

POLYSPIN EXPORTS LTD

RAJAPALAYAM



Annual Report
2020 - 2021



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. KOIL STREET, 1 ST LANE TRIPLICANE, CHENNAI - 600 005.
SECRETARIAL AUDITOR	:	SHRI B. SUBRAMANIAN B.Com., FCS., ACMA PRACTISING COMPANY SECRETARY FLAT No.1, PRITHVI APARTMENTS # 7/4, SEETHA NAGAR, 2 ND STREET NUNGAMBAKKAM CHENNAI - 600 034.
BANKERS	:	CITY UNION BANK LIMITED 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 (VIA).
LISTED STOCK EXCHANGE	:	BSE LIMITED
REGISTRAR & TRANSFER AGENTS	:	M/S. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED 2 ND FLOOR, "KENCES TOWERS", NO.1, RAMAKRISHNA STREET NORTH USMAN ROAD, T.NAGAR CHENNAI - 600 017. PHONE NO: 044 - 28140801-03

POLYSPIN EXPORTS LIMITED

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

CIN : L51909TN1985PLC011683

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
Shri K.S. Pradeep

Stakeholders 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 Sixth Annual General Meeting of the members of the Company will be held at 10.00 A.M. on Friday, the 27th day of August, 2021, 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, 2021, 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, 2021 and Profit & Loss Account for the year ended on that date, the Cash Flow Statement for the year ended on that date, the Director's Report and the Independent Auditor's Reports 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. 5/- each be and is hereby declared for the financial year ended 31st March, 2021.”

Item No: 3. Reappointment of Smt. Durga Ramji, Director:

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

“RESOLVED THAT Smt. Durga Ramji (DIN: 00109397), Director of the Company, who retires by rotation at this 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: 4. Reappointment of Shri Rammohan Raja Ramji, as the Managing Director :-

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and any other

applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof for the time being in force) and subject to any other approvals as may be required, the consent of the members of the Company be and is hereby accorded for reappointment of Shri Rammohan Raja Ramji (DIN: 00109393) as Managing Director of the Company for a period of 3 years with effect from 1st April, 2021 on the following terms and conditions.

- a. Remuneration: Rs. 15,00,000/- per month.
- b. Perquisites: Payment as per the Company's rules, subject to the provisions of Schedule V Part II Section II of the Companies Act, 2013 and Income Tax Act 1961. It shall be restricted to 50% of the salary per annum.
- c. Contribution: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- d. Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service.
- e. Leave: Encashment of leave at the end of tenure and other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.
- f. In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall be paid remuneration by way of Salary and perquisites as stated above, as minimum remuneration, subject to restriction, if any, set out in Schedule V of the Companies Act, 2013, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to increase the remuneration payable to Shri Rammohan Raja Ramji, Managing Director, subject to the limits as prescribed under section 196 and 197 read with Schedule V of the Companies Act, 2013, during the tenure of his appointment and do all such other acts, deeds, things, matters, take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution.”

Item No: 5. Reappointment of Shri S.R. Subramanian, Director:-

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

“RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013,

Shri S.R. Subramanian (DIN. 00122141), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible for reappointment be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018") and the other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Shri S.R. Subramanian, who has already completed the age of more than 75 years, shall continue to occupy the position of Non-Executive Director of the Company from this Annual General Meeting, till the date of his reappointment, i.e. liable to retire by rotation."

Item No: 6. To continue the appointment of Shri P. Vaidyanathan, Non-Executive Director beyond 75 years :-

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

"RESOLVED THAT pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018") and the other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Shri P. Vaidyanathan (DIN: 00029503), who will attain the age of 75 years on April 28, 2022, shall continue to occupy the position of Non-Executive Director of the Company from April 29, 2022 liable to retire by rotation."

**By order of the Board,
For POLYSPIN EXPORTS LIMITED**

Place : Rajapalayam
Date : June 25, 2021

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. 4 to 6.
2. In view of the massive outbreak of the COVID-19 Pandemic, social distancing norms 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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in this 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 this 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 and Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the

- Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, 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 instant voting on the date of the AGM will be provided by NSDL.
7. 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 website of the Stock Exchange 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.nsd.com.
 8. 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, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 .
 9. 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.
 10. 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 Share Transfer Agent i.e. M/s. Integrated Registry Management Services Private Limited, by sending an email to yuvraj@integratedindia.in.
 11. 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.
 12. 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.
 13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
 15. 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 .
 16. Re-appointment of Director: At the ensuing AGM, Shri S.R. Subramanian (DIN: 00122141) and Smt. Durga Ramji (DIN: 00109397) are liable to retire by rotation in terms of section 152(6) of the Act, and being eligible, have offered themselves for re-appointment.
 17. 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 IEPF 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
31.03.2014	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
31.03.2020	6%	12.08.2020	11.08.2027	10.09.2027

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.

18. 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 their share(s) held by them in physical form.
19. The Company has fixed Friday, the 20th August, 2021 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended March 31, 2021, if approved at the AGM. The dividend, once approved by the members in the ensuing AGM will be paid on or before 25th September, 2021, 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.
20. 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 from 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 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	10% 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 2021-22 does not exceed Rs. 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. 2021-22 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).

Shareholders are requested to upload the aforementioned documents in the below mentioned link on or before 20st August, 2021 6:00 PM IST in order to enable the Company to determine and deduct appropriate TDS / withholding tax.

<https://www.integratedindia.in/ExemptionFormSubmission.aspx>

No communication regarding the tax withholding matters would be entertained after 20th August, 2021 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 Registrar & Share Transfer Agent (RTA). Shareholders should obtain the tax advice related to their tax matters from a tax professional.

TDS to be deducted at higher rate in case of non-filers of Income Tax Return

The Finance Act, 2021, has inter alia inserted the provisions of Section 206AB of the Act with effect from July 1, 2021. The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

1. At twice the rate specified in the relevant provision of the Act; or
2. At twice the rates or rates in force; or
3. At the rate of 5%

The 'specified person' means a person who has:

1. not filed return of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 has expired; and
2. subjected to tax deduction/collection at source in aggregate amounting to Rs.50,000 or more in each of such two immediate previous years.
3. Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Record Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person on or before 20th August 2021. No request in this regard would be accepted by the Company/RTA after the said date or payment of dividend.

21. 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.
22. 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.
23. 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.
24. 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.
25. 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 21st August, 2021 through email on polyspinexportscs@gmail.com. The same will be replied by the Company suitably.
26. 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 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, May 05, 2020 and January 13, 2021 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 instant voting on the date of the AGM will be provided by NSDL.

- (ii) 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 AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, the 24th August, 2021 at 9:00 A.M. and ends on Thursday, the 26th August, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, the 20th August, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, the 20th August, 2021.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click

Type of Shareholders	Login Method
	<p>on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest, the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email

Type of Shareholders	Login Method
	<p>as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll free No.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.nSDL.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*****
a) 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 116261 then user ID is 116261001***

5. Password details for shareholders other than Individual shareholders 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.nSDL.com.
- b) **Physical User Reset Password**" (If you are holding shares in physical mode) option available on www.evoting.nSDL.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 mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote or Ms. Soni Singh or Mr. Pratik Bhatt at evoting@nsdl.co.in

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), AADHAAR (self-attested scanned copy of Aadhaar Card) by email 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), AADHAAR (self-attested scanned copy of Aadhaar Card) to polyspinexportscs@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are

allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General Meeting**" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at polyspinexportscs@gmail.com. The same will be replied by the Company suitably.
6. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail id mentioning their Name, DP ID and Client ID / Folio Number, PAN, Mobile Number to the Company at polyspinexportscs@gmail.com at least 3 days prior to the AGM. Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
7. Further, members who would like to have their questions / queries responded to during the AGM are requested to send such questions / queries in advance at least 3 days prior to the AGM, by following similar process as mentioned above. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Details of the Directors seeking reappointment in pursuance of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 3

Details of the Directors seeking reappointment in pursuance of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	: Smt. Durga Ramji
DIN	: 00109397
Date of Birth	: 23.09.1972
Date of appointment on Board	: 28.05.2014
Qualification	: B.Sc.,
Shareholding	: 9,04,147 Equity Shares of Rs. 5/- each
Directorship held in other Company	: M/s. Polyspin Private Limited M/s. Lankaspin Private Limited, Srilanka. M/s. Energyspin Private Limited M/s. Ramji Investment Private Limited
Member of Committee	: Corporate Social Responsibility Committee
Expertise in specific functional area	: Corporate Management

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

Item No. 4

Shri Rammohan Raja Ramji (DIN: 00109393), Managing Director was reappointed as Managing Director of the Company by the Board of Directors at their meeting held on 12.02.2021, subject to the approval of the shareholders at the Annual General Meeting, for a period of 3 years with effect from 1st April 2021 in accordance with the provisions of Section 196, 197 read with Schedule V and other applicable

provisions of the Companies Act, 2013 and Rules thereon. Reappointment was made for 3 years on a remuneration of Rs.15,00,000/- per month together with perquisites and other benefits as stated in the proposed resolution.

Shri Rammohan Raja Ramji was first appointed as Managing Director of the Company on 01.04.2013. At that time, the Net Worth of the Company was Rs.9.92 Crores and the Total Revenue of the Company was Rs.82.78 Crores. The Company's Net Worth has increased to Rs.45.57 Crores as on 31.03.2021 with a Total Revenue of Rs.238.99 Crores for the financial year 2020-21. The Company has performed well under his management and leadership. Taking into account the increased responsibility and progress, the Nomination and Remuneration Committee at its meeting held on 12.02.2021, has recommended the re-appointment for a period of 3 years effect from 01.04.2021 on a remuneration of Rs.15,00,000/- per month, which is commensurate with the size and structure of the industry.

The reappointment and the remuneration proposed fulfill the terms and conditions stipulated in Schedule V of the Companies Act, 2013.

None of the Directors and key management personnel except Shri Rammohan Raja Ramji being the appointee and Smt. Durga Ramji and Shri S.V. Ravi, Directors as relative to the Managing Director are deemed to be concerned or interested in the Resolution.

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

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

S.No.	Name of the Company	Designation
1.	M/s. Polyspin Exports Limited	Managing Director
2.	M/s. Polyspin Private Limited	Director
3.	M/s. Energyspin Private Limited	Director
4.	M/s. Ramji Investments Private Limited	Director
5.	M/s. Lankaspin Private Limited, Srilanka	Chairman

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

S.NO.	I. GENERAL INFORMATION	PARTICULARS
1.	Nature of Industry	Manufacturing
2.	Date of Commercial Production	Already Under Production 1. FIBC Bags, Fabrics, Yarn 2. Open End Spinning Yarn
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

POLYSPIN EXPORTS LIMITED

(Rs.in Lakhs)

4.	Financial Performance :	2018-19	2019-20	2020-21
	Sales and Other Income	21,488.07	17,226.93	23,899.22
	Profit before Interest and Depreciation	1,854.16	1,551.63	1,974.51
	Profit after Interest and Depreciation	1,084.36	738.36	1,083.46
	Profit after Tax	730.76	526.79	749.96
	Share Capital (Paid Up Rs.10/-)	400.00	400.00	*500.00
	* Sub-Division of Equity Shares of the Company having a face value Rs.10/- each to 2 equity shares of face value of Rs.5/- each and Issued a Bonus Share in the ratio of 1 (One) equity share for every 4 (Four) existing equity shares held.			
	Dividend	48.00	24.00	60.00
	Net Worth	3,296.07	3,786.26	4,556.79
	Earning Per Share (EPS)	18.85	13.68	7.93
5.	Export performance and net foreign exchange earnings : (Rs.in Lakhs)			
	Exports-earning in Foreign Exchange	17,327.99	13,917.89	17,811.64
	Foreign Exchange outflow	6,325.46	3,665.94	2,186.61
II. INFORMATION ABOUT THE APPOINTEE				
1.	Background	Shri Rammohan Raja Ramji is having 29 Years of rich experience in Woven Sack Industry. He is a Promoter & Managing Director and has been on the Board of the Company since September 1991.		
2.	Past Remuneration (Salary & Perquisites)	Rs. 166.25 Lakhs p.a.		
3.	Recognition or Awards	Export performance and safety to the Company.		
4.	Job Profile and his suitability	1. Over all control of Business of the Company as Managing Director. 2. Sustained Growth 3. Stability 4. Development 5. Export Marketing 6. Enhancing Share Value 7. Increase in Turnover 8 Consistent Dividend Distribution 9. Diversification into New Products		
5.	Remuneration Proposed	Remuneration as per the Resolution passed by the Board of Directors as set out in the Notice.		
6.	Comparative Remuneration Profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person.		
7.	Relationship with the Managerial Personnel / Pecuniary relationship directly or indirectly with the Company	He is related to Smt. Durga Ramji and Shri S.V. Ravi, Directors of the Company. He has no pecuniary relationship other than the remuneration, he is entitled to receive.		

III. OTHER INFORMATION		
1.	Inadequate profits	The Company has been consistently making profit and has been paying dividends. The Company seeks the approval of the shareholders for the payment of the proposed remuneration only in the event of the Company having no profits or inadequate profits as per the provisions, conditions and ceiling limits provided in Schedule V of the Companies Act, 2013.
2.	Steps Taken :	The Company has implemented the cost reduction measures to increase the profitability of the Company.
3.	Expected increase in productivity and profit:	It is expected that the sale volume will increase by 10% for the next financial year and the increase in the profit considerably, subject to the market conditions and other unforeseen circumstances.
IV. DISCLOSURES		As required, the information are provided under Corporate Governance Section. The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 5

The member of the Company at their Annual General Meeting (AGM) held on 13.08.2018, have approved the re-appointment of Shri S.R. Subramanian (DIN: 00122141) as Non-Executive Director liable to retire by rotation.

Also, the members through postal ballot on 17.03.2020, have given their approval to continue the appointment of Shri S.R. Subramanian as Non-Executive Director beyond 75 years in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, in terms of Regulation 17 (1A) of SEBI (LODR) Regulations, 2015, the approval of the members by way of special resolution is required for reappointment of Shri S.R. Subramanian as a Non-Executive Director liable to retire by rotation at this AGM since he has already in the age of 78 years.

The Board of Directors have acknowledged that his skills, knowledge, rich experience, contributions, suggestions and continued valuable guidance to the management made by him during his tenure has immensely contributed to the growth of the Company. The Board of Directors, based on the recommendation of Nomination and Remuneration

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report on the working of the Company and Audited Accounts for the year ended 31st March, 2021.

	Year ended 31.03.2021	Year ended 31.03.2020
Financial Results	Rs.	Rs.
Sales and other Income	238,99,22,373	172,26,93,365
Operating Profit (Profit Before interest, Depreciation and Tax)	19,74,51,274	15,51,63,547
Less : Interest	5,25,51,841	4,61,62,374
Profit before Depreciation and Tax	14,48,99,433	10,90,01,173
Less : Depreciation	3,65,53,535	3,51,65,199
Profit before Tax	10,83,45,898	7,38,35,974
Add : Other Comprehensive Income	43,15,048	20,33,439
	11,26,60,946	7,58,69,413
Less : Provision for Taxation - Current	3,39,00,000	1,57,00,000
Less : Provision for Taxation - Deferred	(5,50,000)	54,57,000
	7,93,10,946	5,47,12,413

SHARE CAPITAL

The Authorized Share Capital of the Company as on 31st March, 2021 is Rs.5,00,00,000 consisting of 1,00,00,000 equity shares of Rs.5 each.

The Paid-up Share Capital of the Company is Rs.5 Crores (Previous Year: Rs.4 Crores) consisting of 1,00,00,000 equity shares of Rs.5 each. The Paid-up Capital has been increased due to Bonus Shares issued by the Company in the ratio of 1:4 during the year.

DIVIDEND

Your Directors have pleasure in recommending a Dividend of Re. 0.60 (Paise Sixty only) per share on the face value of Rs.5/- per share.

TRANSFER TO RESERVE

During the year under review, the Company has transferred an amount of Rs.7 Crores to General Reserve.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE OPERATION, CURRENT TRENDS AND FUTURE PROSPECTS:

COMPANY PERFORMANCE

During the year under review the performance of your Company was good. The turnover has increased from Rs.172.27 Crores to Rs. 238.99 Crores which is about 39%

increase over the previous year's turnover. The table below shows comparative quantitative figures of production and sales of the Company's products. There has been a marked improvement in the quantity wise production and sales over the previous year's figures.

PRODUCTION AND SALES

Quantity of Production and Sale of the Company's Products i.e., FIBC Bags and OE Spinning Yarn for the year ended 31.03.2021 and 31.03.2020 are as follows:

S.No.	Particulars	Year ended 31.03.2021 Quantity (Kgs.)	Year ended 31.03.2020 Quantity (Kgs.)
1. Production			
1) FIBC Bags & PP Woven Bags		1,10,97,676	85,39,448
2) PP Woven Fabrics		1,16,877	1,08,252
3) PP Yarn		6,10,735	4,96,873
4) Multifilament Yarn**		5,38,651	3,09,171
5) Paper Bags		32,57,899	47,495
6) Cotton Yarn		16,75,280	17,72,804
2. Sales			
1) FIBC Bags & PP Woven Bags		1,02,70,245	84,96,043
2) PP Woven Fabrics		1,16,877	1,08,252
3) PP Yarn		6,10,735	4,96,873
4) Multifilament Yarn**		86,553	62,137
5) Paper Bags		32,66,996	35,836
6) Kraft Papers		5,66,798	---
7) Cotton Yarn		17,53,220	17,01,589

Multifilament Yarn**

Out of 5,38,651 Kgs. of Multifilament Yarn produced, we have captively consumed 4,52,098 Kgs. for FIBC bags production.

FIBC BAGS DIVISION

Flexible Intermediate Bulk Container (FIBC) Bags are available in 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.

Due to spread of Novel Corona Virus (COVID-19) pandemic our manufacturing units were closed for 16 days during the financial year i.e. from 01-04-2020 to 16-04-2020 by following the nationwide lockdown. The productions were resumed at our units (both FIBC - 100% EOU and Textiles Mill) on 16-04-2020, 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 were adhered very stringently in all the work places of the Company.

Jumbo bags or bulk bags are mostly used for transporting and packaging bulk items from several end-use segments such as chemicals & fertilizers, building & construction, food products & agriculture, pharmaceuticals, minerals & mining,

etc. The demand from the chemicals & fertilizers industry for instance is expected to surge at a positive rate over the forecast period.

Jumbo bags manufacturers around the world have been capitalizing on the rising demand from various industries. The inclination towards spending on effective solutions for bulk packaging and safe delivery have been noticed also in the food products & agriculture, building & construction and pharmaceuticals industries. Spurred by these factors, the market is expected to rise at an impressive pace through 2030.

Furthermore, industrial need for versatile and customized bag sizes with damage proof shipping characteristics are resulting in soaring demand for jumbo bags. End users are showing increasing inclination towards sustainable solution, therefore, the manufacturers are shifting towards bio-based materials for producing jumbo bags. By minimizing environmental impact, some of these businesses are supporting the Flexible Intermediate Bulk Container Association guidelines.

Jumbo bags are mostly preferred to transport powder, granular and scattered material especially required in building and construction activities. Steady investment towards maintenance and upkeep of infrastructure and booming construction industry are supporting jumbo bags sales within the country. The U.S. government has taken initiatives for the mega infrastructure and construction projects. Some of them are California High-Speed Rail, Sound Transit 3 construction, The Hudson Yards, and many others which continuously require raw material supply in huge quantity, for completion of the projects and effective infrastructure development. Such developments are anticipated to contribute increasing sales opportunities for the key players of jumbo bags in near future.

A study projects that over the next three years, FIBC (Flexible Intermediate Bulk Container) will register a 5.00 % CAGR in terms of revenue and reach USD 9200 million (Rs. 69,400 Crores) by 2023.

The Company is expecting a good order for the financial year 2021-22 and working towards delivering the orders in time in spite of resurgence of COVID 19 pandemic in the first quarter of the financial year 2021-22.

