</u>
13. OTHER CURRENT ASSETS			
Advance to Suppliers / Others - Unsecured, Considered good	75,82,609	1,05,57,388	3,94,87,271
Accrued Income	5,080	58,25,908	49,48,591
Prepaid Expenses	7,72,624	26,65,338	21,42,324
Other Current Assets	1,19,33,899	2,26,37,382	1,75,74,655
	<u>2,02,94,212</u>	<u>4,16,86,016</u>	<u>6,41,52,841</u>
14. EQUITY SHARE CAPITAL			
-Authorised			
50,00,000 Equity Shares Rs. 10/- each			
[Previous Year : 50,00,000 Equity Shares of Rs. 10/- each]	<u>5,00,00,000</u>	<u>5,00,00,000</u>	<u>5,00,00,000</u>
-Issued, Subscribed and Paid up			
40,00,000 Equity Shares Rs. 10/- each fully paid-up.			
[Previous Year : 40,00,000 Equity Shares of Rs. 10/- each]	<u>4,00,00,000</u>	<u>4,00,00,000</u>	<u>4,00,00,000</u>
14.1. Reconciliation of the Number of Shares Outstanding			
Number of Shares at the beginning	40,00,000	40,00,000	40,00,000
Number Shares at the end	<u>40,00,000</u>	<u>40,00,000</u>	<u>40,00,000</u>
14.2. The details of share holders holding more than 5% shows			

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No.of Shares	%	No.of Shares	%	No.of Shares	%
i. Sri. R. Ramji	6,60,857	16.52	6,52,807	16.32	6,37,257	15.93
ii. Smt. Durga Ramji	3,45,209	8.63	3,44,209	8.61	3,37,189	8.43
iii. M/s. Polyspin Private Limited	2,52,800	6.32	2,52,800	6.32	2,52,800	6.32
iv. Integrated Registry Management Services (P) Ltd	----	---	2,33,124	5.83	2,50,000	6.25

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
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15. OTHER EQUITY

Particulars	General Reserves and Surplus			
	General Reserve	Capital Reserves	Retained Earnings	Total
Balance as at 01.04.2015	11,01,00,000	42,52,379	23,40,423	11,66,92,802
Profit / (Loss) for the year	-----	-----	2,90,89,595	2,90,89,595
Less : Provision for Dividend Tax (2014-15)	-----	-----	(17,452)	(17,452)
Transfer to General Reserves	2,30,00,000	-----	(2,30,00,000)	-----
Balance as at 01.04.2016	13,31,00,000	42,52,379	84,12,566	14,57,64,945
Adjustments	-----	(1,03,768)	-----	(1,03,768)
Profit / (Loss) for the year	-----	-----	3,16,61,763	3,16,61,763
Provision for Taxation (Previous Year - Excess)	-----	-----	15,59,830	15,59,830
Other Comprehensive Income	-----	-----	56,78,308	56,78,308
Transfer to General Reserve	3,30,00,000	-----	(3,30,00,000)	-----
Dividend Paid	-----	-----	43,38,240	43,38,240
Dividend tax paid	-----	-----	9,77,167	9,77,167
Less : Provision for Taxation (Previous Year)	-----	-----	2,89,329	2,89,329
Balance as at 31.03.2017	16,61,00,000	41,48,611	87,07,731	17,89,56,342
Profit / (Loss) for the year	-----	-----	5,02,08,023	5,02,08,023
Adjustments	-----	1,70,808	-----	1,70,808
Other Comprehensive Income	-----	-----	1,68,297	1,68,297
Add: Provision for Taxation (Previous Year - Excess withdrawn 15-16)	-----	-----	7,02,521	7,02,521
Less: Provision for Taxation (Previous Year 16-17)	-----	-----	1,61,812	1,61,812
Less: Provision for Taxation (Previous Year 17-18)	-----	-----	6,21,430	6,21,430
Dividend Paid	-----	-----	43,14,604	43,14,604
Dividend tax Paid	-----	-----	9,77,167	9,77,167
Transfer to General Reserve	4,39,00,000	-----	(4,39,00,000)	-----
Balance as at 31.03.2018	21,00,00,000	43,19,419	98,11,559	22,41,30,978

Capital Reserve

Capital reserve on consolidation represents excess of the Parent's share of the net fair value of the Investments in Associates over the cost of the Investment is recognised directly in equity as capital reserve upon transition.

General Reserve

General reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

Retained Earnings

Represents that portion of the net income of the company that has been retained by the company.

