

POLYSPIN EXPORTS LTD

RAJAPALAYAM



Annual Report
2019 - 2020



Founder

SHRI. A. RAMMOHAN RAJA

POLYSPIN EXPORTS LIMITED

BOARD OF DIRECTORS	:	SHRI R. RAMJI, <i>Managing Director & CEO</i> SHRI S.R. SUBRAMANIAN SHRI P. VAIDYANATHAN SHRI S.R. VENKATANARAYANA RAJA SHRI V.S. JAGDISH SHRI R. SUNDARAM SHRI S.V. RAVI SHRI RAJESH DEVARAJAN SHRI K.S. PRADEEP 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 PRACTICING 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	:	fibc@polyspin.in
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 B. Ponram
Chief Financial Officer : Shri S. Seenivasa Varathan

Board Committees :

Audit Committee : Shri R. Sundaram, Chairman
Shri P. Vaidyanathan
Shri V.S. Jagdish

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

Nomination and Remuneration Committee : Shri R. Sundaram, Chairman
Shri S.R. Venkatanarayana Raja
Shri V.S. Jagdish

Corporate Social Responsibility Committee : Shri S.R. Venkatanarayana Raja, Chairman
Shri S.V. Ravi
Smt. Durga Ramji

POLYSPIN EXPORTS LIMITED

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

CIN : L51909TN1985PLC011683

NOTICE:

Notice is hereby given that the Thirty Fifth Annual General Meeting of the members of the company will be held at 10.00 A.M. on Wednesday, the 12th day of August, 2020, through Video Conferencing (VC) to transact the following business.

ORDINARY BUSINESS:

Item No: 1. Adoption of Standalone and Consolidated Financial Statements and Reports:-

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

“RESOLVED THAT the Audited Standalone Financial Statements of Balance Sheet as at 31st March, 2020, Statement of Profit and Loss account for the year ended on that date, the Cash Flow Statement for the year ended on that date and Audited Consolidated Financial statements of Balance Sheet as at 31st March, 2020 and Profit & Loss Account for the year ended on that date, the Director's Report and the Independent Auditor's Report thereon, be and are hereby considered, approved and adopted.”

Item No: 2. Declaration of Dividend:-

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

“RESOLVED THAT a Dividend of Re. 0.60 (Paise Sixty only) per Equity Share of Rs. 10/- each be and is hereby declared for the financial year ended 31st March, 2020.”

Item No: 3. Reappointment of Sri. S.V.Ravi, Director:-

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

“RESOLVED THAT Sri. S.V.Ravi (DIN: 00121742), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible for reappointment be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Item No: 4. Reappointment of Sri.P.Vaidyanathan, Director.

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

“RESOLVED THAT Sri.P.Vaidyanathan (DIN: 00029503), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible for reappointment be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

Item No: 5. Appointment of Director:

To appoint Mr. Rajesh Devarajan (DIN : 01153112) who was appointed as Additional Director (Non-Executive & Independent Director) of the company on 20th September, 2019 and holds office till conclusion of this Annual General Meeting as Director of the company 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. Rajesh Devarajan (DIN: 01153112) who was appointed as Additional Director (Non-Executive & Independent Director) of the company on 20th September, 2019 and holds office till conclusion of this Annual General Meeting be and is hereby appointed as Director (Non-Executive & Independent Director) of the company.”

Item No: 6. Appointment of Director:

To appoint Sri. Kottimukkalu Subramania Raja Pradeep (DIN: 00852462) who was appointed as Additional Director (Non-Executive & Independent Director) of the company on 20th September, 2019 and holds office till conclusion of this Annual General Meeting as Director of the company and being eligible to be appointed as a Director of the company and to pass the following resolution as an **ORDINARY RESOLUTION:-**

“RESOLVED THAT Sri. Kottimukkalu Subramania Raja Pradeep (DIN: 00852462) who was appointed as Additional Director (Non-Executive & Independent Director) of the company on 20th September, 2019 and holds office till conclusion of this Annual General Meeting be and is hereby appointed as Director (Non-Executive & Independent Director) of the company.”

Item No: 7. Adoption of new Memorandum of Association

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Section 4 and Section 13(1) and other applicable provisions, if any, of Companies Act, 2013 (“the Act”) (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the requisite approval of the Registrar of Companies / Ministry of Corporate Affairs and such other authorities as may be necessary and in accordance with Table A of Schedule I of the Act, the consent of the Shareholders of the Company be and is hereby accorded for alternation of the Memorandum of Association of the Company as under and consequently changing the clause numbering as may be appropriate:

1. By deleting Clause Numbers 'I', 'II', 'III', 'IV', 'V' and 'VI' and by replacing the same with '1', '2', '3', '4', '5' and '6' respectively to represent the various main clauses in the Memorandum of Association.
2. Alter the existing Clause III (a) The main Objects replacing with the following clauses.
 3. (a) The objects to be pursued by the company on its incorporation are:
 1. To carry on the Business of manufacture, buy, sell, import, export and otherwise deal in High Density Polyethylene and Flexible Intermediate Bulk Containers (FIBC), sacks and bags including jumbo bags, Polypropylene yarn, Polypropylene woven fabrics, Mono-axially Oriented and Bi-axially Oriented Poly Propylene Fabrics, Tapes, Multifilament Yarn, Granules, Injection, Extruder and blow moulded plastic products.
 2. To carry on the Business of manufacture, buy, sell, import, export and otherwise deal in cotton, viscose and synthetic yarn of all counts, processing, warping, sizing, bleaching, finishing and weaving textile fabrics, semi processed and processed fabrics, production of apparels, garments, household and industrial applications of different fibers such as natural fibers viz., cotton and viscose and synthetic fibers viz., polyester and blended yarns for high quality fabric production and other textile products.
 3. To carry on the business of manufacture, buy, sell, import, export and otherwise deal in all kinds of paper, paper boards, paper products including multilayer paper bags, all types of packaging materials made of paper, paper boards, writing materials, drawing materials, printing materials, books, stationery and all other products derived from paper and to act as certification agents, buying agents, selling agents, inspection agents or representatives in all above mentioned products.
 3. Existing Clause iii. c) to be deleted entirely.
 4. Liability Clause IV to be substituted to read as under:
 - “4. The Liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Ministry of Corporate Affairs.”

Item No: 8. Sub-division of equity shares of the Company having a face value of Rs. 10/- each to 2 equity shares of face value of Rs. 5/- each:-

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

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and in accordance with the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any, required from any competent authority and as approved by the Board of Directors of the Company, approval of the Shareholders be and is hereby accorded to sub-divide each Equity Share of the nominal value of Rs.10/- (Rupees Ten Only) each in the Capital of the Company fully paid up, into 2 Equity Shares of Rs. 5/- (Rupees Five Only) each fully paid up and all the Equity shares of Rs.10/- (Rupees Ten Only) each fully paid, of the Company, be sub-divided accordingly with effect from the Record Date as may be fixed for the purpose.

RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company, all the issued, subscribed and paid up equity shares of nominal value Rs.10/- (Rupees Ten Only) of the Company existing on the Record Date to be fixed by the Board of Directors of the Company shall stand sub-divided into equity shares of nominal value Rs. 5/- (Rupees Five Only) each fully paid up.

RESOLVED FURTHER THAT, upon the sub-division of the Equity Shares as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the record date (as determined by the Board of Directors of the Company) and the Company may, without requiring the surrender of the existing share certificate(s), issue and despatch new shares of the Company in lieu of such existing shares subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and Articles of Association and in the case of Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Members with the depository participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division, on and from the record date.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the

Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Committee thereof as it may deem appropriate in this regard."

Item No. 9 To alter Clause V of the Memorandum of Association of the company:-

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

RESOLVED THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification or re-enactment(s) thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be altered and substituted with the following new Clause V:

"V. The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into Rs. 1,00,00,000 (One Crore only) Equity Shares of Rs. 5/- (Rupees Five Only) each."

RESOLVED FURTHER THAT the Board of Directors of the Company (the "Board", which expression shall also include a duly authorized Committee thereof) be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper, expedient or incidental and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution.

Item No: 10. Issue of Bonus Equity Shares:-

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

"RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable provisions of regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) from time to time, (including any statutory modification(s) or re-enactment thereof from the time being in force) the

enabling provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include a Committee of Directors or officer(s) of the Company duly authorized in this behalf) and subject to such approvals as may be required in this regard, approval of the Members be and is hereby accorded to the Board for capitalization of Rs. 1,00,00,000/- (Rupees One Crore only) standing to the credit of the free reserves and/or such other account as may be considered necessary by Board of Directors of the Company ("the Board"), for the purpose of the issue of bonus equity shares of Rs.5/- (Rupees Five only) each, credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in consideration of their said holding and whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board, in the proportion of 1 (one) equity share for every 4 (Four) existing equity shares held by the Members;

RESOLVED FURTHER THAT the new equity shares of Rs.5/- (Rupees Five only) each to be allotted and issued as bonus shares shall be subject to the terms of Memorandum & Articles of Association of the Company and shall rank pari-passu in all respects and carry the same rights as the existing fully paid equity shares of the Company and shall be entitled to participate in full in any dividend(s) and any other corporate actions to be declared after the bonus shares are allotted;

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the bonus shares and the new bonus equity shares shall be issued and despatched to the shareholders who hold shares in physical form and new bonus equity shares shall be credited to the respective beneficiary accounts of the members who hold shares in dematerialization, with their respective Depository Participant(s) within such time as prescribed by law and the relevant authorities.;

RESOLVED FURTHER THAT the issue and allotment of the bonus equity shares to the extent they relate to Non-Resident Indians (NRIs), Overseas Citizen of India, Overseas Corporate Bodies (OCBs), Foreign Portfolio Investors (FPIs) and other foreign investors of the Company will be subject to the approval of the RBI, if applicable and as may be necessary;

RESOLVED FURTHER THAT in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Board be and is hereby authorized to ignore such fractions and/or otherwise make suitable arrangements to deal with such fractions for the benefit of the eligible Members, including but not limited to, allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board who would hold them in trust for such

Members and shall as soon as possible sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in the proportion of their respective fractional entitlements;

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, Sri. R. Ramji, Managing Director (DIN: 00109393), Sri. S. Seenivasa Varathan, Chief Financial Officer and Sri. P.K. Ramasubramanian, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary, expedient or incidental in this regard including but without limitation to file any documents with the Securities and Exchange Board of India (SEBI), Bombay Stock Exchange (BSE) where the shares of the Company are listed, Depositories, Ministry of Corporate Affairs and / or Concerned Authorities, applying and seeking necessary listing approvals from the Stock Exchange and to settle any question, difficulty or doubt that may arise in regard thereto."

Item No. 11. To consider and approve contracts with Related Parties:-

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with standard listing agreement entered with the Bombay Stock Exchange (BSE) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into a contract(s) / Transaction(s) / arrangement(s) with following Related Parties on such terms and conditions as may be mutually agreed upon, upto a maximum amount as mentioned against each respective related parties every year for a period of five financial years beginning from financial year 2020-21:

S.No.	Name of the Related Party	Maximum amount in a financial year not to exceed
1.	M/s. Polyspin Private Limited	Rs. 50.00 Crores
2.	M/s. Energyspin Private Limited	Rs. 5.00 Crores
3.	M/s. Ganesh Agropack Private Limited	Rs. 5.00 Crores
4.	M/s. Lankaspin Private Limited, Srilanka.	Rs. 10.00 Crores
5.	M/s. Chola Packaging Private Limited	Rs. 5.00 Crores

RESOLVED FURTHER THAT the contract(s) / Transaction(s) / Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at the arms length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Audit Committee as may be applicable from time to time be authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any one or more Directors of the Company as it may consider appropriate in order to give effect to this resolution."

Item No. 12. To increase borrowing powers of the board and authorization limit to secure the borrowings under Section 180(1)(a) and 180(1)(c) of the Companies, Act, 2013.

To consider, and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or anybody corporate/ entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 150 crores (Rupees One Hundred and Fifty Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves.

RESOLVED FURTHER THAT in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof,

consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs.150 crores (Rupees One Hundred and Fifty Crores only).

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By order of the Board,

Place : Rajapalayam
Date : 25.06.2020

P.K. Ramasubramanian
Secretary

NOTES :

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), relating to the special business to be transacted at the Annual General Meeting (the "AGM") is annexed hereto in respect of each item of Resolution Nos., 5 to 12.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL ("Depositories"). In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.polyspin.org. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants, with whom they are maintaining their Demat accounts.
9. Members holding shares in physical form are requested to register / update their postal address, email address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., with the Registrar and Transfer Agent i.e. M/s.Integrated Registry Management Services Private Limited, by sending an email to yuvraj@integratedindia.in .
10. Non-Resident Indian members are requested to inform M/s.Integrated Registry Management Services Private Limited immediately on:
 - a. the change in the residential status on return to India for permanent settlement; and
 - b. the particulars of the bank account(s) maintained in India with complete name, branch and account type, account number and address of the bank, if not furnished earlier.
11. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency for conducting of the e-AGM and providing e-voting facility.
12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
14. Relevant documents referred to in the accompanying Notice calling the AGM are available for inspection through electronic mode up to the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, upon request will be available electronically for inspection by the members during the

AGM. Members seeking to inspect such documents can send an email to polyspinexportscs@gmail.com .

15. Re-appointment of Director: At the ensuing AGM, Mr. S.V.Ravi (DIN: 00121742) and Mr.P.Vaidyanathan (DIN. 000295030) are liable to retire by rotation in terms of section 152(6) of the Act and being eligible, have offered themselves for re-appointment.
16. 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 (IEPF) 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
31.03.2013	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
31.03.2018	12%	13.08.2018	12.08.2025	11.09.2025
31.03.2019	12%	12.08.2019	11.08.2026	10.09.2026

In accordance with the provisions of Section 124 (6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more have been transferred to IEPF by the company. The shareholders or their legal heirs are entitled to claim the shares and dividends so transferred from IEPF by making an online application in Form No. IEPF 5 to the IEPF Authority.

17. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialized form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
18. The Company has fixed Wednesday, 5th August, 2020 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended March 31, 2020, if approved at the AGM. The dividend, once approved by

the members in the ensuing AGM will be paid on 17th August, 2020, subject to deduction of tax at source, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent ("RTA") (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

19. Shareholders may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Shareholders having valid PAN	7.5% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹5,000 and also in cases where shareholders provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Registered shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for shareholders providing Form 15G / Form 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax

residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member,
- Copy of Tax Residency Certificate ("TRC") for the F.Y. 2020-21 obtained from the revenue authorities of the country of tax residence,
- Duly attested by member Self-declaration in Form 10F,
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty and Self-declaration of beneficial ownership by the non-resident shareholder,
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be emailed to our RTA, M/s. Integrated Registry Management Services Private Limited, Chennai by quoting your Folio number / DP id / Client id, number of shares and PAN details at its email address yuvraj@integratedindia.in on or before 1st August, 2020 6:00 PM IST in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication regarding the tax withholding matters would be entertained after 1st August, 2020 6:00 PM IST. The Company shall arrange to email a soft copy of the TDS certificate to you at your registered email address in due course.

Shareholders are requested to address all correspondence, including dividend related matters, to the RTA, M/s. Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017. Shareholders may note that in case the tax on the said dividend is deducted at a higher rate in absence of receipt or insufficiency of the aforementioned details / documents from you, an option is available to you to file the return of income as per Income tax Act, 1961 and claim appropriate refund, if eligible.

Disclaimer: This Communication is not to be treated as a tax advice from the Company or its affiliates or M/s. Integrated Registry Management Services Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

20. SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the company/ its registrar and transfer agent, the details of their valid PAN and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to M/s. Integrated Registry Management Services Private Limited, the Company's Registrar and Transfer Agent.
21. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Integrated Registry Management Services Private Limited.
22. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to M/s. Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017 or call on Tel.: +91 44 28140801; E-mail: yuvraj@integratedindia.in. The said form can be downloaded from the Company's website. The prescribed form in this regard may also be obtained from M/s. Integrated Registry Management Services Private Limited at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
23. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
24. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 6th August, 2020 through email on polyspinexportscs@gmail.com. The same will be replied by the Company suitably.
25. Instructions for attending the e-AGM and e-voting are as follows:
- (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulations, 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- (ii) The remote e-voting period begins on 8th August, 2020 at 9:00 A.M. IST and ends on 11th August, 2020 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 5th August, 2020 i.e. cutoff date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (iii) The Board of Directors has appointed Mr. B.Subramanian (Membership No. FCS 2152), as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- (iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (v) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (vi) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she has already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 8th August, 2020 at 9:00 A.M. (IST) and ends on 11th August, 2020 at 5:00 P.M.. **The remote e-voting module shall be disabled by NSDL for voting thereafter.**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial

password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to subra1152@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in.
4. In case of any grievances connected with facility for e-voting, please contact NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting @ nsdl.co.in/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990 Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to polyspinexportscs@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to polyspinexportscs@gmail.com

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Item No. 7

The Board intends to alter the existing Memorandum of Association of the Company in order to align it with the requirements of the Companies Act, 2013. Pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder, as applicable, any amendment in the Memorandum of Association requires approval of the members of the company by way of special resolution. The Board recommends the resolution as stated above as special resolution for approval of the members of the Company.

None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are interested in the said resolution except to the extent of their shareholding interest in the Company.

Item No. 8 and 9

The Equity shares of the Company are listed on BSE Limited. In order to facilitate the benefit of more liquidity and broad basing of small investors, the Board of Directors of the Company, in its meeting held on 25th June, 2020 have approved the sub-division of the nominal value of Equity shares of the Company of Rs.10/- (Rupees Ten Only) each into smaller denomination of Rs. 5/- (Rupees Five Only) each, subject to the approval of Members. Accordingly, each Equity share of the Company of the nominal value Rs.10/-(Rupees Ten Only) each existing on the Record Date, as may be decided by the Board of Directors after obtaining the approval of the Members, shall stand sub-divided into 2 Equity shares of the nominal value of Rs. 5/- (Rupees Five Only) each. Article 58 (a) (4) of the Articles of Association of the Company permits for sub-division of shares subject to the approval of members by Ordinary Resolution.

Consequent to the approval of sub-division of shares of the company, the Clause V of the Memorandum of Association of the company is proposed to be amended accordingly subject to the approval of members of the company.

Copy of existing and amended Memorandum of Association of the Company will be available for inspection by members during 11.00 a.m. to 5.00 p.m. at the registered office of the Company during working business days (except Saturday, Sunday and Public Holiday) till the date of Annual General Meeting.

The Board is of the opinion that the aforesaid amendment of Clause V of the Memorandum of Association of the company and sub-division of equity shares are in the best interest of the Company and its shareholders. Therefore it recommends the resolutions set out in this Notice for the approval of the members.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution except to the extent of their shareholding, if any in the Company.

Item No. 10 Bonus issue

The equity shares of your Company are listed and actively traded on the BSE. With a view to increasing the liquidity of the equity shares of the Company and Considering the growth in the business over the recent years and strong financial positions, the Board in its meeting held on June 25, 2020, considered, approved and recommended issue of bonus shares in the proportion of 1 (one) new equity share of Rs.5/- each for every 4 (four) existing equity shares of Rs.5/- each held by the Members on the Record Date to be determined by the Board by capitalizing Rs. 1,00,00,000 (One Crores only) a part of free reserves of the Company as at March 31, 2020. The current Authorized Share Capital of your Company on approval of resolution proposed as per Item No.7 of this notice, is Rs.5,00,00,000/- (Rupees Five Crores only) divided into 1,00,00,000 (One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each after the approval of the above proposed sub-division of share capital. Pursuant to the provisions of Sections 63 and other applicable provisions of the Act and subject to applicable statutory and regulatory approvals, the issue of bonus shares of the Company require the approval of the Members. Post issue of bonus shares, the paid up capital of the company is increased from Rs.4,00,00,000/- to Rs.5,00,00,000/-.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution except to the extent of their shareholding.

Accordingly, the Board recommends the Resolutions under Item No.10 to be passed as Ordinary Resolutions by the Members of the Company on the terms and conditions set out in the Resolutions.

Item No. 11

Your Company is engaged in the manufacture of mainly Flexible Intermediate Bulk Containers (FIBC) Bags and OE yarn. The Company has to perform various related party transactions with its related parties. These transactions are in the ordinary course of business and at arm's length basis. The following parties fall under the category of a related party of the Company in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified and amended from time to time. The provisions of this regulation read with Policy on Related Party Transactions approved and notified by the Board of Directors of the Company consider a transaction with a related party material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the Annual consolidated turnover of the company as per the last audited financial statements of the Company. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time require all material related party transactions to be approved by the shareholders through an ordinary resolution and the related parties shall abstain from voting on such resolutions.

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and an arm's length basis. All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee and Board is obtained, wherever required. However, the estimated transaction value with/any of below mentioned Companies may likely to exceed 10% of the Annual Turnover of the Company as per the last audited financial statements of the Company.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm's length basis, the same is being sought as an abundant precautionary measure. The transactions going to be made with such parties as stated below are 'Related Parties' of the Company as per Section 2(76) of the Companies Act, 2013.

The particulars required to be provided under Clause 3 of the Explanation to Rule 15 Sub-Rule 3 of the Companies (Meetings of Board and its Power) Rules, 2014 are given below:

Name of the Related Party	Polyspin Private Limited	Energy-spin Private Limited	Ganesh Agropack Private Limited	Lankaspin Private Limited, Srilanka.	Chola Packaging Private Limited
Name of the Directors or KMP who is related	Mr.R.Ramji, M.D. and Mrs. Durga Ramji, Director	Mr.R.Ramji, M.D. and Mrs. Durga Ramji, Director	Mr.S.V.Ravi Director, his relative and Mr.S.R.Sub-ramanian Director	An Associate company, Mr.R.Ramji, M.D. and Mrs. Durga Ramji, Director	Mr.S.V.Ravi Director, his relatives
Annual Estimated Transaction Value	Rs.50.00 Crores	Rs.5.00 Crores	Rs.5.00 Crores	Rs.10.00 Crores	Rs.5.00 Crores
Nature, material terms and particulars of the contractor arrangement	Payment of rent and Processing charges, Purchase and sale of Raw materials and Finished goods.	Payment of rent and Processing charges, Purchase and sale of Raw materials and Finished goods.	Payment of Processing charges, Purchase and sale of Raw materials and Finished goods.	Purchase and sale of Raw materials and Finished goods.	Payment of Processing charges, Purchase and sale of Raw materials and Finished goods.
Any other information	NIL	NIL	NIL	NIL	NIL

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of Directorships/holding position of Key Managerial Personnel as mentioned above. The Board recommends the Ordinary Resolution set out in the Notice for approval by the shareholders.