In Paper Bags Business, the Company has supplied Paper Sacks / Tubes for a sale value of Rs.25.12 Crores for the year 2020-21 as against Rs.0.50 Crore of the previous year.

Due to unremunerative sale price, sluggish demand and increase in rawmaterial prices of Paper Bags in International Market, the Company has decided to temporarily stop the production of paper bags. The resumption of production will depends upon the profit realization in Paper Bags.

OPEN END SPINNING DIVISION

The Textile Industry has faced tough challenges during the year in view of COVID -19 pandemic. Cotton yarn industry in the country is trying to get back on track, although the pace is too slow during the first half of the financial year. Spinning Mills were the worst hit amid lack of fiscal support. Most of the mills had to shut down their operations.

Cotton Yarn prices are seen cooling off as the mills were forced to shut during pandemic. Economic activity has picked pace after the lockdown restriction were lifted, due to which robust demand for garments has been registered from rural India. Increased demand for cotton yarn, while the supply shortage with yarn spinners reducing yarn output has led to skyrocketing yarn prices for all the categories.

A demand for yarn has increased from December 2020. This resulted in higher yarn production, but prices have increased, primarily the cotton prices have gained. Cotton yarn prices have increased sharply in India since the beginning of the year 2021 in view of surge in cotton prices besides domestic and export demand. Cotton has gained over 13 percent with prices rising nearly 10 percent in February 2021. The percentage of increase in yarn prices is lower than the rise in the cotton prices.

Considering the demand for the Fabrics, the Company expected that the yarn prices in India will be raised again in the financial year 2021-22 and the Company will earn a reasonable profit in the year 2021-22 in this segment barring any unforeseen circumstances.

FINANCIAL PERFORMANCE

(Rs.in Lakhs)

S.No.	Particulars	31.03.2021	31.03.2020
1.	Revenue from Operations	23,899.22	17,226.93
2.	EBITDA (before exceptional items)	1,974.51	1,551.63
3.	Profit After Tax	749.96	526.79
4.	Cash Profit	1,448.99	1,090.01
5.	Earnings Per Share	7.93	5.47
6.	Cash EPS	14.49	10.90
7.	Net Worth	4,556.79	3,786.26
8.	Capital Employed	5,789.42	5,248.46
9.	Fixed Assets (including Capital Work in Progress (CWIP))	4,578.65	4,775.59

FINANCIAL RATIOS

In accordance with Schedule V (B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Key Financial Ratios for the financial year 2020-21 are given below.

S.No.	Particulars	31.03.2021	31.03.2020
1.	Debtor Turnover Ratio	39.00	50.00
2.	Inventory Turnover Ratio	56.00	56.00
3.	Interest Coverage Ratio	3.06	2.60
4.	Current Ratio	1.16	1.10
5.	Debt Equity Ratio	1.74	1.62
6.	Operating Profit Margin (%) before exceptional Items	8.42	9.34
7.	Net Profit Margin (%) after exceptional Items	3.20	3.17
8.	Return on Net Worth	17.00	14.00
9.	Total Debt / EBITDA	4.01	3.95
10.	Return on Capital Employed	10.91	10.44

SOURCES OF FUNDS

Own Funds

The Company's Net Worth has increased to Rs 4,556.78 Lakhs as on 31st March, 2021 as against Rs.3,786.25 Lakhs of the previous year.

Equity

The Company's equity comprises 1,00,00,000 equity shares with a face value of Rs.5 per share, with Promoters holding of 47.63 % as on 31st March, 2021.

Book Value

The Books Value of shares as on 31st March, 2021 is Rs.45.57 per share.

Other Equity

The Company's other equity increased to Rs. 4,056.78 Lakhs as on 31st March, 2021 as against Rs. 3,386.25 Lakhs of the previous year. Free reserves constitute 100% of the other equity.

Long Term Borrowings

The Company's Long Term borrowings stood at Rs. 1,098.65 Lakhs as on 31st March, 2021, compared to Rs. 1,357.81 Lakhs of the previous year as detailed below:

Particulars	2020-2021	2019-2020
Long Term Loan	797.14	1,021.21
Current Maturities of Long Term Borrowings	301.51	336.60
Total	1,098.65	1,357.81

APPLICATION OF FUNDS

Gross Block

The Company's Gross Block of Fixed Assets increased to Rs.7,397.30 Lakhs as against Rs. 7,018.26 Lakhs of the previous year.

RISK MANAGEMENT

The Company has robust management architecture. The Company identifies categories, maps mitigation strategies and monitors potential risks. The strategies are drawn up considering potential risks within the short / medium /long term outlook:

Type of Risk	Mitigation Strategy	Outlook
Industry Risk Softening demand for FIBC bags will impact offtake.	Minimize cost of production and develop long term relationships so as to the supplier of choice.	Long Term
Raw Material Risk Unavailability of raw material can diminish production capacity.	Long term relationship with suppliers of PP Granules ensures steady availability.	Short to Long Term
Regulatory Risk Change in regulation or legislation may derail production strategy.	Tracks regulations consistently and monitors statutory industry compliances or any changes to them.	Medium Term
Operational Risk Inefficient operational practices could influence production cost and affect competitive.	- Maintain equipment regularly to avoid untimely breakdown. - Focuses on upgrading technology and processes to enhance efficiency. - Employs various safety precautions to reduce accidents.	Short Term
Exchange Risk Currency market volatilities may impact margins.	- Hedges export proceeds using forward contracts and avail PCFC in Foreign currency for working capital. - Focuses on obtaining long term contracts and spot sales that optimize offtake and realizations.	Short Term

BOARD OF DIRECTORS

Shri R. Ramji (DIN: 00109393) was reappointed as Managing Director of the Company for a period of 3 years from 01-04-2018 to 31-03-2021 at the Annual General Meeting held on 13-08-2018. Based on the recommendation of the Nomination and Remuneration Committee and Audit Committee at their meeting held on 12-02-2021, the Board of Directors at their meeting held on 12-02-2021 have reappointed Shri R. Ramji as Managing Director for a period of 3 years starting from 01-04-2021. Approval of the members has been sought for his reappointment as set out in the Notice convening the AGM.

In accordance with the provisions of the Companies Act, the following Directors retire by rotation at the ensuing

Annual General Meeting and are being eligible offer themselves for reappointment.

1. Shri S.R. Subramanian (DIN: 00122141)
2. Smt. Durga Ramji (DIN: 00109397)

Your Directors recommend for the reappointment of Shri S.R. Subramanian and Smt. Durga Ramji as directors liable to retire by rotation.

Approval of the members by way of special resolution has been sought for continuing the appointment of Shri S.R. Subramanian and Shri P. Vaidyanathan, Directors of the Company, beyond 75 years in term of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appointment of Independent Directors

The following Directors have been appointed as Independent Directors for a period of 5 years at the Annual General Meeting held on 12-08-2020.

1. Shri Rajesh Devarajan (DIN: 01153112) from 20-09-2020 to 19-09-2025
2. Shri K. S. Pradeep (DIN: 00852462) from 20-09-2020 to 19-09-2025

The Independent Directors hold office for a period of 5 years and are not liable to retire by rotation. No Independent Directors retired during the year.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year.

The Audit Committee has three members, out of which two are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee

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.

The Nomination and Remuneration Committee and this Policy shall be in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the policy during the year under review.

The web address of the Policy is at http://polyspin.org/pdf/161/Nomination_&_Remuneration_Policy.pdf

None of the Directors are 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) Regulations, 2015, 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) Regulations, 2015, 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 and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

Pursuant to Regulation 17(10) of SEBI (LODR) Regulations, 2015, the Board had carried out an annual evaluation of its own performance as well as that of its Committees and individual directors. The evaluation has been made based on the evaluation criteria as approved by the Nomination and Remuneration Committee.

MEETINGS

During the year under review, 4 meeting of the Board were held. The details of the Board and Committee Meetings are provided in Corporate Governance Report forming part of this report.

SECRETARIAL STANDARD

As required under clause 9 of Secretarial Standard 1, 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. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements and operations of the Company.

INTERNAL AUDIT

Shri P. Ramadoss FCA (MRN 201506) the Internal Auditor, submits his Internal Audit Reports to the audit committee which are reviewed 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. The particulars of the investments already made by the Company are provided under Note No.4 of Notes forming part of accounts of Standalone Financial Statements.

REPORT ON CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 enclosed 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.

SUB-DIVISION OF SHARES AND BONUS SHARE

During the year, the Company had split the face value of the shares from Rs.10/- each to Rs.5/- each. Also, the Company had issued a Bonus Share in the proportion of 1(one) new equity share of Rs.5/- each for every 4 (four) existing equity

shares of Rs.5/- each based on the approval accorded by the Shareholders at the Annual General Meeting held on 12.08.2020.

The Company had credited the shares to the demat account of the Shareholders who were holding the shares in demat form and issued the share certificate to the shareholders who were holding the share in physical mode.

CORPORATE SOCIAL RESPONSIBILITY

The 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.

Your Directors are pleased to inform that the amount required to be spent on CSR for the financial year 2020-21 was Rs.16,08,615/-. Against this requirement, the Company had spent Rs. 2,89,904/- on CSR. Due to COVID 19 pandemic and cash crunch persists in the Company, the Company could not fulfill its obligation under CSR. Hence, the unspent amount of Rs.13,18,711/- for the financial year ended 31.03.2021 shall be spent / transferred to the Fund specified in Schedule VII of the Companies Act, 2013 within the period as provided in Rule 9 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

The Company proposes to identify suitable projects in the coming year and meet its future obligations.

The Annual Report on CSR activities as prescribed under Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is enclosed as **Annexure – III**.

STATUTORY AUDIT:

M/s. Srithar and Associates (Firm Registration No. 015896S), Chartered Accountants, Chennai, were appointed as Statutory Auditor of your Company at the Annual General Meeting held on 13-08-2018 for the balance period of first term of 5 consecutive years. They will hold office till the conclusion of 37th Annual General Meeting.

The report given by the Statutory Auditor on the financial statements of the Company for the financial year 2020-2021 is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

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 2020 – 21.

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, 2021.

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

Boards' response to the observation in Secretarial Audit 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. 5,80,000/- plus GST for the delay in compliance with respect to Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Board responded that this was due to oversight and the Company had remitted the fine and complied with the requirements.

As required under Regulation 34(3) read with Schedule V Para C (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Certificate from the Secretarial Auditor that none of the Company's Director have been debarred or disqualified from being appointed or continuing as Directors of the Companies is enclosed as **Annexure IVA** to this report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in **Annexure -V** to this report.

EXTRACT OF ANNUAL RETURN

As per Section 92(3) and 134 (3)(a) of the Companies Act, 2013, the Company has uploaded the extract of Annual Return in the Company website at www.polyspin.org. The said return can be accessed at the following link. http://polyspin.org/pdf/198/Annual_Return_31.03.2021.pdf

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

As on March 31, 2021, the Company is having one Associate Company namely M/s. Lankaspin Private Limited, Srilanka and does not have any Subsidiary or Joint Venture.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts)

Rules, 2014 a statement containing the salient features of the financial statements of Associate Company in Form AOC 1 is enclosed as **Annexure VI**.

CONSOLIDATED FINANCIAL STATEMENTS

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies are required to prepare consolidated financial statements of its Subsidiaries and Associates to be laid before the Annual General Meeting of the Company.

Accordingly, the consolidated financial statements incorporating the accounts of Associate Company viz. M/s. Lankaspin Private Limited, Srilanka along with the Auditors' Report thereon, forms part of this Annual Report. As per Section 136(1) of the Companies Act, 2013, the financial statements including consolidated financial statements are available at the Company's website at the following link at www.polyspin.org.

The consolidated net profit after tax of the Company amounted to Rs. 874.05 Lakhs for the year ended 31st March 2021 as against the Net Profit after tax of Rs. 535.05 Lakhs of the previous year.

The consolidated Total Comprehensive Income for the year under review is Rs. 917.20 Lakhs as compared to Rs.555.38 Lakhs of the previous year.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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 the complaints received for sexual harassment.

During the year, the Company has not received any complaints on sexual harassment.

PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any fixed deposit from the public during the year under section 73 of the Act. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, 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

The Company has developed and implemented a risk management policy, as required under Regulation 17(9) of SEBI (LODR) Regulations, 2015 and Pursuant to Section 134(3)(n) of the Companies Act, 2013. An internal Risk Management Committee has been formed to address and evaluate various risks impacting the Company, in practice with reference to the forex and interest rate. At present the committee 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. 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.

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 2020-2021 and till the date of this report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors are annexed as **Annexure - VII** and forms part of this Report.

RELATED PARTY TRANSACTIONS

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

In accordance with Indian Accounting Standard – 24 (Related Party Disclosure), the details of transaction with Related Parties are provided in Note No. 34 of Notes Forming Part of Accounts of Standalone Financial Statements.

As required under Regulation 46(2)(g) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Related Party Transaction Policy is available on the Company Website and its web link is http://polyspin.org/pdf/67/Policy_on_Related_Party_Transactions.pdf.

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, 2020 with the Ministry of Corporate Affairs.

The Company has transferred the unclaimed dividend amount of Rs. 3,70,066/- for the financial year 2012-13 to IEPF on 16.10.2020. The unclaimed dividend pertaining to the year 2013-14 will be transferred to the IEPF on or before 01.10.2021.

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 for the year ended 31.03.2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31.03.2021 and of the profit of the Company for the year on that date;
- (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, Shareholders 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 : June 25, 2021

**ANNEXURE I TO DIRECTOR'S REPORT -
REPORT ON CORPORATE GOVERNANCE**

PHILOSOPHY ON CODE OF GOVERNANCE

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.

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.

I. BOARD OF DIRECTORS

The Company is managed by the Board of Directors headed by Shri R. Ramji, Managing Director of the Company. The Board consists of Ten Directors, out of whom 9 Directors are Non-executive Directors. There are 5 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 reviews 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.

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulations 34(3) of SEBI (LODR) Regulations, 2015, the Board of Directors had identified the following Core Skills / Expertise / Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

- Technical Textile Technology
- Strategy Management
- Business Management
- Project Management
- Banking and Financial Management
- Risk Management including Foreign Exchange Management
- Industrial Relationship Management including Environment, Health and Safety

- Tax Planning and Management
- General Administration

The skills / expertise / competencies available with the Directors have been furnished under the individual Director's profile.

PROFILE:

SHRI R. RAMJI

Shri R. Ramji, aged 51 years, has a Bachelor's Degree in Computer Application. He has rich experience in Technical Textile Industry. He has been in the Woven Sack Industry for 3 decades and he has been on the Board of Polyspin Exports Limited since 1991. He was appointed as Managing Director of the Company on 01.04.2013.

Skill / Expertise / Competency	Expert in Technical Textile Technology, Strategy Management, Business Management, Project Management and General Administration
--------------------------------	---

Other than M/s. Polyspin Exports Limited, Shri R. Ramji does not hold Directorship in any other listed entity.

SMT. DURGA RAMJI

Smt. Durga Ramji, aged 49 years, holds a Bachelor's Degree in Science. She has rich experience in Business Management and she has been on the Board of Polyspin Exports Limited since 2014.

Skill / Expertise / Competency	Expert in Business Management and General Administration
--------------------------------	--

Other than M/s. Polyspin Exports Limited, Smt. Durga Ramji does not hold Directorship in any other listed entity.

SHRI S.V. RAVI

Shri S.V. Ravi, aged 62 years, has a Bachelor's Degree in Business Administration. He has rich experience in Technical Textile Industry and Business Management. He has been on the Board of M/s. Polyspin Exports Limited since 1992.

Skill / Expertise / Competency	Expert in Technical Textile Technology, Business Management and General Administration
--------------------------------	--

Other than M/s. Polyspin Exports Limited, Shri S.V. Ravi does not hold Directorship in any other listed entity.

SHRI S.R. SUBRAMANIAN

Shri S.R. Subramanian, aged 78 years, has a Master Degree in Science. He has 4 decades of rich experience in Banking and Stock Market activities and he has been on the Board of Polyspin Exports Limited since 1985. He is the Managing Director of Sri Siddhi Vinayak Shares Limited.

Skill / Expertise / Competency	Expert in Banking and Financial Management
--------------------------------	--

Other than M/s. Polyspin Exports Limited, Shri S.R. Subramanian does not hold Directorship in any other listed entity.

SHRI P. VAIDYANATHAN

Shri P. Vaidyanathan, aged 73 years, has a Bachelor's Degree in Commerce. He is a fellow member of the Institute of Chartered Accountants of India, Associate member of the Institute of Company Secretaries of India and Institute of Cost Accountants of India. He has 31 years of rich experience in Finance function, Banking and Security Market and he has been on the Board of M/s. Polyspin Exports Limited since 2017.

Skill / Expertise / Competency	Expert in Banking and Financial Management, Tax Planning and Management, Risk Management including Foreign Exchange Management and General Administration.
--------------------------------	--

Name of the listed entities other than M/s. Polyspin Exports Limited in which Shri P. Vaidyanathan is Director and his category of Directorship.

Name of the Company	Category of Directorship
Hatsun Agro Products Limited	Non-Executive & Non-Independent Director

SHRI S.R. VENKATANARAYANA RAJA

Shri S.R. Venkatanarayana Raja, aged 68 years, has a Bachelor's Degree in Business Administration. He has 37 years of vast experience and knowledge in manufacturing industry, administration, finance and marketing and he has been on the Board of M/s. Polyspin Exports Limited since 2019.

Skill / Expertise / Competency	Expert in Tax Planning and Management, Business Management, Banking and Financial Management, Risk Management including Foreign Exchange Management and General Administration
--------------------------------	--

Other than M/s. Polyspin Exports Limited, Shri S.R. Venkatanarayana Raja does not hold Directorship in any other listed entity.

SHRI R. SUNDARAM

Shri R. Sundaram, aged 65 years, holds Bachelor Degree in Commerce. He is fellow member of The Institute of Chartered Accountants of India and practice in the area of Corporate Laws from 1986 onwards. He has wide knowledge

in the areas of Tax Planning & Management and he has been on the Board of Polyspin Exports Limited since 2019.

Skill / Expertise / Competency	Expert in Tax Planning & Management and Risk Management including Foreign Exchange Management.
--------------------------------	--

Other than M/s. Polyspin Exports Limited, Shri R. Sundaram, does not hold Directorship in any other listed entity.

SHRI V.S. JAGDISH

Shri V.S. Jagdish, aged 69 years, holds B. Tech in Textile Technology. He has 48 years of rich experience and knowledge in Manufacturing Industry, Administration and he has been on the Board of M/s. Polyspin Exports Limited since 2019.

Skill / Expertise / Competency	Expert in Technical Textile Technology, Strategy Management, Business Management, Risk Management including Foreign Exchange Management and General Administration
--------------------------------	--

Other than M/s. Polyspin Exports Limited, Shri V.S. Jagdish does not hold Directorship in any other listed entity.

SHRI RAJESH DEVARAJAN

Shri Rajesh Devarajan, aged 47 years, holds Master Degree in M.E., from Texas A & M University, USA. He has 21 years of experience in Management Consultancy and Hotel Management. He has been on the Board of M/s. Polyspin Exports Limited since 2019.

Skill / Expertise / Competency	Expert in Business Management and General Administration.
--------------------------------	---

Other than M/s. Polyspin Exports Limited, Shri Rajesh Devarajan does not hold Directorship in any other listed entity.

SHRI K.S. PRADEEP

Shri K.S. Pradeep, aged 52 years, holds post graduate degree. He has 22 years of rich experience in administration, planning, process control, production, quality control and marketing in Packaging Industry. He has been on the Board of M/s. Polyspin Exports Limited since 2019.

Skill / Expertise / Competency	Expert in Business Management, Project Management, Industrial Relationship Management including Environment, Health and Safety.
--------------------------------	---

Other than M/s. Polyspin Exports Limited, Shri K.S. Pradeep does not hold Directorship in any other listed entity.