FVTOCI Reserve

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the change in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss/ gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

16. BORROWINGS (NON CURRENT)

-Secured

Term Loan from City Union Bank

8,59,58,059 10,89,64,987 12,46,55,028

- From Others

Hire Purchase Loan

22,78,639 24,28,901 26,81,971

Buyer's Credit - Capital Goods

---- 50,15,340 95,34,348

- Unsecured

Advance Against Term Deposit

---- 37,79,935 37,79,935

8,82,36,698 12,01,89,163 14,06,51,282

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
16.1 Rupee Term Loan and Working capital finance from Bank is secured by a First charge, by way of equitable mortgage of specified assets under this loan.			
16.2 Hire Purchase Loan is secured by hypothecation of Specified Vehicle purchased under the Scheme.			
16.3 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.			
16.4 The Term Loan from Bank are repayable in equated monthly installments.			
16.5 Repayment to Term Loan :			
Facility 1 - Rs. 101.37 Lakhs Balance amount is repayable in 26 equated monthly installment starting from April-19			
Facility 2 - Rs. 604.12 Lakhs Balance amount is repayable in 29 equated monthly installments starting from April-19			
Facility 3 - Rs. 81.20 Lakhs Balance amount is repayable in 37 equated monthly installments starting from April-19			
Facility 4 - Rs. 72.88 Lakhs Balance amount is repayable in 48 equated monthly installments starting from April-19			
17. DEFERRED TAX LIABILITIES			
Deferred Tax Liabilities	<u>3,51,83,000</u>	<u>3,15,83,000</u>	<u>2,48,33,000</u>
18. BORROWINGS (CURRENT)			
-Secured			
From City Union Bank			
- Foreign Currency Loan on Raw Material	81,68,596	84,77,624	4,97,42,420
- Foreign Bills Discounted	15,42,56,483	11,17,89,784	8,29,52,728
- Packing Credit in Foreign Currency	15,58,13,538	12,79,92,182	10,60,38,552
- Cash Credit on Raw Material and Book debts	9,23,04,464	7,53,34,290	7,70,80,547
From Others - Bills Discounted	----	77,61,653	----
	<u>41,05,43,081</u>	<u>33,13,55,533</u>	<u>31,58,14,247</u>
18.1 Working Capital Finance from Bank is further secured by hypothecation of all Current Assets.			
18.2 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.			
19. TRADE PAYABLES			
Trade Payables	<u>15,84,46,556</u>	<u>14,40,59,227</u>	<u>10,66,14,683</u>
20. OTHER FINANCIAL LIABILITIES			
Unpaid Dividend	20,34,657	23,69,211	38,49,163
Liability for Operating and Other Expenses	2,96,85,404	1,80,95,205	1,49,17,762
Liability for Other Finance	6,80,159	21,14,957	20,19,046
	<u>3,24,00,220</u>	<u>2,25,79,373</u>	<u>2,07,85,971</u>
21. OTHER CURRENT LIABILITIES			
Current Liability for Long Term Debt	3,32,00,000	3,80,65,521	4,34,39,136
Liability for Operating and Other Expenses	10,62,525	15,44,769	21,26,403
Advance from Customers	6,61,774	69,47,868	1,43,10,774
	<u>3,49,24,299</u>	<u>4,65,58,158</u>	<u>5,98,76,313</u>
22. PROVISIONS			
Provision for Taxation	<u>2,26,00,000</u>	<u>3,53,84,000</u>	<u>3,48,84,000</u>

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
23. SALES / REVENUE FROM OPERATIONS		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn	143,01,64,017	120,50,50,525
- Cotton Yarn	5,12,978	----
<u>Merchant Export Sales</u>		
- FIBC Bags / Fabric / Yarn	2,33,63,613	----
- Cotton Yarn	4,30,36,320	8,38,74,574
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn	2,36,94,400	7,13,01,956
- Poly Propylene Bags Sales	18,02,58,809	17,17,16,727
- Cotton Yarn	21,93,19,592	14,34,90,050
Central Excise Duty	15,57,546	82,81,090
	<u>192,19,07,275</u>	<u>168,37,14,922</u>
Less : Sales Return	----	13,08,549
	<u>192,19,07,275</u>	<u>168,24,06,373</u>
OTHER OPERATING INCOME		
Sale of Plastic scrap	2,54,24,526	1,53,09,200
Sale of Cotton Waste	23,56,776	14,81,109
MEIS Scrip - Sales	3,97,90,655	2,32,46,000
Rebate on Service Tax	7,73,314	19,98,212
	<u>199,02,52,546</u>	<u>172,44,40,894</u>
24. OTHER INCOME		
Interest Receipts	28,87,218	26,78,309
Dividend Receipts	37,197	10,53,124
Foreign Exchange Fluctuations	13,72,091	----
Profit on Sale of Land	4,48,035	----
Profit on Sale of Vehicle	6,640	----
Profit on Sale of Machinery	----	13,16,685
Profit on High Sea Sales	----	25,20,141
	<u>47,51,181</u>	<u>75,68,259</u>
25. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	89,34,52,359	76,97,69,623
Printing Materials	96,85,499	1,29,67,789
Yarn	5,75,50,152	3,87,49,281
Cotton Yarn / Hank yarn purchases	11,19,326	----
Cotton & Cotton Waste	19,21,65,705	16,62,58,908
BOPP Film Purchases	33,30,172	19,08,786
LLDPE Liner Purchases	12,89,610	7,19,040
Kraft Paper Purchases	67,23,559	----
Fabric Purchases	1,24,15,878	99,98,722
	<u>117,77,32,260</u>	<u>100,03,72,149</u>
26. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	19,08,68,210	17,54,48,616
Closing Stock	18,04,80,043	16,38,45,424
	<u>1,03,88,167</u>	<u>1,16,03,192</u>