Item No. 12

Keeping in view the existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits from Rs. 100 Crores to Rs. 150 Crores.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company.

Further, Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting, which authorisation is also proposed to be increased from Rs. 100 Crores to Rs. 150 Crores.

Hence, the Special Resolution is being proposed, since the same exceeds the limits provided under Section 180(1)(a) & 180(1)(c) of the Act. The Directors recommend the Special Resolution as set out at the accompanying Notice, for members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

By order of the Board,

P.K. Ramasubramanian
Secretary

Place : Rajapalayam
Date : 25.06.2020

DIRECTORS' REPORT**To the Members,**

Your Directors have pleasure in presenting the Thirty Fifth Annual Report on the working of the company and Audited Accounts for the year ended 31st March, 2020.

	Year ended 31.03.2020	Year ended 31.03.2019
Financial Results	Rs.	Rs.
Sales and other Income	172,26,93,365	214,88,07,539
Operating Profit (Profit Before interest, Depreciation and Tax)	15,51,63,547	18,54,16,416
Less : Interest	4,61,62,374	4,66,65,218
Profit before Depreciation and Tax	10,90,01,173	13,87,51,198
Less : Depreciation	3,51,65,199	3,03,15,380
Profit before Tax	7,38,35,974	10,84,35,818
Add : Other comprehensive income	20,33,439	23,09,484
	7,58,69,413	11,07,45,302
Less : Provision for Taxation - Current	1,57,00,000	3,19,00,000
Less : Provision for Taxation - Deferred	54,57,000	34,60,000
	5,47,12,413	7,53,85,302

DIVIDEND

Your Directors are pleased to recommend the payment of **Dividend at Re.0.60 (Paise Sixty only) per share on the face value of Rs.10/- per share.**

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 31.03.2019 and 31.03.2020 are as follows:

	Year ended 31.03.2020 Quantity (Kgs.)	Year ended 31.03.2019 Quantity (Kgs.)
1. Production		
1) FIBC Bags & PP Woven Bags	85,39,448	96,50,950
2) PP Woven Fabrics	1,08,252	1,44,204
3) PP Yarn	4,96,873	2,29,549
4) Multifilament Yarn**	3,09,171	---
5) Paper Bags	47,495	35,552
6) Cotton Yarn	17,72,804	21,52,534
2. Sales		
1) FIBC Bags & PP Woven Bags	84,96,043	95,98,414
2) PP Woven Fabrics	1,08,252	1,44,204
3) PP Yarn	4,96,873	2,29,549
4) Multifilament Yarn**	62,137	---
5) Paper Bags	35,836	35,552
6) Cotton Yarn	17,01,589	21,69,774

Multifilament Yarn**

Out of 3,09,171 Kgs. of Multifilament Yarn production, we have captively consumed 2,47,034 Kgs. Multifilament Yarn for FIBC bags Production.

Current Trend and Future Prospects**FIBC Bags Division:**

Flexible Intermediate Bulk Container (FIBC) bags are available in a wide varieties and are suitable for numerous applications in the chemical, pharmaceutical and food industries. The FIBC market is characterized by innovative offerings and customizations according to customer specifications.

A study projects that over the next three years, FIBC (Flexible Intermediate Bulk Container) will register a 5 % CAGR in terms of revenue and reach USD 9200 million (Rs. 69,400 Crores) by 2023.

Due to spread of Novel Corona Virus (COVID-19) pandemic our manufacturing units were totally closed for about 22 days following nationwide lockdown and we resumed our production at our units (both FIBC - 100% EOU and Textiles mill) on 16th April, 2020, partially with 50% of employee strength. All safety protocol norms (Standard Operating Procedures) as prescribed by the Government of India, of temperature sensing, wearing of Safety gears (masks, goggles, face shields), social distancing, sanitizing and washing hands are being adhered to very stringently in all the work places of the company.

COVID – 19 pandemic is the worst global crisis, since the Second World War, indeed, the drop in man hours worked already outpaces that of the 2008 – 2009 financial crisis. Worryingly COVID – 19 is now also impacting the developing world, where capacities and resources are already in constrain. With China facing a global backlash on account of COVID – 19, India is hoping to cash in on the anti – China sentiment to replace it as the world's global factory.

To be sure, India does have its set of strengths. These include a mixture of highly skilled and semi-skilled labour that is relatively cheap compared to China (even though Chinese labour scores higher on productivity) and the potential to sell to a huge market. Our company is engaging skilled workforce who are residing in the nearby villages for our production and we are not dependent on migrant workers, compared to other peer industries who are partially dependent on them.

We are getting export orders from our existing overseas buyers for about 3200 MTS for 3 – 4 months delivery period, from USA, Italy, France and New Caledonia. We are expecting more orders for FIBC Bags from new buyers and our existing buyers also. We are working continuously to meet the export orders and keep up the deliveries in time in spite of the low employee's attendance due to COVID-19.

Open End Spinning Division:

The textile Industry is now facing a tough time in view of COVID -19 and closure of many Yarn Markets in India. Yarn mills are caught in a web of weakening demand and high raw material prices. A substantial drop of about 35% year-on-year

in exports from India which account for nearly one-third of the yarn it produces, has direct impact on the spinning mills. The domestic market was not encouraging either. According to rating agency ICRA, several factors explain the fall in India's cotton yarn exports. This includes high price of cotton and yarn from Indian mills, duty-free access provided by China to Pakistan for import of yarn, continued competitive pressures from nations, such as Vietnam and higher raw cotton fibre imports by China. The problem the spinning mills are facing is due to high cotton prices even though the international cotton price has plunged about 25% in the past one year, in contrast, the domestic cotton prices have been firm during the period.

Since we are manufacturing high quality yarn with the imported automatic OE Machines, our product always fetches better price in the market. The growth trend is stagnant for the near future.

We are planning for production of viscose blended yarn in our OE spinning unit and also intend to carry on production of viscose blended yarn on job work basis and market the same in the existing domestic market.

Proposed Paper Bags Division:-

We would like to inform you that we are planning to engage paper bags manufacturing units for supply of multilayer paper bags for cement packing on job work basis and market them to leading cement manufacturers in India. These paper bags are an eco-friendly product and we anticipate better demand for the product in near future. Initially we intend to buy the raw materials i.e., Semi extensible sack Kraft Paper from the overseas suppliers and produce paper bags as per buyer's specifications and requirement on job work basis.

We will supply Paper bags to the leading Cement manufacturers in India and also for export markets and we will supply Paper bags to other manufacturing units for packing of chemicals, granules, other food products, etc.

Going forward, we expect the revenue growth to be driven by the proposed business i.e., paper bags and the operating margin to be improved by better product mix. We anticipate that our new business will contribute to the top line growth of 30 % in the total revenue from the current financial year.

We are into the production in three types of verticals namely, FIBC bags, Textile OE yarn and Paper bags catering to Exports and domestic markets.

BOARD OF DIRECTORS

Sri. S.V. Ravi and Sri. P. Vaidyanathan, Directors retire by rotation at the forth coming Annual General Meeting and being eligible offer themselves for reappointment. Your Directors recommend for the reappointment of Sri. S.V. Ravi and Sri. P. Vaidyanathan as directors liable to retire by rotation.

Appointment of Independent Directors:-

The three Independent Directors viz., Sri. K. Lakshminarayanan, Sri. A. Thirupathy Raja and Sri. S. Sankar have relinquished their office on 31st August, 2019 due to the completion of their term of office. The Board place on record the valuable services rendered by the Independent Directors during their tenure. Their valuable services, advices provided and their participation have helped the company to achieve better results.

The following three Independent Directors were appointed with effect from 1st September, 2019 at the last year Annual General Meeting held on 12th August, 2019.

1. Sri. S. R. Venkatanarayana Raja
2. Sri. V. S. Jagdish
3. Sri. R. Sundaram.

Further Sri. Rajesh Devarajan (DIN : 01153112) and Sri. Kottimukkalu Subramania Raja Pradeep (DIN : 00852462) were also appointed as Independent Directors by the Board as Additional Directors with effect from 20th September, 2019 and they holds office till conclusion of this Annual General Meeting. Your board recommend for the appointment of the above two directors as Independent Directors and seek the approval of the members in the forthcoming Annual General Meeting. The profile of the above two Independent Directors are given in the explanatory statement attached to the Notice.

Both Independent Directors are well experienced in their respective fields and your directors are hopeful that their contribution and advice will be of very immense help for the development of the company.

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 SEBI (LODR) Regulation, 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 SEBI (LODR) Regulation, 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.

ADOPTION OF NEW MEMORANDUM OF ASSOCIATION TO ALIGN IT WITH THE REQUIREMENTS OF TABLE A OF SCHEDULE I OF THE COMPANIES ACT, 2013

The Board intends to alter the existing Memorandum of Association of the Company in order to align it with the requirements Table A of Schedule I of the Companies Act, 2013. Pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder, as applicable, any amendment in the Memorandum of Association requires approval of the members of the company by way of special resolution. The Board recommends the resolution for approval of the members of the Company.

SUB-DIVISION OF EQUITY SHARES OF THE COMPANY HAVING A FACE VALUE OF RS. 10/- EACH TO 2 EQUITY SHARES OF FACE VALUE OF RS. 5/- EACH AND CONSEQUENT AMENDMENT OF CLAUSE V OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:

The Equity shares of the Company are listed on BSE Limited. In order to facilitate the benefit of more liquidity and board basing of small investors, the Board of Directors of the Company, in its meeting held on 25th June, 2020 have approved the sub-division of the nominal value of Equity shares of the Company of Rs. 10/- (Rupees Ten Only) each into smaller denomination of Rs. 5/- (Rupees Five Only) each, subject to the approval of Members. Accordingly, each Equity share of the Company of the nominal value Rs.10/-(Rupees Ten Only) each existing on the Record Date shall stand sub-divided into 2 Equity shares of the nominal value of Rs. 5/-(Rupees Five Only) each. Article 58 (a) (4) of the Articles of Association of the Company permits for sub-division of shares subject to the approval of members by Ordinary Resolution.

Consequent to the approval of sub-division of shares of the company, the Clause V of the Memorandum of Association of the company is proposed to be amended accordingly subject to the approval of members of the company.

The Board is of the opinion that the aforesaid amendment of Clause V of the Memorandum of Association of the company and sub-division of equity shares are in the best interest of the Company and its shareholders. Therefore the

board recommends for passing of Ordinary resolutions set out in the Notice for the approval of the members.

ISSUE OF BONUS EQUITY SHARES

The equity shares of your Company are listed on the BSE in the year 1995 and the company shares are actively traded. With a view to reward the shareholders of the company in the 25th Years after Listing of the company on the stock exchange and to increase the liquidity of the equity shares of the Company, Considering the growth in the business over the recent years and strong financial positions, the Board in its meeting held on June 25, 2020, considered, approved and recommended issue of bonus shares in the proportion of 1 (one) new equity share of Rs.5/- each for every 4 (four) existing equity shares of Rs.5/- each held by the Members on the Record Date to be determined by the Board by capitalizing a part of free reserves of the Company and the paid up capital of the company is increased from Rs.4,00,00,000/- to Rs.5,00,00,000/- after the issue of bonus shares.

TO CONSIDER AND APPROVE CONTRACTS WITH RELATED PARTIES

Pursuant to Section 188 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties which exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and an arm's length basis. All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee and Board is obtained, wherever required. However, the estimated transaction value with any of the related parties may likely to exceed 10% of the Annual Turnover of the Company as per the last audited financial statements of the Company. The Board recommend for the approval of the related party transactions by the members of the company as set out in the Notice.

TO INCREASE BORROWING POWERS OF THE BOARD AND AUTHORIZATION LIMIT TO SECURE THE BORROWINGS UNDER SECTION 180(1)(A) AND 180(1)(C) OF THE COMPANIES, ACT, 2013

Keeping in view the existing and future financial requirements to support its business operations, the Company may need additional funds which may exceed the aggregate of the paidup capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits of the Board of Directors from Rs. 100 Crores to Rs. 150 Crores. Hence Special Resolution is being proposed, since the same may exceed the limits provided under Section 180(1)(a) & 180(1)(c) of the Act. The Directors recommend the Special Resolution as set out at the accompanying Notice, for members' approval.

MEETINGS

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

SECRETARIAL STANDARD

As required under clause 9 of secretarial standards, the Board of Directors of the company confirm that the company has complied with the applicable secretarial standards.

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. Ramadoss FCA (MRN 201506) the Internal Auditor, submits his Internal Audit 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 SEBI 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 Regulations. 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.

The board observed that Practicing Company Secretary in his report stated that the BSE has imposed a fine of Rs. 4,55,000/- plus GST for non-compliance of Regulation 17(1) of SEBI

(LODR) Regulations. This was due to the misinterpretation of the above regulation and the company had remitted the fine and complied with the requirements.

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 purchased land measuring 3.75 cents required for the construction of a Medical Centre Project under the corporate social responsibility Programme in the nearby Village. The company had spent Rs. 2,23,948/- towards 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 of time. The material disclosure is made in **Annexure – III**.

STATUTORY AUDIT:

M/S. SRITHAR AND ASSOCIATES (Firm Registration No. 015896S), Chartered Accountants, Chennai, who have been appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting till the conclusion of 37th Annual General Meeting. Accordingly seeking ratification for the appointment of Statutory Auditors at every Annual General Meeting is dispensed with.

COST AUDIT:

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 2019–20.

SECRETARIAL AUDIT:

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, 2020.

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

The board observed that practicing Company Secretary in his Secretarial Audit Report (MR-3) stated that the BSE has imposed a fine of Rs. 4,55,000/- plus GST for non-compliance of Regulation 17(1) of SEBI (LODR) Regulations. This was due to the misinterpretation of the above regulation and the company had remitted the fine and complied with the requirements.

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.

EXTRACT OF ANNUAL RETURN

The Annual Return for the financial year ended 31st March, 2020 in Form No: MGT-9 pursuant to Section 92 of Companies Act, 2013 and Rule 12 (2) of the Companies (Management and Administration) Rules, 2014, is annexed herewith as **Annexure – VI**.

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 VII**.

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 Regulations, 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 has adopted the Risk Management Policy and the Audit Committee reviews the risk management and mitigation plan from time to time.

FIRE ACCIDENT AND PRESENT CLAIM STATUS:

As reported in the earlier annual report, there was a fire accident in the PP Fabrics and PP Slings storage premises on Monday, 4th June, 2018. Fire tenders were called immediately and the fire was extinguished and brought to control at about 1.30 P.M.

The cost of loss of stocks and book value of Buildings and Machinery was estimated at about Rs. 621.21 Lakhs. The book value of loss was absorbed in the profit and loss account for the financial year ended 31st March, 2019.

After a long pursuance and continuous follow up, the National Insurance company Limited has finally settled our claim at Rs.2,50,00,890/- (Rupees two crores fifty lakhs eight hundred and ninety only) on 23rd October, 2019 and the same was credited to the Profit and Loss Account in the financial year ended 31st March, 2020.

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 2019-20 and till the date of this report.

PERSONNEL

The information required pursuant to Section 197 (12) 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 - VIII** 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 an 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-IX**.

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 12th August, 2019 with the Ministry of Corporate Affairs. An amount of Rs. 3,70,066/- unclaimed dividend pertaining to the year 2013 will be transferred to the IEPF before 21.10.2020.

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 website 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 judgements 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 : 25.06.2020

ANNEXURE I TO DIRECTOR'S REPORT

REPORT ON CORPORATE GOVERNANCE

Your Company is complying with the requirements of the Corporate Governance Practices and policies. These policies reviewed periodically and it is ensured that their effectiveness is adequately maintained and 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 headed by Sri. R. Ramji as the Managing Director of the company. The Board consists of Ten Directors out of whom Nine are Non-executive Directors. There are five 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 Ten Directors:

Name of the Directors	Category	Number of Other Directorship held	
		PUBLIC	PRIVATE
Sri. R. RAMJI	Executive - Managing Director	---	4
Sri. S.R. SUBRAMANIAN	Non-Executive	---	1
Sri P. VAIDYANATHAN	Non-Executive	2	3
Sri. S.V. RAVI	Non-Executive	---	3
Sri. S.R. VENKATANARAYANA RAJA (From 01.09.2019)	Non Executive / Independent	---	1
Sri. V.S. JAGADISH (From 01.09.2019)	Non Executive / Independent	---	---
Sri. R. SUNDARAM (From 01.09.2019)	Non Executive / Independent	---	2
Sri. RAJESH DEVARAJAN (From 20.09.2019)	Non Executive / Independent	---	2
Sri. K.S. PRADEEP (From 20.09.2019)	Non Executive / Independent	---	1
Smt. DURGA RAMJI	Non Executive - Women Directorship	---	4

Four Meetings of the Board of Directors of the Company was held during the year 2019-2020 on 18.05.2019, 12.08.2019, 12.11.2019 and 03.02.2020.

Name of the Directors	Attendance at the Board Meeting	Attendance at Last AGM
Sri. R. RAMJI	4	Yes
Sri. S.R. SUBRAMANIAN	4	Yes
Sri P. VAIDYANATHAN	4	Yes
Sri. S.V. RAVI	4	Yes
Smt. DURGA RAMJI	4	Yes
Sri. S.R. VENKATANARAYANA RAJA	2	---
Sri. V.S. JAGDISH	2	---
Sri. R. SUNDARAM	2	---
Sri. RAJESH DEVARAJAN	2	---
Sri. K.S. PRADEEP	2	---

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Sri. S.V. Ravi (DIN: 00121742)	Sri. P. Vaidyanathan (DIN: 00029503)
Age (Years)	61 Years	74 Years
Date of Appointment	27.11.1991	31.10.2017
Expertise in specific functional area	Industrialist	Wide experience in Banking and Security Market
Qualification	B.A.,	FCA., ACS., ACMA.,
List of outside Directorship held	PUBLIC ---	PRIVATE 3
Chairman / Member of the Committee of the Board of Directors of the Company	Corporate Social Responsibility Committee (Member)	Audit Committee (Member)
Chairman / Member of the Committee of Directors of other Companies	NIL	NIL

III. INDEPENDENT DIRECTORS

The company has misinterpreted the exemptions given to the provisions of the Regulations 17(1) which lead to non compliance and hence the total number of Independent Directors fell below half of the board. BSE had imposed a Basic Fine of Rs.4,55,000/- plus GST and the company had remitted the fine levied by BSE and appointed required number of Independent Directors in compliance with the regulations. Except in respect of the above non compliance, 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 3rd February, 2020, 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 of appointment 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 Regulations, 18 of LODR. The Audit Committee consists of 2 independent Directors Sri. R. Sundaram (Chairman of the Committee), Sri. P. Vaidyanathan and Sri. V.S. Jagdish.

Sri. P.K. Ramasubramanian is the Secretary of the Committee.

The Audit Committee met Four times during the financial year 18.05.2019, 12.08.2019, 12.11.2019 and 03.02.2020.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has formed Stakeholders Relationship Committee consisting of three members viz., 1.Sri. S.R. Subramanian (Chairman of the Committee), 2. Sri. S.R. Venkatanarayana Raja and 3. Sri. R. Ramji. Sri.P.K. Ramasubramanian is the Compliance Officer.

The Committee met Four times during the financial year on 18.05.2019, 12.08.2019, 12.11.2019 and 03.02.2020.

No. of shareholders queries / complaints received during 2019-20 - 92

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 Dividend warrants, change of address and PAN data updation which have been duly complied with by sending duplicate Dividend warrants and suitable reply to their queries.

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 1. Sri R. Sundaram, Chairman of the Committee, 2.Sri S.R. Venkatanarayana Raja and 3. Sri V.S. Jagdish, as members. Sri P.K. Ramasubramanian 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 03.02.2020 during the financial year.

VII. REMUNERATION OF DIRECTORS

Details of Remuneration paid to the Managing Director during the year 2019-20 are given below :

<u>Name and Designation</u>	<u>Salary & Perquisites</u> <u>(Rupees in Lakhs)</u>
Sri. R. Ramji, Managing Director & CEO	148.91
No Commission has been paid to the Managing Director,	
No Stock option is provided.	

The Non-Executive Directors do not draw any remuneration. A sitting fee of Rs. 10,000/- per meeting is paid for attending the meeting of the Board and the Committee Meeting.

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. MONITORING COMMITTEE.

The Company has constituted Monitoring Committee under the provisions of SEBI (Insider Trading) Regulations, 2015, consisting of Sri. R. Ramji, Managing Director (Chairman of the Committee), Sri. P. K. Ramasubramanian, Company Secretary Sri. B. Ponram, Chief Operating Officer and Sri. S. Seenivasa Varathan, CFO, of the company as members.

IX. DISCLOSURE OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2020

Name of the Non-Executive Directors	No. of Shares
1. Sri. S.R. SUBRAMANIAN	90,500
2. Sri. P. VAIDYANATHAN	---
3. Sri. S.R. VENKATANARAYANA RAJA	---
4. Sri. V.S. JAGDISH	---
5. Sri. R. SUNDARAM	---
6. Sri. S.V. RAVI	6,800
7. Sri. RAJESH DEVARAJAN	---
8. Sri. K.S. PRADEEP	---
9. Smt. DURGA RAMJI	3,59,759

X. DISCLOSURE OF RELATIONSHIP OF THE DIRECTORS:

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.