POLYSPIN EXPORTS LIMITED

Details of attendance of each Director at the Board Meeting held during the year are as follows.

S. No.	Name of the Director	25.06.2020	09.09.2020	09.11.2020	12.02.2021	Attendance of Last AGM held on 12.08.2020
1.	Shri R. Ramji, Managing Director DIN: 00109393 Directorship: P & E	Yes	Yes	Yes	Yes	Yes
2.	Smt. Durga Ramji DIN: 00109397 Directorship: P & NE	Yes	Yes	Yes	Yes	Yes
3.	Shri S.R. Subramanian DIN: 00122141 Directorship: P & NE	Yes	Yes	Yes	Yes	Yes
4.	Shri P. Vaidyanathan DIN: 00029503 Directorship: NE	Yes	Yes	Yes	Yes	Yes
5.	Shri S.V. Ravi DIN: 00121742 Directorship: P & NE	Yes	Yes	Yes	Yes	Yes
6.	Shri S.R. Venkatanarayanan Raja DIN: 01226624 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
7.	Shri V.S. Jagdish DIN: 08452900 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
8.	Shri R. Sundaram DIN: 01361345 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
9.	Shri Rajesh Devarajan DIN: 01153112 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
10.	Shri K. S. Pradeep DIN: 00852462 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes

P- Promoter / Promoter Group; E-Executive; NE-Non Executive; ID – Independent Director;

OTHER DIRECTORSHIP

Name of the Directors	No. of other Directorship held in	
	Public	Private
Shri R. Ramji	--	4
Smt. Durga Ramji	--	4
Shri S.R. Subramanian	1	1
Shri P. Vaidyanathan	3	2
Shri S.V. Ravi	--	3
Shri S.R. Venkatanarayanan Raja	--	1
Shri V.S. Jagdish	--	--
Shri R. Sundaram	--	2
Shri Rajesh Devarajan	--	4
Shri K.S. Pradeep	--	1

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Smt. Durga Ramji (DIN : 00109397)	Shri S.R. Subramanian (DIN : 00122141)
Age (Years)	48 Years	77 Years
Date of Appointment	28.05.2014	01.02.1985
Expertise in specific functional area	Corporate Management	40 years of rich experience Banking and Securities
Qualification	B.Sc.,	M.Sc.,
List of outside Directorship held	PUBLIC ---	PRIVATE 4
Chairman / Member of the Committee of the Board of Directors of the Company	Corporate Social Responsibility Committee (Member)	Stakeholders Relationship Committee (Chairman)
Chairman / Member of the Committee of Directors of other Companies	NIL	NIL

III. INDEPENDENT DIRECTORS

The Company has complied with the provision 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 12th February, 2021, 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 Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

The Terms of appointment of Independent Directors has been placed on the Company's website. 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 and at the following web link at http://polyspin.org/pdf/79/Familiarisation_of_Independent_Directors.pdf.

IV. AUDIT COMMITTEE

The terms of reference of the Audit Committee include;

- To review the report of the Internal Auditor.
- To review the Annual Financial Statements and Auditor's Report thereon.
- To review the Quarterly Financial Statements before submission to the Board for approval.

4. To review and approve the Related Party Transactions.
5. To evaluate the internal financial control and risk management system.
6. To scrutinize inter corporate loans and investments.
7. To generally assist the Board to discharge their function more effectively etc.,

Audit Committee would discharge the role and responsibilities as provided in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2/3rd of the members of the Committee are Independent Director as required under Regulation 18 of SEBI (LODR).

The Composition of Audit Committee, meetings held during the year and the details of attendance of its members are as follows.

S. No.	Name of the Director	Meeting held during the year with Attendance			
		25.06.2020	09.09.2020	09.11.2020	12.02.2021
1.	Shri R. Sundaram, Chairman of the Committee	Yes	Yes	Yes	Yes
2.	Shri P. Vaidyanathan, Member	Yes	Yes	Yes	Yes
3.	Shri V.S. Jagdish, Member	Yes	Yes	Yes	Yes

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

The Statutory Auditors, Chief Operating Officer, Chief Financial Officer, Internal Auditor and Secretarial Auditor are invitees to the Audit Committee Meeting.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of Stakeholders Relationship Committee and details of attendance of its members are as follows.

S. No.	Name of the Director	25.06.2020	09.09.2020	09.11.2020	12.02.2021
1.	Shri S. R. Subramanian, Chairman of the Committee	Yes	Yes	No	Yes
2.	Shri R. Ramji, Member	Yes	Yes	Yes	Yes
3.	Shri S.R. Venkatanarayana Raja, Member	Yes	Yes	Yes	Yes

Name of the non-executive director heading the Committee	Shri S.R. Subramanian
Name and Designation of Compliance Officer	Shri P.K. Ramasubramanian, Company Secretary
Number of Shareholder's Complaint / Queries received so far	74
Number not resolved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

Most of the queries related to Change of Address, Transmission Procedures, non-receipt of Dividend warrants, Claiming of Shares and Dividend from IEPF which have been duly complied with by sending duplicate Dividend warrants and suitable reply to their queries.

VI. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharge their role and function as provided under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations. Based on the approval accorded by the Nomination and Remuneration Committee, the Board of Directors determines the remuneration payable to the Managing Director which is subject to the approval of the shareholders.

The complete details of terms of reference for Nomination and Remuneration Committee are available at Company's Nomination and Remuneration Policy. The Nomination and Remuneration Policy is available at Company's Website at http://polyspin.org/pdf/161/Nomination_&_Remuneration_Policy.pdf

S.No.	Name of the Director	12.02.2021
1.	Shri R. Sundaram, Chairman of the Committee	Yes
2.	Shri S.R. Venkatanarayana Raja Member	Yes
3.	Shri V.S. Jagdish, Member	Yes

Shri P.K. Ramasubramanian is the Secretary of the committee.

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, independence, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

VII. REMUNERATION OF DIRECTORS

Details of Remuneration paid to the Managing Director during the year 2020-21 are given below:

(Rs. in Lakhs)

Name of the Director	Salary & Perquisites
Shri R. Ramji, Managing Director	166.25

No Commission has been paid to the Managing Director.

No Stock option has been 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.

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.

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 Shri R. Ramji, Managing Director (Chairman of the Committee), Shri P.K. Ramasubramanian, Company Secretary, Shri B. Ponram, Chief Operating Officer and Shri S. Seenivasa Varathan, Chief Financial Officer of the Company as members.

IX. DISCLOSURE OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2021

S. No.	Name of the Non-Executive Directors	No. of Shares
1.	Smt. Durga Ramji	9,04,147
2.	Shri S.R. Subramanian	2,27,750
3.	Shri P. Vaidyanathan	---
4.	Shri S.R. Venkatanarayanan Raja	---
5.	Shri V.S. Jagdish	---
6.	Shri R. Sundaram	---
7.	Shri S.V. Ravi	17,000
8.	Shri Rajesh Devarajan	---
9.	Shri K.S. Pradeep	1,250

X. DISCLOSURE OF RELATIONSHIP OF THE DIRECTORS

Shri R.Ramji, Managing Director is related to Smt. Durga Ramji and Shri S.V. Ravi. 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. It is affirmed that no personnel has been denied access to the Audit Committee.

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. 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 has 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:

During the year 2020-21, the Company by oversight could not complete the Bonus Issue with in the timeline as stipulated in Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which leads to 29 days delay in completion of Bonus Issue. BSE Limited had imposed a Basic Fine of Rs.5,80,000/- plus GST and the Company had remitted the fine to BSE Limited.

During the year 2019-20, the BSE Limited had imposed a fine of Rs.4,55,000/- plus GST for non-compliance of Regulations 17(1) of SEBI (LODR) Regulations, 2015. This was due to misinter-presentation of the above regulation and the Company had remitted the fine and complied with the requirement.

4. The Company has complied with the Mandatory requirements of Corporate Governance stipulated under SEBI (LODR) Regulations, 2015.
5. The Company has no Subsidiary. Hence, disclosure about “Material Subsidiary Policy” is not applicable to the Company.
6. The Related Party Transaction Policy is disclosed in the Company Website and its web link is http://polyspin.org/pdf/67/Policy_on_Related_Party_Transactions.pdf.
7. The details relating to commodity price risks and commodity hedging activities are not applicable.
8. The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement.
9. Shri B. Subramanian, Practising Company Secretary has certified that none of the Directors of the Company have been debarred or disqualified from being

- appointed or continuing as director of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority.
10. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
11. Total Fees paid to Statutory Auditors
The total fees for all the services paid by the Company on a consolidated basis to the Statutory Auditor are Rs.75,000/-.
No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by the Company.
12. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Number of Complaints filed during the financial year - Nil
 - Number of Complaints disposed of during the financial year - Nil
 - Number of Complaints pending as on end of the financial year - Nil
13. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015 although many are not applicable to your Company.
14. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 4 above.
15. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.
16. 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.
17. As required under Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following informations have been duly disseminated in the Company's website.
- Terms and conditions of appointment of Independent Directors
 - Composition of various committees of Board of Directors

- Code of conduct of Board of Directors and Senior Management Personnel
 - Details of establishment of Vigil Mechanism / Whistle Blower Policy
 - Criteria on making payments to Non-Executive Directors
 - Policy on dealing with Related Party Transactions
 - Policy for determining materiality of events for disclosure
 - Details of familiarization Programmes imparted to Independent Directors
 - The e-mail address for grievance redressal and other relevant details.
18. 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.
19. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.
20. The Company has also constituted the following Committee of Board of Directors.
The Composition of the Corporate Social Responsibility Committee and the details of attendance of its members are as follows.

S. No.	Name of the Director	25.06.2020	09.09.2020	09.11.2020	12.02.2021
1.	Shri S.R. Venkatanarayana Raja, Chairman - Independent Director	Yes	Yes	Yes	Yes
2.	Shri S.V. Ravi, Director	Yes	Yes	Yes	Yes
3.	Smt. Durga Ramji, Director	Yes	Yes	Yes	Yes

21. CREDIT RATING

CARE, the Company's credit rating agency vide their letter dated August 3, 2020, have reaffirmed the credit rating against our borrowing programme as follows;

Security	Rating
Long Term Bank facilities	CARE BBB-; Stable
Short Term Bank facilities	CARE A3

22. GENERAL BODY MEETING

i) Details of the Date, Location and Time of the last three AGM held;

Year End Date	Date of AGM	Time	Venue
31.03.2018	13.08.2018	9.30 A.M	Sri Arjuna Manthiram, Rajapalayam. - do -
31.03.2019	12.08.2019	9.30 A.M	
31.03.2020	12.08.2020	10.00 A.M	Through Video Conference

ii) Details of Special Resolutions passed in the previous three Annual General Meetings;

Date of the AGM	Subject Matter of the Special Resolutions
12.08.2020	Adoption of New Memorandum of Association
	Approve the Contract with Related Parties
	Increase the Borrowing Powers under Section 180(1)(c) and authorization to secure the borrowings under Section 180(1)(a) of the Companies Act, 2013
12.08.2019	Appointment of Independent Director for a period of 5 years as below;
	1. Shri S.R. Venkatnarayana Raja (01.09.2019 to 31.08.2024).
	2. Shri V.S. Jagdish (01.09.2019 to 31.08.2024).
	3. Shri R. Sundaram (01.09.2019 to 31.08.2024).
	4. Increase in remuneration of Shri Rammohan Raja Ramji, Managing Director of the Company.
13.08.2018	Reappointment of Shri Rammohan Raja Ramji as Managing Director for a period of 3 years with effect from 01.04.2018

- iii) No Special Resolution on matters requiring Postal Ballot was passed during the period under review.
- iv) No Special Resolution is proposed to be conducted through Postal Ballot as on date.

23. MEANS OF COMMUNICATION

The Unaudited Quarterly and Half Yearly Financial Results and Audited Annual Financial Results are published in Business Line (English) and Dinamalar (Tamil). The results were also displayed on the Company's website at www.polyspin.org. All the financial results are provided to the Stock Exchange.

24. 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.

25. GENERAL SHAREHOLDERS INFORMATION

(i)	Annual General Meeting	On Friday, the 27 th August, 2021 at 10.00 A.M. through Video Conference.
(ii)	Financial Year	01.04.2020 to 31.03.2021
(iii)	Dividend Payment Date	01 st August, 2021 onwards
(iv)	Name and Address of the Stock Exchange in which the Company's Shares are listed and confirmation about payment of Annual Listing Fees	The Company's Shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company has paid the listing fees to the Stock Exchange for the financial year 2021-2022.
(v)	Stock Code	539354
(vi)	Whether the Securities are suspended from Trading?	No
(vii)	Distribution of Holding	Enclosed
(viii)	Dematerialization of Shares and Liquidity	As on 31.03.2021, 83.16% of the Shares are in Demat.
(ix)	Commodity Price Risk or foreign exchange risk and hedging activities	Forward contracts are booked taking into account, the cost of hedging and foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to un hedged portions, if any.

26. STOCK PRICE PERFORMANCE

The Share price movement in BSE Limited (Stock Exchange) is given below.

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Total Turnover (Rs)
April 2020	69.00	61.00	2,391	1,54,245
May 2020	68.35	61.50	3,821	2,45,212
June 2020	100.00	56.95	15,539	11,78,846
July 2020	94.90	71.60	4,173	3,43,120
August 2020	87.25	66.50	49,292	39,96,763
September 2020	101.95	37.20	1,62,674	98,41,021
October 2020	38.95	31.00	32,628	11,17,877
November 2020	41.95	31.25	64,264	27,96,723
December 2020	51.70	42.50	1,32,009	62,11,426
January 2021	66.00	43.50	1,96,510	1,09,40,475
February 2021	60.50	46.75	1,12,840	58,53,440
March 2021	53.80	46.60	66,846	34,37,800

Source : BSE Website

Note: Company has split the nominal value per share of Face value of Rs.10/- each to Rs.5/- each and such subdivision of shares are listed on the BSE on 07.09.2020.

27. 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 Shri R. Ramji, Shri S.V. Ravi & Company Secretary Shri P.K. Ramasubramanian are empowered to approve such transmission of shares. There are no pending Share transmission as on 25th June, 2021. The transfer of shares in Electronic form are processed and approved by NSDL / CDSL through their Depository Participants.

The Company obtaining 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 Exchange within the prescribed time limit.

28. 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. Tamilnadu.
Ph : 044 - 28140801

- 29. NAME OF THE DEPOSITORY** : National Securities Depository Limited
Central Depository Services (India) Limited
- 30. ISIN No.** : I N E 9 1 4 G 0 1 0 2 9
- 31. Investor Correspondence For Transmission, Payment Of Dividend On Shares Or Any Other Query Relating To The Shares Of The Company** : Registered Office:
No.351, P.A.C.R.Salai, Rajapalayam 626 117. Virudhunagar District, Tamilnadu.
Ph : 04563 - 221554
- 32. Name And Address of the Compliance Officer** : Sri. P.K. Ramasubramanian
Company Secretary,
No.351, P.A.C.R.Salai, Rajapalayam 626 117. Virudhunagar District, Tamilnadu.
Ph : 04563 - 221554
- 33. Website** : www.polyspin.org
- 34. A separate email ID has been created to facilitate the shareholders to redress their grievances.** The email ID is : polyspinexportscs@gmail.com

35. PLANT LOCATION

100% EOU - FIBC Bags & Woven Bags Division

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

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

OE Yarn Unit - Division

PEL Textiles (A Division of Polyspin Exports Limited)
206 B/1, Sankarankovil Road,
Cholapuram South. Rajapalayam (Via)
Virudhunagar District, Tamilnadu.

Windmill Unit (250 KW)

NH Road, Ambalavanapuram, Avarikulam Post
Pin : 627 133. Tirunelveli District.

36. RANGEWISE HOLDINGS

Range	2020 - 2021 No. of Shareholders	2020 - 2021 (%)	2019 - 2020 (%)
1 - 500	2,345	6.68	13.47
501 - 1000	474	3.79	6.67
1001 - 2000	404	5.85	4.80
2001 - 3000	182	4.58	3.97
3001 - 4000	62	2.24	1.74
4001 - 5000	38	1.82	0.97
5001 - 10000	83	5.85	3.18
10001 - and above	55	69.19	65.20
Total	3,643	100.00	100.00

37. DEMATERIALIZATION OF SHARES AS ON 31.03.2021

Particulars	No. of Shareholders	(%)	No. of Shares	(%)
NSDL	1,161	31.87	75,04,317	75.04
CDSL	821	22.54	10,02,223	10.02
PHYSICAL	1,661	45.59	14,93,460	14.94
Total	3,643	100.00	1,00,00,000	100.00

38. 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.

39. 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 Limited (NSDL) and Central Depository Services (India) Limited (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 Exchange 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 dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.
- (B) As stipulated under Regulation 34 (3) and Schedule V para C Clause 10 (i) of the SEBI (LODR) Regulations 2015, a Certificate of Non – Disqualification of Directors issued by Shri B. Subramanian, Practising Company Secretary (C.P.No.2275) is attached as per **Annexure-IVA.**

40. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

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

41. 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)

I, R. Ramji, Managing Director and CEO of the Company hereby declare that as provided under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2021.

For POLYSPIN EXPORTS LIMITED

R. RAMJI

Managing Director & CEO
(DIN : 00109393)

Place : Rajapalayam

Date : June 25, 2021

**CERTIFICATION BY MANAGING DIRECTOR
TO THE BOARD**

To The Board of Directors,
M/s. Polyspin Exports Limited,
Rajapalayam.

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

We hereby certify to the Board that:

1. We have reviewed the financial statements and the Cash flow statements for the year ended 31.03.2021 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

Chief Financial Officer

Place : Rajapalayam

Date : June 25, 2021

R. RAMJI

Managing Director & CEO
(DIN : 00109393)

ANNEXURE II TO DIRECTOR'S REPORT

**CERTIFICATE ON COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

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

To

The Members of

M/s. 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 **M/s. Polyspin Exports Limited** ("the Company") for the year ended **31st March 2021**, 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 of the conditions of Corporate Governance as stipulated in the said clauses. 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.
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 : F002152C000513267

Place : Rajapalayam

Date : June 25, 2021

ANNEXURE III TO DIRECTOR'S REPORT

1. Brief outline of CSR Policy of the Company

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 ecofriendly 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. Composition of CSR Committee

S. No.	Name of the Director	Designation/ Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1.	Shri S.R. Venkatnarayana Raja	Non-Exeutive Independent Director	4	4
2.	Shri S.V. Ravi	Non-Exeutive Director	4	4
3.	Smt. Durga Ramji	Non-Exeutive Director	4	4

3. Web link for the followings disclosed on the website of the Company:

Composition of CSR Committee:
 CSR Projects approved by the Board: Nil
http://polyspin.org/pdf/125/COMPOSITION_OF_COMMITTEE.pdf
 CSR Policy:
http://polyspin.org/pdf/69/Corporate_Social_Responsibility_Policy.pdf

4. Details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 –
 Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rupees)	Amount required to be setoff for the financial year, if any (in Rupees)
NIL			

6. Average net profit of the Company as per section 135(5):
 Rs.8,04,30,749/-

7. (a) Two percent of average net profit of the Company as per section 135(5): Rs.16,08,615/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): Rs.16,08,615/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2,89,904	Nil	Nil	Nil	Nil	Nil

The unspent amount of Rs.13,18,711/- for the financial year ended 31.03.2021 shall be spent / transferred to the Fund specified in Schedule VII of the Companies Act, 2013 within the period as provided in Rule 9 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation Through Implementing Agency	
			State	District						Name	CSR Registration Number
Nil											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the Project (in Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation Through Implementing Agency		
				State	District			Name	CSR Registration Number	
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	Promoting health care including preventive healthcare	Yes	Tamilnadu	Virudhunagar	1,33,950	Yes	N.A	N.A	
2.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Promoting Education	Yes	Tamilnadu	Virudhunagar	1,03,754	Yes	N.A	N.A	
3.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Promoting Gender Equality	No	Tamilnadu	Madurai	52,200	Yes	N.A	N.A	
Total							2,89,904			

- 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')
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
 - Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;
 - 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;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- v. The following laws, that are specifically applicable to the Company:
- 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 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.
 - 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, 2021** 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 295 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, the Company by oversight could not complete the Bonus Issue with in the timeline which leads to the delay for a period of 29 days in complying with the regulation. BSE Limited had imposed a Basic Fine of Rs.5,80,000/- plus GST and the Company had remitted the fine to the Stock Exchange.
- 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:
- 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
 - The following Regulations and Guidelines prescribed under the SEBI Act;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - 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:
- 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 Non-Executive Woman Director.
 - 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.
 - 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,
- 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.
- Place : Rajapalayam
Date : June 25, 2021
- B. SUBRAMANIAN**
Practicing Company Secretary,
Membership No: F2152
Certificate of Practice: 2275
UDIN : F002152C000511672

**Annexure - A to Secretarial Audit Report
of even date**

To
The Members
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, 2021 is to be read along with this letter.

- Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
- While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the Company after **31st March, 2021** but before the issue of this report.
- I have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained by the Company in compliance with law.
- I have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. I have also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
- I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- My Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. SUBRAMANIAN

Practicing Company Secretary
Membership No: F2152
Certificate of Practice: 2275
UDIN : F002152C000511672

Place : Rajapalayam
Date : June 25, 2021

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
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, 2021** 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 Sinthalapadi Ramakrishna Raja Venkatanarayana Raja	01226624	01/09/2019
7	Shri Vengisanam Seshagiri Raju 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 : F002152C000513201

Place : Rajapalayam
Date : June 25, 2021

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 -150 Lights (50 watts -17 Nos, 120 watts -17 Nos, 20 watts -110 Nos and 50 watts -6 Nos)
- ii) Window AC's replaced with 3 Star / 5 Star Split AC's – 3 Nos.
- iii) Energy Efficient Motors (IE2/IE3) installation – 30 Nos. (Re-winding motor replaced with IE-2 – 30 Nos.)
- iv) VFD installation for Folding Machine – 1 No.
- v) VFD installation for Looms – 12 Nos.

(ii) The impact on conservation of energy:

- i) Sl. No. (i) – Annual saving 19,678 Kwh @ Rs. 6.85 = Rs. 1,34,794
- ii) Sl. No. (ii) – Annual saving 1,944 Kwh @ Rs. 6.85 = Rs. 13,316
- iii) Sl. No. (iii) – Annual saving 11,172 Kwh @ Rs. 6.85 = Rs. 76,530
- iv) Sl. No. (iv) – Annual saving 838 Kwh @ Rs. 6.85 = Rs. 5,740
- v) Sl. No. (v) – Annual saving 6,703 Kwh @ Rs. 6.85 = Rs. 45,915

(iii) The Capital investment on energy conservation equipment:- Rs. 2.76 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 - Nil reckoned from the beginning of the financial year)
- iv) The expenditure incurred on Research and Development (R&D) - Nil

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

Particulars	2020-21	2019-20
a. Earnings	17,811.64	13,917.89
b. Outgo	2,186.61	3,665.94

**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 : June 25, 2021

ANNEXURE VI TO DIRECTOR'S REPORT**FORM AOC-1**

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

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

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

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

S. No.	Name of Associate	Lankaspin Private Limited Sri Lanka.
1.	Latest Audited Balance Sheet Date	31 st March, 2021
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	Not Applicable
6.	Net worth attributable to shareholding as per latest Audited Balance Sheet (in INR)	Rs. 2,49,37,405
7.	Profit or Loss for the year (in INR)	Rs. 3,71,76,712
	i. Considered in Consolidation – Share of Profit	Rs. 1,24,08,767
	ii. Not Considered in Consolidation	Rs. 2,47,67,945

**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 : June 25, 2021

ANNEXURE VII TO DIRECTOR'S REPORT

Directors'/Employees Remuneration

Pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) 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, Chief Operating Officer & Chief Financial Officer, in the financial year 2020 - 21 and the comparison of the remuneration of the Key Managerial Personnel against the performance of the Company is as follows:

Name of Director & Designation	Remuneration of Directors for the F.Y. 2020 – 21 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2020 – 21	Ratio of remuneration of each Director / to median remuneration of employees
Shri R. Ramji Managing Director & CEO	166.25	11.64	152.73

Name of KMP & Designation	Remuneration of KMP for the F.Y. 2020 – 21 (Rs. in Lakhs)	% increase / (decrease) in remuneration in the F.Y. 2020 – 21
Shri P.K. Ramasubramanian, Company Secretary	3.88	(3.72)
Shri B. Ponram, Chief Operating Officer	68.63	47.08
Shri. S. Seenivasa Varathan, Chief Financial Officer	19.25	(2.33)

- ii. In the financial year, there was an increase of 27.97% in the median remuneration of employees.
- iii. There were 2,040 permanent employees on the rolls of Company as on 31st March, 2021.
- iv. Relationship between average increase in remuneration and Company performance :
The PBIDT of the Company has increased by 27.25%, Profit before tax increased by 46.74% and the Profit after tax increased by 42.93%, whereas the increase in median remuneration was 27.97%. 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	11.64	46.74
Shri P.K. Ramasubramanian, Company Secretary	(3.72)	46.74
Shri B. Ponram, Chief Operating Officer	47.08	46.74
Shri. S. Seenivasa Varathan Chief Financial Officer	(2.33)	46.74

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

Closing Market Price per Share in		% increase	Price Earnings Ratio		Market Capitalization Rs. in Lakhs	
As on 31.03.2020	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020	As on 31.03.2021	As on 31.03.2020	As on 31.03.2021
66.50 Face Value Rs.10/- each	49.45 Face Value Rs.5/- each	48.72	4.86	6.24	2,660	4,945

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 Limited.

- vii. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2020-21 was 12.88% whereas the decrease in the managerial remuneration for the same financial year was 0.31%. 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 2020-21.
- iv. 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 2020-21 is as per the Remuneration Policy of the Company;

On behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

S.V. RAVI
Director
Place : Rajapalayam
Date : June 25, 2021
(DIN: 00121742)

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

POLYSPIN EXPORTS LIMITED

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) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March 2021.

Sl. No.	Name	Age (Years)	Designation	Remuneration Paid / Payable (Rs.in Lakhs)	Qualification and Experience (Years)	Date of Commencement of Employment	Previous Employment
1.	Shri R. Ramji	51	Managing Director & CEO	166.25	BCA (30 Years)	01.04.2013	---
2.	Shri B. Ponram	50	Chief Operating Officer	68.63	M.B.A., (16 Years)	01.11.2014	M/s. Energyspin Private Limited
3.	Shri S.Satish Kumar	55	Vice President (Marketing)	42.00	M.A., (Economics) (28 Years)	01.04.2015	---
4.	Shri Bal Krishna Ladha	73	Vice President (Marketing)	36.85	B.E. (Hons) Mech, MBA (43 Years)	01.09.2014	M/s. Ultra Tech Cements Limited
5.	Shri N.D. Ramsankar	40	Project Officer	22.82	D.H.M (17 Years)	01.07.2009	---
6.	Shri S. Seenivasa Varathan	58	Chief Financial Officer	19.25	B.Com (32 Years)	01.01.1991	---
7.	Shri S. Narendran	64	Manager (Commercial)	12.01	B.Com (36 Years)	01.01.1991	---
8.	Shri K. Samidurai	51	Manager (Accounts)	9.28	B.Com (27 Years)	01.04.2020	M/s. Polyspin Private Limited
9.	Shri S. Deepakraj	37	General Manager (Works)	8.42	B.E., M.Tech., MBA (6 Years)	03.01.2018	M/s. First Garments Private Limited
10.	Shri R. Alagendran	53	Manager (Production)	8.28	D.M.E (18 Years)	01.07.2003	---

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,

Place : Rajapalayam
Date : June 25, 2021

S.V. RAVI
Director
(DIN : 00121742)

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

ANNEXURE VIII TO DIRECTOR'S REPORT

FORM AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's 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 / transaction	Nil
d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e) Justification for entering into such contracts or arrangements or transactions	Nil
f) Date(s) of approval by the Board	Nil
g) Amount paid as advance, if any	Nil
h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188	Nil

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

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

On behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : June 25, 2021

S.V. RAVI
Director
(DIN : 00121742)

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

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, 2021, 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, 2021, 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 thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- a. We draw attention to Note No. 36.4 to the standalone financial statements, which describes non provision of interest on the amount payable to MSME creditors.
- 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 explains the uncertainties and the management's assessment of the financial impact related to COVID-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is highly dependent on future economic developments and circumstances as they evolve.

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, 2021 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, 2020 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, 2021, 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”, As at March 31, 2021, 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 resources and whether a provision should be recognised</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>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.

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

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial 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.

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.

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, 2021 taken on record by the Board of Directors, none of the

directors is disqualified as on 31st March, 2021 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 IND AS 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 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 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 : 21209047AAAACD3967

Place : Rajapalayam
Date : June 25, 2021

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 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 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 : June 25, 2021

(S. SRITHAR)
Membership No. 209047
UDIN : 21209047AAAACD3967

ANNEXURE -B TO INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 1 of our Report of even date to the members of M/s. Polyspin Exports Limited on the accounts of the Company for the year ended 31st March, 2021

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 the 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 2021, 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 : June 25, 2021

(S. SRITHAR)
 Membership No. 209047
 UDIN : 21209047AAAACD3967

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, 2021]

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, 2021, 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, 2021, 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 : 21209047AAAACD3967

Place : Rajapalayam
Date : June 25, 2021

POLYSPIN EXPORTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<u>ASSETS</u>			
Non-Current Assets			
Property, Plant and Equipment	3	45,76,54,991	45,29,93,695
Capital Work-in-Progress	3	---	2,43,77,313
Other Intangible Assets	3	2,10,130	1,88,067
Financial Assets			
i) Other Investments	4	69,38,310	67,42,810
ii) Others Financial Assets	5	40,62,926	72,43,817
Other Non-Current Assets	6	---	35,35,270
		<u>46,88,66,357</u>	<u>49,50,80,972</u>
Current Assets			
Inventories	7	47,14,52,231	24,54,97,454
Financial Assets			
i) Trade Receivables	8	25,73,77,902	24,34,98,976
ii) Cash and Cash Equivalents	9	2,57,64,604	33,24,007
iii) Other Bank Balance	10	13,14,60,301	13,05,78,449
iv) Other Financial Assets	11	1,47,07,108	2,92,39,236
Current Tax Assets (Net)		1,99,84,817	1,91,30,951
Other Current Assets	12	8,56,19,223	1,71,61,417
		<u>100,63,66,186</u>	<u>68,84,30,490</u>
		<u>147,52,32,543</u>	<u>118,35,11,462</u>
Total Assets			
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Equity Share Capital	13	5,00,00,000	4,00,00,000
Other Equity	14	40,56,78,827	33,86,25,698
		<u>45,56,78,827</u>	<u>37,86,25,698</u>
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	7,97,13,590	10,21,20,925
Deferred Tax Liabilities (Net)	16	4,35,50,000	4,41,00,000
		<u>12,32,63,590</u>	<u>14,62,20,925</u>
Current Liabilities			
Financial Liabilities			
i) Borrowings	17	68,18,12,093	47,67,13,173
ii) Trade Payables	18	10,43,66,673	10,00,17,824
iii) Other Financial Liabilities	19	3,67,30,849	2,83,80,674
Other Current Liabilities	20	3,86,23,378	3,69,96,035
Provisions	21	3,47,57,133	1,65,57,133
		<u>89,62,90,126</u>	<u>65,86,64,839</u>
		<u>147,52,32,543</u>	<u>118,35,11,462</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 : 21209047AAAACD3967
Place : Rajapalayam
Date : June 25, 2021

R. RAMJI
Managing Director & CEO

S.V. RAVI
Director

P.K. RAMASUBRAMANIAN
Secretary

S. SEENIVASA VARATHAN
Chief Financial Officer

POLYSPIN EXPORTS LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
INCOME			
Revenue from Operations	22	234,62,47,018	166,19,01,118
Other Income	23	4,36,75,355	6,07,92,247
Total Income		<u>238,99,22,373</u>	<u>172,26,93,365</u>
EXPENSES			
Cost of Raw Material Consumed	24	148,72,87,443	96,78,92,746
Changes in / Inventories of Finished Goods, Stock-in-Process	25	(8,98,54,353)	(1,34,81,474)
Employee Benefit Expenses	26	32,81,82,873	30,34,39,642
Finance Costs	27	5,25,51,841	4,61,62,374
Depreciation & Amortisation Expenses		3,65,53,535	3,51,65,199
Other Expenses	28	46,68,55,136	30,96,78,904
Total Expenses		<u>228,15,76,475</u>	<u>164,88,57,391</u>
Profit before Exceptional Items and Tax		10,83,45,898	7,38,35,974
Exceptional Items		----	----
Profit before Tax		10,83,45,898	7,38,35,974
Tax Expenses:-			
- Current Tax		3,39,00,000	1,57,00,000
- Deferred Tax		(5,50,000)	54,57,000
Profit After Tax		7,49,95,898	5,26,78,974
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
- Remeasurement gains/(losses) on Defined Benefit Plan (net)		43,15,048	20,33,439
Total Comprehensive Income		<u>7,93,10,946</u>	<u>5,47,12,413</u>
Earnings per Share (Basic)		7.93	5.47
Face Value of Rs.5/- each			

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

S. SRITHAR
Membership No. 209047
UDIN : 21209047AAAACD3967
Place : Rajapalayam
Date : June 25, 2021

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S.V. RAVI
Director

S. SEENIVASA VARATHAN
Chief Financial Officer

POLYSPIN EXPORTS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rupees in Lakhs)

Particulars	2020 - 2021	2019 - 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	1,083.45	738.36
Adjustment for :		
Depreciation & Amortisation Expenses	365.54	351.65
Loss on Sale of Assets	24.00	9.02
Profit on Sale of Assets	(0.87)	(3.57)
Interest Expenses	525.52	461.62
Interest Income	(81.39)	(67.50)
Dividend Income	(19.41)	(0.44)
Operating Profit before Working Capital	1,896.84	1,489.14
Adjustment for Changes in		
(Increase) / Decrease in Inventories	(2,259.55)	216.69
(Increase) / Decrease in Trade Receivables	(138.79)	(315.10)
(Increase) / Decrease in Other Financial Assets	31.81	28.08
(Increase) / Decrease in Other Non Current Assets	35.35	26.48
(Increase) / Decrease in Other Current Assets	(684.58)	108.14
(Increase) / Decrease in Other Current Financial Assets	145.32	533.66
Increase / (Decrease) in Trade Payables	43.48	(583.59)
Increase / (Decrease) in Other Current Liabilities & Provisions	159.64	(149.40)
Cash Generated from Operations	(770.48)	1,354.10
Income Taxes Paid	(165.00)	(254.85)
Net Cash from Operating Activities (A)	(935.48)	1,099.25
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets / WIP	(225.51)	(647.92)
Proceeds from Sale of Fixed Assets	16.73	5.90
Dividend Receipts	19.41	0.44
Interest Receipts	81.39	67.50
Investments in Term Deposits with Banks	(8.82)	(404.88)
Net Cash used In Investing Activities (B)	(116.80)	(978.96)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from issuance of Share Capital	---	---
Proceeds from Share Premium	---	---
Proceeds / (Repayment) of Long Term Borrowings	(224.07)	(106.41)
Borrowings for Working Capital Purposes	2,050.99	273.41
Finance / Lease Liabilities - Increase / (Decrease)	---	---
Investment in Subsidiaries / Associates	(1.95)	0.51
Interest Expenses	(525.52)	(461.62)
Dividend Paid (Including Tax on Dividend)	(22.76)	(55.29)
Net Cash used In Financial Activities (C)	1,276.69	(349.40)
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	224.41	(229.11)
Cash and Cash equivalents at the beginning of the Period	33.24	262.35
Cash and Cash equivalents at the end of the Period	257.65	33.24

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

S. SRITHAR
Membership No. 209047
UDIN : 21209047AAAACD3967

Place : Rajapalayam
Date : June 25, 2021

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S.V. RAVI
Director

S. SEENIVASA VARATHAN
Chief Financial Officer

POLYSPIN EXPORTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

Equity Share Capital Issued, Subscribed and Paid-up Equity Share of Rs.5/- each :-

	Rs.
Balance as at 01.04.2019	4,00,00,000
Changes in Equity Share Capital during the year 2019-20	----
Balance as at 31.03.2020	4,00,00,000
*** Add: Issue of 20,00,000 Bonus Equity Shares of Rs.5/- each transferred from General Reserves	1,00,00,000
Balance as at 31.03.2021	5,00,00,000

*** During the year the Company has issued 20,00,000 bonus equity shares of Rs. 5/- each in the ratio of one equity share for every 4 equity shares held by shareholders.

B. OTHER EQUITY

Particulars	Reserves and Surplus (Rs.)		
	General Reserve	Retained Earnings	Total
Other Equity as at 01.04.2019	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	----	(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
Profit for the Year	----	7,49,95,898	7,49,95,898
Other Comprehensive Income	----	43,15,048	43,15,048
Add : Provision for Taxation	----	17,760	17,760
Less : Issue of 20,00,000 Bonus Equity Shares of Rs.5/- each	(1,00,00,000)	----	(1,00,00,000)
Less : Dividend Paid	----	(22,75,577)	(22,75,577)
Transfer to General Reserve	7,00,00,000	(7,00,00,000)	----
Other Equity as at 31.03.2021	39,00,00,000	1,56,78,827	40,56,78,827

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

S. SRITHAR
 Membership No. 209047
 UDIN : 21209047AAAACD3967

Place : Rajapalayam
 Date : June 25, 2021

R. RAMJI
 Managing Director & CEO

S.V. RAVI
 Director

P.K. RAMASUBRAMANIAN
 Secretary

S. SEENIVASA VARATHAN
 Chief Financial Officer

STANDALONE - NOTES FORMING PART OF ACCOUNTS**1. General Information:**

M/s. Polyspin Exports Limited (PEL or the Company) is a Public Limited Company incorporated in India. PEL's shares are listed on BSE Limited 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 the year 1985 and the commenced commercial production during the year 1990.

The Company is engaged in Manufacture of FIBC Bags, PP Fabric, PP Yarn, Multifilament Yarn, Paper Bags, etc., with an installed capacity of 10,800 MTS per annum and manufacturer of OE yarn with an installed capacity of 1,312 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, 2021.

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.

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 INDAS, 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 Rawmaterials, 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

STANDALONE - NOTES FORMING PART OF ACCOUNTS

fair value through profit or loss. Such financial liabilities including derivatives that are liabilities, shall be subsequently measured at fair value.

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

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

Trade and Other Payables

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

De-recognition of Financial Liabilities

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

2.13 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 IND AS – 109. "Financial instruments" are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are reported in the statement of Profit and Loss.

