

# POLYSPIN EXPORTS LTD

RAJAPALAYAM



**Annual Report**  
**2021 - 2022**



**Founder**

**SHRI. A. RAMMOHAN RAJA**

<b>BOARD OF DIRECTORS</b>	:	SHRI R. RAMJI, <i>MANAGING DIRECTOR &amp; CEO</i> SHRI S.R. SUBRAMANIAN SHRI S.R. VENKATANARAYANA RAJA SHRI V.S. JAGDISH SHRI R. SUNDARAM SHRI S.V. RAVI SHRI RAJESH DEVARAJAN SMT. DURGA RAMJI
<b>COMPANY SECRETARY</b>	:	SHRI A. EMARAJAN B.Com., ACS
<b>AUDITORS</b>	:	M/s. SRITHAR & ASSOCIATES, CHARTERED ACCOUNTANTS, 77 A - GNANASAMBANDAR NORTH STREET, RAJAPALAYAM - 626 117.
<b>SECRETARIAL AUDITOR</b>	:	SHRI B. SUBRAMANIAN B.Com., FCS., ACMA, PRACTISING COMPANY SECRETARY, FLAT NO.1, PRITHVI APARTMENTS, # 7/4, SEETHA NAGAR, 2 <sup>ND</sup> STREET, NUNGAMBAKKAM, CHENNAI - 600 034.
<b>BANKERS</b>	:	CITY UNION BANK LIMITED RAJAPALAYAM  AXIS BANK LIMITED RAJAPALAYAM
<b>REGISTERED OFFICE</b>	:	351, P.A.C.R. SALAI, RAJAPALAYAM - 626 117.
<b>CORPORATE IDENTIFICATION NUMBER</b>	:	L51909TN1985PLC011683
<b>E-MAIL</b>	:	fibc@polyspin.in
<b>PHONE NO</b>	:	04563 - 221554 / 284000
<b>WEBSITE</b>	:	www.polyspin.org
<b>ADMINISTRATIVE OFFICE</b>	:	1, RAILWAY FEEDER ROAD CHOLAPURAM SOUTH - 626 139 RAJAPALAYAM (VIA).
<b>LISTED STOCK EXCHANGE</b>	:	BSE LIMITED
<b>REGISTRAR &amp; TRANSFER AGENTS</b>	:	M/S. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED 2 <sup>ND</sup> FLOOR, "KENCES TOWERS", NO.1, RAMAKRISHNA STREET NORTH USMAN ROAD, T.NAGAR CHENNAI - 600 017. PHONE NO: 044 - 28140801-03

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## **POLYSPIN EXPORTS LIMITED**

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

CIN : L51909TN1985PLC011683

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### **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 S.V. Ravi Shri V.S. Jagdish Shri Rajesh Devarajan
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Stakeholders Relationship Committee	:	Shri S.R. Subramanian, Chairman Shri S.R. Venkatanarayana Raja Shri R. Ramji
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Nomination and Remuneration Committee	:	Shri R. Sundaram, Chairman Shri S.R. Venkatanarayana Raja Shri V.S. Jagdish
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Corporate Social Responsibility Committee	:	Shri S.R. Venkatanarayana Raja, Chairman Shri S.V. Ravi Smt. Durga Ramji
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## POLYSPIN EXPORTS LIMITED

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

CIN : L51909TN1985PLC011683

### NOTICE:

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of the Company will be held on Friday, the 26<sup>th</sup> day of August, 2022 at 10.00 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following businesses.

### 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022.”

#### **Item No: 3. Reappointment of Shri S.V. Ravi, Director, who retires by rotation:**

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

**“RESOLVED THAT** Shri S.V. Ravi (DIN: 00121742), 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.”

#### **Item No: 4. Appointment of Statutory Auditor and to fix their Remuneration:-**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, as may be amended from time to time, M/s. Krishnan and Raman, Chartered Accountants, (Firm Registration No. 001515S) be and is hereby appointed as the Statutory Auditors of the Company for a term of 5 consecutive years to hold office from the conclusion of this 37<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 42<sup>nd</sup> AGM of the Company to be held in the year 2027.

**RESERVED FURTHER THAT** the Auditors shall be paid a remuneration of Rs.2,00,000/- (Rupees Two Lakhs Only) per financial year plus applicable Goods and Services Tax and out of pocket expenses up to the financial year 2026-27 as recommended by the Board of Directors and Audit Committee of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

### SPECIAL BUSINESS:

#### **Item No: 5. To consider and approve contract with Related Parties:-**

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

**“RESOLVED THAT** in supersession of the resolution passed on 12-08-2020 and pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any and pursuant to Regulations 23 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with standard listing agreement entered with the BSE Limited (Stock Exchange) and subject to such other approvals, consents, permissions and sanctions of

any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into a contract(s) / Transaction(s) / arrangement(s) with following Related Parties on such terms and conditions as may be mutually agreed upon, up to a maximum amount as mentioned against each respective related parties every year for a period of three financial years from the financial year 2022-2023.

S. No.	Name of the Related Party	Maximum amount in a Financial Year not to exceed
1.	M/s. Ploypspin Private Limited	Rs. 50 Crores
2.	M/s. Energyspin Private Limited	Rs. 5 Crores
3.	M/s. Ganesh Agropack Private Limited	Rs. 5 Crores
4.	M/s. Lankaspin Private Limited, Srilanka.	Rs. 10 Crores
5.	M/s. Chola Packaging Private Limited	Rs. 5 Crores

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

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

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

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

Place : Rajapalayam  
Date : May 27, 2022

**A. EMARAJAN  
COMPANY SECRETARY**

#### NOTES :

- 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 Resolution No.4 and 5.
- In view of the COVID 19 pandemic and in compliance with the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs followed by Circular No. 2/2022 dated May 5, 2022 and all other relevant circulars issued from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, physical attendance of the Members to the AGM venue is not required and the 37<sup>th</sup> AGM of the Company be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in this AGM through VC/OAVM.
- 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.
- The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at this AGM is annexed.
- 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.
- 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.