XI. 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.

XII. 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.

XIII. DISCLOSURES:

1. 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
2. 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.34 Notes forming part of the accounts.
3. 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:

The company has misinterpreted the exemptions given to the provisions of the Regulations, 17(1) which lead to non compliance and hence the total number of Independent Directors fell below half of the board. BSE had imposed a Basic Fine of Rs. 4,55,000/- plus GST and the company had remitted the fine levied by BSE and appointed required number of Independent Directors in compliance with the regulations.

Mr. Rajesh Devarajan and Mr. K.S. Pradeep were appointed as Independent Director of the company with effect from 20th September, 2019 in order to comply with the above regulation.

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 Director
 - 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 S.R. Venkatnarayana Raja, Chairman - Independent Director
2	Sri S.V. Ravi, Director
3	Smt. Durga Ramji, Director.

Date of Meeting: 18.05.2019, 12.11.2019 and 03.02.2020.

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+

XIV. GENERAL BODY MEETING:

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

Date	Venue	Time
26.09.2017	Sri Arjuna Manthiram, Rajapalayam	9.30 A.M
13.08.2018	- do -	9.30 A.M
12.08.2019	- do -	9.30 A.M

Postal Ballot

During the financial year 2019 – 20, special resolutions have been passed through postal ballot to obtain consent of the members for

1. Adoption of New Articles of Association,
2. Appointment of Sri. S. R. Subramanian for continuation as Non – Executive Director

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.

XV. 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 90 days of the end of the Financial Year.

XVI. 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.

XVII. SHAREHOLDERS INFORMATION :

1. FINANCIAL CALENDER : **Year ended March 31, 2020**
2. ANNUAL GENERAL MEETING : **THIRTY FIFTH**
3. DATE & TIME : **12th August, 2020 10.00 A.M.**
4. MEETING THROUGH VIDEO CONFERENCE : Please refer instructions given in notes to AGM Notice for Login
5. DATE OF BOOK CLOSURE : **06.08.2020 to 12.08.2020 (Both days inclusive) 9.00 A.M. to 12.00 (Noon)**
6. E-VOTING DATE : **8th August, 2020 (9.00 A.M.)**
(For details refer the Notice to Annual General Meeting) and ends on **11th August, 2020 (5.00 P.M)**
7. DIVIDEND PAYMENT DATE : **5 Days from the date of AGM**
8. LISTED STOCK EXCHANGE : Bombay Stock Exchange
The Company has paid Annual Listing fee to the above Stock Exchange for the financial year 2020 - 21.
9. STOCK CODE : 539354
10. STOCK PRICE PERFORMANCE
The Share price movement in Bombay Stock Exchange is given below.

Month	High (Rs.)	Low (Rs.)	No.of Shares Traded	Total Turnover (Rs)
April 2019	154.90	127.00	25,424	37,96,275
May 2019	135.00	105.00	31,465	36,34,851
June 2019	124.95	104.50	16,647	19,86,874
July 2019	121.00	80.35	11,433	10,89,582
August 2019	97.00	68.20	12,884	10,27,009
September 2019	106.90	75.05	4,125	3,69,882
October 2019	86.80	62.50	9,667	6,93,579
November 2019	84.20	56.25	16,109	10,20,700
December 2019	89.00	67.10	4,205	3,29,140
January 2020	75.50	67.70	2,788	1,99,528
February 2020	79.35	72.00	762	57,859
March 2020	70.00	66.50	10,956	7,66,218

Source : BSE website

11. SHARE TRANSFER SYSTEM:

SEBI vide its notification No. SEBI / LAD – NRO / 2018 / 24 dated 8th June, 2018, had amended SEBI (LODR) Regulation to the effect that “except in case of Transmission or transposition of securities, requests for effecting transfer of

securities shall not be processed unless the securities are held in the dematerialized form with a depository.

As such, SEBI mandated transfer of shares in dematerialized form alone. This has already come into effect from 1st April, 2019 and hence members are requested to take note of it and take steps to dematerialize their shares if not done already.

The Board has delegated the authority for approving transmission of the Company's securities to the Share Transfer Committee of the Board of Directors constituted for this purpose. Presently, the transfer of shares in physical form is dispensed with by the SEBI and the transfer of shares in dematerialized form only permitted and the request for such transactions are attended within the stipulated time.

The request for the transmission of shares 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. Ramasubramanian are empowered to approve such transmission of shares. There are no pending Share transmission as on 25.06.2020. 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.

12. DEPOSITORY REGISTRAR :

M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED,
2nd Floor, Kences Tower, No.1, Ramakrishna Street,
North Usman Road, T.Nagar, Chennai 600 017.
Ph : 044 - 28140801

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

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

15. 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

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

17. Website : www.polyspin.org

18. 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),
Virudhungan Dist., Tamilnadu.

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

OE Yarn Unit - Division

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

Windmill Unit (250 KW)

Pazhavor Taluk, Tirunelveli District.

21. RANGEWISE HOLDINGS

RANGE	2019 - 2020	2019 - 2020	2018 - 2019
	No. of Shareholders	(%)	(%)
1 - 500	2661	13.47	14.60
501 - 1000	317	6.67	6.97
1001 - 2000	128	4.80	5.05
2001 - 3000	61	3.97	4.25
3001 - 4000	20	1.74	1.64
4001 - 5000	8	0.97	1.65
5001 - 10000	18	3.18	3.43
10001 - and above	32	65.20	62.41
	3245	100.00	100.00

22. DEMATERIALIZATION OF SHARES AS ON 31.03.2020

	No. of Shareholders	(%)	No. of Shares	(%)
CDSL	531	16.36	2,83,679	7.09
NSDL	988	30.45	30,78,141	76.95
Physical Form	1726	53.19	6,38,180	15.96
TOTAL	3245	100.00	40,00,000	100.00

23. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ADRs / Warrants or any convertible instruments.

24. SECRETARIAL CERTIFICATIONS

(A) As stipulated by SEBI, a qualified Company Secretary in practice conducts the Audit for the purpose of reconciliation of total admitted capital with the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital of the Company. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

(B) As stipulated under Regulations, 34 (3) and Schedule V para C Clause 10 (i) of the SEBI (LODR) Regulation 2015, a Certificate of Non – Disqualification of Directors issued by Mr.B.Subramanian, Practising Company Secretary (C.P.No.2275) is attached as per **Annexure-IVA.**

25. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

26. 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.

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 2020.

For POLYSPIN EXPORTS LIMITED

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

Place : Rajapalayam
Date : 25.06.2020

**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, 2015**

We hereby certify to the Board that:

1. We have reviewed the financial statements and the Cash flow statements for the year ended 31.03.2020 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 : 25.06.2020

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 of

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 year ended 31st March 2020, 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 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, except in the case of Regulation 17 (1), the company has misinterpreted the exemptions given to the provisions of the Regulations 17 (1) which lead to non compliance and hence the total number of Independent Directors fell below half of the board strength. BSE had imposed a Basic Fine of Rs.4,55,000/- plus GST and the company had remitted the fine and appointed required number of Independent Directors in compliance with the regulations.
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: F2152

Certificate of Practice: 2275

UDIN : F002152B000378198

Place : Rajapalayam

Date : 25.06.2020

ANNEXURE III TO DIRECTOR'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

1. 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 lead to the welfare and wealth to the nation. The proposed implementation shall be on the following basis.
 - i. Promoting and providing eco friendly atmosphere
 - ii. Promoting and providing education to the under privileged children and weaker section of the economy.
 - iii. Eradicating hunger, poverty and malnutrition.
 - iv. Provision of Drinking water, sanitation and medical assistance.
 - v. To contribute to organization which have made the above possible to an extent.
 - vi. To protect National heritage.
2. The composition of the CSR Committee:-
 - i. Sri.S.R.Venkatnarayana Raja, Chairman - Independent Director
 - ii. Sri. S.V. Ravi, Director
 - iii. Smt. Durga Ramji, Director
3. Average net profit of the company for last three financial Years **Rs. 805.74 Lakhs**
4. Prescribed CSR Expenditure— **Rs.16.11 Lakhs** (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial Year:-
 - a. Total amount to be spent for the financial year : **Rs.16.11 Lakhs**
 - b. Amount unspent, if any (Previous Financial year) : **Rs.28.24 Lakhs**

Total : Rs. 44.35 Lakhs

c. 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 (2) Specify the state and district where projects or programs was 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 Vrudhunagar Rajapalayam	22,920	22,920	22,920	Direct
2.	Purchase of 3.75 Cents of Land for constructing the rural hospital / medical centre	Health Care, Poverty and Sanitation	State Tamilnadu District Vrudhunagar Cholapuram	1,63,480	1,63,480	1,63,480	Direct
3.	Distribution of Masks to Public during COVID – 19 Pandemic	Health Care, Poverty and Sanitation	State Tamilnadu District Vrudhunagar Cholapuram	27,548	27,548	27,548	Direct
4.	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 Coimbatore	10,000	10,000	10,000	Direct
Total				2,23,948	2,23,948	2,23,948	

Note :

- CSR Committee identified healthcare project, to construct rural medical Care centre at Cholapuram South, for an amount of Rs. 30.00 Lakhs and it will take a minimum period of 18 month for completion.
6. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.
 7. 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

Director

R. RAMJI

Managing Director & CEO

Place : Rajapalayam

Date : 25.06.2020

(DIN : 00121742)

(DIN : 00109393)

ANNEXURE IV TO DIRECTOR'S REPORT

Form MR – 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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 of
POLYSPIN EXPORTS LIMITED,
[CIN: L51909TN1985PLC011683],
351, P.A.C.R. 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, 2019 to 31st March, 2020 (audit 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, 2020 and also after 31st March, 2020 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.

1. I hereby report that,
 - 1.1 In my opinion, during the audit period covering the financial year ended on 31st March, 2020 (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.

- 1.2 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:

- i. The Companies Act, 2013 (the Act), the rules made there under
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 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" Secretarial Standards (SS-2) on "General Meetings" Secretarial Standards (SS-3) on Dividend and Secretarial Standards (SS-4) on Report of Board of Directors, 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, 2020 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, except in the case of compliance under Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the company has misinterpreted the exemptions given to the provisions of the Regulations 17 (1) which lead to non compliance and hence the total number of Independent Directors fell below half of the board strength. BSE had imposed a Basic Fine of Rs.4,55,000/- plus GST and the company had remitted the fine and appointed required number of Independent Directors in compliance with the regulations.
- 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, five Non-Executive Independent Directors and Four Non-Executive Directors including one woman Director.
 - 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: F2152
Certificate of Practice: 2275
UDIN : F002152B000378165

Place : Rajapalayam
Date : 25.06.2020

Annexure - A to Secretarial Audit Report of even date

To The Members of
POLYSPIN EXPORTS LIMITED,
[CIN: L51909TN1985PLC011683]
351, P.A.C.R. Salai,
Rajapalayam - 626 117.

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2020 is to be read along with this letter.

1. 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.
2. 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.
3. 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, 2020** but before the issue of this report.
4. I have considered compliance related actions taken by the company based on independent legal/ professional opinion obtained by the company in compliance with law.
5. 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.
6. I have not verified the correctness and appropriateness of financial records and book of accounts of the company.
7. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. 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: F2152
Certificate of Practice: 2275
UDIN : F002152B000378165

Place : Rajapalayam
Date : 25th June, 2020

ANNEXURE - IV A**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To The Members of
POLYSPIN EXPORTS LIMITED,
351, P.A.C.R. Salai,
Rajapalayam - 626 117.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/S. POLYSPIN EXPORTS LIMITED** having **CIN L51909TN1985PLC011683** and having registered office at **No. 351, P.A.C.R. Salai, Rajapalayam - 626 117, Tamilnadu** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on **31st March, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1	Shri. Rammohan Raja Ramji	00109393	25/09/1991
2	Smt. Durga Ramji	00109397	01/06/2014
3	Shri. Sinthalapadi Venugopal Raja Ravi	00121742	27/11/1992
4	Shri. Sengalipuram Ramamurthy Subramanian	00122141	29/03/1985
5	Shri. Panchapagesan Vaidyanathan	00029503	31/10/2017
6	Shri. S.R. Venkatanarayana Raja	01226624	01/09/2019
7	Shri. V.S. Jagdish	08452900	01/09/2019
8	Shri. R. Sundaram	01361345	01/09/2019
9	Shri. Kottimukkalu Subramania Raja Pradeep	00852462	20/09/2019
10	Shri. Rajesh Devarajan	01153112	20/09/2019

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

B. SUBRAMANIAN

Practicing Company Secretary
Membership No: F2152
Certificate of Practice: 2275
UDIN : F002152B000378220

Place : Rajapalayam
Date : 25th June, 2020

ANNEXURE V TO DIRECTOR'S REPORT

Disclose of the particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and Outgo as required under section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) of the companies (Accounts) rules, 2014.

A. Conservation of energy**(i) The steps taken on conservation of energy:**

- i) Replacement LED Lights by Conventional lights in production area – 350 Lights
(50 watts – 18 Nos. 32 watts – 12 Nos. 20 watts – 220 Nos. and 150 watts – 100 Nos.)
- ii) Window AC's replaced with 3 Star / 5 Star Split AC's – 5 Nos.
- iii) Energy Efficient Motors (IE2/IE3) installation – 23 Nos. (Re-winding motor replaced with IE-2 – 23 Nos.)
- iv) Erected the transparent sheet for maximum utilization of sunlight (day light) covered or closed sheds – 10 Nos.
- v) VFD installation for Folding Machine – 3 Nos.
- vi) VFD installation for Looms – 8 Nos.
- vii) 1250 KVA energy efficient 11 KV Transformer – 1 No.
- viii) VCB Installation for 1250 KVA Transformer – 1 No.

(ii) The impact on conservation of energy:

- i) Sl. No. (i) – Annual saving 56,780 Kwh @ Rs. 6.85 = Rs. 3,88,943
- ii) Sl. No. (ii) – Annual saving 4,500 Kwh @ Rs. 6.85 = Rs. 30,825
- iii) Sl. No. (iii) – Annual saving 27,000 Kwh @ Rs. 6.85 = Rs. 1,84,950
- iv) Sl. No. (iv) – Annual saving 36,000 Kwh @ Rs. 6.85 = Rs. 2,46,600
- v) Sl. No. (v) – Annual saving 1,296 Kwh @ Rs. 6.85 = Rs. 8,878
- vi) Sl. No. (vi) – Annual saving 2,700 Kwh @ Rs. 6.85 = Rs. 18,495
- vii) Sl. No. (vii) – Annual saving 10,950 Kwh @ Rs. 6.85 = Rs. 75,008
- viii) Sl.No. (ix) – Annual saving 4,200 Kwh @ Rs. 6.85 = Rs. 28,770

(iii) The Capital investment on energy conservation equipment:- Rs. 45.96 Lakhs**B. TECHNOLOGY ABSORPTION:**

- i) Effort made towards technology absorption - Nil
- ii) Benefit derived from effort made towards technology absorption - Nil
- iii) Particulars of technology (imported during the last three years reckoned from the beginning of the financial year) - Nil
- iv) The expenditure incurred on Research and Development (R&D) - Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO : (Rs. in Lakhs)

Particulars	2019-20	2018-19
a. Earnings	13,917.89	17,327.99
b. Outgo	3,665.94	6,325.46

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 : 25.06.2020

ANNEXURE VI TO DIRECTOR'S REPORT

Form No: MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2020

[Pursuant to section 92(3) of Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

1. CIN : L51909TN1985PLC011683
2. Registration Date : 29/03/1985
3. Name of the Company : POLYSPIN EXPORTS LIMITED
4. Category / Sub-Category of the Company : Public Company / Company having Share Capital
5. Address of the Registered Office and Contact details : 351, P.A.C.R. Salai,
Rajapalayam - 626 117.
Phone : 04563 - 221554 / 284000 Fax : 04563 - 284505
Email : polyspinexportscs@gmail.com
Website : www.polyspin.org
6. Whether listed company : Yes
7. Registrar and Transfer Agency : 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 - 803.

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No.	Name and Description of main products / Services	NIC Code of the Product / Service	% to total turnover of the company
1.	FIBC Bags, Fabric & Yarn	22209	86.93
2.	Cotton Yarn	13111	13.07

III. Particulars of Holding, Subsidiary and Associate Companies

S.No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associates	% of share Held	Applicable Section
1.	Lankaspin Private Ltd., Srilanka.	PV 2456	Associate	38.48	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholding	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
1) Indian									
a) Individual / Hindu Undivided Family	1496644	1500	1498144	37.45	1511979	-	1511979	37.80	0.35
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	374739	-	374739	9.37	374739	-	374739	9.37	0.00
e) Financial Institutions / Bank	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	1871383	1500	1872883	46.82	1886718	-	1886718	47.17	0.35

POLYSPIN EXPORTS LIMITED

Category of Shareholding	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
2) Foreign									
a) NRIs - Individual	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institutions / Bank	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter (A) = (A)(1) + (A)(2)	1871383	1500	1872883	46.82	1886718	-	1886718	47.17	0.35
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture capital fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	-	-	-	-	-	-	-	-	-
2) Non-Institutions									
a) Bodies Corporate	45945	12100	58045	1.45	80642	2000	82642	2.06	0.61
b) Individuals									
i) Individual Shareholders holding nominal Share capital upto Rs. 1 Lakh	764760	733280	1498040	37.45	732266	636180	1368446	34.21	(3.24)
ii) Individual Shareholders holding nominal Share capital exceeding Rs.1 Lakh	432511	-	432511	10.81	493449	-	493449	12.34	1.53
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d) Any Others									
i) Clearing Member	3889	-	3889	0.10	188	-	188	0.00	(0.09)
ii) Corporate CM / TM -Client Margin A/c	1057	-	1057	0.03	-	-	-	0.00	(0.03)
iii) Corporate CM / TM -Proprietary Account	-	-	-	-	-	-	-	-	-
iv) Foreign Port Folio Investor-Corporate	-	-	-	-	-	-	-	-	-
v) Corporate CM / TM Collateral Account	-	-	-	-	-	-	-	-	-
vi) IEPF	133575	-	133575	3.34	168557	-	168557	4.21	0.87
Sub Total (B)(2)	1381737	745380	2127117	53.18	1475102	638180	2113282	52.83	(0.35)
B. Total Public Shareholding (B) = (B)(1) + (B)(2)	1381737	745380	2127117	53.18	1475102	638180	2113282	52.83	(0.35)
C. Shares held by Custodians and against which Depository Receipts have been issued									
i. Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
ii. Public	-	-	-	-	-	-	-	-	-
Grand Total (A) + (B) + (C)	3253120	746880	4000000	100	3361820	638180	4000000	100	-

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Sri.R. Ramji	692385	17.31	-	705246	17.63	-	0.32
2	Smt. Durga Ramji	359759	8.99	-	359759	8.99	-	-
3	M/s.Polyspin Private Limited	260250	6.51	-	260250	6.51	-	-
4	Smt. R. Sunethra	127500	3.19	-	127500	3.19	-	-
5	M/s.Chola Packaging Pvt. Limited	84489	2.11	-	84489	2.11	-	-
6	Sri.S.R. Subramanian	90500	2.26	-	90500	2.26	-	-
7	Smt.R. Vijayalakshmi	50100	1.25	-	50100	1.25	-	-
8	Sri.R. Varun	37642	0.94	-	37642	0.94	-	-
9	M/s.Ganesh Agro Pack (P) Limited	30000	0.75	-	30000	0.75	-	-
10	Sri.V.S. Baskar Raja	20000	0.50	-	20000	0.50	-	-
11	Smt.S. Sowmiya	15999	0.40	-	16399	0.41	-	0.01
12	Smt.R. Lakshmi	14300	0.36	-	15000	0.38	-	0.02
13	Sri.R. Sakthikumar	22898	0.57	-	23022	0.58	-	0.01
14	Sri.S.V. Ravi	6800	0.17	-	6800	0.17	-	-
15	Smt.R. Subbulakshmi	57261	1.43	-	57261	1.43	-	-
16	Ms. Bhavna Shirish Lilladhar	3000	0.08	-	2750	0.07	-	(0.01)
		1872883	46.82	-	1886718	47.17	-	0.35

iii) Change in Promoter's Shareholding

Shareholding			Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
No. of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the company	Date			No. of Shares	% of total shares of the company
1872883	46.82	01.04.2019				
		31.03.2020	15385	---	1888268	47.21
		31.03.2020	(1550)	---	1886718	47.17
1872883	46.82	31.03.2020		---	1886718	47.17

iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)

S. No.	Name	Shareholding		Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2019)	% of Shares of the Company			No. of Shares	% of Shares of the Company
1.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	133575	3.34	34982	Transfer	168557	4.21
2.	Integrated Investment Management Services LLP	31436	0.78	42355	Purchase	73791	1.84
3.	Mr. Raghvendra	91174	2.28	50	Purchase	91224	2.28
4.	T.S. Jayachandran	23950	0.59	2036	Purchase	25986	0.65
5.	Ms. Shwetha Ramji	16416	0.41	7830	Purchase	24246	0.60
6.	Mr. Sambamoorthy Ramaswamy	11000	0.27	1430	Purchase	12430	0.31
7.	Mr. S.P. Meyyappan	11922	0.30	(100)	Purchase	11822	0.29
8.	Mr. V. Sriram	55000	1.37	-	-	55000	1.37
9.	Ms. V. Padma	55000	1.37	-	-	55000	1.37
10.	Devika Gopalan	55000	1.37	-	-	55000	1.37

POLYSPIN EXPORTS LIMITED

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No of Shares at the beginning (01.04.2019)	% of Shares of the Company			No. of Shares	% of Shares of the Company
1.	Sri. R. Ramji Managing Director & CEO	692385	17.31	12861	Purchase	705246	17.63
2.	Sri. S.R. Subramanian Director	90500	2.26	---	---	90500	2.26
3.	Sri. P. Vaidyanathan Director	---	---	---	---	---	---
4.	Sri. S.R. Venkatanarayana Raja	---	---	---	---	---	---
5.	Sri. V.S. Jagdish	---	---	---	---	---	---
6.	Sri. R. Sundaram	---	---	---	---	---	---
7.	Sri. S.V. Ravi Director	6800	0.17	---	Purchase	6800	0.17
8.	Sri. Rajesh Devarajan	---	---	---	---	---	---
9.	Sri. K.S. Pradeep	---	---	---	---	---	---
10.	Smt. Durga Ramji Director	359759	8.99	---	Purchase	359759	8.99
11.	Sri. P.K. Ramasubramanian Company Secretary & CCO	---	---	---	---	---	---
12.	Sri. B. Ponram Chief Operating Officer	---	---	---	---	---	---
13.	Sri. S. Seenivasa Varathan Chief Financial Officer	2345	0.06	(745)	Sale	1600	0.04

vi) Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Rs. in Lakhs				
i) Principal Amount	6085.38	30.16	-	6115.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	6085.38	30.16	-	6115.54
Change in Indebtedness during the financial year				
Addition	1713.15	-	-	1713.15
Reduction	(1687.82)	(15.93)	-	(1703.75)
Net Change	25.33	(15.93)	-	9.40
Indebtedness at the end of the financial year				
i) Principal Amount	6110.71	14.23	-	6124.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	6110.71	14.23	-	6124.94

vii) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

S.No.	Particulars of Remuneration	Shri. R. Ramji, Managing Director	Total Amount
1.	Gross Salary	Rs. in Lakhs	
a.	Salary as per provisions contained in section 17 (1) of the Income - tax Act, 1961	146.28	146.28
b.	Value of perquisites u/s. 17 (2) Income - Tax Act, 1961	2.63	2.63
c.	Profit in lieu of Salary under Section 17 (3) Income - Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit	-	-
5.	Others	-	-
	Total (A)	148.91	148.91
Ceiling as per the Act	Managing Director remuneration at 5% of net profit of the company and in case, no profit or inadequacy of profits, the Managing Director shall paid the minimum remuneration as per Section II Part II of Schedule V of the Companies Act, 2013.		