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
27. EMPLOYEE BENEFITS EXPENSE		
Remuneration to Managing Director	61,80,846	61,81,801
Salaries & Wages	19,74,84,127	15,49,42,323
P.F. & E.S.I. Contribution	2,86,00,124	2,31,99,422
Labour Welfare Expenses	2,08,66,373	1,49,62,877
LIC Group Gratuity	1,73,86,383	1,22,81,710
Bonus / Ex-gratia	1,55,53,002	1,34,31,532
	<u>28,60,70,855</u>	<u>22,49,99,665</u>
28. FINANCE COSTS		
Interest on		
- Fixed Loans	1,49,94,371	2,19,91,120
- Working Capital Facilities	3,24,10,447	2,02,83,483
- Others Borrowing cost	5,669	22,425
H.P. Finance Charges	2,09,175	2,55,866
	<u>4,76,19,662</u>	<u>4,25,52,894</u>
29. OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Repairs & Maintenance		
- Building	62,97,176	17,19,156
- Machinery	83,15,781	1,17,41,153
- General	21,86,309	19,22,384
Processing Charges paid	4,04,66,560	6,92,05,477
Stores & Spares Consumed	7,34,44,369	5,01,68,344
Power & Fuel	8,65,29,945	8,50,42,206
	<u>21,72,40,140</u>	<u>21,97,98,720</u>
Postage & Telephone	49,74,837	34,83,412
Printing & Stationery	19,19,153	15,86,838
Travelling Expenses	1,12,69,916	1,26,40,357
Director's sitting fees	1,57,500	1,80,000
Bank Charges	79,85,126	87,97,757
Corporate Social Responsibility (CSR)	1,32,512	6,05,000
Central Excise Duty	15,57,546	82,81,090
Professional Charges	27,28,261	34,80,297
Licence, Taxes & Fees	15,88,607	20,14,794
Insurance Charges	35,90,254	26,98,091
Subscription & Periodicals	3,99,510	3,02,508
Filing Fees	50,100	1,04,400
Audit Fees	2,04,106	1,12,187
Vehicle Maintenance	47,78,697	45,93,767
Miscellaneous Expenses	6,04,242	4,57,079
Ineligible ITC on RCM	6,18,548	----
Commission paid	57,48,765	35,95,348
Donation	3,71,752	1,84,439
Rent	45,36,720	27,36,624
Quality Claim Charges	31,08,914	17,14,489
Testing Charges	17,72,539	7,78,315
Service Tax	44,40,840	35,65,762
Loss on Forex Fluctuation (Net)	1,63,689	3,00,56,471
Sales Promotion Expenses	77,81,350	21,20,055
Ocean Freight	5,16,77,766	4,36,77,108
Lorry Freight	1,84,77,981	46,82,893
Loss on Sale of Assets	11,02,478	69,12,524
Sales Discount	77,707	19,708
Bad Debts	46,37,883	77,282
Provisions for Diminution on Investments	38,880	----
	<u>36,37,36,319</u>	<u>36,92,57,315</u>

30. Notes forming part of Accounts:-

30.1. The Company has fulfilled export obligations, net foreign exchange earnings and other conditions, as applicable till date, in terms of schemes of Government of India, for 100% EOU.

	Rs. in Lakhs	
30.2. EARNINGS PER SHARE :	Year Ended 31-03-2018	Year Ended 31-03-2017
a) Total Comprehensive Income (after Tax)	508.03	394.75
b) Number of Equity Shares	40,00,000	40,00,000
c) Basic and diluted Earnings per share (Face Value Rs.10/- per Equity Share)	12.70	9.87

31. Financial Risk Management:-

The company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the company's operations. The company's principal financial assets include loans and advances, trade receivables and cash and bank balances that arise directly from its operations.

The company also enters into derivative transaction to hedge foreign currency and not for speculative purposes. The company is exposed to Market risk, Credit risk and Liquidity risk and the company's senior management oversees the management of these risks.

31.1. Market Risk:-

Market Risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The company's activities expose it to a variety of financial risks, including the effect of changes in foreign currency exchange rates and interest rates.