7. 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.
8. 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](http://www.polyspin.org). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e - Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. 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, Circular No. 02/2021 dated January 13, 2021 and Circular No. 2/2022 dated May 5, 2022.
10. 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.
11. 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](mailto:yuvraj@integratedindia.in).
12. 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.
13. 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.
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](mailto:polyspinexportscs@gmail.com).
16. Re-appointment of Director: At the ensuing AGM, Shri S.V. Ravi (DIN: 00121742) is 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
31.03.2015	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
31.03.2021	12%	27.08.2021	26.08.2028	25.09.2028

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 19<sup>th</sup> August, 2022 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended March 31, 2022, if approved at the AGM. The dividend, once approved by the members in the ensuing AGM will be paid on or before 24<sup>th</sup> September, 2022, 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. 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. The formats for Nomination and Updation of KYC details in accordance with the SEBI circular are available on the Company's website at [www.polyspin.org](http://www.polyspin.org) > Investor Relations > Investor Services or <https://www.integratedindia.in>. The duly filled in Forms may be sent to [polyspinexportscs@gmail.com](mailto:polyspinexportscs@gmail.com) or [yuvraj@integratedindia.in](mailto:yuvraj@integratedindia.in) through the registered e-mail ID of the shareholder by digitally signing or can also be submitted in hard copy to the RTA/ Company.
21. The SEBI, vide its Circular dated May 13, 2022 has dispensed with the requirement of dispatch of physical copies of the Annual Report. Accordingly, the Notice of the AGM along with the Annual Report 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.polyspin.org](http://www.polyspin.org), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.

For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: [polyspinexportscs@gmail.com](mailto:polyspinexportscs@gmail.com).

22. 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 19<sup>th</sup> August, 2022 6:00 PM IST in order to enable the Company to determine and deduct appropriate TDS / withholding tax.

<https://www.integratedindia.in / Exemption Form Submission.aspx>

No communication regarding the tax withholding matters would be entertained after 19<sup>th</sup> August, 2022 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, 2<sup>nd</sup> 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 19<sup>th</sup> August 2022. No request in this regard would be accepted by the Company/RTA after the said date or payment of dividend.

23. 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.
24. 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.
25. 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, 2<sup>nd</sup> Floor, "Kences Towers", No.1, Ramakrishna Street, T. Nagar, Chennai – 600 017 or call on Tell: + 91 44 28140801-03; 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

26. 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.
27. 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 20<sup>th</sup> August, 2022 through email on polyspinexportscs@gmail.com. The same will be replied by the Company suitably.
28. 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, January 13, 2021 and May 05, 2022, the Company is providing facility of remote e-voting to its Members in respect of the businesses 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.
- (vii) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 19<sup>th</sup> August, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode 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 i.e. 19<sup>th</sup> August, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

#### **THE INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Tuesday, the 23<sup>rd</sup> August, 2022 at 9:00 A.M. and ends on Thursday, the 25<sup>th</sup> August, 2022 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 19<sup>th</sup> August, 2022, 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 19<sup>th</sup> August, 2022.

#### 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:



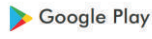

##### Step 1: Access to NSDL e-Voting system

#### 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"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of Shareholders	Login Method
	<ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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. 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest, the user will be also able to see the E-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> </ol>

	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	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.

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll free No.: 1800 1020 990 and 1800 224 430.
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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.

- 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.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 120674 then user ID is 120674001***

- Password details for shareholders other than Individual shareholders are given below :

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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 id 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 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](mailto:subra1152@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
3. 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](http://www.evoting.nsdl.com) to reset the password.
4. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 224 430 or send a request to Ms. Sarita Mote or Ms. Soni Singh or Ms. Himali Singh at [evoting@nsdl.co.in](mailto: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](mailto: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, shareholders / 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 TO 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 TO 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 Meeting"** menu against Company name. You are requested to click on VC/OAVM

link placed under Join 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 Director 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	: Shri S.V. Ravi
DIN	: 00121742
Date of Birth	: March 15, 1959
Date of appointment on Board	: November 27, 1992
Qualification	: B.A.,
Shareholding	: 17,000 Equity Shares of Rs. 5/- each
Directorship held in other Company	: M/s. Ganesh Agro Pack Private Limited M/s. Chola Packaging Private Limited M/s. Ramona Cosmeceuticals Private Limited
Member of Committee	: Audit Committee and Corporate Social Responsibility Committee of the Company
Expertise in specific functional area	: Expert in Technical Textile Technology, Business Management and General Administration.

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

**Item No.4 (Not Mandatory)**

At the Annual General Meeting (AGM) held on September 26, 2017, M/s. Srithar & Associates, Chartered Accountants (Firm Registration No. 015896S) was appointed as the Statutory Auditor of the Company for a period of one year and at the AGM held on August 13, 2018 for the remaining four years i.e. up to the conclusion of 37<sup>th</sup> Annual General Meeting (AGM) of the Company to be held in the year 2022. Accordingly, the existing term of M/s. Srithar and Associates is expiring at the conclusion of this AGM.

The Board of Directors of the Company at their Meeting held on May 27, 2022 based on the recommendation of Audit Committee have approved the appointment of M/s. Krishnan and Raman, Chartered Accountants (Firm Registration No. 001515S) as the Statutory Auditors of the Company for a period of 5 consecutive financial year from the conclusion of this AGM till the conclusion of 42<sup>nd</sup> AGM to be held in the year 2027, subject to the approval of the members at a remuneration of Rs.2 Lakhs per financial year plus applicable taxes and out of pocket expenses.

Pursuant to Section 139 the Companies Act, 2013 and the rules framed thereunder, the Company has received written consent from M/s. Krishnan and Raman, Partnership Firm and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Krishnan and Raman, Partnership Firm have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the accompanying Notice of the 37<sup>th</sup> AGM. Accordingly, the Board of Directors recommends aforesaid appointment to the members for their approval by way of an Ordinary Resolution as set out in Item No. 4 of the accompanying Notice of the 37<sup>th</sup> AGM.

**Item No. 5**

The member of the Company at their Annual General Meeting (AGM) held on 12.08.2020, have approved the contract(s) / transaction(s) / arrangements with the following Related Parties for a period of five financial years i.e. from the financial year 2020-21 as recommended by the Audit Committee of the Company. The details are;

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

The transactions made / to be made with the above related parties are in the ordinary course of business and at arm's length basis. Although, the approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder and the approval has been taken as an abundant precautionary measure.

The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 has amended the Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 inter alia enhancing the scope of related party, related party transactions and the materiality threshold for seeking shareholders' approval and provided the disclosure obligation of listed company in relation to Related Party Transactions. Further, the SEBI vide their Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 has provided clarification on applicability of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The said circulars were applicable from April 1, 2022.

Further, Regulation 23(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, specify that all existing material related party contracts or arrangements entered into prior to the date of notification of the above



## POLYSPIN EXPORTS LIMITED

regulation and which may continue beyond the above said dates should be placed for approval of the shareholders in the first General Meeting subsequent to notification of the regulation. In accordance with the regulation, a Related Party Transaction that has been approved by the Audit Committee of the Company prior to April 1, 2022 which continue beyond such date and become material as per the revised materiality threshold is required to be placed before the shareholders in the first General Meeting held after April 1, 2022. Accordingly, the resolution passed by the members on August 12, 2020 is being placed again for the approval of the members.