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

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 (In Rupees)

Particulars	Tangible Assets										Capital Work in Progress	Intangible Assets	
	Land	Building	Plant and Machinery	Power Generation Equipment	Furniture & Fittings	Vehicles	Office Equipment	Library	Total	Computer Software			
Gross Carrying Amount													
As at 01.04.2020	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		
Additions	---	3,73,37,715	61,40,592	---	---	20,86,442	12,91,591	---	4,68,56,340	---	72,570		
Deductions	---	---	71,61,172	---	---	16,40,371	2,23,630	---	90,25,173	2,43,77,313	---		
As at 31.03.2021	49,00,383	21,82,57,058	48,84,74,639	57,87,276	12,30,741	1,27,72,694	75,43,817	12,435	73,89,79,043	---	7,50,685		
Accumulated Depreciation and Impairment													
As at 01.04.2020	---	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		
Depreciation	---	57,35,825	2,81,32,407	1,57,279	86,870	10,67,618	13,23,030	---	3,65,03,029	---	50,507		
Disposals	---	---	23,00,036	---	---	8,90,716	1,42,406	---	33,33,158	---	---		
As at 31.03.2021	---	3,75,48,470	22,51,30,144	52,21,417	5,53,857	81,32,750	47,24,979	12,435	28,13,24,052	---	5,40,555		
Carrying Amount 31.03.2021	49,00,383	18,07,08,588	26,33,44,495	5,65,859	6,76,884	46,39,944	28,18,838	---	45,76,54,991	---	2,10,130		
Carrying Amount 01.04.2020	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		

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2021 Rs.	As at 31.03.2020 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 Private Limited, India.
13,01,119	SLR 10/-	M/s. Lankaspin Private Limited, Sri Lanka
56,100	INR 10/-	M/s. OPG Power Generation Private Limited, India.
		Investments
		3,65,000
		59,45,510
		6,27,800
		69,38,310
		67,42,810
5. OTHER FINANCIAL ASSETS (NON CURRENT)		
Security Deposits with Electricity Board / Others	36,40,236	66,88,552
Loans to Employees	4,22,690	5,55,265
	40,62,926	72,43,817
6. OTHER NON CURRENT ASSETS		
Unsecured, Considered good		
Advance to Suppliers / Others	---	35,35,270
7. INVENTORIES		
Raw Material	15,42,42,610	5,50,76,073
Rawmaterials - Goods in Transit	4,04,56,434	1,41,12,404
Stores and Spares	2,62,55,247	1,63,92,404
Stores and Spares - Goods in Transit	7,27,014	---
Work In Process	18,73,75,083	12,43,47,447
Finished Goods	6,12,03,094	3,37,20,757
Process Waste	11,92,749	18,48,369
	47,14,52,231	24,54,97,454
8. TRADE RECEIVABLES		
Unsecured considered good	25,73,77,902	24,34,98,976
9. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,29,292	14,05,017
Balance with Banks		
- In Current Accounts	2,33,78,648	8,57,781
- In Unclaimed Dividend Accounts	25,37,600	27,70,488
	2,60,45,540	50,33,286
Less : Bank Overdraft	(2,80,936)	(17,09,279)
	2,57,64,604	33,24,007
10. OTHER BANK BALANCE		
Fixed Deposits with banks having balance maturity of twelve months or less		
- Under Lien	11,88,50,664	5,40,67,301
- Not Under Lien	1,26,09,637	7,65,11,148
	13,14,60,301	13,05,78,449

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
11. OTHER FINANCIAL ASSETS (CURRENT)		
GST / MEIS Scrip / Export Incentive / TED Claim Receivables	1,46,60,008	2,91,92,136
Security Deposit	47,100	47,100
	<u>1,47,07,108</u>	<u>2,92,39,236</u>
12. OTHER CURRENT ASSETS		
Advance to Suppliers / Others - Unsecured, Considered Good	1,76,48,577	32,57,859
Accrued Income	51,46,013	6,39,460
Prepaid Expenses	57,81,440	15,36,977
Other Current Assets	5,70,43,193	1,17,27,121
	<u>8,56,19,223</u>	<u>1,71,61,417</u>
EQUITY AND LIABILITIES		
13. EQUITY SHARE CAPITAL		
-Authorised		
1,00,00,000 Equity Shares of Rs.5/- 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		
1,00,00,000 Equity Shares of Rs.5/- each fully paid-up		
[Previous Year : 40,00,000 Equity Shares of Rs. 10/- each]	<u>5,00,00,000</u>	<u>4,00,00,000</u>
	<u>5,00,00,000</u>	<u>4,00,00,000</u>
13.1 Reconciliation of the Number of Shares Outstanding		
Number of Shares at the beginning	40,00,000	40,00,000
*** Sub-Division of Equity Shares of Rs.10/- each to Rs. 5/- each during the year	40,00,000	---
*** Add:- Issue of Bonus Equity Shares of Rs. 5/- each during the year	20,00,000	---
Number of Shares at the end	<u>1,00,00,000</u>	<u>40,00,000</u>

Note :

*** Sub-Division of Equity Shares of the Company having a face value Rs.10/- each to 2 equity shares of face value of Rs.5/- each

*** Issued a Bonus Share in the ratio of 1 (One) equity share for every 4 (Four) existing equity shares held.

The Company has only one class of equity shares having at par value of Rs.5/- 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 Shareholders holding more than 5% shows :

Particulars	As at 31.03.2021		As at 31.03.2020	
	No.of Shares	%	No.of Shares	%
i. Shri R. Ramji	18,07,799	18.08	7,05,246	17.63
ii. Smt. Durga Ramji	9,04,147	9.04	3,59,759	8.99
iii. M/s. Polyspin Private Limited	6,50,625	6.51	2,60,250	6.51

Clause (f) - Shares 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.

During the year, the Company has issued 20,00,000 Bouns Equity Shares of Rs.5/- each in the ratio of one Equity share for every 4 (Four) Equity Shares held by Shareholders.

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 31.03.2021 Rs.	As at 31.03.2020 Rs.
14. OTHER EQUITY		
a) General Reserves	39,00,00,000	33,00,00,000
b) Retained Earnings	1,56,78,827	86,25,698
	<u>40,56,78,827</u>	<u>33,86,25,698</u>
14.1 Movement in Other Equity		

Particulars	Reserves and Surplus		
	General Reserve	Retained Earnings	Total
Other Equity as at 01.04.2019	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	----	(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
Profit for the Year	----	7,49,95,898	7,49,95,898
Other Comprehensive Income	----	43,15,048	43,15,048
Add : Provision for Taxation	----	17,760	17,760
Less : Issue of 20,00,000 Bouns Equity Share of Rs. 5/- each.	(1,00,00,000)	---	(1,00,00,000)
Less : Dividend Paid	----	(22,75,577)	(22,75,577)
Transfer to General Reserve	7,00,00,000	(7,00,00,000)	---
Other Equity as at 31.03.2021	39,00,00,000	1,56,78,827	40,56,78,827

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

From City Union Bank Limited

- Rupee Term Loan	5,90,09,334	10,19,10,645
- COVID Emergency Credit Line	2,00,00,000	---

From Others

- Hire Purchase Loan	7,04,256	2,10,280
	<u>7,97,13,590</u>	<u>10,21,20,925</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.

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
15.5 Repayment of Term Loan :		
Facility 1 - Rs. 1.97 Lakhs - Balance amount is repayable in 8 equated monthly installments starting from April, 2022.		
Facility 2 - Rs. 24.89 Lakhs - Balance amount is repayable in 20 equated monthly installments starting from April, 2022.		
Facility 3 - Rs. 563.23 Lakhs - Balance amount is repayable in 34 equated monthly installments starting from April, 2022.		
Facility 4 - Rs. 200.00 Lakhs - Balance amount is repayable in 48 equated monthly installments starting from April, 2022.		
15.6 Repayment of Hire Purchase Loan		
Facility 1 - Rs. 7.04 Lakhs - Balance amount is repayable in 26 equated monthly installments starting from April, 2022.		
16. DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities	<u>4,35,50,000</u>	<u>4,41,00,000</u>
17. BORROWINGS (CURRENT)		
Secured		
From City Union Bank Limited		
- Foreign Currency Loan on Rawmaterial	---	58,61,302
- Foreign Bills Discounted	17,26,50,182	16,62,38,713
- Packing Credit in Foreign Currency / Export Packing Credit	28,54,58,714	26,15,16,552
- Cash Credit on Rawmaterial and Book Debts	10,35,69,405	2,07,58,545
- Advance Against Term Deposits	8,14,28,138	2,23,38,061
- Short Term Loan	3,87,05,654	---
	<u>68,18,12,093</u>	<u>47,67,13,173</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 a Personal Guarantee of Promoter Director of the Company.		
18. TRADE PAYABLES		
Trade Payables	<u>10,43,66,673</u>	<u>10,00,17,824</u>
19. OTHER FINANCIAL LIABILITIES		
Unpaid Dividend	8,96,369	12,68,295
Liability for Operating and Other Expenses	3,40,37,067	2,48,41,121
Liability for Other Finance	17,97,413	22,71,258
	<u>3,67,30,849</u>	<u>2,83,80,674</u>
20. OTHER CURRENT LIABILITIES		
Current Liability for Long Term Debt	3,01,51,052	3,36,60,482
Liability for Operating and Other Expenses	42,31,305	28,05,592
Advance from Customers	42,41,021	5,29,961
	<u>3,86,23,378</u>	<u>3,69,96,035</u>
21. PROVISIONS		
Provision for Taxation	<u>3,47,57,133</u>	<u>1,65,57,133</u>

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2021 Rs.	For the Year Ended 31.03.2020 Rs.
22. SALES / REVENUE FROM OPERATIONS		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	181,25,65,807	140,11,17,366
- Cotton Yarn	---	22,24,368
<u>Merchant Export Sales</u>		
- Cotton Yarn	---	97,07,520
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	28,62,49,250	53,97,075
- Cotton Yarn	22,26,77,890	20,81,89,591
	232,14,92,947	162,66,35,920
Less : Sales Return	44,66,705	----
	231,70,26,242	162,66,35,920
 OTHER OPERATING INCOME		
Sale of Plastic Scrap	2,17,74,190	1,72,80,922
Sale of Cotton Waste	41,96,388	28,28,119
Sale of Rawmaterial	32,33,574	11,39,538
MEIS Duty Credit Scrip - Sales	---	1,40,14,019
Rebate on Service Tax	16,624	2,600
	234,62,47,018	166,19,01,118
23. OTHER INCOME		
Interest Receipts	81,39,484	67,50,298
Foreign Exchange Fluctuations	3,35,08,476	2,77,80,316
Dividend Income	19,40,632	43,800
Profit on Sale of Machinery	86,763	3,57,394
Export Incentive	---	37,431
Profit on High Sea Sales	---	8,12,627
Fire Insurance Claim	---	2,50,10,381
	4,36,75,355	6,07,92,247
24. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	90,25,78,511	71,31,01,715
Printing Materials	84,95,224	69,18,683
Yarn	5,81,51,498	4,91,33,165
Cotton Yarn / Hank Yarn Purchases	4,85,975	9,81,168
Cotton & Cotton Waste	15,28,47,648	17,01,25,391
BOPP Film Purchases	29,63,096	25,95,580
LLDPE Liner Purchases	1,84,01,802	1,18,01,295
Fabric Purchases	1,42,55,350	1,22,93,205
Kraft Paper Purchases	31,26,88,592	9,42,544
Glue	31,50,513	---
Printing Materials - Paper Bags	1,32,69,234	---
	148,72,87,443	96,78,92,746
25. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	15,99,16,573	14,64,35,099
Closing Stock	24,97,70,926	15,99,16,573
	(8,98,54,353)	(1,34,81,474)

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2021 Rs.	For the Year Ended 31.03.2020 Rs.
26. EMPLOYEE BENEFITS EXPENSES		
Remuneration to Managing Director	1,38,64,693	1,22,63,227
Salaries & Wages	23,00,12,798	20,90,31,759
P.F. & E.S.I. Contribution	2,85,54,126	2,88,42,489
Labour Welfare Expenses	2,07,01,108	2,08,09,962
LIC Group Gratuity	1,17,92,069	92,92,197
Bonus	2,32,58,079	2,32,00,008
	<u>32,81,82,873</u>	<u>30,34,39,642</u>
27. FINANCE COSTS		
Interest on		
- Fixed Loans	1,13,73,343	1,62,40,552
- Working Capital Facilities	4,09,89,399	2,96,65,098
- Others Borrowing Cost	4,483	4,483
H.P. Finance Charges	1,84,616	2,52,241
	<u>5,25,51,841</u>	<u>4,61,62,374</u>
28. OTHER EXPENSES		
Manufacturing Expenses		
Repairs & Maintenance		
- Building	86,24,920	65,25,569
- Machinery	54,07,981	42,95,601
- General	30,74,567	20,23,546
Processing Charges Paid	12,72,57,517	3,28,57,650
Stores & Spares Consumed	9,98,60,086	8,27,06,258
Power & Fuel	8,78,72,348	8,60,65,428
	<u>33,20,97,419</u>	<u>21,44,74,052</u>
Postage & Telephone	32,95,932	36,23,888
Printing & Stationery	42,07,400	21,27,761
Travelling Expenses	64,92,084	87,35,862
Director's Sitting Fees	3,60,000	3,20,000
Bank Charges	51,28,572	63,43,882
Corporate Social Responsibility Expenses	60,43,860	2,23,948
Professional Charges	54,38,263	46,22,885
Licence, Taxes & Fees	22,19,980	17,98,437
Insurance Charges	85,38,253	68,02,841
Subscription & Periodicals	4,61,610	4,74,525
Filing Fees	58,850	83,300
Audit Fees	3,10,000	2,43,500
Vehicle Maintenance	33,77,785	29,63,331
Miscellaneous Expenses	10,95,873	7,02,623
Ineligible ITC	29,49,575	46,43,504
Commission Paid	1,01,30,431	47,41,184
Donation	1,00,000	5,000
Rent Paid	23,76,000	29,64,052
Quality Claim Charges	86,838	15,31,989
Testing Charges	11,70,801	13,90,246
Sales Promotion Expenses	39,85,111	48,53,469
Ocean Freight	5,91,22,516	3,10,28,130
Lorry Freight	49,89,657	37,47,264
Hank Yarn Obligation	1,50,350	43,463
Loss on Sale of Assets	24,00,394	9,01,758
Sales Discount	---	7,070
Bad Debts Written Off	2,67,582	2,80,940
	<u>46,68,55,136</u>	<u>30,96,78,904</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 31-03-2021	Year Ended 31-03-2020
a) Total Comprehensive Income (After Tax)	793.10	547.12
b) Number of Equity Shares	1,00,00,000	1,00,00,000
c) Basic and Diluted Earnings per share (Face Value of Rs.5/- per Equity Share)	7.93	5.47

As per requirements of IND AS 33, the Basic and Diluted earnings per share for all the periods presented have been computed on 1,00,00,000 Equity Shares of Rs. 5/- each.

29.3. Changes in Equity:-

Sub-Division of Equity Shares:- Pursuant to the approval accorded by the Shareholders at the 35th Annual General Meeting held on 12th August, 2020, the present Authorized Share capital of the Company of Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs.10/- each fully paid up, has been sub-divided into 1,00,00,000 equity shares of Rs.5/- each fully paid up by sub-division of every one equity share of Rs.10/- each into two equity shares of Rs. 5/- each.

Issue of Bonus Equity Shares:- Pursuant to the approval accorded by the Shareholders at the 35th Annual General Meeting held on 12th August, 2020, the Board of Directors of the Company at their meeting held on 9th September, 2020, has allotted 20,00,000 bonus equity shares of Rs. 5/- each fully paid up in the proportion of 1 equity share for every 4 equity shares held by the equity Shareholders of the Company as on the record date of 7th September, 2020.

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 Unit situated at Cholapuram South, Rajapalayam were shut down completely for a period of 15 days from 01.04.2020 to 15.04.2020 due to lockdown.

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.

Both the Company's FIBC Bags Manufacturing (EOU) Unit and Open End Textile 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 lockdown period.

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.

The Company believes that this pandemic is not likely to impact the recoverability of the carrying value of its assets further. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimize the impact of this unprecedented situation.

As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

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 and spares, etc., purchased in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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 31.03.2021		As at 31.03.2020	
	USD (In Million)	Rs. (In Laks)	USD (In Million)	Rs. (In Laks)
SOLD :				
USD / INR	----	----	----	----
BOUGHT :				
USD / INR	2.50	1,923.37	11.53	8,688.00

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

Particulars	As at 31.03.2021	As at 31.03.2020
Currency (USD in Millions)	0.08	0.48
Rs. in Lakhs	60.06	363.49

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 31.03.2021 and 31.03.2020.

(Rs. in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	3% Increase	3% Decrease	3% Increase	3% Decrease
INR	57.70	57.70	260.64	260.64

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 31.03.2021	As at 31.03.2020
Fixed Rate Borrowings	790.09	1,019.11
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 31.03.2021	As at 31.03.2020
Unsecured - Considered Good	2,573.77	2,434.99
Doubtful	2.68	2.81
Less : Provision for Bad Debts	(2.68)	(2.81)
Total	2,573.77	2,434.99

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.

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Floating Rate - Expiring within one year- working capital limits.	639.72	322.41

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 Shareholders 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 Shareholder 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 31.03.2021	As at 31.03.2020
Long Term Borrowings	797.14	1,021.21
Current Liability for Long Term Debt	301.51	336.60
Short Term Borrowings	6,818.12	4,767.13
Less: Cash and Cash Equivalents	1,572.25	1,339.02
Net Debt (A)	6,344.52	4,785.92
Equity Share Capital	500.00	400.00
Other Equity	4,056.79	3,386.26
Total Equity (B)	4,556.79	3,786.26
Total Capital Employed (C) = (A) + (B)	10,901.31	8,572.18
Capital Gearing Ratio (A) / (C)	58.20%	55.83%

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 31.03.2021		As at 31.03.2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Other Investments	69.38	69.38	67.43	67.43
Trade Receivables	2,573.78	2,573.78	2,434.99	2,434.99
Cash and Bank Balances	257.65	257.65	33.24	33.24
Other Bank Balances	1,314.60	1,314.60	1,305.78	1,305.78
Other Financial Assets	147.07	147.07	292.39	292.39
Financial Liabilities :				
Borrowings	6,818.12	6,818.12	4,767.13	4,767.13
Trade Payables	1,043.67	1,043.67	1,000.18	1,000.18
Other Financial Liabilities	367.31	367.31	283.81	283.81

During the year ended 31st March, 2021 and 31st March, 2020, 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

STANDALONE - NOTES FORMING PART OF ACCOUNTS

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 or 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 the customers in case of FIBC Bags, PP Fabric, PP Yarn, Multifilament 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 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 estimate 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 Plan 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	
	2020-2021	2019-2020
Employer's contribution towards:		
- Provident Fund	226.39	227.74
- Employee State Insurance	59.15	60.68

STANDALONE - NOTES FORMING PART 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 31.03.2021	Financial Year Ending 31.03.2020
Defined Benefit Obligation at beginning of the year	3,73,11,088	3,24,90,364
Current Service Cost	73,07,818	72,26,245
Past Service Cost	---	---
Interest Expense	23,85,091	21,78,427
Benefit Payments from Plan Assets	(39,52,804)	(68,89,350)
Re-measurements - Due to Financial Assumptions	---	24,04,001
Re-measurements - Due to Experience Adjustments	45,69,866	(98,599)
Defined Benefit Obligation at end of the year	4,76,21,059	3,73,11,088
Discount Rate	6.75%	6.75%
Salary Escalation Rate	6.00%	5.00%

B. Change in Fair Value of Plan Assets (Rs.)

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Fair value of Plan Assets at beginning of the year	3,48,04,376	3,20,56,860
Interest Income	22,15,883	21,45,914
Employer Contributions	1,12,50,903	72,18,989
Benefit Payments from Plan Assets	(39,52,804)	(68,89,350)
Remeasurements - Return on Assets (Excluding Interest Income)	2,54,817	2,71,963
Fair Value of Plan Assets at end of year	4,45,02,483	3,48,04,376
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 31.03.2021	Financial Year Ending 31.03.2020
Current Service Cost	73,07,818	72,26,245
Past Service Cost	---	---
Total Service Cost	73,07,818	72,26,245
Interest Expense on DBO	23,85,091	21,78,427
Interest (Income) on Plan Assets	(22,15,888)	(21,45,914)
Interest (Income) on Reimbursement Rights	---	----
Total Net Interest Cost	1,69,203	32,513
Defined Benefit Cost included in P & L	74,77,021	72,58,758
Remeasurements - Due to Financial Assumptions	---	24,04,001
Remeasurements - Due to Experience Adjustments	45,69,866	(98,599)
(Return) on Plan Assets (Excluding Interest Income)	(2,54,817)	(2,71,963)
Total Re-measurements in OCI	43,15,048	20,33,439
Total Defined Benefit Cost recognized in P&L and OCI	1,17,92,069	92,92,197
Discount Rate	6.75%	6.75%
Salary Escalation Rate	5.00%	5.00%

D. Amounts recognized in the Statement of Financial Position (Rs.)

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Defined Benefit Obligation	4,76,21,059	3,73,11,088
Fair Value of Plan Assets	4,45,02,483	3,48,04,376
Funded Status	31,18,576	25,06,712
Effect of Asset Ceiling / Onerous Liability	----	---
Net Defined Benefit Liability / (Asset)	31,18,576	25,06,712

E. Net Defined Benefit Liability / (Asset) Reconciliation (Rs.)

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Net Defined Benefit Liability / (Asset) at beginning of the year	25,06,712	4,33,504
Defined Benefit Cost included in P & L	74,77,021	72,58,758
Total Re-measurements included in OCI	43,15,048	20,33,439
Employer Contributions	(1,11,80,205)	(72,18,989)
Net Defined Benefit Liability / (Asset) at end of the year	31,18,576	25,06,712

Additional Disclosure Items**Current and Non-Current Liability and Asset (Rs.)**

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Non-Current Assets	----	----
Current Liabilities	94,88,393	59,61,144
Non - Current Liabilities	3,81,32,666	3,13,49,944

Expected Cash Flow for following years (Rs.)