B. Remuneration to Other Directors :

Name of the Director	Fee for attending board Committee meetings Amount (Rs.)	Commission	Others
Sri. K. LAKSHMI NARAYANAN (Upto 31.08.19)	20,000	---	---
Sri. S.R. SUBRAMANIAN	40,000	---	---
Sri. P. VAIDYANATHAN	40,000	---	---
Sri. A. THIRUPATHY RAJA (Upto 31.08.19)	20,000	---	---
Sri. S. SANKAR (Upto 31.08.19)	20,000	---	---
Sri. S.R. VENKATANARAYANA RAJA (from 01.09.19)	20,000	---	---
Sri. V.S. JAGDISH (from 01.09.19)	20,000	---	---
Sri. R. SUNDARAM (from 01.09.19)	20,000	---	---
Sri. S.V. RAVI	40,000	---	---
Sri. RAJESH DEVARAJAN (from 20.09.19)	20,000	---	---
Sri. K.S. PRADEEP (from 20.09.19)	20,000	---	---
Smt. DURGA RAMJI	40,000	---	---
TOTAL	3,20,000	---	---

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (Rs. in Lakhs)

S.No.	Particulars of Remuneration	Sri. P.K. Rama subramanian Company Secretary & CCO	Sri. B. Ponram COO	Sri. S. Seenivasa Varathan, CFO	Total Amount
1.	Gross Salary				
a.	Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	4.03	46.66	19.71	70.40
b.	Value of perquisites u/s. 17 (2) Income Tax Act, 1961	-	-	-	-
c.	Profit in lieu of Salary under Section 17 (3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-
5.	Others	-	-	-	-
	Total (C)	4.03	46.66	19.71	70.40

i) Penalties / Punishment / Compounding of Offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment compounding fee imposed	Authority (IRD / NCLT / Court)	Appeal made, if any
A. Company Penalty Punishment Compounding			NIL		
B. Directors Penalty Punishment Compounding			NIL		
C. Other Officers in Default Penalty Punishment Compounding			NIL		

**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 : 25.06.2020

ANNEXURE VII 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, 2020
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. 1,25,28,638
7. Profit or Loss for the year (in INR)	Rs. 21,46,081
i. Considered in Consolidation Share of profit	Rs. 8,25,812
ii. Not Considered in Consolidation	Rs. 13,20,269

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

Place : Rajapalayam
Date : 25.06.2020

S.V. RAVI
Director
(DIN : 00121742)

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

ANNEXURE VIII TO DIRECTOR'S REPORT

Directors / Employees Remuneration

Pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(i) 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 2019-20 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. 2019-20 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2019-20	Ratio of remuneration of each Director / to median remuneration of employees
Shri. R. Ramji, Managing Director & CEO	148.91	24.16	175.08

Name of KMP & Designation	Remuneration of KMP for the F.Y. 2019-20 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2019-20
Shri. P.K. Ramasubramanian, Company Secretary & CCO	4.03	9.80
Shri. B. Ponram, Chief Operating Officer	46.66	(13.74)
Shri. S. Seenivasa Varathan, CFO	19.71	23.45

- ii. In the financial year, there was an increase of 4.76 % in the median remuneration of employees.
- iii. There were 1951 permanent employees on the rolls of Company as on 31st March, 2020.
- iv. Relationship between average increase in remuneration and Company performance :
The PBIDT of the Company has decreased by 16.32%, Profit before tax decreased at 31.91% and the Profit after tax decreased at 27.91%, whereas the increase in median remuneration was 4.76%. The average increase in median remuneration was in line with the performance of the Company.
- 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 & CEO	24.16	(31.91)
Shri. P.K. Ramasubramanian, Company Secretary & CCO	9.80	(31.91)
Shri. B. Ponram, Chief Operating Officer	(13.74)	(31.91)
Shri S. Seenivasa Varathan, CFO	23.45	(31.91)

- 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		% decrease	Price Earning Ratio		Market Capitalization Rs. in Lakhs	
As on 31.03.2019	As on 31.03.2020	% 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019	As on 31.03.2020
145.00	66.50	54.14	7.69	4.86	5800.00	2800.00

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 2019-20 was 3.22% whereas the increase in the managerial remuneration for the same financial year was 7.15%, 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 2019-20.
- 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 2019-20 is as per the Remuneration Policy of the Company:

ANNEXURE IX 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	

ANNEXURE

PARTICULARS OF EMPLOYEES

Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March 2020

S. No.	Name	Designation	Nature of Employment (Whether contractual or otherwise)	Qualification	Age (in years)	Date of Appointment	Experience No. of years including previous employment	Remuneration (Rs. in Lakhs)	Last Employment Designation
1.	Sri. R. Ramji	Managing Director & CEO	Contractual	B.C.A	50	25.09.1991	29 Years	148.91	N.A.

Note:- Remuneration as shown above includes, inter-alia, Company's contribution to provident funds and taxable value of perquisites.

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 : 25.06.2020

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Polyspin Exports Limited
Report on the Standalone IND AS Financial Statements
Opinion

We have audited the accompanying standalone IND AS financial statements of M/s. Polyspin Exports Limited ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 IND AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone IND AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

- a. We draw attention to Note No.29.3 to the standalone financial statements, which describes the status of the Fire Accident Claim with the Insurance Company.
- b. We draw attention to Note No.36.7 to the standalone financial statements, which describes the status of confirmation of balance of Trade Debtors, Trade Creditors and other Parties.
- c. We draw attention to Note No.29.4 to the standalone financial statements, which describes the impact of the COVID-19 pandemic on the business.

Our opinion is not modified in respect of these matters.

Key Audit Matters :

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone IND AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone IND AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our Report

Sl. No.	Key Audit Matter	Auditor's Response
1.	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>Refer Note No.36.3 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our expertise to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties</p>
2.	<p>Recoverability of Indirect tax receivables</p> <p>As at March 31, 2020, other current assets in respect of withholding tax, GST and CESAT appeal Duty of Rs. 26.73 lakhs which are pending adjudication.</p> <p>Refer Note No. 12 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>We have involved our expertise to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
3.	<p>Assessment of the Company's litigations and related disclosure of contingent liabilities</p> <p>Refer to Note No. 36.3 to the standalone Financial Statements – "Contingent liabilities not provided for", Note 36.3 to the Standalone Financial Statements</p> <p>As at March 31, 2020, the Company has exposures towards litigations relating to the matter as included in the aforesaid Notes. Significant management judgement is required to assess such matter to determine the probability of occurrence of material outflow of economic</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We understood, assessed and tested the design and operating effectiveness of the Company's key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the Company's audit committee; • We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities

Sl. No.	Key Audit Matter	Auditor's Response
	<p>resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matter is uncertain and the position taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.</p>	<p>made in relation to the Company's Standalone Financial Statements;</p> <ul style="list-style-type: none"> • We used auditor's experts to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management; • We met with the Company's external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation; • We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates / judgements; • We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the disclosures. • Based on the above work performed, management's assessment in respect of the Company's litigations and related disclosures relating to contingent liabilities in the Standalone Financial Statements are considered to be reasonable.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone IND AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone IND AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Standalone INDAS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Standalone IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone INDAS financial statements.

A further description of the auditor's responsibilities for the audit of the standalone INDAS financial statements is included in Annexure A. This description forms part of our auditor's report.

Other Matters

Our attendance at the physical verification done by the management was impracticable under the current lock down restrictions imposed by the government. Consequently, we have performed alternative procedures to audit on the existence and condition of inventory at year end as per the guidance provided in SA-501 ' Audit Evidence - Specific considerations for selected items' and have obtained sufficient audit evidence to issue our un-modified opinion on those standalone financial results.

Our opinion on the statement is not modified in respect of this matter.

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 Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March, 2020 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 Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"
- B) 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 INDAS financial statements – Refer Note 36.3 to the Standalone IND AS 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 – Refer Note 30.2 to the INDAS financial statements;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- C) With respect to the matter to be included in the Auditor's Report under section 197(16) Of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

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

Place : Rajapalayam
Date : 25.06.2020

(S. SRITHAR)
Membership No. 209047
UDIN : 20209047AAAAAS7989

ANNEXURE - A

Responsibilities for Audit of Standalone IND AS Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone INDAS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Place : Rajapalayam
Date : 25.06.2020

(S. SRITHAR)
Membership No. 209047
UDIN : 20209047AAAAAS7989

ANNEXURE -B TO INDEPENDENT AUDITOR'S REPORT

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 2020

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

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.

The company has not made any investments in any other companies within the meaning of section 186(1) of the act.

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, GST, Duty of Customs, Service Tax, Cess.

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, GST, duty of customs, service tax, cess which remained outstanding as at 31st March 2020, 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. 487.72 Lakhs on account of matters pending before appropriate authorities is as under and for which no provision had been made in the accounts.

Name of the Statute	Nature of the Dues	Forum where the dispute is pending	Period	Amount (Rs. in Lakhs)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Madurai.	June 2008 To March, 2013	71.71
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Madurai.	January, 2009 To March, 2013	129.11
Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2010 To March, 2011	3.69
Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2013 To December, 2014	70.11
Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2014 To September, 2014	30.04
Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	October, 2014 To March, 2015	30.23
Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2015 To September, 2015	25.24
Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	October, 2015 To March, 2016	33.51
Central Excise Act, 1944	Excise Duty	Commission of Central Excise, Trichy.	April, 2016 To March, 2017	94.08
TOTAL				487.72

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 SRITHAR & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No. 015896S

Place : Rajapalayam
 Date : 25.06.2020

(S. SRITHAR)
 Membership No. 209047
 UDIN : 20209047AAAAAS7989

ANNEXURE–C TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the company on the Standalone IND AS financial statements for the year ended 31st March, 2020]

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

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2020, in conjunction with our audit of the Standalone IND AS financial statements of the company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) 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
- iii) 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 company 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, 2020, based on the internal control over financial reporting criteria established by the company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Place : Rajapalayam
Date : 25.06.2020

(S. SRITHAR)
Membership No. 209047
UDIN : 20209047AAAAAS7989

POLYSPIN EXPORTS LIMITED

BALANCE SHEET as at 31st March, 2020

Particulars	Note No.	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
<u>ASSETS</u>			
Non-current assets			
Property, Plant and Equipment	3	45,29,93,695	38,22,07,183
Capital work-in-progress	3	2,43,77,313	6,66,39,385
Other Intangible assets	3	1,88,067	2,20,513
Financial Assets			
i) Other Investments	4	67,42,810	66,92,210
ii) Others Financial Assets	5	72,43,817	1,00,52,178
Other non-current assets	6	35,35,270	61,83,383
		<u>49,50,80,972</u>	<u>47,19,94,852</u>
Current assets			
Inventories	7	24,54,97,454	26,71,66,175
Financial Assets			
i) Trade receivables	8	24,34,98,976	21,19,88,622
ii) Cash and cash equivalents	9	33,24,007	2,62,35,795
iii) Other Bank Balance	10	13,05,78,449	9,00,90,335
iv) Other Financial Assets	11	2,92,39,236	8,26,06,117
Current Tax Assets (Net)		1,91,30,951	2,47,97,123
Other Current assets	12	1,71,61,417	2,79,75,300
		<u>68,84,30,490</u>	<u>73,08,59,467</u>
		<u>118,35,11,462</u>	<u>120,28,54,319</u>
Total Assets			
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Equity Share capital	13	4,00,00,000	4,00,00,000
Other Equity	14	33,86,25,698	28,96,07,571
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i) Borrowings	15	10,21,20,925	11,27,62,407
Deferred tax liabilities (Net)	16	4,41,00,000	3,86,43,000
		<u>14,62,20,925</u>	<u>15,14,05,407</u>
Current liabilities			
Financial Liabilities			
i) Borrowings	17	47,67,13,173	44,93,71,360
ii) Trade Payables	18	10,00,17,824	15,83,77,118
iii) Other Financial Liabilities	19	2,83,80,674	3,02,36,977
Other current liabilities	20	3,69,96,035	5,19,55,886
Provisions	21	1,65,57,133	3,19,00,000
		<u>65,86,64,839</u>	<u>72,18,41,341</u>
		<u>118,35,11,462</u>	<u>120,28,54,319</u>
Total Equity and Liabilities			

As per our report of even date
For SRITHAR & ASSOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAS7989
Rajapalayam
25.06.2020

R. RAMJI
Managing Director & CEO
P.K. RAMASUBRAMANIAN
Secretary
S. SEENIVASA VARATHAN
CFO
41

S.R. SUBRAMANIAN
P. VAIDYANATHAN
S.R. VENKATANARAYANA RAJA
R. SUNDARAM
V.S. JAGDISH
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2020

Particulars	Note No.	For the year ended 31.03.2020 Rs.	For the year ended 31.03.2019 Rs.
INCOME			
Revenue from Operations	22	166,19,01,118	212,02,83,432
Other Income	23	6,07,92,247	2,85,24,107
Total Income		172,26,93,365	214,88,07,539
EXPENSES			
Cost of Raw Material consumed	24	96,78,92,746	125,89,77,284
Changes in / Inventories of Finished Goods, Stock-in-Process	25	(1,34,81,474)	1,75,42,517
Employee Benefit Expenses	26	30,34,39,642	30,69,82,009
Finance Costs	27	4,61,62,374	4,66,65,218
Depreciation & Amortisation Expenses		3,51,65,199	3,03,15,380
Other Expenses	28	30,96,78,904	37,98,89,313
Total Expenses		164,88,57,391	204,03,71,721
Profit before Exceptional Items and Tax		7,38,35,974	10,84,35,818
Exceptional Items		----	----
Profit before Tax		7,38,35,974	10,84,35,818
Tax Expenses:-			
- Current Tax		1,57,00,000	3,19,00,000
- Deferred Tax		54,57,000	34,60,000
Profit after Tax		5,26,78,974	7,30,75,818
Other Comprehensive Income			
Items that will not be reclassified to Profit or loss			
- Remeasurement gains/(losses) on defined benefit plan (net)		20,33,439	23,09,484
Total Comprehensive Income		5,47,12,413	7,53,85,302
Earnings per Share (Basic)		13.68	18.85
Face Value of Rs. 10/- each			

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POLYSPIN EXPORTS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2020

(Rupees in Lakhs)

Particulars	2019 - 2020	2018 - 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	738.36	1084.36
Adjustment for :		
Depreciation & Amortisation Expenses	351.65	303.15
Loss on sale of assets	9.02	8.44
(Profit) on sale of assets	(3.57)	---
Loss of Factory Building (Fire Accident)	---	56.69
Interest Expenses	461.62	466.65
Interest Income	(67.50)	(43.31)
Dividend Income	(0.44)	(0.37)
Operating Profit before working Capital	1489.14	1875.61
Adjustment for Changes in		
(Increase) / Decrease in Inventories	216.69	(238.52)
(Increase) / Decrease in Trade receivables	(315.10)	360.80
(Increase) / Decrease in Other Financial Assets	28.08	10.45
(Increase) / Decrease in Other non current assets	26.48	(51.77)
(Increase) / Decrease in Other current assets	108.14	(76.81)
(Increase) / Decrease in Other current financial assets	533.66	(212.89)
Increase / (Decrease) in Trade Payables	(583.59)	(0.69)
Increase / (Decrease) in Other current liabilities & Provisions	(149.40)	169.15
Cash generated from operations	1354.10	1835.33
Income taxes paid	(254.85)	(341.25)
Net Cash from Operating Activities (A)	1099.25	1494.08
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets / WIP	(647.92)	(1013.36)
Proceeds from sale of fixed assets	5.90	2.92
Dividend Receipts	0.44	0.37
Interest Receipts	67.50	43.31
Investments in Term Deposits with banks	(404.88)	(535.78)
Net Cash Used In Investing Activities (B)	(978.96)	(1502.54)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from issuance of Share Capital	---	---
Proceeds from share premium	---	---
Proceeds / (Repayment) of long term borrowings	(106.41)	245.25
Borrowings for working capital purposes	273.41	388.28
Investment in Subsidiaries / Associates	0.51	(0.20)
Interest Expenses	(461.62)	(466.65)
Dividend paid (Including Tax on Dividend)	(55.29)	(55.03)
Net Cash Used In Financial Activities (C)	(349.40)	111.65
D. Net Increase / Decrease in Cash and Cash Equivalents (A) + (B) + (C)	(229.11)	103.19
Cash and Cash equivalents as at 01.04.2019	262.35	159.16
Cash and Cash equivalents as at 31.03.2020	33.24	262.35
E. Net Increase / Decrease in Cash and Cash Equivalents	(229.11)	103.19

As per our report of even date
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POLYSPIN EXPORTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2020

A. EQUITY SHARE CAPITAL

Rs.

Balance as at 01.04.2018	4,00,00,000
Changes in Equity Share Capital during the year 2018-19	----
Balance as at 31.03.2019	4,00,00,000
Changes in Equity Share Capital during the year 2019-20	----
Balance as at 31.03.2020	4,00,00,000

B. OTHER EQUITY

Particulars	Reserves and Surplus (Rs.)		
	General Reserve	Retained Earnings	Total
Other Equity as at 01.04.2018	21,00,00,000	98,11,559	21,98,11,559
Profit for the year	----	7,30,75,818	7,30,75,818
Other Comprehensive Income	----	23,09,484	23,09,484
Less : Provision for Taxation Previous Year	----	(86,283)	(86,283)
Less : Dividend Paid	----	(45,25,840)	(45,25,840)
Less : Dividend tax Paid	----	(9,77,167)	(9,77,167)
Transfer to General Reserve	7,00,00,000	(7,00,00,000)	----
Other Equity as at 31.03.2019	28,00,00,000	96,07,571	28,96,07,571
Profit for the year	----	5,26,78,974	5,26,78,974
Other Comprehensive Income	----	20,33,439	20,33,439
Less : Provision for Taxation Previous Year	----	(1,64,900)	(1,64,900)
Less : Dividend Paid	----	(45,42,732)	(45,42,732)
Less : Dividend tax paid	----	(9,86,654)	(9,86,654)
Transfer to General Reserve	5,00,00,000	(5,00,00,000)	----
Other Equity as at 31.03.2020	33,00,00,000	86,25,698	33,86,25,698

As per our report of even date
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Directors

STANDALONE - 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, Multifilament Yarn, Paper bags, etc., with an installed capacity of 10800 MTS per annum and manufacturer of OE yarn with an installed capacity of 1528 Rotors. The company's FIBC bags are primarily exported to U.S.A, Europe and African Countries and OE Yarn mainly caters to the domestic market.

These financial statements were approved for issue by the board of directors of the company on 25th June, 2020.

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 as amended from time to time.

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 measurements are categorized 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 Judgements:-

The preparation of Financial Statements in conformity with IND AS requires the management to make judgements, 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about critical judgements 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.

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 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.

STANDALONE - NOTES FORMING PART OF ACCOUNTS**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 asset 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 (IND AS transition date) measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the INDAS 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.

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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 IND AS transition date measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at the IND AS 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 Cash Flow Statement:-

Cash flows are presented using indirect method, whereby profit / (Loss) before tax is adjusted for the effects of transaction of Non cash nature and accruals of past or future cash transaction. Cash comprise cash on hand and demand deposits with banks. Cash equivalents are short term balance with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.

2.10 Borrowing Costs:-

Borrowing costs include interest expense calculated using the effective interest rate method, 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.

2.11 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.

Financial assets are measured at amortized cost when asset is held within a business model, whose adjective is to hold assets for collecting contractual cash flows and contractual terms of the assets give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate method. The losses arising from impairment are recognized in the statement of Profit and Loss. This category generally applies to trade and other receivables.

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.

2.12 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. Such financial liabilities including derivatives that are liabilities, shall be subsequently measured at fair value.

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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.

2.13 Impairment**i. Financial Assets :-**

The Company recognizes loss allowances if only, using the expected credit loss (ECL) model for the financial assets which are not fair valued. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL is measured at an amount equal to the 12 month ECL. Unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an impairment gain or loss in the statement of profit and loss.

ii. Non-Financial Liabilities :-

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.

2.14 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 INDAS – 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.

2.15 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.

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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.

Investment in Associate:-

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associate are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

For transition to IND AS, the company had elected to continue with the carrying value of its investment in Associate recognized as the transition date, measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the transition date.

2.16 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.

2.17 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.