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

<b>Name of the Related Party</b>	Polyspin Private Limited	Energyspin Private Limited	Ganesh Agro Pack Private Limited	Lankaspin Private Limited, Srilanka	Chola Packaging Private Limited
<b>Name of the Directors or KMP who is related</b>	Shri R.Ramji, Managing Director and Smt. Durga Ramji, Director	Shri R.Ramji, Managing Director and Smt. Durga Ramji Director	Shri S.V.Ravi Director, Mr. S.R.Subramanian, Director and their relatives	An Associate Company, Shri.R.Ramji, Managing Director and Smt. Durga Ramji Director	Shri S.V.Ravi Director and his relatives
<b>Annual Estimated Transaction Value</b>	Rs. 50.00 Crores	Rs. 5.00 Crores	Rs. 5.00 Crores	Rs. 10.00 Crores	Rs. 5.00 Crores
<b>Nature, Material terms and particulars of the contractor arrangement</b>	Payment of rent and processing charges, Purchase and Sale of Raw material and Finished goods.	Payment of rent and processing charges, Purchase and Sale of Raw material and Finished goods.	Payment of processing charges, Purchase and Sale of Raw material and Finished goods.	Purchase and sale of Raw materials and Finished goods.	Payment of processing charges, Purchase and Sale of Raw material and Finished goods.
<b>Any other Information</b>	Nil	Nil	Nil	Nil	Nil

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

Place : Rajapalayam  
Date : May 27, 2022

**A. EMARAJAN  
COMPANY SECRETARY**

## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report on the working of the Company and Audited Accounts for the year ended 31<sup>st</sup> March, 2022.

	(Rs. in Lakhs)	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>Financial Results</b>		
Sales and other Income	28,285.08	23,899.22
=====	=====	=====
Operating Profit (Profit Before Interest, Depreciation and Tax)	2,198.44	1,974.51
Less : Finance Cost	481.87	525.52
	-----	-----
Profit before Depreciation and Tax	1,716.57	1,448.99
Less : Depreciation	387.15	365.53
	-----	-----
Profit before Tax	1,329.42	1,083.46
Less : Provision for Taxation - Current	407.35	339.00
Less : Provision for Taxation - Deferred	21.96	(5.50)
	-----	-----
Profit after tax for the year	900.11	749.96
Add : Other Comprehensive Income	32.28	43.15
	-----	-----
Net Profit for the year	932.39	793.11
	-----	-----

### SHARE CAPITAL

The Authorized Share Capital of the Company as on 31<sup>st</sup> March, 2022 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.5 Crores) consisting of 1,00,00,000 equity shares of Rs.5 each.

There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. Further, the Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options during the year under review.

### 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, subject to tax for the year ended March 31, 2022 on 1,00,00,000 equity shares of Rs.5 each compared to same dividend of the previous year. Hence, the dividend out go will be Rs.60 Lakhs.

### TRANSFER TO RESERVE

Your Director approved a transfer of Rs.8.50 Crores to General Reserves for the year ended March 31,2022 as against the amount of Rs.7 Crores transferred in the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF THE OPERATION, CURRENT TRENDS AND FUTURE PROSPECTS:

#### COMPANY PERFORMANCE

During the year, the performance of your Company was very good. The turnover has increased from Rs.234.62 Crores to Rs. 276.97 Crores which is about 18% increase over the previous year's turnover. The table below shows comparative quantitative figures of production and sales of the Company's products.

#### 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 31.03.2022 and 31.03.2021 are as follows:

S.No.	Particulars	Year ended 31.03.2022 Quantity (Kgs.)	Year ended 31.03.2021 Quantity (Kgs.)
<b>1. Production</b>			
1) FIBC Bags & PP Woven Bags	1,10,03,615	1,10,97,676	
2) PP Woven Fabrics	65,516	1,16,877	
3) PP Yarn	4,27,592	6,10,735	
4) Multifilament Yarn**	9,33,351	5,38,651	
5) Paper Bags	1,11,311	32,57,899	
6) Cotton Yarn	17,11,913	16,75,280	
<b>2. Sales</b>			
1) FIBC Bags & PP Woven Bags	1,11,03,104	1,02,70,245	
2) PP Woven Fabrics	65,516	1,16,877	
3) PP Yarn	4,27,592	6,10,735	
4) Multifilament Yarn**	55,406	86,553	
5) Paper Bags	1,12,703	32,66,996	
6) Kraft Papers	8,01,044	5,66,798	
7) Cotton Yarn	17,44,441	17,53,220	

#### Multifilament Yarn\*\*

Out of 9,33,351 Kgs. of Multifilament Yarn produced, we have captively consumed 8,77,945 Kgs. for FIBC bags production.

#### FIBC BAGS DIVISION

Flexible intermediate bulk containers (FIBC) or bulk bags are used for storing dry, granular and semi-liquid products. They are large, cubic, bendable containers manufactured using coated or uncoated woven fabric with loops to facilitate convenient storage and movement. U-panel, circular, four-panel and baffle bags are among the most commonly used FIBCs. These bags are used to contain toxic, non-toxic and free-flowing products, such as chemicals, petrochemicals, pharmaceuticals, rubber and agriculture and food products.

Chemical and agriculture product manufacturers are increasingly using FIBCs to handle grains, rice, potatoes, cereals and liquid chemicals. These bags are also used to store and transport construction materials. Furthermore, increasing environmental consciousness among the masses and the rising demand for light weight, biodegradable and bulk packaging material for pharmaceutical products is also

stimulating the market growth. In line with this, product innovations such as the development of FIBC variants as hygiene packaging solutions is acting as another growth-inducing factor. Food-grade FIBC bags are manufactured using virgin polypropylene resins that aid in preventing spoilage of perishable goods and are suited for storing packaged products in bulk quantities.

The global economy entered 2022 in a weaker position characterized by the spread of the Omicron variant, by the re-imposition of mobility restrictions, by supply disruptions and inflationary fears. The experience of handling the second wave of COVID-19 infections, which were by far the worst, gave rise to optimism that the tide could be turned in our favour.

Russia's invasion of Ukraine, the resultant Western sanctions and the consequent spike and pervasiveness of global inflation have darkened the economic outlook.

The direct impact of the Russia-Ukraine war on India's growth would be limited. However, the indirect consequence via rising inflation, sapping consumer confidence, prospective normalization plans of domestic and global central banks and lagging investment sentiments could have a more pronounced impact.