31.2. Currency Risk:

Foreign Currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates.

The company's exposure in USD and other foreign currency denominated transactions in connection with exports of finished goods, besides import of raw materials, capital goods and spares, etc., purchased in foreign currency, gives rise to exchange rate fluctuation risk. The company has following policies to mitigate this risk:

The company has entered into foreign currency forward contracts both for export and import, after taking into consideration of the anticipated foreign exchange inflows / outflows, timing of cash flows, tenure of the forward contract and prevailing foreign exchange market conditions.

Details of Derivative Instruments Outstanding (hedged):-

Forward contract	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	USD (In Million)	Rs. (In Lakhs)	USD (In Million)	Rs. (In Lakhs)	USD (In Million)	Rs. (In Lakhs)
SOLD :						
USD / INR	----	----	----	----	1.611	1136.55
EURO / INR	----	----	----	----	0.028	22.18
BOUGHT :						
USD / INR	5.38	3599.49	2.50	1690.46	0.986	668.03
EURO / INR	----	----	0.031	21.66	0.024	17.93

The company's exposure to foreign currency risk (un-hedged) as detailed below :-

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Currency (USD in Millions)	1.358	----	----
Rs. in Lakhs	908.92	----	----
Currency (EURO in Millions)	----	0.031	0.122
Rs. in Lakhs	----	21.92	95.34

Risk sensitivity on Foreign Currency Fluctuations:-

(Rs. in Lakhs)

Currency	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
USD / INR	9.09	9.09	----	----	----	----
EURO / INR	----	----	0.22	0.22	0.95	0.95

31.3. Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market in interest rates related primarily to the company's long term debt obligation with floating interest rates.

The company's fixed rate borrowings are carried at amortized cost and therefore are not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

The following table shows the fixed rate borrowings of the company :-

(Rs. in Lakhs)

	As at 31.03.18	As at 31.03.17
Fixed rate borrowings	869.58	1201.89
Floating Rate borrowings	Nil	Nil

31.4. Credit Risk:

Credit risk is the risk that a counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables:-

The company extends credit to customers in the normal course of business. Outstanding customer receivables are regularly monitored. The company has also taken advances from its customers, which mitigate the credit risks to an extent. An impairment analysis is performed at each reporting date on an individual basis for major customers.

Details of trade receivables is given below:-

Trade Receivables	Outstanding		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured - considered Good	2480.69	1808.50	1356.96
Doubtful	46.02	----	----
Less : Provision for Bad debts	(46.02)	----	----
Total	2480.69	1808.50	1356.96

Deposits with banks:-

Generally the company has maintained fixed deposits and balance with the banks with which the company has also availed borrowings. The company does not maintain significant cash balances other than those required for its day to day operations.

31.5. Liquidity Risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's objective is to maintain a balance between continuity or funding and flexibility through the use of Packing credit loan, Letter of credit, Buyer's credit and Working capital limits. The company ensures it has sufficient cash to meet its operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times.

The company has access to the following undrawn borrowing facilities at the end of the reporting period:-

Particulars	As at 31.03.18	As at 31.03.17
Floating Rate - Expiring within one year- working capital limits.	77.93	24.91

31.6. Capital Management:-

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the company. The primary objective of the company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize share holder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through capital, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements.

The following monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. (Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Long Term Borrowings	882.37	1,201.89	1,406.51
Current liability for long term debt	332.00	380.65	434.39
Short Term Borrowings	4105.43	3,313.55	3,158.14
Less: Cash and Cash Equivalent	524.29	455.29	392.94
Net Debt (A)	4,795.51	4,440.80	4,606.10
Equity share capital	400.00	400.00	400.00
Other Equity	2,241.31	1,789.56	1,457.65
Total Equity (B)	2,641.31	2,189.56	1,857.65
Total Capital Employed (C) = (A) + (B)	7,436.82	6,630.36	6,463.75
Capital gearing Ratio A / C	64.48%	66.98%	71.26%

There have been no breaches in the financial covenants of any interest bearing loans / borrowing.

The company has been consistently focusing on reduction in long term borrowings.

31.7. Fair value of Financial Assets and Liabilities:-

Comparison by class of the carrying amounts and fair value of the company's financial instruments that are recognized in the financial statements:

Financial Instruments by category Rs. In Lakhs

Particulars	As at 31.03.2018		As at 31.03.2017		As at 1.04.2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :						
Other Investments	110.31	110.31	109.86	109.86	106.02	106.02
Trade Receivables	2,480.69	2,480.69	1,808.50	1,808.50	1,356.96	1,356.96
Cash and Bank Balances	159.16	159.16	194.88	194.88	181.36	181.36
Other Bank Balances	365.12	365.12	260.41	260.41	211.57	211.57
Other Financial Assets	613.17	613.17	245.86	245.86	163.77	163.77
Financial Liabilities :						
Borrowings	4,105.43	4,105.43	3,313.56	3,313.56	3,158.14	3,158.14
Trade Payables	1,584.46	1,584.46	1,440.59	1,440.59	1,066.15	1,066.15
Other Financial Liabilities	324.00	324.00	225.79	225.79	207.86	207.86

During the year ended 31st March, 2018 and 31st March, 2017, there are no transfer between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements, and there is no transaction / balance under Level 3.