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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 01.04.2019	49,00,383	12,27,76,001	44,82,87,801	57,87,276	12,30,741	1,35,49,638	50,35,096	12,435	60,15,79,371	6,66,39,385	6,78,115	
Additions	---	5,81,43,342	4,71,51,033	---	---	2,36,800	15,22,760	---	10,70,53,935	2,43,77,313	---	
Deductions	---	---	59,43,615	---	---	14,59,815	82,000	---	74,85,430	6,66,39,385	---	
As at 31.03.2020	49,00,383	18,09,19,343	48,94,95,219	57,87,276	12,30,741	1,23,26,623	64,75,856	12,435	70,11,47,876	2,43,77,313	6,78,115	
Accumulated Depreciation and Impairment												
As at 01.04.2019	---	2,66,30,461	17,62,65,428	49,06,429	3,78,717	83,59,540	28,19,178	12,435	21,93,72,188	---	4,57,602	
Depreciation	---	51,82,184	2,78,91,560	1,57,709	88,270	10,56,123	7,56,907	---	3,51,32,753	---	32,446	
Disposals	---	---	48,59,215	---	---	14,59,815	31,730	---	63,50,760	---	---	
Balance as at 31.03.2020	---	3,18,12,645	19,92,97,773	50,64,138	4,66,987	79,55,848	35,44,355	12,435	24,81,54,181	---	4,90,048	
Carrying Amount 31.03.2020	49,00,383	14,91,06,698	29,01,97,446	7,23,138	7,63,754	43,70,775	29,31,501	---	45,29,93,695	2,43,77,313	1,88,067	
Carrying Amount 31.03.2019	49,00,383	9,61,45,540	27,20,22,373	8,80,847	8,52,024	51,90,098	22,15,918	---	38,22,07,183	6,66,39,385	2,20,513	

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
FINANCIAL ASSETS		
4. OTHER INVESTMENTS		
Investments In Equity Instruments (Unquoted)		
Number (Equity Shares)	Face Value Per Unit	Trade Investment (Long term)
365	INR 1,000/-	M/s. Ganesh Agro Pack (P) Ltd, India.
13,01,119	SLR 10/-	M/s. Lankaspin (P) Ltd., Sri Lanka
39,100	Rs. 10/-	M/s. OPG Power Generation (P) Ltd., India.
		Investments
		67,42,810
		66,92,210
5. OTHER FINANCIAL ASSETS (NON CURRENT)		
Security Deposits with Electricity Board / Others	66,88,552	93,14,027
Loans to Employees	5,55,265	7,38,151
	72,43,817	1,00,52,178
6. OTHER NON CURRENT ASSETS		
Unsecured, Considered good		
Advance to Suppliers / Others	35,35,270	61,83,383
7. INVENTORIES		
Raw Material	5,50,76,073	9,72,67,107
Rawmaterials - Goods in transit	1,41,12,404	72,08,770
Stores and Spares	1,63,92,404	1,62,55,199
Work In Process	12,43,47,447	12,50,77,525
Finished Goods	3,37,20,757	1,88,81,791
Process Waste	18,48,369	24,75,783
	24,54,97,454	26,71,66,175
8. TRADE RECEIVABLES		
Unsecured considered good	24,34,98,976	21,19,88,622
9. CASH AND CASH EQUIVALENTS		
Cash on Hand	14,05,017	12,20,699
Balance with Banks		
- In Current Accounts	8,57,781	2,20,65,720
- In Unclaimed Dividend Accounts	27,70,488	29,49,376
	50,33,286	2,62,35,795
Less : Bank Overdraft	(17,09,279)	---
	33,24,007	2,62,35,795
10. OTHER BANK BALANCE		
Fixed deposits with banks having balance maturity of twelve months or less		
- Under Lien	5,40,67,301	1,78,08,924
- Not Under Lien	7,65,11,148	7,22,81,411
Bank deposits with more than 12 months maturity	---	---
	13,05,78,449	9,00,90,335

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
11. OTHER FINANCIAL ASSETS (CURRENT)		
GST / MEIS Scrip / Export Incentive / TED Claim Receivables	2,91,92,136	8,25,59,739
Security Deposit	47,100	46,378
	<u>2,92,39,236</u>	<u>8,26,06,117</u>
12. OTHER CURRENT ASSETS		
Advance to Suppliers / Others - Unsecured, Considered good	32,57,859	46,64,047
Accrued Income	6,39,460	11,49,408
Prepaid Expenses	15,36,977	11,84,862
Other Current Assets	1,17,27,121	2,09,76,983
	<u>1,71,61,417</u>	<u>2,79,75,300</u>
<u>EQUITY AND LIABILITIES</u>		
13. 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>
-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>	<u>4,00,00,000</u>
13.1 Reconciliation of the Number of Shares Outstanding		
Number of Shares at the beginning	<u>40,00,000</u>	<u>40,00,000</u>
Number of Shares at the end	<u>40,00,000</u>	<u>40,00,000</u>

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share and carries proportionate right to dividends declared by the company based on their holdings.

13.2 The details of share holders holding more than 5% shows

Particulars	As at 31.03.2020		As at 31.03.2019	
	No.of Shares	%	No.of Shares	%
i. Sri. R. Ramji	7,05,246	17.63	6,92,385	17.31
ii. Smt. Durga Ramji	3,59,759	8.99	3,59,759	8.99
iii. M/s. Polyspin Private Limited	2,60,250	6.51	2,60,250	6.51

Clause (f) - Share held by holding company or its ultimate holding company including their subsidiaries - NIL

Clause (h) - Shares reserved for issued under options and contracts / commitments for the sale of shares - NIL

Clause (i) - Shares allotted in the proceeding five years without payment being received in cash / by way of bonus shares / Shares bought back - NIL

Clause (j) - Terms of any securities convertible into issued along with the earliest date of conversion - Not applicable.

Clause (k) - Calls unpaid - Not Applicable.

Clause (l) - Forfeited shares - Not Applicable.

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
14. OTHER EQUITY		
a) General Reserves	33,00,00,000	28,00,00,000
b) Retained Earnings	86,25,698	96,07,571
	<u>33,86,25,698</u>	<u>28,96,07,571</u>

14.1 Movement in Other Equity

Particulars	Reserves and Surplus		
	General Reserve	Retained Earnings	Total
Other Equity as at 01.04.2018	21,00,00,000	98,11,559	21,98,11,559
Profit for the year	----	7,30,75,818	7,30,75,818
Other Comprehensive Income	----	23,09,484	23,09,484
Less : Provision for Taxation Previous Year	----	(86,283)	(86,283)
Less : Dividend Paid	----	(45,25,840)	(45,25,840)
Less : Dividend tax Paid	----	(9,77,167)	(9,77,167)
Transfer to General Reserve	7,00,00,000	(7,00,00,000)	----
Other Equity as at 31.03.2019	28,00,00,000	96,07,571	28,96,07,571
Profit for the year	----	5,26,78,974	5,26,78,974
Other Comprehensive Income	----	20,33,439	20,33,439
Less : Provision for Taxation Previous Year	----	(1,64,900)	(1,64,900)
Less : Dividend Paid	----	(45,42,732)	(45,42,732)
Less : Dividend tax paid	----	(9,86,654)	(9,86,654)
Transfer to General Reserve	5,00,00,000	(5,00,00,000)	----
Other Equity as at 31.03.2020	33,00,00,000	86,25,698	33,86,25,698

GENERAL RESERVE

General Reserve forms part of retained earnings and is permitted to be distributed to shareholders as part of dividend.

15. BORROWINGS (NON CURRENT)

-Secured

Term Loan from City Union Bank

10,19,10,645 10,97,46,367

- From Others

Hire Purchase Loan

2,10,280 30,16,040

10,21,20,925 **11,27,62,407**

15.1 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.

15.2 Hire Purchase Loan is secured by hypothecation of Specified Vehicle purchased under the Scheme.

15.3 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.

15.4 The Term Loan from Bank are repayable in equated monthly installments.

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
15.5 Repayment of Term Loan :		
Facility 1 - Rs. 12.35 Lakhs Balance amount is repayable in 3 equated monthly installments starting from April-2021		
Facility 2 - Rs. 142.21 Lakhs Balance amount is repayable in 7 equated monthly installments starting from April-2021		
Facility 3 - Rs. 38.83 Lakhs Balance amount is repayable in 18 equated monthly installments starting from April-2021		
Facility 4 - Rs. 47.95 Lakhs Balance amount is repayable in 32 equated monthly installments starting from April-2021		
Facility 5 - Rs. 777.76 Lakhs Balance amount is repayable in 47 equated monthly installments starting from April-2021		
15.6 Repayment of Hire Purchase Loan		
Facility 1 - Rs. 0.69 Lakhs Balance amount is repayable in 5 equated monthly installments starting from April-2021		
Facility 2 - Rs. 1.41 Lakhs Balance amount is repayable in 1 equated monthly installments starting from April-2021		
16. DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities	<u>4,41,00,000</u>	<u>3,86,43,000</u>
17. BORROWINGS (CURRUNT)		
-Secured		
From City Union Bank		
- Foreign Currency loan on Raw Material	58,61,302	95,60,203
- Foreign Bills Discounted	16,62,38,713	12,03,59,677
- Packing Credit in foreign currency / Export Packing Credit	26,15,16,552	21,89,27,950
- Cash Credit on Raw Material and Book debts	2,07,58,545	5,03,44,850
- Advance Against Term Deposit	2,23,38,061	---
- Short Term Loan	----	5,01,78,680
	<u>47,67,13,173</u>	<u>44,93,71,360</u>
17.1 Working Capital Finance from Bank is further secured by hypothecation of all Current Assets of the Company.		
17.2 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.		
18. TRADE PAYABLES		
Trade Payables	<u>10,00,17,824</u>	<u>15,83,77,118</u>
19. OTHER FINANCIAL LIABILITIES		
Unpaid Dividend	12,68,295	16,91,213
Liability for Operating and Other Expenses	2,48,41,121	2,78,51,219
Liability for Other Finance	22,71,258	6,94,545
	<u>2,83,80,674</u>	<u>3,02,36,977</u>
20. OTHER CURRENT LIABILITIES		
Current Liability for Long Term Debt	3,36,60,482	4,94,20,687
Liability for Operating and Other Expenses	28,05,592	19,13,214
Advance from Customers	5,29,961	6,21,985
	<u>3,69,96,035</u>	<u>5,19,55,886</u>
21. PROVISIONS		
Provision for Taxation	<u>1,65,57,133</u>	<u>3,19,00,000</u>

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2020 Rs.	For the Year Ended 31.03.2019 Rs.
22. SALES / REVENUE FROM OPERATIONS		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn	140,11,17,366	173,89,22,045
- Cotton Yarn	22,24,368	1,75,78,028
<u>Merchant Export Sales</u>		
- Cotton Yarn	97,07,520	3,13,15,200
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn	53,97,075	25,95,455
- Cotton Yarn	20,81,89,591	23,44,20,125
	<u>162,66,35,920</u>	<u>202,48,30,853</u>
Less : Sales Return	----	5,31,400
	<u>162,66,35,920</u>	<u>202,42,99,453</u>
OTHER OPERATING INCOME		
Sale of Plastic scrap	1,72,80,922	2,74,58,102
Sale of Cotton Waste	28,28,119	28,66,782
Sale of Rawmaterial	11,39,538	----
MEIS Duty Credit Scrip - Sales	1,40,14,019	6,56,54,100
Rebate on Service Tax	2,600	4,995
	<u>166,19,01,118</u>	<u>212,02,83,432</u>
23. OTHER INCOME		
Interest Receipts	67,50,298	43,31,358
Foreign Exchange Fluctuations	2,77,80,316	2,27,76,819
Exports Incentive	37,431	2,81,041
Dividend Receipts	43,800	36,500
Quality Claim Charges	---	63,925
Profit on Sale of Equity Shares	---	900
Sale of Tender Form	---	4,018
Sale of Fire affected items	---	10,29,546
Profit on Sale of Machinery	3,57,394	---
Profit on High Seas Sales	8,12,627	---
Fire Insurance Claim Receipts	2,50,10,381	---
	<u>6,07,92,247</u>	<u>2,85,24,107</u>
24. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	71,31,01,715	91,94,05,070
Printing Materials	69,18,683	72,26,682
Yarn	4,91,33,165	8,63,79,390
Cotton Yarn / Hank yarn purchases	9,81,168	19,78,186
Cotton & Cotton Waste	17,01,25,391	21,50,95,934
BOPP Film Purchases	25,95,580	32,82,796
LLDPE Liner Purchases	1,18,01,295	42,99,564
Kraft Paper Purchases	9,42,544	36,79,492
Fabric Purchases	1,22,93,205	1,76,30,170
	<u>96,78,92,746</u>	<u>125,89,77,284</u>
25. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	14,64,35,099	16,39,77,616
Closing Stock	15,99,16,573	14,64,35,099
	<u>(1,34,81,474)</u>	<u>1,75,42,517</u>

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2020 Rs.	For the Year Ended 31.03.2019 Rs.
26. EMPLOYEE BENEFITS EXPENSE		
Remuneration to Managing Director	1,22,63,227	1,00,85,187
Salaries & Wages	20,90,31,759	21,69,76,664
P.F. & E.S.I. Contribution	2,88,42,489	3,02,40,929
Labour Welfare Expenses	2,08,09,962	2,20,54,274
LIC Group Gratuity	92,92,197	89,05,783
Bonus	2,32,00,008	1,87,19,172
	<u>30,34,39,642</u>	<u>30,69,82,009</u>
27. FINANCE COSTS		
Interest on		
- Fixed Loans	2,11,86,350	1,17,34,031
- Working Capital facilities	2,47,19,300	3,46,23,922
- Others Borrowing cost	4,483	4,483
H.P. Finance Charges	2,52,241	3,02,782
	<u>4,61,62,374</u>	<u>4,66,65,218</u>
28. OTHER EXPENSES		
Manufacturing Expenses		
Repairs & Maintenance		
- Building	65,25,569	33,08,779
- Machinery	42,95,601	45,22,353
- General	20,23,546	17,67,110
Processing Charges paid	3,28,57,650	5,93,26,217
Stores & Spares Consumed	8,27,06,258	8,76,38,676
Power & Fuel	8,60,65,428	8,81,21,721
	<u>21,44,74,052</u>	<u>24,46,84,856</u>
Postage & Telephone	36,23,888	37,27,799
Printing & Stationery	21,27,761	21,79,486
Travelling Expenses	87,35,862	1,07,35,840
Director's sitting fees	3,20,000	2,20,000
Bank Charges	63,43,882	95,48,920
Corporate Social Responsibility (CSR)	2,23,948	5,52,162
Professional Charges	46,22,885	50,87,428
Licence, Taxes & Fees	17,98,437	17,02,052
Insurance Charges	68,02,841	48,59,421
Subscription & Periodicals	4,74,525	4,39,823
Filing Fees	83,300	2,49,532
Audit Fees	2,43,500	2,30,500
Vehicle Maintenance	29,63,331	50,71,932
Miscellaneous Expenses	7,02,623	8,91,207
Ineligible ITC	46,43,504	28,09,133
Commission paid	47,41,184	47,02,683
Donation	5,000	22,500
Rent	29,64,052	18,72,387
Quality Claim Charges	15,31,989	3,87,894
Testing Charges	13,90,246	20,32,351
Service Tax	---	8,86,445
Loss on Forex Fluctuations	---	1,39,86,147
Sales Promotion Expenses	48,53,469	42,10,406
Ocean Freight	3,10,28,130	4,64,26,747
Lorry Freight	37,47,264	55,38,551
Loss on Sale of Assets	9,01,758	8,44,017
Bad debts written off	2,80,940	8,331
Sales Discount	7,070	38,618
Hank Yarn Obligation Charges	43,463	---
Fire Rescue Operation Expenses	---	2,72,573
Loss on Factory Building (Fire Accident)	---	56,69,572
	<u>30,96,78,904</u>	<u>37,98,89,313</u>

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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

29.2. EARNINGS PER SHARE :	<u>Rs. in Lakhs</u>	
	Year Ended 31-03-2020	Year Ended 31-03-2019
a) Total Comprehensive Income (after Tax)	547.12	753.85
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)	13.68	18.85

29.3. Status on Fire Accident Claim:-

There was a fire accident at the company's factory on Monday, 4th June, 2018 and was brought under control by the Fire brigade. The unaudited financial results for the quarter ended 30th June, 2018 and year ended 31st March, 2019 is arrived at after considering a loss of Rs. 621.22 Lakhs towards cost of Current Assets and Fixed Assets damaged due to fire accident. The total claim made by the company with respect to loss of stock, factory building and fire rescue expenses aggregating Rs. 717 Lakhs with the Insurance Company. The Insurance Company (i.e.) National Insurance Company Limited, had settled our claim for an amount of Rs. 250.00 Lakhs on 23.10.2019, in settlement of our fire claim for the damage caused to stocks and buildings.

29.4. Impact of the COVID-19 pandemic on the business

The lockdown all over the country due to COVID-19 pandemic, there was a direct impact on the Company's business, performance and financials to some extent. Both the Company's FIBC Bags Manufacturing (EOU) Unit and Open End Textile Division unit situated at Cholapuram South, Rajapalayam were shut down completely for a period of 22 days from 25.03.2020 to 15.04.2020 due to lockdown. Due to uncertainty prevailing currently in terms of COVID-19 pandemic spread and control, we are not able to assess the exact impact of this pandemic on our business, but we continue to assess the situation on an ongoing basis.

The Company has resumed its business operation with effect from 16.04.2020 partially with 50% employees after getting due permission from the local government authorities and in compliance with the Social Distancing Norms (Standard Operating Procedures) issued by the Ministry of Home Affairs, Government of India. Further our production capacities remain underutilized, low attendance of employees, supply chain disruptions, significantly higher freight cost, etc., which are impacting the business and the profitability.

Both the Company's FIBC Bags Manufacturing (EOU) Unit and Open End Textile Division unit situated at Cholapuram South, Rajapalayam have been sanitized so that all our employees are safe and secure. All safety protocols of

temperature sensing, wearing of Safety gears (masks, goggles, face shields), social distancing, sanitizing and washing hands are being adhered to very stringently in all the work places of the company.

There is no impact on the orders position for FIBC Bags and the company is able to meet its delivery commitments with minor setback during the total lock down period.

The company got permission for the postponement of repayment of term loan commitments for the first three months, as per the Honorable Finance Minister, Government of India, announcements, a set of reforms / stimulus in five tranches covering major sectors of the economy but the payment of interest on bank loans and working capital credit limits was made in time. From operational perspective, company has discharged all its statutory obligation in respect of payment of salaries and wages to employees, and other statutory payments and account payables, etc., in the regular course of business. Further the company is in a comfortable liquidity position to meet its commitments.

Company continues to adequately maintain all internal financial and reporting controls and none of our assets have been impacted or impaired as a result of the pandemic.

However, a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

30. 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.

30.1. 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.

30.2. 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

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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 31.03.2020		As at 31.03.2019	
	USD (In Million)	Rs. (In Laks)	USD (In Million)	Rs. (In Laks)
SOLD :				
USD / INR	----	----	1.33	928.01
BOUGHT :				
USD / INR	11.53	8688.00	4.20	2858.83

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

Particulars	As at 31.03.2020	As at 31.03.2019
Currency (USD in Millions)	0.48	Nil
Rs. in Lakhs	363.49	Nil

Risk sensitivity on Foreign Currency Fluctuations:-

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates by 3%

The following analysis is based on the gross exposure as of the relevant balance sheet date, which could affect the income statement.

The following table sets forth the information relating to foreign currency exposure as at 31.03.2020 and 31.03.2019.

(Rs. in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	3% Increase	3% Decrease	3% Increase	3% Decrease
USD / INR	260.64	260.64	113.60	113.60

30.3. 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 31.03.2020	As at 31.03.2019
Fixed rate borrowings	1019.11	1097.46
Floating Rate borrowings	Nil	Nil

30.4. 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:- (Rs. in Lakhs)

Trade Receivables	Outstanding	
	As at 31.03.2020	As at 31.03.2019
Unsecured - considered Good	2,434.99	2,119.89
Doubtful	---	---
Less : Provision for Bad debts	---	---
Total	2,434.99	2,119.89

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.

30.5. 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.

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

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Floating Rate - Expiring within one year- working capital limits.	322.41	28.33

30.6. 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 31.03.2020	As at 31.03.2019
Long Term Borrowings	1,021.21	1,127.62
Current liability for long term debt	336.60	494.21
Short Term Borrowings	4,767.13	4,493.71
Less: Cash and Cash Equivalent	1,339.02	1,163.26
Net Debt (A)	4,785.92	4,952.28
Equity share capital	400.00	400.00
Other Equity	3,386.26	2,896.07
Total Equity (B)	3,786.26	3,296.07
Total Capital Employed (C) = (A) + (B)	8,572.18	8,248.35
Capital Gearing Ratio (A) / (C)	55.83%	60.04%

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.

30.7. 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 31.03.2020		As at 31.03.2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Other Investments	67.43	67.43	66.92	66.92
Trade Receivables	2,434.99	2,434.99	2,119.89	2,119.89
Cash and Bank Balances	33.24	33.24	262.36	262.36
Other Bank Balances	1,305.78	1,305.78	900.90	900.90
Other Financial Assets	292.39	292.39	826.06	826.06
Financial Liabilities :				
Borrowings	4,767.13	4,767.13	4,493.71	4,493.71
Trade Payables	1,000.18	1,000.18	1,583.77	1,583.77
Other Financial Liabilities	283.81	283.81	302.37	302.37

During the year ended 31st March, 2020 and 31st March, 2019, 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

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maximize the use of observable market data where it is available and rely as little as possible on the company's 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.

31. In March 2018, The Ministry of Corporate Affairs issued the companies (Indian Accounting standards), (Amendments) Rules 2018, notifying the new standard IND AS 115 on Revenue from contracts with customers and it is applicable from 01.04.2018.

- Replaces IND AS 18 Revenue and IND AS 11 Construction contracts
- Establishes a new control based revenue recognition model
- Provides new and more detailed guidance on specific topics such as multiple element arrangements, variables consideration, rights of return, warranties, principal versus agent consideration, consignment arrangements, bill and hold arrangements and licensing, to name a few.