The Ukraine war and the consequent spike in commodities, particularly Crude has impacted economic growth in many countries. Crude, which was stable at \$ 75 at the beginning of the year, shot up to a high of \$ 120 and then cooled a bit. Due to volatile Crude oil prices affects our raw material -mainly PP Granules prices (Petroleum based product) were increased in the International market and consequently it affects our selling price and also margin pressure .

Though exports are doing well, the consumption and investment story continues to lag. The first quarter of 2022 has been dynamic and with heightened uncertainty, events can swing in both directions quickly for the remainder of the year. Fortunately, but very unlikely, if geopolitical tensions de-escalate and inflation reverts to the central bank target quickly, policy action will be limited than envisaged.

But the prominent scenario of elevated inflation, quantitative tightening, interest rate hikes, capital outflows, recessionary concerns, re-emergence of accommodative policy and fiscal support projects a roller-coaster ride for the next 18 months.

With the US inflation a 40 year high at 8.5 percent in March, the Fed has no choice but to tighten monetary policy aggressively and the tightening cycle has begun. The Fed rate hikes will be the most significant event in 2022 impacting markets globally.

At the same time, if the US Fed starts raising interest rates at a brisk pace, there can be repercussions for some developing economies in terms of foreign capital outflows. Widening current account deficits amidst elevated prices coupled with slowing or negative capital flows will pressure domestic currencies. Risks could be downsized for economies having foreign exchange buffers, like India.

The EU is facing concerns around inflation rather than overheating. Western sanctions on Russia have threatened the continent's energy supply. The Economist highlights that gas prices for next winter are five times higher than the US, and spending on household energy is almost twice as high as a share of GDP. Inflation in the EU rose from 5.9 percent in February to 7.5 percent in March, well above its 2 percent inflation target. The European Central Bank has still not responded, but a policy hike is imminent. Amidst the economic consequence of the war, the ECB has cut its GDP forecast from 4.2 percent to 3.7 percent in 2022, while the council of economic advisors in Germany have slashed their projections from 4.6 percent to 1.8 percent.

In India, It's actually been a mixed bag. The RBI has slashed the real GDP forecast for 2022-23 from 7.5 percent to 7.2 percent, while sharply raising its inflation forecast to 5.7 percent. The March retail inflation print came in at 6.95 percent and the increase was broad-based. High frequency indicators have exhibited signs of recovery, but is still far from being robust. Decline in unemployment rate, elevated business expectations and consumer confidence (as per RBI's survey), robust GST collections are few positives.

With CPI Inflation for March at 6.95 percent and WPI inflation at 14.5 percent RBI has no choice but to raise rates by 40 bp in FY23. This view is moderate due to the accommodative RBI stance with hope of a reduction in future inflation.

The FIBC Division has registered a Turnover of Rs.244.54 Crores against Rs.209.88 Crores of the previous year and registered a growth of 16% despite the rise in ocean freight and shortage in availability of container for Exports. The Company is expecting a good order for the financial year 2022-23 and will work towards delivering the orders in time despite the above factors.

In Paper Bags Business, the Company has sold the stock of Kraft Papers for a value of Rs.6.09 Crores during the year.

The global flexible intermediate bulk container market is expected to grow at a CAGR (Compound Annual Growth Rate) of around 5.30% during 2022-2032. The FIBC with a carrying capacity of above 750 Kgs is estimated to grow at the fastest rate. India is expected to reflect the incremental growth of 20 times during the forecast period. Sale of FIBC are expected to reach US\$ 11.9 Billion by the end of 2032. Expansion of food and pharmaceutical industries around the world will drive the demand for FIBC. The FIBC market is expected to witness impressive growth over the next decade.

#### **OPEN END SPINNING DIVISION**

The performance of the spinning division during the year was commendable and your company has achieved better results compared to last year. There was an increase in the price of cotton during the year, however the selling price of yarn has also increased.

The Spinning Division has registered a Turnover of Rs.29.13 Crores as against Rs.22.97 Crores of the previous year and registered a growth of 26.82%. The Company is expecting a good demand for the financial year 2022-23.

The domestic Textile Industry is expected to grow at a CAGR of 12% up to 2025 in order to reach the level of US\$ 350 billion. India is expected to grow at a CAGR of 20% for the next 5 years so as to reach a level of US \$300 billion. The Indian textile industry has been witnessing a large number of investments over the past few years. The global textile market size was valued at USD 993.6 billion in 2021 and is anticipated to grow at a compound annual growth rate (CAGR) of 4.0% from 2022 to 2030.

India is the world's largest producer of cotton. India is the second largest producer and exporter of cotton in the world at \$6.3 billion, marginally close to China. Production stood at 360.13 lakh bales for the crop year October 2021-September 2022. The Indian Textile Industry is facing a big challenge in raw material front. The Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

#### FINANCIAL PERFORMANCE

(Rs.in Lakhs)

S.No.	Particulars	31.03.2022	31.03.2021
1.	Revenue from Operations	28,285.08	23,899.22
2.	EBITDA (before exceptional items)	2,198.44	1,974.51
3.	Profit After Tax	900.11	749.96
4.	Cash Profit	1,716.57	1,448.99
5.	Earnings Per Share (in Rs.)	9.32	7.93
6.	Cash EPS (in Rs.)	17.16	14.49
7.	Net Worth	5,431.03	4,556.79
8.	Capital Employed	7,740.15	5,789.42
9.	Fixed Assets (including Capital Work in Progress (CWIP))	4,361.09	4,578.65

#### 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 2021-22 are given below.

S.No.	Particulars	31.03.2022	31.03.2021
1.	Debtor Turnover Ratio (in times)	8.40	9.37
2.	Inventory Turnover Ratio (in times)	6.37	6.25
3.	Interest Coverage Ratio (in times)	3.76	3.06
4.	Current Ratio (in times)	1.42	1.12
5.	Debt Equity Ratio (in times)	1.44	1.74
6.	Operating Profit Margin (%) before exceptional Items	4.27	3.37
7.	Net Profit Margin (%) after exceptional Items	7.94	8.42
8.	Return on Net Worth	3.25	3.20
9.	Total Debt / EBITDA	16.57	17.41
10.	Return on Capital Employed	13.21	12.46

For Serial No. 4 and 6, there have been significant change (i.e. 25% or more) in the Current Ratio and operating Net Profit Ratio as compared to the previous year which are mainly due to increase in net profit of the company.

#### SOURCES OF FUNDS

##### Own Funds

The Company's Net Worth has increased to Rs 5,431.03 Lakhs as on 31<sup>st</sup> March, 2022 as against Rs.4,556.78 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 48.37 % as on 31<sup>st</sup> March, 2022.