Fair Valuation Technique:-

The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:-

1. Fair value of cash deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amount largely due to the short term maturities of these instruments.
2. The fair value of derivatives are based on marked to market valuation statements received from banks with whom the company has entered into the relevant contracts.

Fair value hierarchy:

The following table provides the fair value measurement hierarchy of company's assets and liabilities, grouped into level 1 to level 3 as described below:-

1. Quoted prices / Published NAV (unadjusted) in active markets for identical assets or liabilities (Level 1)
2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability (i.e. as prices) or indirectly (i.e. derived from prices) Level 2. It includes fair value of the financial instruments that are not traded in an active market (for example, over the counter derivatives) and are determined by using valuation technique. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.
3. Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) Level 3. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

32. Other Significant Accounting Policies

Explanatory Notes on preparation and presentation of financial statements upon transition to INDAS

In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at 1-4-2016, which is the Company's date of transition to IND AS. The following note explains the nature of adjustments made by the Company read with in restating its previous GAAP Financial Statements including its Balance Sheet as at 1-4-2016 and the financial statements as at and for the year ended 31-3-2017.

Property, Plant and Equipment, intangible Assets:-

The residual values estimated useful life of PPEs & Intangible assets are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation / amortization.

Current Taxes:-

Calculations of Income Taxes for the current period are done based on applicable tax laws and managements judgement by evaluating positions taken in tax returns and interpretation of relevant provisions of law.

Deferred Tax rate (Including MAT Credit Entitlement)

Significant Management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognized, based upon the likely with future tax planning strategies.

Contingent Liabilities:-

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of Contingencies / Claims / Litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of Trade receivables:-

The impairment for financial assets are done based on assumption about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market condition and forward booking estimates at the end of each reporting date.

Impairment of Non-Financial Asset (PPE / Intangible Assets)

The impairment of Non-Financial Assets is determined based on estimated of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flow, discount rates and risks specific to the asset.

Defined Benefit Plans and Other Long Term Benefits:-

The cost of the defined benefit plan and other long term benefits and the present value of such obligation are determined by the independent actuarial values. Management believes that the assumptions used by the actuary in determination of discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair Value measurement of Financial Instruments:-

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the discounted cash flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where there is no feasible, a degree of judgements is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Interest in other Entities:-

Significant management judgement is exercised in determining the interest in other entities. The management believes that wherever there is significant in finance over certain companies belong to its group, such companies are treated as associated companies even though it holds less than 20% of the voting rights.

Investments

Non-current investments in Associate are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

Earnings per Share

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise net profit after tax (and include the post-tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Disclosure of Interests in Associate Companies

Name of the Entry	Place of Business	Principal Activities of Business
Lankaspin Private Limited	Sri Lanka	Manufacturer of PP Wovan Bags

Particulars	Rs. in Lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Ownership held by the Group	38.48%	38.48%	38.48%

The summarised Seperate financial information of associate company is given below:

M/s. Lankaspin Private Limited, Srilanka.

Balance Sheet	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non-Current Assets	3,25,14,343	3,03,15,408	2,38,57,951
Current Assets	6,25,46,637	4,24,71,976	3,75,38,624
Total Assets	9,50,60,980	7,27,87,384	6,13,96,575
Non-current Liabilities	50,25,254	58,40,022	51,49,487
Current Liabilities	6,33,59,713	4,07,15,238	2,97,45,296
Total Liabilities	6,83,84,967	4,65,55,260	3,48,94,783
Total Equity	2,66,76,012	2,62,32,124	2,65,01,792

Rs. in Lakhs

Profit and Loss	For the year ended 31.03.2018	For the year ended 01.04.2017
Revenue	1,802.59	1,717.17
Profit for the year	4.44	21.36
Other Comprehensive Income	-----	-----
Total Comprehensive Income	4.44	21.36
Summarised Cash Flow		
Cash flows from operating activities	84.22	77.92
Cash flows from Invested activities	(50.22)	(88.38)
Cash flows from Financing activities	(39.38)	(3.47)
Net Increase /(Decrease) in cash and cash Equivalents	(5.38)	(13.93)

33. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 19 - EMPLOYEE BENEFITS

Defined Contribution Plan:

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as follows:

Particulars	Rs. in Lakhs	
	2017-18	2016-17
Employer's contribution towards:		
- Provident Fund & EPS	199.75	167.09
- Employee State Insurance	73.03	52.03