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods at services to a customer.

Adoption of IND AS 115 is not expected to have any impact on the companies revenue and profit or loss. The company expects the revenue recognition to occur at a point in time when the materials are delivered to at the customers in case of FIBC bags, PP fabric, PP yarn, Paper bag & cotton yarn.

32. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements.

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's 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.

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	
	2019-2020	2018-2019
Employer's contribution towards:		
- Employee Provident Fund	227.74	217.09
- Employee State Insurance	60.68	85.31

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Defined Benefit Plan (Gratuity):

The Company provides gratuity to 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 (Rs.)

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Defined Benefit Obligation at beginning of year	3,24,90,364	2,71,66,676
Current Service Cost	72,26,245	58,31,119
Past Service Cost	---	---
Interest Expense	21,78,427	19,32,528
Benefit Payments from Plan Assets	(68,89,350)	(50,96,969)
Re-measurements - Due to Financial Assumptions	24,04,001	9,88,830
Re-measurements - Due to Experience Adjustments	(98,599)	16,68,180
Defined Benefit Obligation at end of year	3,73,11,088	3,24,90,364
Discount Rate	6.75%	7.50%
Salary Escalation Rate	5.00%	5.00%

B. Change in fair value of Plan Assets (Rs.)

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Fair value of Plan Assets at beginning of year	3,20,56,860	2,58,26,802
Interest income	21,45,914	18,27,348
Employer Contributions	72,18,989	91,52,153
Benefit Payments from Plan Assets	(68,89,350)	(50,96,969)
Other (Mortality & other Charges Paid to LIC of India)	----	----
Re-measurements - Return on Assets (Excluding Interest Income)	2,71,963	3,47,526
Fair Value of Plan Assets at end of year	3,48,04,376	3,20,56,860
Weighted Average Asset Allocations at the year end		
Equities	----	----
Bonds	----	----
Gilts	---	----
Insurance Policies	100%	100%
Total	100%	100%

C. Components of Defined Benefit Cost (Rs.)

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Current Service Cost	72,26,245	58,31,119
Past Service Cost	---	---
Total Service Cost	72,26,245	58,31,119
Interest Expense on DBO	21,78,427	19,32,528
Interest (Income) on plan Assets	(21,45,914)	(18,27,348)
Interest (Income) on Reimbursement Rights	----	----
Total Net Interest Cost	32,513	1,05,180
Defined Benefit Cost included in P & L	72,58,758	59,36,299
Remeasurements - Due to Financial Assumptions	24,04,001	9,88,830
Remeasurements - Due to Experience Adjustments	(98,599)	16,68,180
(Return) on plan Assets (Excluding Interest Income)	(2,71,963)	(3,47,526)
Total Re-measurements in OCI	20,33,439	23,09,484
Total Defined Benefit Cost recognized in P&L and OCI	92,92,197	82,45,783
Discount Rate	6.75%	7.50%
Salary Escalation Rate	5.00%	5.00%

D. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Defined Benefit Obligation	3,73,11,088	3,24,90,364
Fair Value of Plan Assets	3,48,04,376	3,20,56,860
Funded Status	25,06,712	4,33,504
Effect of Asset Ceiling / Onerous Liability	---	----
Net Defined Benefit Liability / (Asset)	25,06,712	4,33,504

E. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Net Defined Benefit Liability / (Asset) at beginning of year	4,33,504	13,39,874
Defined Benefit Cost included in P & L	72,58,758	59,36,299
Total Re-measurements included in OCI	20,33,439	23,09,484
Employer Contributions	(72,18,989)	(91,52,153)
Net Defined Benefit Liability / (Asset) at end of year	25,06,712	4,33,504

Additional Disclosure items**Current and Non-Current Liability and Asset**

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Non-Current Assets	----	----
Current Liabilities	59,61,144	29,71,346
Non - Current Liabilities	3,13,49,944	2,95,19,018

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	----
Year 2	52,26,133
Year 3	6,32,777
Year 4	10,19,612
Year 5	5,28,322
Beyond 5 years	2,99,04,244

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Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2020	31.03.2019
Discount Rate	7.50%	7.50%
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	7.50%	7.85%
Mortality Table	IALM (2012-14) Table	IALM (2012-14) Table
Disability Rate	No explicit Loading	
Withdrawal Rate	1% to 3%	1% to 3%
Retirement Age	58 Years	58 Years
Average Future Service	19.45	19.39

34. 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 Chief Compliance Officer
- iii) Sri. B. PONRAM
Chief Operating Officer
- iv) Sri. S. SEENIVASA VARATHAN
Chief Financial Officer

C) Transaction during the year with Related Parties :

(Rs. in Lakhs)

Sl. No.	Particulars	Year Ended 31-03-2020		Year Ended 31-03-2019	
		Associate / Subsidiary Companies	Key Management Personnel	Associate / Subsidiary Companies	Key Management Personnel
1.	Processing charges paid	313.88	---	413.29	---
2.	Remuneration to Directors & KMP	---	219.31	---	193.66
3.	Chennai Office - Rent Paid	18.00	---	---	---
4.	Sale of PP Granules	21.82	---	---	---
5.	Sale of PP Strips / Yarn	460.87	---	219.81	---
6.	Sale of Fabric	158.04	---	222.79	---
7.	Sale of Sack	---	---	7.18	---
8.	Sale of Sewing Yarn	70.22	---	---	---
9.	Sale of PP Waste	0.09	---	---	---
10.	Assets sold during the year	2.33	---	---	---
11.	Purchase of Master batch	4.49	---	---	---
12.	Purchase of Fabric	132.17	---	184.73	---
13.	Purchase of Laminated Woven Fabric	0.10	---	0.02	---
14.	Purchase of Kraft Paper	10.56	---	---	---
15.	Purchase of Packing Materials	8.79	---	10.84	---
16.	Factory Rent Paid	9.33	---	10.39	---

D) Significant Related Party Transactions :-

Rs. in Lakhs

Particulars	2019-20	2018-19
1. Processing Charges Paid		
M/s. Polyspin Private Limited	241.02	248.00
M/s. Ganesh Agro Pack (P) Ltd.,	0.75	15.27
M/s. Energyspin (P) Ltd	72.11	136.60
M/s. Chola Packaging (P) Limited	----	13.42
2. Remuneration to Directors & KMP		
Sri. R. Ramji, Managing Director & CEO	148.91	119.93
Sri. P.K. Ramasubramanian, Secretary & CCO	4.03	3.67
Sri. B. Ponram, COO	46.66	54.09
Sri. S. Seenivasa Varathan, CFO	19.71	15.97
3. Chennai Office - Rent Paid		
Smt. Durga Ramji	18.00	---
4. Sale of PP Granules		
M/s. Ganesh Agro Pack (P) Ltd.,	10.91	---
M/s. Energyspin Private Ltd.,	10.91	---
5. Sale of PP Strips / Yarn		
M/s. Lankaspin Private Limited, Sri Lanka.	460.87	219.81
6. Sale of PP Fabric		
M/s. Lankaspin Private Limited, Sri Lanka	156.37	219.08
M/s. Chola Packaging (P) Limited	1.67	1.96
M/s. Ganesh Agro Pack (P) Ltd.,	---	1.75
7. Sale of Sacks		
M/s. Energyspin Private Limited	---	7.18
8. Sale of Sweing Yarn		
M/s. Ganesh Agro Pack (P) Ltd.,	15.47	---
M/s. Chola Packaging (P) Limited	1.62	---
M/s. Lankaspin Private Limited, Sri Lanka	53.13	---
9. Sale of PP Waste		
M/s. Polyspin Private Limited	0.09	---
10. Assets Sold during the year		
M/s. Ganesh Agro Pack (P) Ltd.,	0.97	---
M/s. Lankaspin Private Limited, Sri Lanka	1.36	---
11. Purchase of Master batch		
M/s. Lankaspin Private Limited, Sri Lanka	4.49	---
12. Purchase of Fabric		
M/s. Ganesh Agro Pack (P) Ltd.,	132.17	184.73
13. Purchase of Laminated Woven Fabric		
M/s. Chola Packaging (P) Ltd.,	0.10	0.02
14. Purchase of Kraft Paper		
M/s. Polyspin Private Limited	5.50	---
M/s. Energyspin Private Ltd.,	5.06	---
15. Purchase of Packing Materials		
M/s. Chola Packaging (P) Ltd.,	---	0.06
M/s. Ganesh Agro Pack (P) Ltd.,	8.79	10.78
16. Factory Rent Paid		
M/s. Polyspin Private Limited	5.66	5.66
M/s. Energyspin Private Ltd.,	3.19	4.25
M/s. Ramji Investments (P) Ltd.,	0.48	0.48

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35. 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	
		31.03.2020	31.03.2019
1.	Segment Revenue (Net Sales / Income from operation)		
	a) FIBC Bags, Fabric, Yarn	14378.09	18346.34
	b) Cotton Yarn	2240.92	2856.49
	Total	16619.01	21202.83
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn	1189.38	1486.76
	b) Cotton Yarn	10.60	64.25
	Total	1199.98	1551.01
	Less : Financial Charges	461.62	466.65
	Profit Before Tax	738.36	1084.36
3.	Capital Employed		
	Segment assets :		
	a) FIBC Bags, Fabric, Yarn	10018.97	10568.71
	b) Cotton Yarn	1816.14	1459.83
	Total	11852.11	12028.54
	Segment Liabilities :		
	a) FIBC Bags, Fabric, Yarn	6193.86	8017.63
	b) Cotton Yarn	1854.99	714.83
		8048.85	8732.46

2019 - 2020 **2018 - 2019**

36.1 Auditors' Remuneration :	Rs.	Rs.
Audit Fees / Statutory Auditors	50,000	50,000
Tax Audit Fees /Appeal Fees	50,000	50,000
Certification Fees	23,500	10,500
Other Services	1,20,000	1,20,000

2019 - 2020 **2018 - 2019**

36.2 Managing Director's Remuneration :	Rs.	Rs.
Salary	1,20,00,000	99,00,000
Perquisites	28,91,227	20,93,187

(Rs. in Lakhs)

36.3. Contingent Liabilities not Provided for : **2019 - 2020** **2018 - 2019**

i) Unexpired Letter of Credit	346.64	506.80
ii) Bank Guarantee	25.00	25.00

iii) The Company has challenged the levy of duty of excise and customs aggregating to Rs. 487.72 Lakhs (Previous Year Rs. 487.72 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.

36.4. Trade Payables

Rs. in Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
i) Total outstanding due to Micro Enterprises and Small Enterprises	136.04	50.34
ii) Total outstanding due to Creditors other than Micro Enterprises and Small Enterprises	864.14	1533.43
Total	1,000.18	1583.77

As required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has outstanding dues of Rs. 136.04 Lakhs as at 31st March, 2020 to Micro, Small and Medium Enterprises. This has been determined to the extent such parties have been identified on the basis of information available with the company and provide by such parties.

Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 as follows:-

Rs. in Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
a. Principal Amount remaining unpaid but not due as at the year end	136.04	50.34
b. Interest due thereon and remaining unpaid as at year end	----	----
c. Interest paid by the company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the year	----	----
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	----	----
e. Interest accrued and remaining unpaid as at year end	----	----

36.5 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. 15.49 Lakhs (Previous year: 18.25 Lakhs) being the credit given by TNEB for the transfer of power to the Grid.

For the year ended

31.03.2020 31.03.2019

Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	2,43,967 KWH	2,62,596 KWH
Units Captively Consumed	2,43,967 KWH	2,62,596 KWH

(included under Power & Fuel)

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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

36.7 Confirmation of balances of Trade Receivables and Payables:-

The company requested its debtors and creditors to confirm their out-standing balances as at 31st December, 2019 in respect of trade receivables and trade payables. Most of them have given their confirmation of balance, except few parties to be submitted, awaiting for some with clarification.

36.8 Deferred Tax (AS-22) :

Deferred Tax Liability (Net) for Rs. 54.57 Lakhs as on 31.03.2020 (Previous Year: 34.60 Lakhs) 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.

36.9 Figures relating to previous year have been regrouped wherever found necessary

Signature to Notes 1 to 36.9

As per our report of even date
For SRITHAR & ASSOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAS7989

Rajapalayam
25.06.2020

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S. SEENIVASA VARATHAN
CFO

S.R. SUBRAMANIAN
P. VAIDYANATHAN
S.R. VENKATANARAYANA RAJA
R. SUNDARAM
V.S. JAGDISH
S.V. RAVI
Directors

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. POLYSPIN EXPORTS LIMITED
Report on the Consolidated IND AS Financial Statements

Opinion

We have audited the accompanying Consolidated IND AS Financial Statements of **M/s. Polyspin Exports Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 IND AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated IND AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter:

- a. We draw attention to Note No.29.3 to the consolidated financial statements, which describes the status of the Fire Accident Claim with the Insurance Company.
- b. We draw attention to Note No.36.7 to the consolidated financial statements, which describes the status of confirmation of balance of Trade Debtors, Trade Creditors and other Parties.

- c. We draw attention to Note No.29.4 to the consolidated financial statements, which describes the impact of the COVID-19 pandemic on the business.

Our opinion is not modified in respect of these matters.

Key Audit Matters :

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated IND AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated IND AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our Report

Sl No.	Key Audit Matter	Auditor's Response
1.	<p>Evaluation of uncertain tax positions</p> <p>The Group has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>Refer Note No.36.3 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our expertise to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties</p>
2.	<p>Recoverability of Indirect tax receivables</p> <p>As at March 31, 2020, other current assets in respect of withholding tax, GST and CESAT appeal Duty of Rs. 26.73 lakhs which are pending adjudication.</p> <p>Refer Note No. 12 to the consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>We have involved our expertise to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
3.	<p>Assessment of the Group's litigations and related disclosure of contingent liabilities</p> <p>[Refer to Note No. 36.3 to the consolidated Financial Statements- "Contingent liabilities not provided for", Note No. 36.3 to the consolidated Financial Statements As at March 31, 2020, the Group has exposures towards litigations relating to the matter as included</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We understood, assessed and tested the design and operating effectiveness of the Group's key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the Group's audit committee;

Sl No.	Key Audit Matter	Auditor's Response
	<p>in the aforesaid Notes. Significant management judgement is required to assess such matter to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matter is uncertain and the position taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit</p>	<ul style="list-style-type: none"> • We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities made in relation to the Company's consolidated Financial Statements; • We used auditor's experts to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management; • We met with the Group's external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation; • We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates / judgements; • We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the disclosures. • Based on the above work performed, management's assessment in respect of the Group's litigations and related disclosures relating to contingent liabilities in the consolidated Financial Statements are considered to be reasonable.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Group's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated IND AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated INDAS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Group in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (INDAS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements 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 consolidated IND AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the IND AS financial statements, the respective Board of directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of Consolidated INDAS Financial Statement

Our objectives are to obtain reasonable assurance about whether the consolidated IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

decisions of users taken on the basis of these consolidated INDAS financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated IND AS financial statements is included in Annexure A. This description forms part of our auditor's report.

Other Matters

1. We did not audit the financial statements of ONE Associate company included in the consolidated financial results year to date, whose financial statements reflect total assets of Rs.1182.14 Lakhs as at 31st March 2020 and total revenues of Rs. 3586.31 Lakhs and, total net profit after tax of Rs. 21.46 Lakhs and total comprehensive income of Rs. 21.46 Lakhs for the quarter ended 31st March 2020 and for the period from 01st April 2019 to 31st March 2020 respectively, and net cash inflows of Rs. 33.32 Lakhs for the year ended 31st March 2020. These financial statements as per IND AS and other financial information have been audited by another independent auditor whose report has been furnished to us, and our opinion on the year to date results, to the extent they have been derived from such audited financial statements is based solely on the report of such other auditors.

2. Our attendance at the physical verification done by the management was impracticable under the current lock down restrictions imposed by the government. Consequently, we have performed alternative procedures to audit on the existence and condition of inventory at year end as per the guidance provided in SA-501 'Audit Evidence - Specific considerations for selected items' and have obtained sufficient audit evidence to issue our un-modified opinion on those consolidated financial results.

Our opinion on the consolidated financial statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

- A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the above said consolidated financial statements.
 - 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including other

comprehensive income), Consolidated statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid consolidated IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors and its Associate none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 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 Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- B) 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 consolidated IND AS financial statements – Refer Note No. 36.3 to the Consolidated INDAS financial statements;
 - ii) The Company has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 30.2 to the IND AS financial statements;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- C) With respect to the matter to be included in the Auditors' Report under section 197(16) Of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company incorporated in India, to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

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

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAT3741

Place : Rajapalayam
Date : 25.06.2020

ANNEXURE - A

Responsibilities for Audit of Consolidated IND AS Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Group to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the consolidated IND AS financial statements, including the disclosures, and whether the consolidated IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAT3741

Place : Rajapalayam
Date : 25.06.2020

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Polyspin Exports Limited on the Consolidated IND AS financial statements for the year ended 31st March, 2020]

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

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2020, in conjunction with our audit of the Consolidated IND AS financial statements of the company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 company 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, 2020, based on the internal control over financial reporting criteria established by the company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAT3741

Place : Rajapalayam
Date : 25.06.2020

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET as at 31st March, 2020

Particulars	Notes No.	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
<u>ASSETS</u>			
Non-current assets			
Property, Plant and Equipment	3	45,29,93,695	38,22,07,183
Capital work-in-progress	3	2,43,77,313	6,66,39,385
Other Intangible assets	3	1,88,067	2,20,513
Financial Assets			
i) Other Investments	4	1,33,25,938	1,24,49,526
ii) Other Financial Assets	5	72,43,817	1,00,52,178
Other non-current assets	6	35,35,270	61,83,383
		<u>50,16,64,100</u>	<u>47,77,52,168</u>
Current assets			
Inventories	7	24,54,97,454	26,71,66,175
Financial Assets			
i) Trade receivables	8	24,34,98,976	21,19,88,622
ii) Cash and cash equivalents	9	33,24,007	2,62,35,795
iii) Other Bank Balance	10	13,05,78,449	9,00,90,335
iv) Other Financial Assets	11	2,92,39,236	8,26,06,117
Current Tax Assets (Net)		1,91,30,951	2,47,97,123
Other Current assets	12	1,71,61,417	2,79,75,300
		<u>68,84,30,490</u>	<u>73,08,59,467</u>
Total Assets		<u><u>119,00,94,590</u></u>	<u><u>120,86,11,635</u></u>
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Equity Share capital	13	4,00,00,000	4,00,00,000
Other Equity	14	34,52,08,826	29,53,64,887
		<u>38,52,08,826</u>	<u>33,53,64,887</u>
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
i) Borrowings	15	10,21,20,925	11,27,62,407
Deferred tax liabilities (Net)	16	4,41,00,000	3,86,43,000
		<u>14,62,20,925</u>	<u>15,14,05,407</u>
Current Liabilities			
Financial Liabilities			
i) Borrowings	17	47,67,13,173	44,93,71,360
ii) Trade Payables	18	10,00,17,824	15,83,77,118
iii) Other Financial Liabilities	19	2,83,80,674	3,02,36,977
Other current Liabilities	20	3,69,96,035	5,19,55,886
Provisions	21	1,65,57,133	3,19,00,000
		<u>65,86,64,839</u>	<u>72,18,41,341</u>
Total Equity and Liabilities		<u><u>119,00,94,590</u></u>	<u><u>120,86,11,635</u></u>

As per our report of even date
For SRITHAR & ASSOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAT3741
Rajapalayam
25.06.2020

R. RAMJI
Managing Director & CEO
P.K. RAMASUBRAMANIAN
Secretary

S. SEENIVASA VARATHAN
CFO

S.R. SUBRAMANIAN
P. VAIDYANATHAN
S.R. VENKATANARAYANA RAJA
R. SUNDARAM
V.S. JAGDISH
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2020

Particulars	Notes No.	For the year ended 31.03.2020 Rs.	For the year ended 31.03.2019 Rs.
INCOME			
Revenue from Operations	22	166,19,01,118	212,02,83,432
Other Income	23	6,07,92,247	2,85,24,107
Total Income		172,26,93,365	214,88,07,539
EXPENSES			
Cost of Raw Material consumed	24	96,78,92,746	125,89,77,284
Change in / Inventories of Finished Goods	25	(1,34,81,474)	1,75,42,517
Stock-in-Process			
Employee Benefit Expenses	26	30,34,39,642	30,69,82,009
Finance Costs	27	4,61,62,374	4,66,65,218
Depreciation & Amortisation Expenses		3,51,65,199	3,03,15,380
Other Expenses	28	30,96,78,904	37,98,89,313
Total Expenses		164,88,57,391	204,03,71,721
Profit before Exceptional Items and Tax		7,38,35,974	10,84,35,818
Exceptional Items		----	----
Profit before Tax		7,38,35,974	10,84,35,818
Tax Expenses:-			
- Current Tax		1,57,00,000	3,19,00,000
- Deferred Tax		54,57,000	34,60,000
Profit for the year before share of profit of Associates		5,26,78,974	7,30,75,818
Share of profit of Associates		8,25,812	14,40,529
Profit for the year		5,35,04,786	7,45,16,347
Other Comprehensive Income			
Items that will not be reclassified to Profit or loss			
- Remeasurement gains/(losses) on defined benefit plan (net)		20,33,439	23,09,484
Total Comprehensive Income		5,55,38,225	7,68,25,831
Earnings per Share (Basic)		13.88	19.21
Face Value of Rs. 10 each			

As per our report of even date
For **SRITHAR & ASSOCIATES**
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047
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S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2020

(Rupees in Lakhs)

Particulars	2019 - 2020	2018 - 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	746.62	1098.76
Adjustment for :		
Depreciation & Amortisation Expenses	351.65	303.15
Loss on sale of assets	9.02	8.44
(Profit) on sale of assets	(3.57)	---
Loss of Factory Building (Fire Accident)	---	56.69
Interest Expenses	461.62	466.65
Interest Income	(67.50)	(43.31)
Dividend Income	(0.44)	(0.37)
Operating Profit before working Capital	1497.40	1890.01
Adjustment for Changes in		
(Increase) / Decrease in Inventories	216.69	(238.52)
(Increase) / Decrease in Trade receivables	(315.10)	360.80
(Increase) / Decrease in Other Financial Assets	28.08	10.45
(Increase) / Decrease in Other non current assets	26.48	(51.77)
(Increase) / Decrease in Other current assets	108.14	(76.81)
(Increase) / Decrease in Other current financial assets	533.66	(212.89)
Increase / (Decrease) in Trade Payables	(583.59)	(0.69)
Increase / (Decrease) in Other current liabilities & Provisions	(149.40)	169.15
Increase / (Decrease) in Investments	(8.26)	(14.40)
Cash generated from operations	1354.10	1835.33
Income taxes paid	(254.85)	(341.25)
Net Cash from Operating Activities (A)	1099.25	1494.08
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets / WIP	(647.92)	(1013.36)
Proceeds from sale of fixed assets	5.90	2.92
Dividend Receipts	0.44	0.37
Interest Receipts	67.50	43.31
Investments in Term Deposits with banks	(404.88)	(535.78)
Net Cash Used In Investing Activities (B)	(978.96)	(1502.54)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from issuance of Share Capital	---	---
Proceeds from share premium	---	---
Proceeds / (Repayment) of long term borrowings	(106.41)	245.25
Borrowings for working capital purposes	273.41	388.28
Investment in Subsidiaries / Associates	0.51	(0.20)
Interest Expenses	(461.62)	(466.65)
Dividend paid (Including Tax on Dividend)	(55.29)	(55.03)
Net Cash Used In Financial Activities (C)	(349.40)	111.65
D. Net Increase / Decrease in Cash and Cash Equivalents (A) + (B) + (C)	(229.11)	103.19
Cash and Cash equivalents as at 01.04.2019	262.35	159.16
Cash and Cash equivalents as at 31.03.2020	33.24	262.35
E. Net Increase / Decrease in Cash and Cash Equivalents	(229.11)	103.19

As per our report of even date
For SRITHAR & ASSOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAT3741
Rajapalayam
25.06.2020

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

S.R. SUBRAMANIAN
P. VAIDYANATHAN
S.R. VENKATANARAYANA RAJA
R. SUNDARAM
V.S. JAGDISH
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2020

A. EQUITY SHARE CAPITAL

Rs.