##### Book Value

The Books Value of shares as on 31<sup>st</sup> March, 2022 is Rs.54.31 per share.

##### Other Equity

The Company's other equity increased to Rs. 4,931.03 Lakhs as on 31<sup>st</sup> March, 2022, as against Rs. 4,056.78 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. 2,424.61 Lakhs as on 31<sup>st</sup> March, 2022 compared to Rs.1,098.64 Lakhs of the previous year as detailed below:

(Rs.in Lakhs)

Particulars	2021-2022	2020-2021
Long Term Loan	1,851.66	797.13
Current Maturities of Long Term Borrowings	572.95	301.51
<b>Total</b>	<b>2,424.61</b>	<b>1,098.64</b>

#### APPLICATION OF FUNDS

##### Gross Block

The Company's Gross Block of Fixed Assets increased to Rs.7,451.00 Lakhs as against Rs.7,397.30 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
<b>Industry Risk</b> 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
<b>Raw Material Risk</b> Unavailability of raw material can diminish production capacity.	Long term relationship with suppliers of PP Granules ensures steady availability.	Short to Long Term

<b>Regulatory Risk</b> Change in regulation or legislation may derail production strategy.	Tracks regulations consistently and monitors statutory industry compliances or any changes to them.	Medium Term
<b>Operational Risk</b> Inefficient operational practices could influence production cost and affect competitive.	<ul style="list-style-type: none"> <li>- Maintain equipment regularly to avoid untimely breakdown.</li> <li>- Focuses on upgrading technology and processes to enhance efficiency.</li> <li>- Employs various safety precautions to reduce accidents.</li> </ul>	Short Term
<b>Exchange Risk</b> Currency market volatilities may impact margins.	<ul style="list-style-type: none"> <li>- Hedges export proceeds using forward contracts and avail PCFC in Foreign currency for working capital.</li> <li>- Focuses on obtaining long term contracts and spot sales that optimize offtake and realizations.</li> </ul>	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 01-04-2021 to 31-03-2024 at the Annual General Meeting held on 27-08-2021.

In accordance with the provisions of the Companies Act, Shri S.V. Ravi (DIN: 00121742) Director, retire by rotation at the ensuing Annual General Meeting and is being eligible offer himself for reappointment.

Your Directors recommend for the reappointment of Shri S.V. Ravi as Director liable to retire by rotation.

Shri P. Vaidyanathan (DIN: 00029503) has resigned from the position of Non-Executive Director of the Company with effect from February 23, 2022 due to his health condition.

Shri K.S. Pradeep (DIN: 00852462) has resigned from the position of Independent Director of the Company with effect from February 23, 2022 due to his personal commitments and other preoccupations.

Shri P.K. Ramasubramanian has resigned from the post of Company Secretary & Compliance Officer of the Company and relieved from the service of the Company with effect from February 12, 2022. Shri A. Emarajan has been appointed as Company Secretary & Compliance Officer of the Company with effect from February 12, 2022.

## Key Managerial Personnels (KMPs)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the KMPs of the Company as on date are;

1. Shri R. Ramji, Managing Director
2. Shri S. Seenivasa Varathan, Chief Financial Officer
3. Shri A. Emarajan, Company Secretary & Compliance Officer

## Appointment of Independent Directors

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 four members, out of which three 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/admin/policy/Nomination Remuneration Policy.pdf](http://polyspin.org/admin/policy/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, six meetings 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.

**AWARDS / RECOGNITION**

During the year, the Company has received the award (Second Position) for Highest Annual Employments in EOU Units (Category - Chemical, Plastic, Rubber, Pharmaceutical & Drugs) for the year 2016-17 and 2017-18 from Ministry of Commerce and Industry, Government of India.

Further, the Company has also received the award (First Position) for Highest Annual Employments in EOU Units (Category - Chemical, Plastic, Rubber, Pharmaceutical & Drugs) for the year 2018-19 from Ministry of Commerce and Industry, Government of India during May 2022.

**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.

**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 2021-2022 was Rs.18,58,852/-. The Company had incurred CSR expenditure of Rs. 20,19,818/-. Accordingly, the Company fulfilled its obligation on CSR for the financial year 2021-22.

During the year, the Company has formed the Public Charitable Trust in the name of "POLYSPIN FOUNDATION" and spent very small portion of the CSR obligation through this Trust.

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:**

As per the provisions of Section 139 of the Companies Act, 2013, the term of office of M/s. Srithar and Associates (Firm Registration No. 015896S), Chartered Accountants, Chennai, come to an end at the close of 37<sup>th</sup> Annual General Meeting of the Company.

M/s. Srithar and Associates were Auditor of the Company from the Annual General Meeting held on 26-09-2017. The Board of Directors wish to place on record their sincere appreciation for the services rendered by M/s. Srithar and Associates, Chartered Accountants during their association with the Company.

The report given by the Statutory Auditor on the financial statements of the Company for the financial year 2021-2022 is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Board of Directors have recommended the appointment of M/s. Krishnan and Raman (Firm Registration No. 001515S), Chartered Accountants as Statutory Auditor of the Company pursuant to Section 139 of the Companies Act, 2013. The Audit Committee at its meeting held on May 27, 2022 had recommended their appointment as Statutory Auditor for a period of 5 financial year from the conclusion of 37<sup>th</sup> Annual General Meeting of the Company. A written consent had been obtained and they confirm that they satisfy the legal requirement for their appointment. The proposal relating to their appointment the 37<sup>th</sup> Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2027 has been included in the notice.

#### **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 2021 – 22.

#### **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 31<sup>st</sup> March, 2022.

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

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](http://www.polyspin.org). The said return can be accessed at the following link [http://www.polyspin.org/admin/investorrelation/AnnualReturn\\_2021-22.pdf](http://www.polyspin.org/admin/investorrelation/AnnualReturn_2021-22.pdf)

#### **DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

As on March 31, 2022, 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](http://www.polyspin.org).



The consolidated net profit after tax of the Company amounted to Rs. 921.54 Lakhs for the year ended 31<sup>st</sup> March 2022 as against the Net Profit after tax of Rs. 874.05 Lakhs of the previous year.

The consolidated Total Comprehensive Income for the year under review is Rs. 953.82 Lakhs as compared to Rs. 917.20 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 2021-2022 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/admin/policy/Related Parties Transactions.pdf](http://polyspin.org/admin/policy/Related%20Parties%20Transactions.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 27<sup>th</sup> August 2021 with the Ministry of Corporate Affairs.