Defined Benefit Plan (Gratuity):

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC)

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognises each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

A. Change in Defined Benefit Obligation

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Defined Benefit Obligation at beginning of year	2,08,80,019	2,28,29,599
Current Service Cost	49,69,467	41,57,422
Past Service Cost	15,61,494	----
Interest Expense	15,43,534	17,31,991
Benefit Payments from Plan Assets	(19,26,901)	(23,59,418)
Re-measurements - Due to Financial Assumptions	(2,50,810)	4,96,613
Re-measurements - Due to Experience Adjustments	3,89,872	(59,76,188)
Defined Benefit Obligation at end of year	2,71,66,676	2,08,80,019
Discount Rate	7.85%	7.75%
Salary Escalation Rate	5.00%	5.00%

B. Change in fair value of Plan Assets

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Fair value of Plan Assets beginning of year	1,81,78,798	1,31,82,537
Interest income	13,34,189	9,60,226
Employer Contributions	82,56,163	63,46,959
Benefit Payments from Plan Assets	(19,26,901)	(23,59,418)
Other (Mortality & other Charges Paid to LIC of India	(3,05,651)	(1,50,239)
Remeasurements - Return on Assets (Excluding Interest Income)	2,90,204	1,98,733
Fair Value of Plan Assets at end of year	2,58,26,802	1,81,78,798
Weighted Average Asset Allocations at the year end		
Equities	----	----
Bonds	----	----
Gilts	---	----
Insurance Policies	100%	100%
Total	100%	100%

C. Components of Defined Benefit Cost

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Current Service Cost	49,69,467	41,57,422
Past Service Cost	15,61,494	----
Total Service Cost	65,30,961	41,57,422
Interest Expense on DBO	15,43,534	17,31,991
Interest (Income) on plant Assets	(13,34,189)	(9,60,226)
Interest (Income) on Reimbursement Rights	3,05,651	1,50,239
Total Net Interest Cost	5,14,996	9,22,004
Defined Benefit Cost included in P & L	70,45,957	50,79,426
Remeasurements - Due to Financial Assumptions	(2,50,810)	4,96,613
Remeasurements - Due to Experience Adjustments	3,89,872	(59,76,188)
(Return) on plan Assets (Excluding Interest Income)	(2,90,204)	(1,98,733)
Total Re-measurements in OCI	(1,51,141)	(56,78,308)
Total Defined Benefit Cost recognized in P&L and OCI	68,94,816	(5,98,882)
Discount Rate	7.85%	7.75%
Salary Escalation Rate	5.00%	5.00%

D. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Defined Benefit Obligation	2,71,66,676	2,08,80,019
Fair Value of Plan Assets	2,58,26,802	1,81,78,798
Funded Status	13,39,874	27,01,221
Effect of Asset Ceiling / Onerous Liability	----	----
Net Defined Benefit Liability / (Asset)	13,39,874	27,01,221

E. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Net Defined Benefit Liability / (Asset) at beginning of year	27,01,221	96,47,062
Defined Benefit Cost included in P & L	70,45,957	50,79,426
Total Re-measurements included in OCI	(1,51,141)	(56,78,308)
Employer Contributions	(82,56,163)	(63,46,959)
Net Defined Benefit Liability / (Asset) at end of year	13,39,874	27,01,221

Additional Disclosure items

Current and Non-Current Liability and Asset

Particulars	Financial Year Ending 31.03.2018	Financial Year Ending 31.03.2017
Non-Current Assets	-----	----
Current Liabilities	29,92,747	25,14,543
Non - Current Liabilities	2,41,73,928	1,83,65,476

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	2,78,528
Year 2	21,66,660
Year 3	3,91,030
Year 4	20,65,528
Year 5	4,14,508
Beyond 5 years	2,18,50,422

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2018	31.03.2017
Discount Rate	7.85%	7.75%
Salary Escalation - First 5 Years	5.00%	5.00%
Salary Escalation - After 5 Years	5.00%	5.00%
Expected Rate of Return on plan Assets	7.75%	8.00%
Mortality Table	IALM (2006-08) Table	
Disability Rate	No explicit Loading	
Withdrawal Rate	1% to 3%	1% to 3%
Retirement Age	58 Years	58 Years
Average Future Service	19.38	20.08

POLYSPIN EXPORTS LIMITED

34. LOSS ON IMPAIRMENT OF INVESTMENT AND PROVISION FOR BAD DEBTS IN ASSOCIATE COMPANY:

Due to unsatisfactory outcome in our Associate Company at USA, Namely Polyspin USA Inc, the company has made a provision of Rs. 36.56 Lakhs in its standalone financial results towards impairment of Investments & trade receivables as bad debts.