Maturity Profile of Defined Benefit Obligations	
Year 1	3,80,630
Year 2	81,12,081
Year 3	20,76,917
Year 4	10,59,700
Year 5	15,27,743
Beyond 5 years	3,44,63,989

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2021	31.03.2020
Discount Rate	6.75%	6.75%
Salary Escalation - First 5 Years	5.00%	5.00%
Salary Escalation - After 5 Years	5.00%	5.00%
Expected Rate of Return on Plan Assets	NA	NA
Mortality 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	18.36

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 / Persons as Related Parties:

A) Associate Companies :

M/s. Lankaspin Private Limited, Sri Lanka.

B) Companies over which KMP / Relatives of KMP exercise significant Influence

1. M/s. Polyspin Private Limited
2. M/s. Energyspin Private Limited
3. M/s. Chola Packaging Private Limited
4. M/s. Ganesh Agro Pack Private Limited
5. M/s. Ramji Investments Private Limited

C) Key Management Personnel and Relatives :
(including KMP under Companies Act)

1. Shri R. Ramji, Managing Director and CEO
2. Shri S.R. Subramanian, Director
3. Shri P. Vaidyanathan, Director
4. Shri S.R. Venkatanarayana Raja, Director
5. Shri V. S. Jagdish, Director
6. Shri R. Sundaram, Director
7. Shri S.V. Ravi, Director
8. Shri Rajesh Devarajan, Director
9. Shri K.S. Pradeep, Director
10. Smt. Durga Ramji, Director
11. Shri P.K. Ramasubramanian, Company Secretary
12. Shri B. Ponram, Chief Operating Officer
13. Shri S. Seenivasa Varathan, Chief Financial Officer

C) Transaction during the year with Related Parties :

(Rs. in Lakhs)

Sl. No.	Particulars	Year Ended 31-03-2021		Year Ended 31-03-2020	
		Associate / Other Companies	Key Management Personnel	Associate / Other Companies	Key Management Personnel
1.	Processing Charges Paid	1,340.99	---	313.88	---
2.	Remuneration to Directors & KMP	---	258.00	---	219.31
3.	Chennai Office - Rent Paid	---	18.00	---	18.00
4.	Sale of PP Granules	---	---	21.82	---
5.	Sale of PP Strips / Yarn	204.19	---	460.87	---
6.	Sale of Fabric	706.88	---	158.04	---
7.	Sale of Sewing Yarn	115.25	---	70.22	---
8.	Sale of Paper Tubes	1,148.78	---	---	---
9.	Sale of PP Waste	0.50	---	0.09	---
10.	Assets Sold during the year	29.22	---	2.33	---
11.	Sale of Rawmaterials	1.38	---	---	---
12.	Sale of Kraft Papers	3.02	---	---	---
13.	Dividend Received	19.41	---	0.44	---
14.	Purchase of Rawmaterials / Master batch	203.23	---	4.49	---
15.	Purchase of Fabric / Knitted Fabric	148.11	---	132.17	---
16.	Purchase of Laminated Woven Fabric	---	---	0.10	---
17.	Purchase of Kraft Paper	2,000.82	---	10.56	---
18.	Purchase of Glue	42.03	---	---	---
19.	Purchase of Packing Materials	8.77	---	8.79	---
20.	Purchase of Vehicle	0.88	---	---	---
21.	Factory Rent Paid	6.14	---	9.33	---
22.	Dividend Paid	2.25	6.98	4.49	13.87
23.	Director's Sitting Fees Paid	---	3.60	---	3.20

D) Related Party Transactions :-

(Rs. in Lakhs)

Particulars	2020-21	2019-20
1. Processing Charges Paid		
M/s. Polyspin Private Limited	1,063.12	241.02
M/s. Ganesh Agro Pack Private Limited	0.67	0.75
M/s. Energyspin Private Limited	277.20	72.11
2. Remuneration to Directors & KMP		
Shri R. Ramji, Managing Director & CEO	166.24	148.91
Shri P.K. Ramasubramanian, Secretary & Chief Compliance Officer	3.88	4.03
Shri B. Ponram, Chief Operating Officer	68.63	46.66
Shri S. Seenivasa Varathan, Chief Financial Officer	19.25	19.71
3. Chennai Office - Rent Paid		
Smt. Durga Ramji	18.00	18.00
4. Sale of PP Granules		
M/s. Ganesh Agro Pack Private Limited	---	10.91
M/s. Energyspin Private Limited	---	10.91
5. Sale of PP Strips / Yarn		
M/s. Lankaspin Private Limited, Sri Lanka.	204.19	460.87
6. Sale of PP Fabric		
M/s. Lankaspin Private Limited, Sri Lanka	705.96	156.37
M/s. Chola Packaging Private Limited	0.92	1.67
7. Sale of Sewing Yarn		
M/s. Ganesh Agro Pack Private Limited	29.00	15.47
M/s. Chola Packaging Private Limited	6.39	1.62
M/s. Lankaspin Private Limited, Sri Lanka.	79.62	53.13
M/s. Energyspin Private Limited	0.24	---

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	2020-21	2019-20
8. Sale of Paper Tube		
M/s. Polyspin Private Limited	1,148.78	---
9. Sale of PP Waste		
M/s. Polyspin Private Limited	0.50	0.09
10. Assets Sold during the year		
M/s. Polyspin Private Limited	28.75	0.97
M/s. Chola Packaging Private Limited	0.47	1.36
11. Sale of Rawmaterials		
M/s. Polyspin Private Limited	1.38	---
12. Sale of Kraft Papers		
M/s. Energyspin Private Limited	3.02	---
13. Dividend Received		
M/s. Lankaspin Private Limited, Sri Lanka.	18.97	---
M/s. Ganesh Agro Pack Private Limited	0.44	0.44
14. Purchase of Rawmaterials / Master batch		
M/s. Ganesh Agro Pack Private Limited	98.77	---
M/s. Energyspin Private Limited	104.46	---
M/s. Lankaspin Private Limited, Sri Lanka.	---	4.49
15. Purchase of Fabric / Knitted Fabric		
M/s. Ganesh Agro Pack Private Limited	147.59	132.17
M/s. Chola Packaging Private Limited	0.06	---
16. Purchase of Laminated Woven Fabric		
M/s. Chola Packaging Private Limited	---	0.10
17. Purchase of Kraft Paper		
M/s. Polyspin Private Limited	2,000.82	5.50
M/s. Energyspin Private Limited	---	5.06
18. Purchase of Glue		
M/s. Polyspin Private Limited	42.03	---
19. Purchase of Packing Materials		
M/s. Ganesh Agro Pack Private Limited	8.71	8.79
M/s. Chola Packaging Private Limited	0.06	---
20. Purchase of Vehicle		
M/s. Polyspin Private Limited	0.88	---
21. Factory Rent Paid		
M/s. Polyspin Private Limited	5.66	5.66
M/s. Ramji Investments Private Limited	0.48	0.48
M/s. Energyspin Private Limited	---	3.19
22. Dividend Paid		
M/s. Polyspin Private Limited	1.56	3.12
M/s. Chola Packaging Private Limited	0.51	1.01
M/s. Ganesh Agro Pack Private Limited	0.18	0.36
Dividend Paid to KMP		
Shri R. Ramji, Managing Director & CEO	4.23	8.37
Shri S.R. Subramanian, Director	0.54	1.08
Shri S.V. Ravi, Director	0.04	0.08
Smt. Durga Ramji, Director	2.16	4.32
Shri S. Seenivasa Varathan, CFO	0.01	0.02

Particulars	2020-21	2019-20
23. Director's Sitting Fees		
Shri S.R. Subramanian, Director	0.40	0.40
Shri P. Vaidyanathan, Director	0.40	0.40
Shri S.R. Venkatanarayana Raja, Director	0.40	0.20
Shri V.S. Jagdish, Director	0.40	0.20
Shri R. Sundaram, Director	0.40	0.20
Shri S.V. Ravi, Director	0.40	0.40
Shri Rajesh Devarajan, Director	0.40	0.20
Shri K.S. Pradeep, Director	0.40	0.20
Smt. Durga Ramji, Director	0.40	0.40
Shri K. Lakshmi Narayanan, Director	---	0.20
Shri A. Thirupathy Raja, Director	---	0.20
Shri S. Sankar, Director	---	0.20

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	
		31.03.2021	31.03.2020
1.	Segment Revenue (Net Sales / Income from Operation)		
	a) FIBC Bags, Fabric, Yarn	21,166.52	14,378.09
	b) Cotton Yarn	2,295.95	2,240.92
	Total	23,462.47	16,619.01
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn	1,541.76	1,189.38
	b) Cotton Yarn	67.22	10.60
	Total	1,608.98	1,199.98
	Less : Financial Charges	525.52	461.62
	Profit Before Tax	1,083.46	738.36
3.	Capital Employed Segment Assets :		
	a) FIBC Bags, Fabric, Yarn	13,205.11	10,018.98
	b) Cotton Yarn	1,547.21	1,816.13
	Total	14,752.32	11,835.11
	Segment Liabilities :		
	a) FIBC Bags, Fabric, Yarn	9,809.54	7,684.18
	b) Cotton Yarn	386.00	364.67
	Total	10,195.54	8,048.85

	2020 - 2021	2019 - 2020
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	90,000	23,500
Other Services	1,20,000	1,20,000
	2020 - 2021	2019 - 2020
36.2 Managing Director's Remuneration :	Rs.	Rs.
Salary	1,15,00,000	1,20,00,000
Perquisites	51,24,693	20,93,187

STANDALONE - NOTES FORMING PART OF ACCOUNTS

(Rs. in Lakhs)

36.3. Contingent Liabilities not Provided for : **2020 - 2021** **2019 - 2020**

i) Unexpired Letter of Credit	316.39	346.64
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 31.03.2021	As at 31.03.2020
i) Total outstanding due to Micro Enterprises and Small Enterprises	374.52	136.04
ii) Total outstanding due to Creditors other than Micro Enterprises and Small Enterprises	669.15	864.14
Total	1,043.67	1,000.18

As required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has outstanding dues of Rs. 374.52 Lakhs as at 31st March, 2021 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.

The management is of the view that the payments were made to MSME suppliers on contractual terms and the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
a. Principal Amount remaining unpaid but not due as at the year end	374.52	136.04
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 NH Road, Ambalavanapuram, Avarikulam Post, Tirunelveli District - 627132 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. 15.15 Lakhs (Previous Year: Rs.15.49 Lakhs) being the credit given by TNEB for the transfer of power to the Grid.

For the year ended

31.03.2021 31.03.2020

Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	2,38,530 KWH	2,43,967 KWH
Units Captively Consumed	2,38,530 KWH	2,43,967 KWH

(included under Power & Fuel)

36.6 Our Company's shares are listed at BSE Limited 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 outstanding balances as at 31st December, 2020 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. 5.50 Lakhs) as on 31.03.2021 (Previous Year: 54.57 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 : 21209047AAAACD3967

Place : Rajapalayam
Date : June 25, 2021

R. RAMJI
Managing Director & CEO

S.V. RAVI
Director

P.K. RAMASUBRAMANIAN
Secretary

S. SEENIVASA VARATHAN
Chief Financial Officer

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, 2021, 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, 2021, 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.36.5 to the consolidated financial statements, which describes the status of confirmation of balance of Trade Debtors, Trade Creditors and other Parties.
- b. We draw attention to Note No.29.4 to the consolidated financial statements, which explains the uncertainties and the management's assessment of the financial impact related to COVID-19 pandemic situation, for

which a definitive assessment of the impact in sub-sequent period is highly dependent on future economic developments and circumstances as they evolve.

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 INDAS 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.36.1 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, 2021 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. We 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, 2020 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, 2021, other current assets in respect of withholding tax, GST and CESAT appeal Duty of Rs. 25.73 Lakhs which are pending adjudication.</p> <p>Refer Note No. 30.4 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. 36.1 to the consolidated Financial Statements- "Contingent Liabilities not provided for", Note No. 36.1 to the consolidated Financial Statements As at March 31, 2021, 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 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 Matter.</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, 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 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 Group 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 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 included in the consolidated financial results year to date, whose financial statements reflect total assets of Rs.1520.74 Lakhs as at 31st March 2021 and total revenues of Rs. 4151.41 Lakhs and total net profit after tax of Rs. 371.77 Lakhs and total comprehensive income of Rs. 371.77 Lakhs for the year ended 31st March 2021 and for the period from 01st April 2020 to 31st March 2021 respectively and net cash inflows of Rs. 47.65 Lakhs for the year ended 31st March 2021. 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, 2021 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, 2021 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. 36.1 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 Consolidated 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

Place : Rajapalayam
Date : June 25, 2021

Membership No. 209047
UDIN : 21209047AAAACC4299

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 : 21209047AAAACC4299

Place : Rajapalayam
Date : June 25, 2021

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, 2021]

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, 2021, 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, 2021, 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 : 21209047AAAACC4299

Place : Rajapalayam
Date : June 25, 2021

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<u>ASSETS</u>			
Non-Current Assets			
Property, Plant and Equipment	3	45,76,54,991	45,29,93,695
Capital Work-in-Progress	3	---	2,43,77,313
Other Intangible Assets	3	2,10,130	1,88,067
Financial Assets			
i) Other Investments	4	2,59,30,205	1,33,25,938
ii) Other Financial Assets	5	40,62,926	72,43,817
Other Non-Current Assets	6	---	35,35,270
		<u>48,78,58,252</u>	<u>50,16,64,100</u>
Current Assets			
Inventories	7	47,14,52,231	24,54,97,454
Financial Assets			
i) Trade Receivables	8	25,73,77,902	24,34,98,976
ii) Cash and Cash Equivalents	9	2,57,64,604	33,24,007
iii) Other Bank Balance	10	13,14,60,301	13,05,78,449
iv) Other Financial Assets	11	1,47,07,108	2,92,39,236
Current Tax Assets (Net)		1,99,84,817	1,91,30,951
Other Current Assets	12	8,56,19,223	1,71,61,417
		<u>100,63,66,186</u>	<u>68,84,30,490</u>
Total Assets		<u>149,42,24,438</u>	<u>119,00,94,590</u>
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Equity Share Capital	13	5,00,00,000	4,00,00,000
Other Equity	14	42,46,70,722	34,52,08,826
		<u>47,46,70,722</u>	<u>38,52,08,826</u>
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	7,97,13,590	10,21,20,925
Deferred Tax Liabilities (Net)	16	4,35,50,000	4,41,00,000
		<u>12,32,63,590</u>	<u>14,62,20,925</u>
Current Liabilities			
Financial Liabilities			
i) Borrowings	17	68,18,12,093	47,67,13,173
ii) Trade Payables	18	10,43,66,673	10,00,17,824
iii) Other Financial Liabilities	19	3,67,30,849	2,83,80,674
Other Current Liabilities	20	3,86,23,378	3,69,96,035
Provisions	21	3,47,57,133	1,65,57,133
		<u>89,62,90,126</u>	<u>65,86,64,839</u>
Total Equity and Liabilities		<u>149,42,24,438</u>	<u>119,00,94,590</u>

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

S. SRITHAR
Membership No. 209047
UDIN : 21209047AAAACC4299

Place : Rajapalayam
Date : June 25, 2021

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S.V. RAVI
Director

S. SEENIVASA VARATHAN
Chief Financial Officer

POLYSPIN EXPORTS LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
INCOME			
Revenue from Operations	22	234,62,47,018	166,19,01,118
Other Income	23	4,36,75,355	6,07,92,247
Total Income		238,99,22,373	172,26,93,365
EXPENSES			
Cost of Raw Material Consumed	24	148,72,87,443	96,78,92,746
Changes in / Inventories of Finished Goods	25	(8,98,54,353)	(1,34,81,474)
Stock-in-Process			
Employee Benefit Expenses	26	32,81,82,873	30,34,39,642
Finance Costs	27	5,25,51,841	4,61,62,374
Depreciation & Amortisation Expenses		3,65,53,535	3,51,65,199
Other Expenses	28	46,68,55,136	30,96,78,904
Total Expenses		228,15,76,475	164,88,57,391
Profit before Exceptional Items and Tax		10,83,45,898	7,38,35,974
Exceptional Items		----	----
Profit before Tax		10,83,45,898	7,38,35,974
Tax Expenses:-			
- Current Tax		3,39,00,000	1,57,00,000
- Deferred Tax		(5,50,000)	54,57,000
Profit for the year before Share of Profit of Associates		7,49,95,898	5,26,78,974
Share of profit of Associates		1,24,08,767	8,25,812
Profit for the year		8,74,04,665	5,35,04,786
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
- Remeasurement gains/(losses) on Defined Benefit Plan (net)		43,15,048	20,33,439
Total Comprehensive Income		9,17,19,713	5,55,38,225
Earnings per Share (Basic)		9.17	5.55
Face Value of Rs.5/- each			

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

S. SRITHAR
Membership No. 209047
UDIN : 21209047AAAACC4299

Place : Rajapalayam
Date : June 25, 2021

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S.V. RAVI
Director

S. SEENIVASA VARATHAN
Chief Financial Officer

POLYSPIN EXPORTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rupees in Lakhs)

Particulars	2020 - 2021	2019 - 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	1,207.54	746.62
Adjustment for :		
Depreciation & Amortisation Expenses	365.54	351.65
Loss on Sale of assets	24.00	9.02
Profit on Sale of Assets	(0.87)	(3.57)
Interest Expenses	525.52	461.62
Interest Income	(81.39)	(67.50)
Dividend Income	(19.41)	(0.44)
Operating Profit before Working Capital	2,020.93	1,497.40
Adjustment for Changes in		
(Increase) / Decrease in Inventories	(2,259.55)	216.69
(Increase) / Decrease in Trade Receivables	(138.79)	(315.10)
(Increase) / Decrease in Other Financial Assets	31.81	28.08
(Increase) / Decrease in Other Non Current Assets	35.35	26.48
(Increase) / Decrease in Other Current Assets	(684.58)	108.14
(Increase) / Decrease in Other Current Financial Assets	145.32	533.66
(Increase) / Decrease in Investments	(124.09)	(8.26)
Increase / (Decrease) in Trade Payables	43.48	(583.59)
Increase / (Decrease) in Other Current Liabilities & Provisions	159.64	(149.40)
Cash Generated from Operations	(770.48)	1,354.10
Income Taxes Paid	(165.00)	(254.85)
Net Cash from Operating Activities (A)	(935.48)	1,099.25
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets / WIP	(225.51)	(647.92)
Proceeds from Sale of Fixed Assets	16.73	5.90
Dividend Receipts	19.41	0.44
Interest Receipts	81.39	67.50
Investments in Term Deposits with Banks	(8.82)	(404.88)
Net Cash used In Investing Activities (B)	(116.80)	(978.96)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from issuance of Share Capital	---	---
Proceeds from Share Premium	---	---
Proceeds / (Repayment) of Long Term Borrowings	(224.07)	(106.41)
Borrowings for Working Capital Purposes	2,050.99	273.41
Finance / Lease Liabilities - Increase / (Decrease)	---	---
Investment in Subsidiaries / Associates	(1.95)	0.51
Interest Expenses	(525.52)	(461.62)
Dividend Paid (including Tax on Dividend)	(22.76)	(55.29)
Net Cash used In Financial Activities (C)	1,276.69	(349.40)
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	224.41	(229.11)
Cash and Cash equivalents at the beginning of the Period	33.24	262.35
Cash and Cash equivalents at the end of the Period	257.65	33.24

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

S. SRITHAR
Membership No. 209047
UDIN : 21209047AAAACC4299

Place : Rajapalayam
Date : June 25, 2021

R. RAMJI
Managing Director & CEO

P.K. RAMASUBRAMANIAN
Secretary

S.V. RAVI
Director

S. SEENIVASA VARATHAN
Chief Financial Officer

POLYSPIN EXPORTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

Equity Share Capital Issued, Subscribed and Paid-up Equity Share of Rs.5/- each :-

Rs.	
Balance as at 01.04.2019	4,00,00,000
Changes in Equity Share Capital during the year 2019-20	----
Balance as at 31.03.2020	4,00,00,000
*** Add: Issue of 20,00,000 Bonus Equity Shares of Rs.5/- each transferred from General Reserves	1,00,00,000
Balance as at 31.03.2021	5,00,00,000

*** During the year the Company has issued 20,00,000 bonus equity shares of Rs. 5/- each in the ratio of one equity share for every 4 equity shares held by shareholders.