The Company has transferred the unclaimed dividend amount of Rs.4,94,213/- for the financial year 2013-14 to IEPF on 12.10.2021. The company has also transferred 22,800 Equity Shares to IEPF on 09.11.2021. The unclaimed dividend pertaining to the year 2014-15 will be transferred to the IEPF on or before 27.10.2022.

#### **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 31.03.2022, the applicable accounting standard 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 31.03.2022 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 Limited, Axis Bank Limited, Share Transfer Agent, 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 : May 27, 2022

## 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 Eight Directors, out of whom 7 Directors are Non-executive Directors. There are 4 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 52 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 50 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 63 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.
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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 79 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 S.R. VENKATANARAYANA RAJA

Shri S.R. Venkatanarayana Raja, aged 69 years, has a Bachelor's Degree in Business Administration. He has 38 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 66 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
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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 70 years, holds B.Tech in Textile Technology. He has 49 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.
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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 48 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.

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

S.No.	Name of the Director	25.06.2021	13.08.2021	12.11.2021	07.01.2022	12.02.2022	25.03.2022	Attendance of Last AGM held on 27.08.2021
1.	Shri R. Ramji, Managing Director DIN: 00109393 Directorship: P & E	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Smt. Durga Ramji DIN: 00109397 Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Shri S.R. Subramanian DIN: 00122141 Directorship: P & NE	Yes	Yes	Yes	No	Yes	Yes	Yes
4.	Shri S.V. Ravi DIN: 00121742 Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Shri S.R. Venkatanarayana Raja DIN: 01226624 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Shri V.S. Jagdish DIN: 08452900 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7.	Shri R. Sundaram DIN: 01361345 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Shri Rajesh Devarajan DIN: 01153112 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Shri P. Vaidyanathan* DIN: 00029503 Directorship: NE	Yes	Yes	Yes	Yes	Yes	N.A	Yes
10.	Shri K. S. Pradeep* DIN: 00852462 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	N.A	Yes

\* Resigned on February 23, 2022

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	--	3
Smt. Durga Ramji	--	3
Shri S.R. Subramanian	--	1
Shri S.V. Ravi	--	3
Shri S.R. Venkatanarayanan Raja	--	1
Shri V.S. Jagdish	--	--
Shri R. Sundaram	--	2
Shri Rajesh Devarajan	--	4

**II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT**

Name of the Director	Shri S.V. Ravi (DIN : 00121742)	
Age (Years)	63 Years	
Date of Appointment	27.11.1991	
Expertise in specific functional area	Expert in Technical Textiles Technology, Business Management and General Administration.	
Qualification	B.A.	
List of outside Directorship held	PUBLIC	PRIVATE
	---	3
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee and Stakeholders Relationship Committee	
Chairman / Member of the Committee of Directors of other Companies	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 12<sup>th</sup> February, 2022, 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.

Shri K.S. Pradeep, Independent Director have resigned with effect from February 23, 2022.

All the Independent Directors have registered themselves with the Independent Directors Data Bank, as required under Rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014. Shri R. Sundaram have been exempted from passing the online proficiency self-assessment test, conducted by The Indian Institute of Corporate Affairs. The remaining three independent directors have passed the online proficiency self-assessment test during the year.

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](http://www.polyspin.org) and at the following web link at [http://www.polyspin.org/admin/investor relation/Shareholders Information\\_Terms and Conditions of Appointment of Independent Director.pdf](http://www.polyspin.org/admin/investor%20relation/Shareholders%20Information_Terms%20and%20Conditions%20of%20Appointment%20of%20Independent%20Director.pdf).

**IV. AUDIT COMMITTEE**

The terms of reference of the Audit Committee include;

To review the report of the Internal Auditor.

1. To review the Annual Financial Statements and Auditor's Report thereon.
2. To review the Quarterly Financial Statements before submission to the Board for approval.
3. To review and approve the Related Party Transactions.
4. To evaluate the internal financial control and risk management system.
5. To scrutinize inter corporate loans and investments.
6. 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.

2/3<sup>rd</sup> 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					
		25.06.2021	13.08.2021	12.11.2021	07.01.2022	12.02.2022	25.03.2022
1.	Shri R. Sundaram, Chairman of the Committee	Yes	Yes	Yes	Yes	Yes	Yes
2.	Shri V.S. Jagdish, Member	Yes	Yes	Yes	Yes	Yes	Yes
3.	Shri P. Vaidyanathan, Member*	Yes	Yes	Yes	Yes	Yes	N.A
4.	Shri K.S. Pradeep**	N.A	Yes	Yes	Yes	Yes	N.A
5.	Shri S.V. Ravi Member***	N.A	N.A	N.A	N.A	N.A	Yes
6.	Shri. Rajesh Devarajan***	N.A	N.A	N.A	N.A	N.A	Yes

\* Ceased to be a member on February 23, 2022

\*\* Inducted on June 25, 2021 and ceased to be a member on February 23, 2022.

\*\*\* Inducted on March 4, 2022

Shri P.K.Ramasubramanian was Secretary of the Committee till February 23, 2022 and Shri A. Emarajan is Secretary of the Committee from February 23, 2022.

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	25.06.2021	12.02.2022
1.	Shri S. R. Subramanian, Chairman of the Committee	Yes	Yes
2.	Shri R. Ramji, Member	Yes	Yes
3.	Shri S.R. Venkatanarayana Raja, Member	Yes	Yes

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

#### 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/admin/policy/Nomination Remuneration Policy.pdf](http://polyspin.org/admin/policy/Nomination%20Remuneration%20Policy.pdf).

S.No.	Name of the Director	25.06.2021	12.02.2022
1.	Shri R. Sundaram, Chairman of the Committee	Yes	Yes
2.	Shri S.R. Venkatanarayana Raja Member	Yes	Yes
3.	Shri V.S. Jagdish, Member	Yes	Yes

Shri P.K. Ramasubramanian was Secretary of the Committee till February 23, 2022 and Shri A. Emarajan is Secretary of the Committee from February 23, 2022.

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 2021-22 are given below:

(Rs. in Lakhs)

Name of the Director	Salary & Perquisites
Shri R. Ramji, Managing Director	242.04

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 B. Ponram, Chief Operating Officer, Shri S. Seenivasa Varathan, Chief Financial Officer and Shri A. Emarajan, Company Secretary & Compliance Officer of the Company as members.