35. REPORTING ON RELATED PARTIES :

In accordance with the Accounting Standard (IND AS 24) issued by the Institute of Chartered Accountants of India, the Company has identified the following companies as Related parties:

A) Associate Companies :

1. Polyspin Private Limited
2. Lankaspin Private Ltd., Srilanka.
3. Energyspin Private Ltd.
4. Chola Packaging Private Ltd.
5. Ganesh Agro Pack Private Ltd.
6. Ramji Investments Private Ltd.

B) Key Management Personnel and Relatives :

- i) Sri R. RAMJI
Managing Director and CEO
- ii) Sri P.K. RAMASUBRAMANIAN
Secretary and Compliance Officer
- iii) Sri. S. SEENIVASA VARATHAN
Chief Financial Officer

C) Transaction during the year with Related Parties :

Sl. No.	Particulars	Year Ended 31-03-2018		Year Ended 31-03-2017	
		(Rs. in Lakhs)			
		Associate / Subsidiary Companies	Key Management Personnel	Associate Companies	Key Management Personnel
1.	Processing charges paid	233.36	---	528.85	---
2.	Remuneration to Directors	---	76.21	---	76.22
3.	Sale of PP Strips / Yarn	161.64	---	1240.68	---
4.	Sale of Fabric	203.12	---	157.15	---
5.	Sale of Sack	---	---	70.81	---
6.	MEIS Duty Credit Scrip Sales	85.67	---	19.14	---
7.	Assets sold during the year	43.31	---	14.04	---
8.	Assets purchases during the year	1.25	---	21.28	---
9.	Purchase of Fabric & Stitching Yarn	143.66	---	98.73	---
10.	Purchase of Laminated Woven Fabric	0.10	---	---	---
11.	Purchase of Packing Materials	11.95	---	6.44	---
12.	Factory Rent	8.64	---	4.68	---
13.	Wind mill Energy captive consumption	2.16	---	17.42	---

D) Significant Related Party Transactions :-

Rs. in Lakhs

Particulars	2017-18	2016-17
1. Processing Charges Paid		
Polyspin Private Limited	181.19	520.63
Ganesh Agro Pack (P) Ltd.,	13.85	4.73
Energyspin (P) Ltd	38.32	----
Chola Packaging (P) Limited	----	3.49
2. Remuneration to Directors		
Sri. R. Ramji, Managing Director	76.21	76.22
3. Sale of PP Strips / Yarn		
Energyspin (P) Ltd.,	----	218.00
Ganesh Agro Pack (P) Ltd.,	----	6.51
Chola Packaging (P) Ltd.,	----	4.62
Lankaspin Private Limited, Sri Lanka.	161.64	1011.55
4. Sale of PP Fabric		
Lankaspin Private Limited, Sri Lanka	200.18	133.28
Chola Packaging (P) Ltd.,	2.94	23.87
5 Sale of Sacks		
Ganesh Agro Pack (P) Ltd.,	----	70.81
6. MEIS Scrip Sales		
Polyspin Private Limited	85.67	19.14
7. Assets Sold during the year		
Lankaspin Private Limited, Sri Lanka.	----	8.75
Energyspin (P) Ltd.,	----	4.96
Chola Packaging (P) Limited	41.30	----
Ganesh Agro Pack (P) Ltd.,	2.01	0.33
8. Assets purchases during the Year		
Polyspin Private Ltd.,	---	21.28
Ganesh Agro Pack (P) Ltd.,	1.25	---
9. Purchase of Fabric & Stitching Yarn		
Polyspin Private Limited	----	81.74
Ganesh Agro Pack (P) Ltd.,	143.66	16.99
10. Purchase of Laminated Woven Fabric		
Chola Packaging (P) Limited	0.10	----
11. Purchase of Packing Materials		
Energyspin (P) Ltd.,	----	0.07
Ganesh Agro Pack (P) Ltd.,	11.95	6.37
12. Factory Rent		
Polyspin Private Limited	4.71	4.20
Energyspin (P) Ltd.,	3.45	----
Ramji Investments Private Ltd.,	0.48	0.48
13. Windmill Energy captive consumption		
Ganesh Agro Pack (P) Ltd.,	2.16	17.42

36. SEGMENTWISE REPORTING

As Required under Accounting Standard (IND AS 108), the Segment Revenue, Results and Capital employed are furnished below:-

(Rs. in Lakhs)

Sl. No.	Particulars	Consolidated Year ended	
		31.03.2018	31.03.2017
1.	Segment Revenue (Net Sales / Income from operation)		
	a) FIBC Bags, Fabric, Yarn	16,590.38	14,563.50
	b) Cotton Yarn	2,628.69	2,260.56
	Total	19,219.07	16,824.06
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn	1,150.02	894.32
	b) Cotton Yarn	102.88	55.74
	Total	1,252.90	950.06
	Less : Financial Charges	476.20	425.53
	Profit Before Tax	776.70	524.53
3.	Capital Employed (Segment assets - Segment Liabilities)		
	a) FIBC Bags, Fabric, Yarn	2,011.97	1,572.30
	b) Cotton Yarn	629.34	617.26
	Total	2,641.31	2,189.56

iii) The Company has challenged the levy of duty of excise and customs aggregating to Rs. 393.62 Lakhs on wrong calculation of SION Norms for the consumption of UV Master batches (Imported) for production of FIBC Bags meant for export (100% E.O.U) and the same is pending before the appropriate jurisdictional authorities.