Balance as at 01.04.2018	4,00,00,000
Changes in Equity Share Capital during the year 2018-19	----
Balance as at 31.03.2019	4,00,00,000
Changes in Equity Share Capital during the year 2019-20	----
Balance as at 31.03.2020	4,00,00,000

B. OTHER EQUITY

Particulars	Reserves and Surplus (Rs.)			
	Reserves	Capital Reserves	Retained Earnings	Total
Other Equity as at 31.03.2018	21,00,00,000	43,16,787	98,11,559	22,41,28,346
Profit for the year	----	----	7,30,75,818	7,30,75,818
Adjustments	----	14,40,529	----	14,40,529
Other Comprehensive Income	----	----	23,09,484	23,09,484
Less : Provision for Taxation Previous Year	----	----	(86,283)	(86,283)
Less : Dividend Paid	----	----	(45,25,840)	(45,25,840)
Less : Dividend tax Paid	----	----	(9,77,167)	(9,77,167)
Transfer to General Reserve	7,00,00,000	----	(7,00,00,000)	----
Other Equity as at 31.03.2019	28,00,00,000	57,57,316	96,07,571	29,53,64,887
Profit for the year	----	----	5,26,78,974	5,26,78,974
Adjustment	----	8,25,812	----	8,25,812
Other Comprehensive Income	----	----	20,33,439	20,33,439
Less : Provision for Taxation Previous Year	----	----	(1,64,900)	(1,64,900)
Less : Dividend Paid	----	----	(45,42,732)	(45,42,732)
Less : Dividend tax paid	----	----	(9,86,654)	(9,86,654)
Transfer to General Reserve	5,00,00,000	----	(5,00,00,000)	----
Other Equity as at 31.03.2020	33,00,00,000	65,83,128	86,25,698	34,52,08,826

As per our report of even date
For SRITHAR & ASSOCIATES
 Chartered Accountants
 Firm Registration No. 015896S
S. SRITHAR
 Membership No. 209047
 UDIN : 20209047AAAAAT3741
 Rajapalayam
 25.06.2020

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

S.R. SUBRAMANIAN
P. VAIDYANATHAN
S.R. VENKATANARAYANA RAJA
R. SUNDARAM
V.S. JAGDISH
S.V. RAVI
 Directors

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

1. Principles of Consolidation:-

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

1. 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.
2. 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 identified and presented in the consolidated balance sheet separately from liabilities and equity of the company shareholders.
3. Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate company from the date on which it becomes as associate and any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows;
 - a. Goodwill relating to an associate is included in the carrying amount of the investment and the same is not amortized.
 - b. Any excess the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognized directly in equity as capital reserve in the period in which the investment is acquired.
 - c. Subsequently, the carrying amount of investment is adjusted to recognize the company's share of post-acquisition profit or loss of the Associates in the Profit & Loss and also its share of Other Comprehensive Income (OCI) of the Associate Company separately under Other Comprehensive Income.
4. Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.
5. Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
6. At each reporting date, the company determines whether there is any objective evidence that the investment in the associates is impaired, if there is such evidence, the company provides for impairment as the difference between the recoverable amount of the

associate and its carrying value and then recognized the loss as "Share of Profit of an Associate" in the statement of the profit or loss.

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, 2020.

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
		31.03.2020	31.03.2019	
1.	Lankaspin Private Limited	38.48	38.48	Sri Lanka

These Consolidated Financial Statement were approved for issue by the Board of Directors of the company on 25th June, 2020.

2. Significant Accounting Policies:-

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

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 Judgements:-

The preparation of Financial Statements in conformity with IND AS requires the management to make judgements, 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 judgements 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:-

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

- 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 (IND AS 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 INDAS 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.

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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. Cash Flow Statement:-

Cash flows are presented using indirect method, whereby profit / (Loss) before tax is adjusted for the effects of transaction of Non cash nature and accruals of past or future cash transaction. Cash comprise cash on hand and demand deposits with banks. Cash equivalents are short term balance with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.

2.7. 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.

2.8 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 assets.

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.

2.9. 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

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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.

2.10. Impairment**i) Financial Assets:-**

The Company recognizes loss allowances if only, using the expected credit loss (ECL) model for the financial assets which are not fair valued. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL is measured at an amount equal to the 12 month ECL. Unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an impairment gain or loss in the statement of profit and loss.

ii. 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.

2.11. 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 INDAS – 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.

2.12. 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 employee's basic salary to Employee's 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 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

2.13. 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.

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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.

2.14. 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.

CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

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 01.04.2019	49,00,383	12,27,76,001	44,82,87,801	57,87,276	12,30,741	1,35,49,638	50,35,096	12,435	60,15,79,371	6,66,39,385	6,78,115	
Additions	---	5,81,43,342	4,71,51,033	---	---	2,36,800	15,22,760	---	10,70,53,935	2,43,77,313	---	
Deductions	---	---	59,43,615	---	---	14,59,815	82,000	---	74,85,430	6,66,39,385	---	
As at 31.03.2020	49,00,383	18,09,19,343	48,94,95,219	57,87,276	12,30,741	1,23,26,623	64,75,856	12,435	70,11,47,876	2,43,77,313	6,78,115	
Accumulated Depreciation and Impairment												
As at 01.04.2019	---	2,66,30,461	17,62,65,428	49,06,429	3,78,717	83,59,540	28,19,178	12,435	21,93,72,188	---	4,57,602	
Depreciation	---	51,82,184	2,78,91,560	1,57,709	88,270	10,56,123	7,56,907	---	3,51,32,753	---	32,446	
Disposals	---	---	48,59,215	---	---	14,59,815	31,730	---	63,50,760	---	---	
Balance as at 31.03.2020	---	3,18,12,645	19,92,97,773	50,64,138	4,66,987	79,55,848	35,44,355	12,435	24,81,54,181	---	4,90,048	
Carrying Amount 31.03.2020	49,00,383	14,91,06,698	29,01,97,446	7,23,138	7,63,754	43,70,775	29,31,501	---	45,29,93,695	2,43,77,313	1,88,067	
Carrying Amount 31.03.2019	49,00,383	9,61,45,540	27,20,22,373	8,80,847	8,52,024	51,90,098	22,15,918	---	38,22,07,183	6,66,39,385	2,20,513	

POLYSPIN EXPORTS LIMITED

CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 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.
13,01,119	SLR 10/-	M/s. Lankaspin (P) Ltd., Sri Lanka
39,100	Rs. 10/-	M/s. OPG Power Generation (P) Ltd., India.
		Investments
		1,33,25,938
		1,24,49,526
5. OTHER FINANCIAL ASSETS (NON CURRENT)		
Security Deposits with Electricity Board / Others	66,88,552	93,14,027
Loans to Employees	5,55,265	7,38,151
	72,43,817	1,00,52,178
6. OTHER NON CURRENT ASSETS		
Unsecured, Considered good		
Advance to Suppliers / Others	35,35,270	61,83,383
7. INVENTORIES		
Raw Material	5,50,76,073	9,72,67,107
Rawmaterials - Goods in transit	1,41,12,404	72,08,770
Stores and Spares	1,63,92,404	1,62,55,199
Work In Process	12,43,47,447	12,50,77,525
Finished Goods	3,37,20,757	1,88,81,791
Process Waste	18,48,369	24,75,783
	24,54,97,454	26,71,66,175
8. TRADE RECEIVABLES		
Unsecured considered good	24,34,98,976	21,19,88,622
9. CASH AND CASH EQUIVALENTS		
Cash on Hand	14,05,017	12,20,699
Balance with Banks		
- In Current Accounts	8,57,781	2,20,65,720
- In Unclaimed Dividend Accounts	27,70,488	29,49,376
	50,33,286	2,62,35,795
Less : Bank overdraft	(17,09,279)	---
	33,24,007	2,62,35,795
10. OTHER BANK BALANCE		
Fixed deposits with banks having balance maturity of twelve months or less		
- Under Lien	5,40,67,301	1,78,08,924
- Not Under Lien	7,65,11,148	7,22,81,411
Bank deposits with more than 12 months maturity	---	---
	13,05,78,449	9,00,90,335

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
11. OTHER FINANCIAL ASSETS (CURRENT)		
GST / MEIS Scrip / Export Incentive / TED Claim Receivables	2,91,92,136	8,25,59,739
Security Deposit	47,100	46,378
	<u>2,92,39,236</u>	<u>8,26,06,117</u>
12. OTHER CURRENT ASSETS		
Advance to Suppliers / Others - Unsecured, Considered good	32,57,859	46,64,047
Accrued Income	6,39,460	11,49,408
Prepaid Expenses	15,36,977	11,84,862
Other Current Assets	1,17,27,121	2,09,76,983
	<u>1,71,61,417</u>	<u>2,79,75,300</u>
EQUITY AND LIABILITIES		
13. 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>
-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>	<u>4,00,00,000</u>
13.1 Reconciliation of the Number of Shares Outstanding		
Number of Shares at the beginning	<u>40,00,000</u>	<u>40,00,000</u>
Number of Shares at the end	<u>40,00,000</u>	<u>40,00,000</u>

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share and carries proportionate right to dividends declared by the company based on their holdings.

13.2 The details of share holders holding more than 5% shows

Particulars	As at 31.03.2020		As at 31.03.2019	
	No.of Shares	%	No.of Shares	%
i. Sri. R. Ramji	7,05,246	17.63	6,92,385	17.31
ii. Smt. Durga Ramji	3,59,759	8.99	3,59,759	8.99
iii. M/s. Polyspin Private Limited	2,60,250	6.51	2,60,250	6.51

Clause (f) - Share held by holding company or its ultimate holding company including their subsidiaries - NIL

Clause (h) - Shares reserved for issue under options and contracts / commitments for the sale of shares - NIL

Clause (i) - Shares allotted in the proceeding five years without payment being received in cash / by way of bonus shares / Shares bought back - NIL

Clause (j) - Terms of any securities convertible into issued along with the earliest date of conversion - Not applicable.

Clause (k) - Calls unpaid - Not Applicable.

Clause (l) - Forfeited shares - Not Applicable.

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
14. OTHER EQUITY		
a) General Reserves	33,00,00,000	28,00,00,000
b) Capital Reserves	65,83,128	57,57,316
b) Retained Earnings	86,25,698	96,07,571
	<u>34,52,08,826</u>	<u>29,53,64,887</u>

14.1 Movement in Other Equity

Particulars	Reserves and Surplus (Rs.)			
	Reserves	Capital Reserves	Retained Earnings	Total
Other Equity as at 31.03.2018	21,00,00,000	43,16,787	98,11,559	22,41,28,346
Profit for the year	----	----	7,30,75,818	7,30,75,818
Adjustments	----	14,40,529	----	14,40,529
Other Comprehensive Income	----	----	23,09,484	23,09,484
Less : Provision for Taxation Previous Year	----	----	(86,283)	(86,283)
Less : Dividend Paid	----	----	(45,25,840)	(45,25,840)
Less : Dividend tax Paid	----	----	(9,77,167)	(9,77,167)
Transfer to General Reserve	7,00,00,000	----	(7,00,00,000)	----
Other Equity as at 31.03.2019	28,00,00,000	57,57,316	96,07,571	29,53,64,887
Profit for the year	----	----	5,26,78,974	5,26,78,974
Adjustment	----	8,25,812	----	8,25,812
Other Comprehensive Income	----	----	20,33,439	20,33,439
Less : Provision for Taxation Previous Year	----	----	(1,64,900)	(1,64,900)
Less : Dividend Paid	----	----	(45,42,732)	(45,42,732)
Less : Dividend tax paid	----	----	(9,86,654)	(9,86,654)
Transfer to General Reserve	5,00,00,000	----	(5,00,00,000)	----
Other Equity as at 31.03.2020	33,00,00,000	65,83,128	86,25,698	34,52,08,826

CAPITAL RESERVE :-

Capital reserve on consolidation represents excess of the Parent's share of the net fair value of the Investment in Associates over the cost of the Investment is recognised directly in other 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 transfer amount 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.

CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
15. BORROWINGS (NON CURRENT)		
-Secured		
Term Loan from City Union Bank	10,19,10,645	10,97,46,367
- From Others		
Hire Purchase Loan	2,10,280	30,16,040
	<u>10,21,20,925</u>	<u>11,27,62,407</u>
15.1 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.		
15.2 Hire Purchase Loan is secured by hypothecation of Specified Vehicle purchased under the Scheme.		
15.3 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.		
15.4 The Term Loan from Bank are repayable in equated monthly installments.		
15.5 Repayment to Term Loan :		
Facility 1 - Rs. 12.35 Lakhs Balance amount is repayable in 3 equated monthly installments starting from April-2021		
Facility 2 - Rs. 142.21 Lakhs Balance amount is repayable in 7 equated monthly installments starting from April-2021		
Facility 3 - Rs. 38.83 Lakhs Balance amount is repayable in 18 equated monthly installments starting from April-2021		
Facility 4 - Rs. 47.95 Lakhs Balance amount is repayable in 32 equated monthly installments starting from April-2021		
Facility 5 - Rs. 777.76 Lakhs Balance amount is repayable in 47 equated monthly installments starting from April-2021		
15.6 Repayment of Hire Purchase Loan		
Facility 1 - Rs. 0.69 Lakhs Balance amount is repayable in 5 equated monthly installments starting from April-2021		
Facility 2 - Rs. 1.41 Lakhs Balance amount is repayable in 1 equated monthly installments starting from April-2021		
16. DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities	4,41,00,000	3,86,43,000
17. BORROWINGS (CURRENT)		
-Secured		
From City Union Bank		
- Foreign Currency loan on Raw Material	58,61,302	95,60,203
- Foreign Bills Discounted	16,62,38,713	12,03,59,677
- Packing Credit in foreign currency / Export Packing Credit	26,15,16,552	21,89,27,950
- Cash Credit on Raw Material and Book debts	2,07,58,545	5,03,44,850
- Advance Against Term Deposit	2,23,38,061	---
- Short Term Loan	----	5,01,78,680
	<u>47,67,13,173</u>	<u>44,93,71,360</u>
17.1 Working Capital Finance from Bank is further secured by hypothecation of all Current Assets of the Company.		
17.2 The Loans are additionally secured by Personal Guarantee of Promoter Director of the Company.		
18. TRADE PAYABLES		
Trade Payables	10,00,17,824	15,83,77,118
19. OTHER FINANCIAL LIABILITIES		
Unpaid Dividend	12,68,295	16,91,213
Liability for Operating and Other Expenses	2,48,41,121	2,78,51,219
Liability for Other Finance	22,71,258	6,94,545
	<u>2,83,80,674</u>	<u>3,02,36,977</u>
20. OTHER CURRENT LIABILITIES		
Current Liability for Long Term Debt	3,36,60,482	4,94,20,687
Liability for Operating and Other Expenses	28,05,592	19,13,214
Advance from Customers	5,29,961	6,21,985
	<u>3,69,96,035</u>	<u>5,19,55,886</u>
21. PROVISIONS		
Provision for Taxation	1,65,57,133	3,19,00,000

POLYSPIN EXPORTS LIMITED

CONSOLIDATED NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2020 Rs.	For the Year Ended 31.03.2019 Rs.
22. SALES / REVENUE FROM OPERATIONS		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn	140,11,17,366	173,89,22,045
- Cotton Yarn	22,24,368	1,75,78,028
<u>Merchant Export Sales</u>		
- Cotton Yarn	97,07,520	3,13,15,200
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn	53,97,075	25,95,455
- Cotton Yarn	20,81,89,591	23,44,20,125
	<u>162,66,35,920</u>	<u>202,48,30,853</u>
Less : Sales Return	----	5,31,400
	<u>162,66,35,920</u>	<u>202,42,99,453</u>
OTHER OPERATING INCOME		
Sale of Plastic scrap	1,72,80,922	2,74,58,102
Sale of Cotton Waste	28,28,119	28,66,782
Sale of Rawmaterial	11,39,538	----
MEIS Duty Credit Scrip - Sales	1,40,14,019	6,56,54,100
Rebate on Service Tax	2,600	4,995
	<u>166,19,01,118</u>	<u>212,02,83,432</u>
23. OTHER INCOME		
Interest Receipts	67,50,298	43,31,358
Foreign Exchange Fluctuations	2,77,80,316	2,27,76,819
Exports Incentive	37,431	2,81,041
Dividend Receipts	43,800	36,500
Quality Claim Charges	---	63,925
Profit on Sale of Equity Shares	---	900
Sale of Tender Form	---	4,018
Sale of Fire affected items	---	10,29,546
Profit on Sale of Machinery	3,57,394	---
Profit on High Seas Sales	8,12,627	---
Fire Insurance Claim Receipts	2,50,10,381	---
	<u>6,07,92,247</u>	<u>2,85,24,107</u>
24. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	71,31,01,715	91,94,05,070
Printing Materials	69,18,683	72,26,682
Yarn	4,91,33,165	8,63,79,390
Cotton Yarn / Hank yarn purchases	9,81,168	19,78,186
Cotton & Cotton Waste	17,01,25,391	21,50,95,934
BOPP Film Purchases	25,95,580	32,82,796
LLDPE Liner Purchases	1,18,01,295	42,99,564
Kraft Paper Purchases	9,42,544	36,79,492
Fabric Purchases	1,22,93,205	1,76,30,170
	<u>96,78,92,746</u>	<u>125,89,77,284</u>
25. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	14,64,35,099	16,39,77,616
Closing Stock	15,99,16,573	14,64,35,099
	<u>(1,34,81,474)</u>	<u>1,75,42,517</u>

POLYSPIN EXPORTS LIMITED

CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2020 Rs.	For the Year Ended 31.03.2019 Rs.
26. EMPLOYEE BENEFITS EXPENSE		
Remuneration to Managing Director	1,22,63,227	1,00,85,187
Salaries & Wages	20,90,31,759	21,69,76,664
P.F. & E.S.I. Contribution	2,88,42,489	3,02,40,929
Labour Welfare Expenses	2,08,09,962	2,20,54,274
LIC Group Gratuity	92,92,197	89,05,783
Bonus	2,32,00,008	1,87,19,172
	<u>30,34,39,642</u>	<u>30,69,82,009</u>
27. FINANCE COSTS		
Interest on		
- Fixed Loans	2,11,86,350	1,17,34,031
- Working Capital facilities	2,47,19,300	3,46,23,922
- Others Borrowing cost	4,483	4,483
H.P. Finance Charges	2,52,241	3,02,782
	<u>4,61,62,374</u>	<u>4,66,65,218</u>
28. OTHER EXPENSES		
Manufacturing Expenses		
Repairs & Maintenance		
- Building	65,25,569	33,08,779
- Machinery	42,95,601	45,22,353
- General	20,23,546	17,67,110
Processing Charges paid	3,28,57,650	5,93,26,217
Stores & Spares Consumed	8,27,06,258	8,76,38,676
Power & Fuel	8,60,65,428	8,81,21,721
	<u>21,44,74,052</u>	<u>24,46,84,856</u>
Postage & Telephone	36,23,888	37,27,799
Printing & Stationery	21,27,761	21,79,486
Travelling Expenses	87,35,862	1,07,35,840
Director's sitting fees	3,20,000	2,20,000
Bank Charges	63,43,882	95,48,920
Corporate Social Responsibility (CSR)	2,23,948	5,52,162
Professional Charges	46,22,885	50,87,428
Licence, Taxes & Fees	17,98,437	17,02,052
Insurance Charges	68,02,841	48,59,421
Subscription & Periodicals	4,74,525	4,39,823
Filing Fees	83,300	2,49,532
Audit Fees	2,43,500	2,30,500
Vehicle Maintenance	29,63,331	50,71,932
Miscellaneous Expenses	7,02,623	8,91,207
Ineligible ITC	46,43,504	28,09,133
Commission paid	47,41,184	47,02,683
Donation	5,000	22,500
Rent	29,64,052	18,72,387
Quality Claim Charges	15,31,989	3,87,894
Testing Charges	13,90,246	20,32,351
Service Tax	---	8,86,445
Loss on Forex Fluctuations	---	1,39,86,147
Sales Promotion Expenses	48,53,469	42,10,406
Ocean Freight	3,10,28,130	4,64,26,747
Lorry Freight	37,47,264	55,38,551
Loss on Sale of Assets	9,01,758	8,44,017
Bad debts written off	2,80,940	8,331
Sales Discount	7,070	38,618
Hank Yarn Obligation Charges	43,463	---
Fire Rescue Operation Expenses	---	2,72,573
Loss on Factory Building (Fire Accident)	---	56,69,572
	<u>30,96,78,904</u>	<u>37,98,89,313</u>

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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

29.2. EARNINGS PER SHARE :	Rs. in Lakhs	
	Year Ended 31-03-2020	Year Ended 31-03-2019
a) Total Comprehensive Income (after Tax)	555.38	768.25
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)	13.88	19.21

29.3. The Investment in Associate Company is consolidated under Equity method of Accounting and the share of profit of associates is taken for financial results of Quarterly and Year ended 31st March, 2020 and corresponding results of previous period figures regrouped / reinstated wherever found necessary.