**IX. DISCLOSURE OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2022**

S.No.	Name of the Non-Executive Directors	No.of Shares
1.	Smt. Durga Ramji	9,19,096
2.	Shri S.R. Subramanian	2,27,750
3.	Shri S.V. Ravi	17,000
4.	Shri S.R. Venkatanarayanan Raja	--
5.	Shri V.S. Jagdish	--
6.	Shri R. Sundaram	--
7.	Shri Rajesh Devarajan	--

**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**

- Disclosures on materially significant related party transactions i.e., transaction of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of Company at large : NIL
- The Companies in which the Non-executive Directors are holding the Directorship are considered Related parties as per Accounting Standard 24 issued by the Institute of Chartered Accountants of India and the transaction with such companies are disclosed in Note No.34 Notes forming part of the accounts.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange

or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

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 misinterpretation of the above regulation and the Company had remitted the fine and complied with the requirement.

- The Company has complied with the Mandatory requirements of Corporate Governance stipulated under SEBI (LODR) Regulations, 2015.
- The Company has no Subsidiary. Hence, disclosure about "Material Subsidiary Policy" is not applicable to the Company.
- The Related Party Transaction Policy is disclosed in the Company Website and its web link is [http://polyspin.org/admin/policy/Related\\_Party\\_Transactions.pdf](http://polyspin.org/admin/policy/Related_Party_Transactions.pdf)
- The details relating to commodity price risks and commodity hedging activities are not applicable.
- The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement.
- 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.
- There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
- 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.65,500/-.  
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.
- 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

- The Company has complied with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015, although many are not applicable to your Company.
- The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 4 above.
- The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.
- The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days / 21 days from the close of the quarter respectively.
- As required under Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following information's 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.
- 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.

- The various disclosures made in the Board's Report, may be considered as disclosures made under this report.
- 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	25.06.2021	13.08.2021	12.11.2021	12.02.2022
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 July 30, 2021, 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

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

Year End Date	Date of AGM	Time	Venue
31.03.2019	12.08.2019	9.30 A.M	Sri Arjuna Manthiram, Rajapalayam.
31.03.2020	12.08.2020	10.00 A.M	Through Video Conference
31.03.2021	27.08.2021	10.00 A.M	

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

Date of the AGM	Subject Matter of the Special Resolutions
27.08.2021	Reappointment of Shri Rammohan Raja Ramji as Managing Director for a period of 3 years with effect from 01-04-2021.
	Reappointment of Shri S.R. Subramanian, as Director beyond 75 Years.
	Continue the Appointment of Shri P. Vaidyanathan, Non-Executive Director beyond 75 Years.
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. Venkatanarayana 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.

- 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](http://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 26 <sup>th</sup> August, 2022 at 10.00 A.M. through Video Conference.
(ii)	Financial Year	01.04.2021 to 31.03.2022
(iii)	Dividend Payment Date	01 <sup>st</sup> September, 2022 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 2022-2023.
(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 31.03.2022, 86.30% 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 2021	56.90	49.00	76,919	39,81,472
May 2021	64.95	47.50	1,10,503	62,91,100
June 2021	91.85	60.00	5,48,661	4,35,29,543
July 2021	82.85	70.00	2,24,857	1,71,27,075
August 2021	98.00	72.00	4,00,800	3,44,56,002
September 2021	86.50	65.15	1,85,202	1,50,83,342
October 2021	82.75	66.00	72,239	55,96,878
November 2021	79.90	62.80	84,402	58,96,049
December 2021	72.90	59.50	1,02,301	67,69,800
January 2022	82.00	64.00	1,88,236	1,40,81,392
February 2022	77.60	65.00	1,09,397	76,56,956
March 2022	72.45	60.00	88,200	57,39,616

Source : BSE Website

### 27. SHARE TRANSFER SYSTEM

SEBI vide its notification No. SEBI / LAD – NRO / 2018 / 24 dated 8<sup>th</sup> 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 1<sup>st</sup> 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 / 7 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 A. Emarajan are empowered to approve such transmission of shares. There are no pending Share transmission as on 27<sup>th</sup> May, 2022. 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, 2<sup>nd</sup> 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.** : INE914G01029

**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** : Shri A. Emarajan  
Company Secretary, No.351, P.A.C.R.Salai, Rajapalayam 626 117. Virudhunagar District, Tamilnadu. Ph : 04563 - 221554

**33. Website** : [www.polyspin.org](http://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 - 626 139, Rajapalayam (Via),  
Virudhunagar District, Tamilnadu.

**UNIT - II** No. 415/1, Railway Feeder Road,  
Cholapuram South - 626 139, Rajapalayam (Via),  
Virudhunagar District, Tamilnadu.

#### OE Yarn Unit - Division

PEL Textiles (A Division of Polyspin Exports Limited)  
206 B/1, Sankarankovil Road,  
Cholapuram South - 626 139, Rajapalayam (Via)  
Virudhunagar District, Tamilnadu.

#### Windmill Unit (250 KW)

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

### 36. RANGEWISE HOLDINGS

Range	2021 - 2022	2021 - 2022	2020 - 2021
	No. of Shareholders	(%)	(%)
1 - 500	3,117	6.75	6.68
501 - 1000	468	3.76	3.79
1001 - 2000	369	5.34	5.85
2001 - 3000	157	3.98	4.58
3001 - 4000	64	2.29	2.24
4001 - 5000	30	1.42	1.82
5001 - 10000	62	4.39	5.85
10001 - and above	56	72.09	69.19
<b>Total</b>	<b>4,323</b>	<b>100.00</b>	<b>100.00</b>

### 37. DEMATERIALIZATION OF SHARES AS ON 31.03.2022

Particulars	No. of Shareholders	(%)	No. of Shares	(%)
NSDL	1,423	32.92	75,61,137	75.61
CDSL	1,594	36.87	10,68,753	10.69
PHYSICAL	1,306	30.21	13,70,110	13.70
<b>Total</b>	<b>4,323</b>	<b>100.00</b>	<b>1,00,00,000</b>	<b>100.00</b>

### 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 - IV A.

### 40. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company is having 1,75,635 equity shares in 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 31<sup>st</sup> March 2022.

For POLYSPIN EXPORTS LIMITED

**R. RAMJI**

Managing Director & CEO  
(DIN : 00109393)

Place : Rajapalayam  
Date : May 27, 2022

**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 31.03.2022 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 : May 27, 2022

**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 **31<sup>st</sup> March 2022**, 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 : F002152D000406644

Place : Rajapalayam

Date : May 27, 2022



**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.

- Promoting and providing ecofriendly atmosphere.
- Promoting and providing education to the under privileged children and weaker section of the economy.
- Eradicating hunger, poverty and malnutrition.
- Provision of drinking water, sanitation and medical assistance.
- To contribute to organization which have made the above possible to an extent.
- To protect national heritage.