37.4 As at 31.03.2018, the company has no outstanding dues to Micro, Small and Medium Enterprises (Previous year: Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

37.5 The Company has generated power out of Wind mill installed at Pazhavor Taluk, Tirunelveli District and the generated power was captively consumed by the Company by drawing the power from TNEB Grid. The Power and Fuel consumed is net of Rs. 21.05 Lakhs being the credit given by TNEB for the transfer of power to the Grid.

For the year ended
31.03.2018 31.03.2017

	<u>2017 - 2018</u>	<u>2016 - 2017</u>
37.1. Auditors' Remuneration :	Rs.	Rs.
Audit Fees / Statutory Auditors	1,04,106	99,187
Tax Audit Fees /Appeal Fees	50,000	----
Certification Fees	----	13,000
Other Services	50,000	----
	2017 - 2018	2016 - 2017
37.2. Managing Director's Remuneration :	Rs.	Rs.
Salary	60,00,000	60,00,000
Perquisites	16,20,846	16,21,801
37.3. Contingent Liabilities not Provided for :	2017 - 2018	2016 - 2017
	Rs.	Rs.
i) Unexpired Letter of Credit	268.13	616.72
ii) Bank Guarantee	105.00	105.00

Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	3,31,553 KWH	2,93,313 KWH
Units Captively Consumed	3,31,553 KWH	2,93,313 KWH
	(included under Power & Fuel)	

37.6 Our Company's shares are listed at Bombay Stock Exchange with stock code of 539354.

37.7 Deferred Tax (AS- 22) :

Deferred Tax Liability (Net) for Rs.36.00 Lakhs as on 31.03.2018 has been provided from the Current year's Profit in accordance with the Accounting for deferred tax in pursuance of AS-22 issued by the Institute of Chartered Accountants of India.

37.8 Figures relating to previous year have been regrouped wherever found necessary.

Signature to Notes 1 to 37

As per our report of even date
M/s.SRITHAR & ACCOCIATES
Chartered Accountants
Firm Registration No. 015896S
S. SRITHAR
Membership No. 206115
Rajapalayam
29.05.2018

R. RAMJI
Managing Director & CEO
P.K. RAMASUBRAMANIAN
Secretary
S. SEENIVASA VARATHAN
CFO

S.R. SUBRAMANIAN
P. VAIDYANATHAN
A. THIRUPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

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PROXY FORM

POLYSPIN EXPORTS LIMITED

CIN : L51909TN1985PLC011683

Registered Office : 351, PACR Salai, Rajapalayam - 626 117.

Name of the member(s) :

Registered address :

E-mail ID :

Folio No. / DP ID - Client ID :

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name : Address :

E-mail ID : Signature : or failing him

2. Name : Address :

E-mail ID : Signature : or failing him

3. Name : Address :

E-mail ID : Signature : or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company, to be held on Monday, the 13th August, 2018 at 9.30 A.M. at Sri Arjuna Manthiram, No. 21/595, Sri Krishna Colony, P.A.C.R. Salai, Rajapalayam - 626 117, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below with (✓) Mark :

No.	Resolution	Optional	
		For	Against
ORDINARY BUSINESS			
ORDINARY RESOLUTION			
1.	Adoption of Financial Statements for the year ended 31 st March, 2018		
2.	Declaration of Dividend for the year 2017-18		
3.	Appointment of Mr. S.R. Subramanian, as a director, who retires by rotation.		
4.	Appointment of M/s. Srithar & Associates, Chartered Accountants, as Auditors of the Company.		
SPECIAL BUSINESS			
ORDINARY RESOLUTION			
5.	Appointment of Mr. Vaidyanathan Panchapagesan, as a director of the company.		
SPECIAL RESOLUTION			
6.	Re-appointment of Sri. R. Ramji, as Managing Director for a further period of three years and payment of remuneration		

Signed this day of 2018

Signature of Shareholder(s)

Signature of Proxy holder(s).....

Affix Rs.1
Revenue
Stamp

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



BOOK-POST

POLYSPIN

If undelivered, please return to :

POLYSPIN EXPORTS LIMITED

351, P.A.C.R. Salai,

Rajapalayam - 626 117.

Tamil Nadu.