29.4. Status on Fire Accident Claim:-

There was a fire accident at the company's factory on Monday, 4th June, 2018 and was brought under control by the Fire brigade. The unaudited financial results for the quarter ended 30th June, 2018 and year ended 31st March, 2019 is arrived at after considering a loss of Rs. 621.22 Lakhs towards cost of Current Assets and Fixed Assets damaged due to fire accident. The total claim made by the company with respect to loss of stock, factory building and fire rescue expenses aggregating Rs. 717 Lakhs with the Insurance Company. The Insurance Company (i.e.) National Insurance Company Limited, had settled our claim for an amount of Rs. 250.00 Lakhs on 23.10.2019, in settlement of our fire claim for the damage caused to stocks and buildings.

29.5. Impact of the COVID-19 pandemic on the business

The lockdown all over the country due to COVID-19 pandemic, there was a direct impact on the Company's business, performance and financials to some extent. Both the Company's FIBC Bags Manufacturing (EOU) Unit and Open End Textile Division unit situated at Cholapuram South, Rajapalayam were shut down completely for a period of 22 days from 25.03.2020 to 15.04.2020 due to lockdown. Due to uncertainty prevailing currently in terms of COVID-19 pandemic spread and control, we are not able to assess the exact impact of this pandemic on our business, but we continue to assess the situation on an ongoing basis.

The Company has resumed its business operation with effect from 16.04.2020 partially with 50% employees after getting due permission from the local government authorities and in compliance with the Social Distancing Norms (Standard Operating Procedures) issued by the Ministry of Home Affairs, Government of India. Further our production capacities remain underutilized, low attendance of employees, supply chain disruptions, significantly higher freight cost, etc., which are impacting the business and the profitability.

Both the Company's FIBC Bags Manufacturing (EOU) Unit and Open End Textile Division unit situated at Cholapuram

South, Rajapalayam have been sanitized so that all our employees are safe and secure. All safety protocols of temperature sensing, wearing of Safety gears (masks, goggles, face shields), social distancing, sanitizing and washing hands are being adhered to very stringently in all the work places of the company.

There is no impact on the orders position for FIBC Bags and the company is able to meet its delivery commitments with minor setback during the total lock down period.

The company got permission for the postponement of repayment of term loan commitments for the first three months, as per the Honorable Finance Minister, Government of India, announcements a set of reforms / stimulus in five tranches covering major sectors of the economy but the payment of interest on bank loans and working capital credit limits was made in time. From operational perspective, company has discharged all its statutory obligation in respect of payment of salaries and wages to employees, and other statutory payments and account payables, etc., in the regular course of business. Further the company is in a comfortable liquidity position to meet its commitments.

Company continues to adequately maintain all internal financial and reporting controls and none of our assets have been impacted or impaired as a result of the pandemic.

However, a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

30. 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.

30.1. 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.

30.2. 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

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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 31.03.2020		As at 31.03.2019	
	USD (In Million)	Rs. (In Lakhs)	USD (In Million)	Rs. (In Lakhs)
SOLD :				
USD / INR	----	----	1.33	928.01
BOUGHT :				
USD / INR	11.53	8688.00	4.20	2858.83

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

Particulars	As at 31.03.2020	As at 31.03.2019
Currency (USD in Millions)	0.48	Nil
Rs. in Lakhs	363.49	Nil

Risk sensitivity on Foreign Currency Fluctuations:-

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates by 3 %.

The following analysis is based on the gross exposure as of the relevant balance sheet date, which could affect the income statement.

The following table sets forth the information relating to foreign currency exposure as at 31.03.2020 and 31.03.2019.

(Rs. in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	3% Increase	3% Decrease	3% Increase	3% Decrease
USD / INR	260.64	260.64	113.60	113.60

30.3. 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 31.03.20	As at 31.03.19
Fixed rate borrowings	1019.11	1097.46
Floating Rate borrowings	Nil	Nil

30.4. 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:- (Rs. in Lakhs)

Trade Receivables	Outstanding	
	As at 31.03.2020	As at 31.03.2019
Unsecured - considered Good	2,434.99	2,119.89
Doubtful	---	---
Less : Provision for Bad debts	---	---
Total	2,434.99	2,119.89

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.

30.5. 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:-

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

(Rs. in Lakhs)

Particulars	As at 31.03.20	As at 31.03.19
Floating Rate - Expiring within one year- working capital limits.	322.41	28.33

30.6. 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 31.03.2020	As at 31.03.2019
Long Term Borrowings	1,021.21	1,127.62
Current liability for long term debt	336.60	494.21
Short Term Borrowings	4,767.13	4,493.71
Less: Cash and Cash Equivalent	1,339.02	1,163.26
Net Debt (A)	4,785.92	4,952.28
Equity share capital	400.00	400.00
Other Equity	3,452.09	2,953.65
Total Equity (B)	3,852.09	3,353.65
Total Capital Employed (C) = (A) + (B)	8,638.01	8,305.93
Capital Gearing Ratio (A) / (C)	55.41%	59.62%

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.

30.7. 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 31.03.2020		As at 31.03.2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Other Investments	133.26	133.26	124.49	124.49
Trade Receivables	2,434.99	2,434.99	2,119.89	2,119.89
Cash and Bank Balances	33.24	33.24	262.36	262.36
Other Bank Balances	1,305.78	1,305.78	900.90	900.90
Other Financial Assets	292.39	292.39	826.06	826.06
Financial Liabilities :				
Borrowings	4767.13	4767.13	4,493.71	4,493.71
Trade Payables	1000.18	1000.18	1,583.77	1,583.77
Other Financial Liabilities	283.81	283.81	302.37	302.37

During the year ended 31st March, 2020 and 31st March, 2019, 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

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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.

31. In March 2018, The Ministry of Corporate Affairs issued the companies (Indian Accounting standards), (Amendments) Rules 2018, notifying the new standard IND AS 115 on Revenue from contracts with customers and it is applicable from 01.04.2018.

- Replaces IND AS 18 Revenue and IND AS 11 Construction contracts
- Establishes a new control based revenue recognition model
- Provides new and more detailed guidance on specific topics such as multiple element arrangements, variables consideration, rights of return, warranties, principal versus agent consideration, consignment arrangements, bill and hold arrangements and licensing, to name a few.

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Adoption of IND AS 115 is not expected to have any impact on the company's revenue and profit or loss. The company expects the revenue recognition to occur at a point in time when the materials are delivered to the customers in case of FIBC bags, PP fabric, PP yarn, Paper bag & cotton yarn.

32. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements.

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 management's 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 judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

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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 right.

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 Entity	Place of Business	Principal Activities of Business
Lankaspin Private Limited	Sri Lanka	Manufacturer of PP Woven Bags

Particulars	As at 31.03.2020	As at 31.03.2019
Ownership held	38.48%	38.48%

The Summarised Separate financial information of associate company is given below :

M/s. Lankaspin Private Limited, Srilanka.

(Rs.)

Balance Sheet	31.03.2020	31.03.2019
Non-Current assets	3,09,53,944	2,82,79,542
Current assets	8,72,60,266	9,84,44,759
Total Assets	11,82,14,210	12,67,24,301
Non-Current liabilities	68,16,678	47,41,069
Current liabilities	7,92,65,556	9,28,10,907
Total Liabilities	8,60,82,234	9,75,51,976
Total Equity	3,21,31,976	2,91,72,325
Profit and Loss		
Revenue	35,86,31,067	27,56,93,187
Profit of the year	21,46,081	37,43,579
Other Comprehensive income	---	----
Total Comprehensive income	21,46,081	37,43,579
Summarised Cash flow		
Cash flows from operating activities	70,55,976	5,08,512
Cash flows from investing activities	(66,88,849)	(2,05,158)
Cash flows from financing activities	(36,99,710)	(17,25,834)
Net Increase/(Decrease) in cash and cash equivalents	(33,32,583)	(14,22,480)

(Rs.)

Profit and Loss	31.03.2020	31.03.2019
Total Revenue	35,86,31,067	27,56,93,187
Profit before tax	67,61,377	50,87,802
Tax expenses	(46,15,296)	(13,44,223)
Profit after tax	21,46,081	37,43,579
Share of profit in Associate	8,25,812	14,40,529
OCI	----	----
TCI	21,46,081	37,43,579

Reconciliation to the carrying amount of investment in associates as on 31.03.2020

(Rs.)

Profit and Loss	31.03.2020	31.03.2019
Entity TCI	21,46,081	37,43,579
Effective shareholding %	38.48%	38.48%
Associates share of profit / OCI	8,25,812	14,40,529
Less : unrealized profit on Intercompany Transaction (net of tax)	----	----
Amount recognized in P & L	8,25,812	14,40,529
Reconciliation	----	----
Opening Carrying cost	1,17,02,826	1,02,62,297
Less: treasury share Adjustment	----	----
Add: Fair value of corporate guarantee obligation given	----	----
Add : Associates share of profit / OCI	8,25,812	14,40,529
Less : Sale / Reversal of OCI share	---	----
Less : Dividend Received	---	----
Net Carrying Amount	1,25,28,638	1,17,02,826

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	
	2019-20	2018-19
Employer's contribution towards:		
- Employee Provident Fund	227.74	217.09
- Employee State Insurance	60.68	85.31

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

Defined Benefit Plan (Gratuity):

The Company provides gratuity to 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 (Rs.)

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Defined Benefit Obligation at beginning of year	3,24,90,364	2,71,66,676
Current Service Cost	72,26,245	58,31,119
Past Service Cost	---	---
Interest Expense	21,78,427	19,32,528
Benefit Payments from Plan Assets	(68,89,350)	(50,96,969)
Re-measurements - Due to Financial Assumptions	24,04,001	9,88,830
Re-measurements - Due to Experience Adjustments	(98,599)	16,68,180
Defined Benefit Obligation at end of year	3,73,11,088	3,24,90,364
Discount Rate	6.75%	7.50%
Salary Escalation Rate	5.00%	5.00%

B. Change in fair value of Plan Assets (Rs.)

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Fair value of Plan Assets beginning of year	3,20,56,860	2,58,26,802
Interest income	21,45,914	18,27,348
Employer Contributions	72,18,989	91,52,153
Benefit Payments from Plan Assets	(68,89,350)	(50,96,969)
Other (Mortality & other Charges Paid to LIC of India)	----	----
Remeasurements - Return on Assets (Excluding Interest Income)	2,71,963	3,47,526
Fair Value of Plan Assets at end of year	3,48,04,376	2,58,26,802
Weighted Average Asset Allocations at the year end		
Equities	----	----
Bonds	----	----
Gilts	---	----
Insurance Policies	100%	100%
Total	100%	100%

C. Components of Defined Benefit Cost (Rs.)

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Current Service Cost	72,26,245	58,31,119
Past Service Cost	---	---
Total Service Cost	72,26,245	58,31,119
Interest Expense on DBO	21,78,427	19,32,528
Interest (Income) on plan Assets	(21,45,914)	(18,27,348)
Interest (Income) on Reimbursement Rights	----	----
Total Net Interest Cost	32,513	1,05,180
Defined Benefit Cost included in P & L	72,58,758	59,36,299
Remeasurements - Due to Financial Assumptions	24,04,001	9,88,830
Remeasurements - Due to Experience Adjustments	(98,599)	16,68,180
(Return) on plan Assets (Excluding Interest Income)	(2,71,963)	(3,47,526)
Total Re-measurements in OCI	20,33,439	23,09,484
Total Defined Benefit Cost recognized in P&L and OCI	92,92,197	82,45,783
Discount Rate	6.75%	7.50%
Salary Escalation Rate	5.00%	5.00%

D. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Defined Benefit Obligation	3,73,11,088	3,24,90,364
Fair Value of Plan Assets	3,48,04,376	3,20,56,860
Funded Status	25,06,712	4,33,504
Effect of Asset Ceiling / Onerous Liability	---	----
Net Defined Benefit Liability / (Asset)	25,06,712	4,33,504

E. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Net Defined Benefit Liability / (Asset) at beginning of year	4,33,504	13,39,874
Defined Benefit Cost included in P & L	72,58,758	59,36,299
Total Re-measurements included in OCI	20,33,439	23,09,484
Employer Contributions	(72,18,989)	(91,52,153)
Net Defined Benefit Liability / (Asset) at end of year	25,06,712	4,33,504

Additional Disclosure items**Current and Non-Current Liability and Asset**

Particulars	Financial Year Ending 31.03.2020	Financial Year Ending 31.03.2019
Non-Current Assets	----	----
Current Liabilities	59,61,144	29,71,346
Non - Current Liabilities	3,13,49,944	2,95,19,018

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	----
Year 2	52,26,133
Year 3	6,32,777
Year 4	10,19,612
Year 5	5,28,322
Beyond 5 years	2,99,04,244

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Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2020	31.03.2019
Discount Rate	6.75%	7.50%
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	7.50%	7.85%
Mortality Table	IALM (2012-14) Table	IALM (2012-14) Table
Disability Rate	No explicit Loading	
Withdrawal Rate	1% to 3%	1% to 3%
Retirement Age	58 Years	58 Years
Average Future Service	19.45	19.39

34. 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 Chief Compliance Officer
- iii) Sri. B. PONRAM
Chief Operating Officer
- iv) Sri. S. SEENIVASA VARATHAN
Chief Financial Officer

C) Transaction during the year with Related Parties :

(Rs. in Lakhs)

Sl. No.	Particulars	Year Ended 31-03-2020		Year Ended 31-03-2019	
		Associate / Subsidiary Companies	Key Management Personnel	Associate / Subsidiary Companies	Key Management Personnel
1.	Processing charges paid	313.88	---	413.29	---
2.	Remuneration to Directors & KMP	---	219.31	---	193.66
3.	Chennai Office - Rent Paid	18.00	---	---	---
4.	Sale of PP Granules	21.82	---	---	---
5.	Sale of PP Strips / Yarn	460.87	---	219.81	---
6.	Sale of Fabric	158.04	---	222.79	---
7.	Sale of Sack	---	---	7.18	---
8.	Sale of Sewing Yarn	70.22	---	---	---
9.	Sale of PP Waste	0.09	---	---	---
10.	Assets sold during the year	2.33	---	---	---
11.	Purchase of Master batch	4.49	---	---	---
12.	Purchase of Fabric	132.17	---	184.73	---
13.	Purchase of Laminated Woven Fabric	0.10	---	0.02	---
14.	Purchase of Kraft Paper	10.56	---	---	---
15.	Purchase of Packing Materials	8.79	---	10.84	---
16.	Factory Rent Paid	9.33	---	10.39	---

D) Significant Related Party Transactions :-

Rs. in Lakhs

Particulars	2019-20	2018-19
1. Processing Charges Paid		
M/s. Polyspin Private Limited	241.02	248.00
M/s. Ganesh Agro Pack (P) Ltd.,	0.75	15.27
M/s. Energyspin (P) Ltd	72.11	136.60
M/s. Chola Packaging (P) Limited	----	13.42
2. Remuneration to Directors & KMP		
Sri. R. Ramji, Managing Director & CEO	148.91	119.93
Sri. P.K. Ramasubramanian, Secretary & CCO	4.03	3.67
Sri. B. Ponram, COO	46.66	54.09
Sri. S. Seenivasa Varathan, CFO	19.71	15.97
3. Chennai Office - Rent Paid		
Smt. Durga Ramji	18.00	---
4. Sale of PP Granules		
M/s. Ganesh Agro Pack (P) Ltd.,	10.91	---
M/s. Energyspin Private Ltd.,	10.91	---
5. Sale of PP Strips / Yarn		
M/s. Lankaspin Private Limited, Sri Lanka.	460.87	219.81
6. Sale of PP Fabric		
M/s. Lankaspin Private Limited, Sri Lanka	156.37	219.08
M/s. Chola Packaging (P) Limited	1.67	1.96
M/s. Ganesh Agro Pack (P) Ltd.,	---	1.75
7. Sale of Sacks		
M/s. Energyspin Private Limited	---	7.18
8. Sale of Sweing Yarn		
M/s. Ganesh Agro Pack (P) Ltd.,	15.47	---
M/s. Chola Packaging (P) Limited	1.62	---
M/s. Lankaspin Private Limited, Sri Lanka	53.13	---
9. Sale of PP Waste		
M/s. Polyspin Private Limited	0.09	---
10. Assets Sold during the year		
M/s. Ganesh Agro Pack (P) Ltd.,	0.97	---
M/s. Lankaspin Private Limited, Sri Lanka	1.36	---
11. Purchase of Master batch		
M/s. Lankaspin Private Limited, Sri Lanka	4.49	---
12. Purchase of Fabric		
M/s. Ganesh Agro Pack (P) Ltd.,	132.17	184.73
13. Purchase of Laminated Woven Fabric		
M/s. Chola Packaging (P) Ltd.,	0.10	0.02
14. Purchase of Kraft Paper		
M/s. Polyspin Private Limited	5.50	---
M/s. Energyspin Private Ltd.,	5.06	---
15. Purchase of Packing Materials		
M/s. Chola Packaging (P) Ltd.,	---	0.06
M/s. Ganesh Agro Pack (P) Ltd.,	8.79	10.78
16. Factory Rent Paid		
M/s. Polyspin Private Limited	5.66	5.66
M/s. Energyspin Private Ltd.,	3.19	4.25
M/s. Ramji Investments (P) Ltd.,	0.48	0.48

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35. 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	
		31.03.2020	31.03.2019
1.	Segment Revenue (Net Sales / Income from operation)		
	a) FIBC Bags, Fabric, Yarn	14378.09	18346.34
	b) Cotton Yarn	2240.92	2856.49
	Total	16619.01	21202.83
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn	1189.38	1486.76
	b) Cotton Yarn	10.60	64.25
	Total	1199.98	1551.01
	Less : Financial Charges	461.62	466.65
	Profit Before Tax	738.36	1084.36
3.	Capital Employed		
	Segment assets :		
	a) FIBC Bags, Fabric, Yarn	10084.80	10626.28
	b) Cotton Yarn	1816.14	1459.83
	Total	11900.94	12086.11
	Segment Liabilities :		
	a) FIBC Bags, Fabric, Yarn	6193.86	8017.63
	b) Cotton Yarn	1854.99	714.83
	Total	8048.85	8732.46

(Rs. in Lakhs)

36.1. Contingent Liabilities not Provided for : **2019 - 2020** **2018 - 2019**

- | | | | |
|------|--|--------|--------|
| i) | Unexpired Letter of Credit | 346.64 | 506.80 |
| ii) | Bank Guarantee | 25.00 | 25.00 |
| iii) | The Company has challenged the levy of duty of excise and customs aggregating to Rs. 487.72 Lakhs (Previous Year Rs. 487.72 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. | | |

36.2. Trade Payables

Rs. in Lakhs

Particulars	As at	
	31.03.2020	31.03.2019
i) Total outstanding due to Micro Enterprises and Small Enterprises	136.04	50.34
ii) Total outstanding due to Creditors other than Micro Enterprises and Small Enterprises	864.14	1533.43
Total	1,000.18	1583.77

As required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has outstanding dues of Rs. 136.04 Lakhs as at 31st March, 2020 to Micro, Small and Medium Enterprises. This has been determined to the extent such parties have been identified on the basis of information available with the company and provide by such parties.

Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 as follows:-

Rs. in Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
a. Principal Amount remaining unpaid but not due as at the year end	136.04	50.34
b. Interest due thereon and remaining unpaid as at year end	----	----
c. Interest paid by the company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the year	----	----
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	----	----
e. Interest accrued and remaining unpaid as at year end	----	----

36.3 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. 15.49 Lakhs (Previous year: 18.25 Lakhs) being the credit given by TNEB for the transfer of power to the Grid.

For the year ended

31.03.2020 31.03.2019

Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	2,43,967 KWH	2,62,596 KWH
Units Captively Consumed	2,43,967 KWH	2,62,596 KWH
	(included under Power & Fuel)	

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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

36.5 Confirmation of balances of Trade Receivables and Payables:-

The company requested its debtors and creditors to confirm their out-standing balances as at 31st December, 2019 in respect of trade receivables and trade payables. Most of them have given their confirmation of balance, except few parties to be submitted, awaiting for some with clarification.

36.6 Deferred Tax (AS- 22) :

Deferred Tax Liability (Net) for Rs. 54.57 Lakhs as on 31.03.2020 (Previous Year: 34.60 Lakhs) 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.

36.7 Figures relating to previous year have been regrouped wherever found necessary

Signature to Notes 1 to 36.7

As per our report of even date
For SRITHAR & ASSOCIATES
Chartered Accountants
Firm Registration No. 015896S

S. SRITHAR
Membership No. 209047
UDIN : 20209047AAAAAT3741

Rajapalayam
25.06.2020

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S. SEENIVASA VARATHAN
CFO

S.R. SUBRAMANIAN
P. VAIDYANATHAN
S.R. VENKATANARAYANA RAJA
R. SUNDARAM
V.S. JAGDISH
S.V. RAVI
Directors

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