B. OTHER EQUITY

Particulars	Reserves and Surplus (Rs.)			
	General Reserves	Capital Reserves	Retained Earnings	Total
Other Equity as at 01.04.2019	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
Adjustments	----	8,25,812	---	8,25,812
Other Comprehensive Income	----	----	20,33,439	20,33,439
Less : Provision for Taxation	----	----	(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
Profit for the Year	----	----	7,49,95,898	7,49,95,898
Adjustments	----	1,24,08,767	---	1,24,08,767
Other Comprehensive Income	----	----	43,15,048	43,15,048
Add : Provision for Taxation	----	----	17,760	17,760
Less : Issue of 20,00,000 Bonus Equity Shares of Rs.5/- each	(1,00,00,000)	----	---	(1,00,00,000)
Less : Dividend Paid	----	----	(22,75,577)	(22,75,577)
Transfer to General Reserve	7,00,00,000	----	(7,00,00,000)	---
Other Equity as at 31.03.2021	39,00,00,000	1,89,91,895	1,56,78,827	42,46,70,722

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

S. SRITHAR
 Membership No. 209047
 UDIN : 21209047AAAACC4299
 Place : Rajapalayam
 Date : June 25, 2021

R. RAMJI
 Managing Director & CEO

P.K. RAMASUBRAMANIAN
 Secretary

S.V. RAVI
 Director

S. SEENIVASA VARATHAN
 Chief Financial Officer

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 Associate are recognized as a reduction in the carrying amount of the Investment.
5. Unrealized gains on transactions between the group and its associate 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, 2021.

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

Name of the Company	Ownership / Voting Power in % at as		Principal Place of Business / Country of Incorporation
	31.03.2021	31.03.2020	
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, 2021.

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 at least twelve months after the reporting period.

All other assets are classified as Non-Current

A Liability is current when:

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

All other liabilities are classified as Non-Current

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

2.2 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 Rawmaterials, 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

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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 post 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 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.

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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 IND AS – 109. “Financial instruments” are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are reported in the statement of Profit and Loss.

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

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.

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.

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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

(In Rupees)

Particulars	Tangible Assets										Capital Work in Progress	Intangible Assets		
	Land	Building	Plant and Machinery	Power Generation Equipment	Furniture & Fittings	Vehicles	Office Equipment	Library	Total	Computer Software				
Gross Carrying Amount														
As at 01.04.2020	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			
Additions	---	3,73,37,715	61,40,592	---	---	20,86,442	12,91,591	---	4,68,56,340	---	72,570			
Deductions	---	---	71,61,172	---	---	16,40,371	2,23,630	---	90,25,173	2,43,77,313	---			
As at 31.03.2021	49,00,383	21,82,57,058	48,84,74,639	57,87,276	12,30,741	1,27,72,694	75,43,817	12,435	73,89,79,043	---	7,50,685			
Accumulated Depreciation and Impairment														
As at 01.04.2020	---	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			
Depreciation	---	57,35,825	2,81,32,407	1,57,279	86,870	10,67,618	13,23,030	---	3,65,03,029	---	50,507			
Disposals	---	---	23,00,036	---	---	8,90,716	1,42,406	---	33,33,158	---	---			
As at 31.03.2021	---	3,75,48,470	22,51,30,144	52,21,417	5,53,857	81,32,750	47,24,979	12,435	28,13,24,052	---	5,40,555			
Carrying Amount 31.03.2021	49,00,383	18,07,08,588	26,33,44,495	5,65,859	6,76,884	46,39,944	28,18,838	---	45,76,54,991	---	2,10,130			
Carrying Amount 01.04.2020	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			

POLYSPIN EXPORTS LIMITED

CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2021 Rs.	As at 31.03.2020 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 Private Limited, India.
13,01,119	SLR 10/-	M/s. Lankaspin Private Limited, Sri Lanka
56,100	INR 10/-	M/s. OPG Power Generation Private Limited, India.
		Investments
		2,59,30,205
		1,33,25,938
5. OTHER FINANCIAL ASSETS (NON CURRENT)		
Security Deposits with Electricity Board / Others	36,40,236	66,88,552
Loans to Employees	4,22,690	5,55,265
	40,62,926	72,43,817
6. OTHER NON CURRENT ASSETS		
Unsecured, Considered good		
Advance to Suppliers / Others	---	35,35,270
7. INVENTORIES		
Raw Material	15,42,42,610	5,50,76,073
Rawmaterials - Goods in Transit	4,04,56,434	1,41,12,404
Stores and Spares	2,62,55,247	1,63,92,404
Stores and Spares - Goods in Transit	7,27,014	---
Work In Process	18,73,75,083	12,43,47,447
Finished Goods	6,12,03,094	3,37,20,757
Process Waste	11,92,749	18,48,369
	47,14,52,231	24,54,97,454
8. TRADE RECEIVABLES		
Unsecured considered good	25,73,77,902	24,34,98,976
9. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,29,292	14,05,017
Balance with Banks		
- In Current Accounts	2,33,78,648	8,57,781
- In Unclaimed Dividend Accounts	25,37,600	27,70,488
	2,60,45,540	50,33,286
Less : Bank Overdraft	(2,80,936)	(17,09,279)
	2,57,64,604	33,24,007
10. OTHER BANK BALANCE		
Fixed Deposits with banks having balance maturity of twelve months or less		
- Under Lien	11,88,50,664	5,40,67,301
- Not Under Lien	1,26,09,637	7,65,11,148
	13,14,60,301	13,05,78,449

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET - NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
11. OTHER FINANCIAL ASSETS (CURRENT)		
GST / MEIS Scrip / Export Incentive / TED Claim Receivables	1,46,60,008	2,91,92,136
Security Deposit	47,100	47,100
	<u>1,47,07,108</u>	<u>2,92,39,236</u>
12. OTHER CURRENT ASSETS		
Advance to Suppliers / Others - Unsecured, Considered Good	1,76,48,577	32,57,859
Accrued Income	51,46,013	6,39,460
Prepaid Expenses	57,81,440	15,36,977
Other Current Assets	5,70,43,193	1,17,27,121
	<u>8,56,19,223</u>	<u>1,71,61,417</u>
EQUITY AND LIABILITIES		
13. EQUITY SHARE CAPITAL		
-Authorised		
1,00,00,000 Equity Shares of Rs.5/- 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		
1,00,00,000 Equity Shares of Rs.5/- each fully paid-up		
[Previous Year : 40,00,000 Equity Shares of Rs. 10/- each]	<u>5,00,00,000</u>	<u>4,00,00,000</u>
	<u>5,00,00,000</u>	<u>4,00,00,000</u>
13.1 Reconciliation of the Number of Shares Outstanding		
Number of Shares at the beginning	40,00,000	40,00,000
*** Sub-Division of Equity Shares of Rs.10/- each to Rs. 5/- each during the year	40,00,000	---
*** Add:- Issue of Bonus Equity Shares of Rs. 5/- each during the year	20,00,000	---
Number of Shares at the end	<u>1,00,00,000</u>	<u>40,00,000</u>

Note :

*** Sub-Division of Equity Shares of the Company having a face value Rs.10/- each to 2 equity shares of face value of Rs.5/- each

*** Issued a Bonus Share in the ratio of 1 (One) equity share for every 4 (Four) existing equity shares held.

The Company has only one class of equity shares having at par value of Rs.5/- 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 Shareholders holding more than 5% shows

Particulars	As at 31.03.2021		As at 31.03.2020	
	No.of Shares	%	No.of Shares	%
i. Shri R. Ramji	18,07,799	18.08	7,05,246	17.63
ii. Smt. Durga Ramji	9,04,147	9.04	3,59,759	8.99
iii. M/s. Polyspin Private Limited	6,50,625	6.51	2,60,250	6.51

Clause (f) - Shares 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
During the year, the Company has issued 20,00,000 Bonus Equity Shares of Rs.5/- each in the ratio of one Equity Shares for every 4 Equity Shares held by Shareholders.

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 31.03.2021 Rs.	As at 31.03.2020 Rs.
14. OTHER EQUITY		
a) General Reserves	39,00,00,000	33,00,00,000
b) Capital Reserves	1,89,91,895	65,83,128
b) Retained Earnings	1,56,78,827	86,25,698
	<u>42,46,70,722</u>	<u>34,52,08,826</u>
14.1 Movement in Other Equity		

Particulars	Reserves and Surplus (Rs.)			
	General Reserves	Capital Reserves	Retained Earnings	Total
Other Equity as at 01.04.2019	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
Adjustments	----	8,25,812	---	8,25,812
Other Comprehensive Income	----	----	20,33,439	20,33,439
Less : Provision for Taxation	----	----	(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
Profit for the Year	----	----	7,49,95,898	7,49,95,898
Adjustment	----	1,24,08,767	---	1,24,08,767
Other Comprehensive Income	----	----	43,15,048	43,15,048
Add : Provision for Taxation	----	----	17,760	17,760
Less : Issue of 20,00,000 Bonus Equity Shares of Rs.5/- each	(1,00,00,000)	----	---	(1,00,00,000)
Less : Dividend Paid	----	----	(22,75,577)	(22,75,577)
Transfer to General Reserve	7,00,00,000	----	(7,00,00,000)	---
Other Equity as at 31.03.2021	39,00,00,000	1,89,91,895	1,56,78,827	42,46,70,722

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 remeasurment 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 31.03.2021 Rs.	As at 31.03.2020 Rs.
15. BORROWINGS (NON CURRENT)		
-Secured		
From City Union Bank Limited		
- Rupee Term Loan	5,90,09,334	10,19,10,645
- COVID Emergency Credit Line	2,00,00,000	---
From Others		
- Hire Purchase Loan	7,04,256	2,10,280
	<u>7,97,13,590</u>	<u>10,21,20,925</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. 1.97 Lakhs - Balance amount is repayable in 8 equated monthly installments starting from April, 2022		
Facility 2 - Rs. 24.89 Lakhs - Balance amount is repayable in 20 equated monthly installments starting from April, 2022		
Facility 3 - Rs. 563.23 Lakhs - Balance amount is repayable in 34 equated monthly installments starting from April, 2022		
Facility 4 - Rs. 200.00 Lakhs - Balance amount is repayable in 48 equated monthly installments starting from April, 2022		
15.6 Repayment of Hire Purchase Loan		
Facility 1 - Rs. 7.04 Lakhs - Balance amount is repayable in 26 equated monthly installments starting from April, 2022		
16. DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities	4,35,50,000	4,41,00,000
17. BORROWINGS (CURRENT)		
-Secured		
From City Union Bank Limited		
- Foreign Currency Loan on Rawmaterial	---	58,61,302
- Foreign Bills Discounted	17,26,50,182	16,62,38,713
- Packing Credit in Foreign Currency / Export Packing Credit	28,54,58,714	26,15,16,552
- Cash Credit on Rawmaterial and Book Debts	10,35,69,405	2,07,58,545
- Advance against Term Deposits	8,14,28,138	2,23,38,061
- Short Term Loan	3,87,05,654	----
	<u>68,18,12,093</u>	<u>47,67,13,173</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 a Personal Guarantee of Promoter Director of the Company.		
18. TRADE PAYABLES		
Trade Payables	10,43,66,673	10,00,17,824
19. OTHER FINANCIAL LIABILITIES		
Unpaid Dividend	8,96,369	12,68,295
Liability for Operating and Other Expenses	3,40,37,067	2,48,41,121
Liability for Other Finance	17,97,413	22,71,258
	<u>3,67,30,849</u>	<u>2,83,80,674</u>
20. OTHER CURRENT LIABILITIES		
Current Liability for Long Term Debt	3,01,51,052	3,36,60,482
Liability for Operating and Other Expenses	42,31,305	28,05,592
Advance from Customers	42,41,021	5,29,961
	<u>3,86,23,378</u>	<u>3,69,96,035</u>
21. PROVISIONS		
Provision for Taxation	3,47,57,133	1,65,57,133

POLYSPIN EXPORTS LIMITED

CONSOLIDATED NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2021 Rs.	For the Year Ended 31.03.2020 Rs.
22. SALES / REVENUE FROM OPERATIONS		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	181,25,65,807	140,11,17,366
- Cotton Yarn	---	22,24,368
<u>Merchant Export Sales</u>		
- Cotton Yarn	---	97,07,520
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	28,62,49,250	53,97,075
- Cotton Yarn	22,26,77,890	20,81,89,591
	232,14,92,947	162,66,35,920
Less : Sales Return	44,66,705	----
	231,70,26,242	162,66,35,920
 OTHER OPERATING INCOME		
Sale of Plastic Scrap	2,17,74,190	1,72,80,922
Sale of Cotton Waste	41,96,388	28,28,119
Sale of Rawmaterial	32,33,574	11,39,538
MEIS Duty Credit Scrip - Sales	---	1,40,14,019
Rebate on Service Tax	16,624	2,600
	234,62,47,018	166,19,01,118
23. OTHER INCOME		
Interest Receipts	81,39,484	67,50,298
Foreign Exchange Fluctuations	3,35,08,476	2,77,80,316
Dividend Income	19,40,632	43,800
Profit on Sale of Machinery	86,763	3,57,394
Export Incentive	---	37,431
Profit on High Sea Sales	---	8,12,627
Fire Insurance Claim	---	2,50,10,381
	4,36,75,355	6,07,92,247
24. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	90,25,78,511	71,31,01,715
Printing Materials	84,95,224	69,18,683
Yarn	5,81,51,498	4,91,33,165
Cotton Yarn / Hank Yarn Purchases	4,85,975	9,81,168
Cotton & Cotton Waste	15,28,47,648	17,01,25,391
BOPP Film Purchases	29,63,096	25,95,580
LLDPE Liner Purchases	1,84,01,802	1,18,01,295
Fabric Purchases	1,42,55,350	1,22,93,205
Kraft Paper Purchases	31,26,88,592	9,42,544
Glue	31,50,513	---
Printing Materials - Paper Bags	1,32,69,234	---
	148,72,87,443	96,78,92,746
25. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	15,99,16,573	14,64,35,099
Closing Stock	24,97,70,926	15,99,16,573
	(8,98,54,353)	(1,34,81,474)

POLYSPIN EXPORTS LIMITED

CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2021 Rs.	For the Year Ended 31.03.2020 Rs.
26. EMPLOYEE BENEFITS EXPENSES		
Remuneration to Managing Director	1,38,64,693	1,22,63,227
Salaries & Wages	23,00,12,798	20,90,31,759
P.F. & E.S.I. Contribution	2,85,54,126	2,88,42,489
Labour Welfare Expenses	2,07,01,108	2,08,09,962
LIC Group Gratuity	1,17,92,069	92,92,197
Bonus	2,32,58,079	2,32,00,008
	<u>32,81,82,873</u>	<u>30,34,39,642</u>
27. FINANCE COSTS		
Interest on		
- Fixed Loans	1,13,73,343	1,62,40,552
- Working Capital Facilities	4,09,89,399	2,96,65,098
- Others Borrowing cost	4,483	4,483
H.P. Finance Charges	1,84,616	2,52,241
	<u>5,25,51,841</u>	<u>4,61,62,374</u>
28. OTHER EXPENSES		
Manufacturing Expenses		
Repairs & Maintenance		
- Building	86,24,920	65,25,569
- Machinery	54,07,981	42,95,601
- General	30,74,567	20,23,546
Processing Charges Paid	12,72,57,517	3,28,57,650
Stores & Spares Consumed	9,98,60,086	8,27,06,258
Power & Fuel	8,78,72,348	8,60,65,428
	<u>33,20,97,419</u>	<u>21,44,74,052</u>
Postage & Telephone	32,95,932	36,23,888
Printing & Stationery	42,07,400	21,27,761
Travelling Expenses	64,92,084	87,35,862
Director's Sitting Fees	3,60,000	3,20,000
Bank Charges	51,28,572	63,43,882
Corporate Social Responsibility Expenses	60,43,860	2,23,948
Professional Charges	54,38,263	46,22,885
Licence, Taxes & Fees	22,19,980	17,98,437
Insurance Charges	85,38,253	68,02,841
Subscription & Periodicals	4,61,610	4,74,525
Filing Fees	58,850	83,300
Audit Fees	3,10,000	2,43,500
Vehicle Maintenance	33,77,785	29,63,331
Miscellaneous Expenses	10,95,873	7,02,623
Ineligible ITC	29,49,575	46,43,504
Commission Paid	1,01,30,431	47,41,184
Donation	1,00,000	5,000
Rent Paid	23,76,000	29,64,052
Quality Claim Charges	86,838	15,31,989
Testing Charges	11,70,801	13,90,246
Sales Promotion Expenses	39,85,111	48,53,469
Ocean Freight	5,91,22,516	3,10,28,130
Lorry Freight	49,89,657	37,47,264
Hank Yarn Obligation	1,50,350	43,463
Loss on Sale of Assets	24,00,394	9,01,758
Sales Discount	---	7,070
Bad Debts Written Off	2,67,582	2,80,940
	<u>46,68,55,136</u>	<u>30,96,78,904</u>

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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

29.2. EARNINGS PER SHARE :	Rs. in Lakhs	
	Year Ended 31.03.2021	Year Ended 30.03.2020
a) Total Comprehensive Income (After Tax)	917.08	555.38
b) Number of Equity Shares	1,00,00,000	1,00,00,000
c) Basic and Diluted Earnings per share (Face Value of Rs.5/- per Equity Share)	9.17	5.55

As per requirements of IND AS 33, the Basic and Diluted earnings per share for all the periods presented have been computed on 1,00,00,000 Equity Shares of Rs. 5/- each.

29.3. Changes in Equity:-

Sub-Division of Equity Shares:- Pursuant to the approval accorded by the Shareholders at the 35th Annual General Meeting held on 12th August, 2020, the present Authorized Share capital of the Company of Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs.10/- each fully paid up, has been sub-divided into 1,00,00,000 equity shares of Rs.5/- each fully paid up by sub-division of every one equity share of Rs.10/- each into two equity shares of Rs. 5/- each.

Issue of Bonus Equity Shares:- Pursuant to the approval accorded by the Shareholders at the 35th Annual General Meeting held on 12th August, 2020, the Board of Directors of the Company at their meeting held on 9th September, 2020, has allotted 20,00,000 bonus equity shares of Rs. 5/- each fully paid up in the proportion of 1 equity share for every 4 equity shares held by the equity shareholders of the Company as on the record date of 7th September, 2020.

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 Unit situated at Cholapuram South, Rajapalayam were shut down completely for a period of 15 days from 01.04.2020 to 15.04.2020 due to lockdown.

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.

Both the Company's FIBC Bags Manufacturing (EOU) Unit and Open End Textile 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 lockdown period.

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.

The Company believes that this pandemic is not likely to impact the recoverability of the carrying value of its assets further. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimize the impact of this unprecedented situation.

As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

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 and spares, etc., purchased in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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 31.03.2021		As at 31.03.2020	
	USD (In Million)	Rs. (In Laks)	USD (In Million)	Rs. (In Laks)
SOLD :				
USD / INR	----	----	----	----
BOUGHT :				
USD / INR	2.50	1,923.37	11.53	8,688.00

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

Particulars	As at 31.03.2021	As at 31.03.2020
Currency (USD in Millions)	0.08	0.48
Rs. in Lakhs	60.06	363.49

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 31.03.2021 and 31.03.2020.

(Rs. in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	3% Increase	3% Decrease	3% Increase	3% Decrease
INR	57.70	57.70	260.64	260.64

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 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 31.03.21	As at 31.03.20
Fixed Rate Borrowings	790.09	1019.11
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 31.03.2021	As at 31.03.2020
Unsecured - Considered Good	2,573.77	2,434.99
Doubtful	2.68	2.81
Less : Provision for Bad debts	(2.68)	(2.81)
Total	2,573.77	2,434.99

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.

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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

(Rs. in Lakhs)

Particulars	As at 31.03.21	As at 31.03.20
Floating Rate - Expiring within one year- working capital limits.	639.72	322.41

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 shareholders 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 shareholder 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 31.03.2021	As at 31.03.2020
Long Term Borrowings	797.14	1,021.21
Current Liability for Long Term Debt	301.51	336.60
Short Term Borrowings	6,818.12	4,767.13
Less: Cash and Cash Equivalents	1,572.25	1,339.02
Net Debt (A)	6,344.52	4,785.92
Equity Share Capital	500.00	400.00
Other Equity	4,246.71	3,452.09
Total Equity (B)	4,746.71	3,852.09
Total Capital Employed (C) = (A) + (B)	11,091.23	8,638.01
Capital Gearing Ratio (A) / (C)	57.20%	55.41%

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 31.03.2021		As at 31.03.2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Other Investments	259.30	259.30	133.26	133.26
Trade Receivables	2,573.78	2,573.78	2,434.99	2,434.99
Cash and Bank Balances	257.65	257.65	33.24	33.24
Other Bank Balances	1,314.60	1,314.60	1,305.78	1,305.78
Other Financial Assets	147.07	147.07	292.39	292.39
Financial Liabilities :				
Borrowings	6,818.12	6,818.12	4767.13	4767.13
Trade Payables	1,043.67	1,043.67	1000.18	1000.18
Other Financial Liabilities	367.31	367.31	283.81	283.81

During the year ended 31st March, 2021 and 31st March, 2020, 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, Multifilament 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 estimate 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 Plan 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.

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

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 31.03.2021	As at 31.03.2020
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	31.03.2021	31.03.2020
Non-Current assets	2,75,21,309	3,09,53,944
Current assets	12,45,52,354	8,72,60,266
Total Assets	15,20,73,663	11,82,14,210
Non-Current liabilities	39,81,070	68,16,678
Current liabilities	8,67,79,833	7,92,65,556
Total Liabilities	9,07,60,903	8,60,82,234
Total Equity	6,13,12,760	3,21,31,976
Profit and Loss		
Revenue	41,51,40,675	35,86,31,067
Profit of the year	3,71,97,655	21,46,081
Other Comprehensive income	---	---
Total Comprehensive income	3,71,97,655	21,46,081
Summarised Cash flow		
Cash flows from operating activities	5,01,86,506	70,55,976
Cash flows from investing activities	(1,52,51,578)	(66,88,849)
Cash flows from financing activities	(89,04,717)	(36,99,710)
Net Increase/(Decrease) in cash and cash equivalents	2,60,30,211	(33,32,583)

(Rs.)

Profit and Loss	31.03.2020	31.03.2019
Total Revenue	41,51,40,675	35,86,31,067
Profit before tax	4,37,77,073	67,61,377
Tax expenses	(66,00,359)	(46,15,296)
Profit after tax	3,71,76,714	21,46,081
Share of profit in Associate	1,43,05,599	8,25,812
OCI	---	---
TCI	1,43,05,599	8,25,812

Reconciliation to the carrying amount of investment in associates as on 31.03.2021

(Rs.)

Profit and Loss	31.03.2021	31.03.2020
Entity TCI	3,71,76,714	21,46,081
Effective shareholding %	38.48%	38.48%
Associates share of profit / OCI	1,43,05,599	8,25,812
Less : unrealized profit on Intercompany Transaction (net of tax)	---	---
Amount recognized in P & L	1,24,08,767	8,25,812
Reconciliation	---	---
Opening Carrying cost	1,25,28,638	1,17,02,826
Less: treasury share Adjustment	---	---
Add: Fair value of corporate guarantee obligation given	---	---
Add : Associates share of profit / OCI	1,43,05,599	8,25,812
Less : Sale / Reversal of OCI share	---	---
Less : Dividend Received	18,96,832	---
Net Carrying Amount	2,49,37,405	1,25,28,638

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	
	2020-21	2019-20
Employer's contribution towards:		
- Provident Fund	226.39	227.74
- Employee State Insurance	59.15	60.68

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 31.03.2021	Financial Year Ending 31.03.2020
Defined Benefit Obligation at beginning of the year	3,73,11,088	3,24,90,364
Current Service Cost	73,07,818	72,26,245
Past Service Cost	---	---
Interest Expense	23,85,091	21,78,427
Benefit Payments from Plan Assets	(39,52,804)	(68,89,350)
Re-measurements - Due to Financial Assumptions	---	24,04,001
Re-measurements - Due to Experience Adjustments	45,69,866	(98,599)
Defined Benefit Obligation at end of the year	4,76,21,059	3,73,11,088
Discount Rate	6.75%	6.75%
Salary Escalation Rate	6.00%	5.00%

B. Change in Fair Value of Plan Assets (Rs.)

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Fair value of Plan Assets at beginning of the year	3,48,04,376	3,20,56,860
Interest Income	22,15,883	21,45,914
Employer Contributions	1,12,50,903	72,18,989
Benefit Payments from Plan Assets	(39,52,804)	(68,89,350)
Remeasurements - Return on Assets (Excluding Interest Income)	2,54,817	2,71,963
Fair Value of Plan Assets at end of the year	4,45,02,483	3,48,04,376
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 31.03.2021	Financial Year Ending 31.03.2020
Current Service Cost	73,07,818	72,26,245
Past Service Cost	---	---
Total Service Cost	73,07,818	72,26,245
Interest Expense on DBO	23,85,091	21,78,427
Interest (Income) on Plan Assets	(22,15,888)	(21,45,914)
Interest (Income) on Reimbursement Rights	---	---
Total Net Interest Cost	1,69,203	32,513
Defined Benefit Cost included in P & L	74,77,021	72,58,758
Remeasurements - Due to Financial Assumptions	---	24,04,001
Remeasurements - Due to Experience Adjustments	45,69,866	(98,599)
(Return) on Plan Assets (Excluding Interest Income)	(2,54,817)	(2,71,963)
Total Re-measurements in OCI	43,15,048	20,33,439
Total Defined Benefit Cost recognized in P&L and OCI	1,17,92,069	92,92,197
Discount Rate	6.75%	6.75%
Salary Escalation Rate	5.00%	5.00%

D. Amounts recognized in the Statement of Financial Position (Rs.)

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Defined Benefit Obligation	4,76,21,059	3,73,11,088
Fair Value of Plan Assets	4,45,02,483	3,48,04,376
Funded Status	31,18,576	25,06,712
Effect of Asset Ceiling / Onerous Liability	---	---
Net Defined Benefit Liability / (Asset)	31,18,576	25,06,712

E. Net Defined Benefit Liability / (Asset) Reconciliation (Rs.)

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Net Defined Benefit Liability / (Asset) at beginning of the year	25,06,712	4,33,504
Defined Benefit Cost included in P & L	74,77,021	72,58,758
Total Re-measurements included in OCI	43,15,048	20,33,439
Employer Contributions	(1,11,80,205)	(72,18,989)
Net Defined Benefit Liability / (Asset) at end of the year	31,18,576	25,06,712

Additional Disclosure Items**Current and Non-Current Liability and Asset** (Rs.)

Particulars	Financial Year Ending 31.03.2021	Financial Year Ending 31.03.2020
Non-Current Assets	---	---
Current Liabilities	94,88,393	59,61,144
Non - Current Liabilities	3,81,32,666	3,13,49,944

Expected Cash Flow

Maturity Profile of Defined Benefit Obligations Sold	
Year 1	3,80,630
Year 2	81,12,081
Year 3	20,76,917
Year 4	10,59,700
Year 5	15,27,743
Beyond 5 years	3,44,63,989

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2021	31.03.2020
Discount Rate	6.75%	6.75%
Salary Escalation - First 5 Years	5.00%	5.00%
Salary Escalation - After 5 Years	5.00%	5.00%
Expected Rate of Return on Plan Assets	NA	NA
Mortality 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	18.36

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 / Persons as Related parties:

A) Associate Companies :

M/s. Lankaspin Private Limited, Srilanka.

B) Companies over which KMP / Relatives of KMP exercise significant Influence

1. M/s. Polyspin Private Limited
2. M/s. Energyspin Private Limited
3. M/s. Chola Packaging Private Limited
4. M/s. Ganesh Agro Pack Private Limited
5. M/s. Ramji Investments Private Limited

C) Key Management Personnel and Relatives : (including KMP under the Companies Act)

1. Shri R. Ramji, Managing Director and CEO
2. Shri S.R. Subramanian, Director
3. Shri P. Vaidyanathan, Director
4. Shri S.R. Venkatanarayana Raja, Director
5. Shri V. S. Jagdish, Director
6. Shri R. Sundaram, Director
7. Shri S.V. Ravi, Director
8. Shri Rajesh Devarajan, Director
9. Shri K.S. Pradeep, Director
10. Smt. Durga Ramji, Director
11. Shri P.K. Ramasubramanian, Company Secretary
12. Shri B. Ponram, Chief Operating Officer
13. Shri S. Seenivasa Varathan, Chief Financial Officer

C) Transaction during the year with Related Parties

Sl. No.	Particulars	(Rs. in Lakhs)			
		Year Ended 31-03-2021		Year Ended 31-03-2020	
		Associate / Other Companies	Key Management Personnel	Associate / Other Companies	Key Management Personnel
1.	Processing Charges Paid	1,340.99	---	313.88	---
2.	Remuneration to Directors & KMP	---	258.00	---	219.31
3.	Chennai Office - Rent Paid	---	18.00	---	18.00
4.	Sale of PP Granules	---	---	21.82	---
5.	Sale of PP Strips / Yarn	204.19	---	460.87	---
6.	Sale of Fabric	706.88	---	158.04	---
7.	Sale of Sewing Yarn	115.25	---	70.22	---
8.	Sale of Paper Tubes	1,148.78	---	---	---
9.	Sale of PP Waste	0.50	---	0.09	---
10.	Assets Sold during the year	29.22	---	2.33	---
11.	Sale of Rawmaterials	1.38	---	---	---
12.	Sale of Kraft Papers	3.02	---	---	---
13.	Dividend Receipts	19.41	---	0.44	---
14.	Purchase of Rawmaterials / Master Batch	203.23	---	4.49	---
15.	Purchase of Fabric / Knitted Fabric	148.11	---	132.17	---
16.	Purchase of Laminated Woven Fabric	---	---	0.10	---
17.	Purchase of Kraft Paper	2,000.82	---	10.56	---
18.	Purchase of Glue	42.03	---	---	---
19.	Purchase of Packing Materials	8.77	---	8.79	---
20.	Purchase of Vehicle	0.88	---	---	---
21.	Factory Rent Paid	6.14	---	9.33	---
22.	Dividend Paid	2.25	6.98	4.49	13.87
23.	Director's Sitting Fees Paid	---	3.60	---	3.20

D) Related Party Transactions

Particulars	(Rs. in Lakhs)	
	2020-21	2019-20
1. Processing Charges Paid		
M/s. Polyspin Private Limited	1,063.12	241.02
M/s. Ganesh Agro Pack Private Limited	0.67	0.75
M/s. Energyspin Private Limited	277.20	72.11
2. Remuneration to Directors & KMP		
Shri R. Ramji, Managing Director & CEO	166.24	148.91
Shri P.K. Ramasubramanian, Secretary & Chief Compliance Officer	3.88	4.03
Shri B. Ponram, Chief Operating Officer	68.63	46.66
Shri S. Seenivasa Varathan, Chief Financial Officer	19.25	19.71
3. Chennai Office - Rent Paid		
Smt. Durga Ramji	18.00	18.00
4. Sale of PP Granules		
M/s. Ganesh Agro Pack Private Limited	---	10.91
M/s. Energyspin Private Limited	---	10.91
5. Sale of PP Strips / Yarn		
M/s. Lankaspin Private Limited, Sri Lanka	204.19	460.87
6. Sale of PP Fabric		
M/s. Lankaspin Private Limited, Sri Lanka	705.96	156.37
M/s. Chola Packaging Private Limited	0.92	1.67
7. Sale of Sewing Yarn		
M/s. Ganesh Agro Private Limited	29.00	15.47
M/s. Chola Packaging Private Limited	6.39	1.62
M/s. Lankaspin Private Limited, Sri Lanka	79.62	53.13
M/s. Energyspin Private Limited	0.24	---

POLYSPIN EXPORTS LIMITED

STANDALONE - NOTES FORMING PART OF ACCOUNTS

Particulars	2020-21	2019-20
8. Sale of Paper Tube		
M/s. Polyspin Private Limited	1,148.78	---
9. Sale of PP Waste		
M/s. Polyspin Private Limited	0.50	0.09
10. Assets Sold during the year		
M/s. Polyspin Private Limited	28.75	0.97
M/s. Chola Packaging Private Limited	0.47	1.36
11. Sale of Rawmaterials		
M/s. Polyspin Private Limited	1.38	---
12. Sale of Kraft Papers		
M/s. Energyspin Private Limited	3.02	---
13. Dividend Received		
M/s. Lankaspin Private Limited, Sri Lanka	18.97	---
M/s. Ganesh Agro Pack Private Limited	0.44	0.44
14. Purchase of Rawmaterials / Master batch		
M/s. Ganesh Agro Pack Private Limited	98.77	---
M/s. Energyspin Private Limited	104.46	---
M/s. Lankaspin Private Limited, Sri Lanka.	---	4.49
15. Purchase of Fabric / Knitted Fabric		
M/s. Ganesh Agro Pack Private Limited	147.59	132.17
M/s. Chola Packaging Private Limited	0.52	---
16. Purchase of Laminated Woven Fabric		
M/s. Chola Packaging Private Limited	----	0.10
17. Purchase of Kraft Paper		
M/s. Polyspin Private Limited	2000.82	5.50
M/s. Energyspin Private Limited	---	5.06
18. Purchase of Glue		
M/s. Polyspin Private Limited	42.03	---
19. Purchase of Packing Materials		
M/s. Ganesh Agro Pack Private Limited	8.71	8.79
M/s. Chola Packaging Private Limited	0.06	---
20. Purchase of Vehicle		
M/s. Polyspin Private Limited	0.88	---
21. Factory Rent Paid		
M/s. Polyspin Private Limited	5.66	5.66
M/s. Ramji Investments Private Limited	0.48	0.48
M/s. Energyspin Private Limited	---	3.10
22. Dividend Paid		
M/s. Polyspin Private Limited	1.56	3.12
M/s. Chola Packaging Private Limited	0.51	1.01
M/s. Ganesh Agro Pack Private Limited	0.18	0.36
Dividend Paid to KMP		
Shri R. Ramji, Managing Director & CEO	4.23	8.37
Shri S.R. Subramanian, Director	0.54	1.08
Shri S.V. Ravi, Director	0.04	0.08
Smt. Durga Ramji, Director	2.16	4.32
Shri S. Seenivasa Varathan, CFO	0.01	0.02

Particulars	2020-21	2019-20
23. Director's Sitting Fees		
Shri S.R. Subramanian, Director	0.40	0.40
Shri P. Vaidyanathan, Director	0.40	0.40
Shri S.R. Venkatanarayana Raja, Director	0.40	0.20
Shri V.S. Jagdish, Director	0.40	0.20
Shri R. Sundaram, Director	0.40	0.20
Shri S.V. Ravi, Director	0.40	0.40
Shri Rajesh Devarajan, Director	0.40	0.20
Shri K.S. Pradeep, Director	0.40	0.20
Smt Durga Ramji, Director	0.40	0.40
Shri K. Lakshmi Narayanan, Director	---	0.20
Shri A. Thirupathy Raja, Director	---	0.20
Shri S. Sankar, Director	---	0.20

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	
		31.03.2021	31.03.2020
1.	Segment Revenue (Net Sales / Income from Operation)		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bags	21,166.52	14,378.09
	b) Cotton Yarn	2,295.95	2,240.92
	Total	23,462.47	16,619.01
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bags	1,541.76	1,189.38
	b) Cotton Yarn	67.22	10.60
	Total	1,608.98	1,199.98
	Less : Financial Charges	525.52	461.62
	Profit Before Tax	1,083.46	738.36
3.	Capital Employed		
	Segment Assets :		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bags	13,395.03	10,084.81
	b) Cotton Yarn	1,547.21	1,816.13
	Total	14,942.24	11,900.94
Segment Liabilities :			
a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bags	9,809.54	7,684.18	
b) Cotton Yarn	386.00	364.67	
	Total	10,195.54	8,048.85

(Rs. in Lakhs)

36.1. Contingent Liabilities not Provided for : **2020 - 2021** **2019 - 2020**

- | | | |
|--|---------------|--------|
| i) Unexpired Letter of Credit | 316.39 | 346.64 |
| 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. | | |

CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

36.2. Trade Payables

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
i) Total outstanding due to Micro Enterprises and Small Enterprises	374.52	136.04
ii) Total outstanding due to Creditors other than Micro Enterprises and Small Enterprises	669.15	864.14
Total	1,043.67	1,000.18

As required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has outstanding dues of Rs. 374.52 Lakhs as at 31st March, 2021 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.

The management is of the view that the payments were made to MSME suppliers on contractual terms and the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
a. Principal Amount remaining unpaid but not due as at the year end	374.52	136.04
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	----	----

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 : 21209047AAAACC4299

Place : Rajapalayam
 Date : June 25, 2021

36.3 The Company has generated power out of Wind Mill installed at NH Road, Ambalavanapuram, Avarikulam Post - 627 133, 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.15.15 Lakhs Previous year: Rs. 15.49 Lakhs) being the credit given by TNEB for the transfer of power to the Grid.

For the year ended

31.03.2021 31.03.2020

Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	2,38,530 KWH	2,43,967 KWH
Units Captively Consumed	2,38,530 KWH	2,43,967 KWH

(included under Power & Fuel)

36.4 Our Company's shares are listed at BSE Limited 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 outstanding balances as at 31st December, 2020 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. 5.50 Lakhs) as on 31.03.2021 (Previous Year : Rs. 54.57 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

R. RAMJI

Managing Director & CEO

S.V. RAVI

Director

P.K. RAMASUBRAMANIAN

Secretary

S. SEENIVASA VARATHAN

Chief Financial Officer

POLYSPIN

BOOK-POST

If undelivered, please return to :

POLYSPIN EXPORTS LIMITED

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

Rajapalayam - 626 117.

Tamil Nadu.