**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-Executive Independent Director	4	4
2.	Shri S.V. Ravi	Non-Executive Director	4	4
3.	Smt. Durga Ramji	Non-Executive Director	4	4

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

Composition of CSR Committee:

[http://www.polyspin.org/admin/investor relation/ Shareholder Information\\_Board Committees.pdf](http://www.polyspin.org/admin/investor%20relation/Shareholder%20Information_Board%20Committees.pdf)

CSR Projects approved by the Board: Nil

CSR Policy:

[http://www.polyspin.org/admin/policy/Corporate Social Responsibility.pdf](http://www.polyspin.org/admin/policy/Corporate%20Social%20Responsibility.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. 929.43 Lakhs

**7. (a) Two percent of average net profit of the Company as per section 135(5): Rs.18.59 Lakhs.**

(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.18.59 Lakhs

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

Total Amount Spent for the Financial Year (Rs. in Lakhs)	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
20.19	Nil	Nil	Nil	Nil	Nil

**(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)	Location of the Project	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					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 (Rs. in Lakhs)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation Through Implementing Agency
				State	District		CSR Registration Number
1.	Eradicating Hunger, Poverty and Malnutrition, Promoting health care including preventive health care and Sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Eradicating Hunger, Promoting health care including preventive health care including preventive healthcare	Yes	Tamilnadu	Virudhunagar	0.65	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, Madurai	14.45	N.A
3.	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional art and handicrafts;	Restoration of Buildings and sites of historical importance	Yes	Tamilnadu	Virudhunagar	2.65	N.A
4.	Training to promote rural sports	Promote Rural Sports	Yes	Tamilnadu	Coimbatore	0.15	N.A
5.	Disaster management, including relief, rehabilitation and reconstruction activities	Disaster Management Activities	Yes	Tamilnadu	Virudhunagar	2.29	N.A
Total						20.19	

- (d) Amount spent in Administrative Overheads : Nil  
 (e) Amount spent on Impact Assessment: Not Applicable  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e):  
 Rs.20.19 Lakhs  
 (g) Excess amount for set off, if any (Rs. in Lakhs)

Sl.No.	Particulars	Amount
i)	Two percent of average net profit of the Company as per section 135(5)	18.59
ii)	Total amount spent for the Financial Year	20.20
iii)	Excess amount spent for the financial year [(ii)-(i)]	1.61
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.61

9. (a) Details of Unspent CSR amount for the preceding three financial years: (Rs.)

Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6)			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount (Rs.in Lakhs)	Date of Transfer	
1.	2018-2019	Nil	Nil	PM CARES	6.33	17.08.21	-
2.	2019-2020	Nil	Nil	PM CARES	0.62	11.09.21	-
				PM CARES	9.00	18.09.21	-
				PM CARES	4.25	20.09.21	-
3.	2020-2021	Nil	Nil	PM CARES	4.75	20.09.21	-
				PM CARES	8.44	24.09.21	-

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (Rs. in Lakhs)	Amount spent on the project in the reporting Financial Year (Rs. in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (Rs. in Lakhs)	Status of the project - Completed /Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).  
 (a) Date of creation or acquisition of the capital asset(s) : Nil  
 (b) Amount of CSR spent for creation or acquisition of capital asset : Nil  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil  
 (d) Provide details of the capital asset(s) created or acquired: Nil (including complete address and location of the capital asset)  
 11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) :  
 Not applicable.

On Behalf of the Board,  
 For POLYSPIN EXPORTS LIMITED,

Shri R. RAMJI  
 Managing Director & CEO

Shri S.R. VENKATANARAYANA RAJA  
 Chairman of CSR Committee

Place : Rajapalayam  
 Date : May 27, 2022

## ANNEXURE IV TO DIRECTOR'S REPORT

### Form MR – 3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

To The Members  
**M/s. POLYSPIN EXPORTS LIMITED,**  
 CIN: L51909TN1985PLC011683  
 351, P.A.C.R. Salai, Rajapalayam - 626 117.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good Corporate Governance Practices by **M/s. POLYSPIN EXPORTS LIMITED** (hereinafter called "the Company") during the financial year from **1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022** (audit period under review). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and I am expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company and furnished to me, forms and returns filed, compliance related action taken by the Company during the financial year ended **31<sup>st</sup> March, 2022** and also after **31<sup>st</sup> March, 2022** but before the issue of this report, Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors; and the representations made and information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit.

- I hereby report that,
  - In my opinion, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022** (hereinafter referred to as "the year"), to the extent, in the manner and subject to the reporting made hereunder, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent.  
 The members are requested to read this report along with my letter of even date annexed to this report as Annexure -A.
  - I have examined on test basis the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
    - The Companies Act, 2013 (the Act), the rules made there under;
    - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.

- iii. The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- 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;
- 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 17<sup>th</sup> 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 **31<sup>st</sup> March, 2022** but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
- 1.5 I am informed that, during the year the Company was not required to comply with the following laws / guidelines / regulations, consequently was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of:
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- ii. The following Regulations and Guidelines prescribed under the SEBI Act;
- 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;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- iii. I am also informed that for the year, there were no other laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
2. I further report that:
- 2.1 The Board of Directors of the Company is duly constituted with one Executive Director, four Non-Executive Independent Directors and three Non-Executive Directors including one Non-Executive Woman Director.
- 2.2 Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda of Board Meetings were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- 2.3 Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
3. I further report that,
- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- B. SUBRAMANIAN**  
Practicing Company Secretary,  
Membership No: F2152  
Certificate of Practice: 2275  
UDIN : F002152D000403421
- Place : Rajapalayam  
Date : May 27, 2022



### 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 31<sup>st</sup> March, 2022 is to be read along with this letter.**

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the Company after **31<sup>st</sup> March, 2022** but before the issue of this report.
4. I have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained by the Company in compliance with law.
5. I have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. I have also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
6. I have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
7. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. My Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**B. SUBRAMANIAN**

Practicing Company Secretary  
Membership No: F2152  
Certificate of Practice: 2275  
UDIN : F002152D000403421

Place : Rajapalayam  
Date : May 27, 2022

### 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](http://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 **31<sup>st</sup> March, 2022** 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 Sinthalapadi Ramakrishna Raja Venkatanarayana Raja	01226624	01/09/2019
6.	Shri Vengisanam Seshagiri Raju Jagdish	08452900	01/09/2019
7.	Shri R. Sundaram	01361345	01/09/2019
8.	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 : F002152D000403421

Place : Rajapalayam  
Date : May 27, 2022

**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:**

- Replacement of LED Lights by Conventional lights in production area -136 Lights (50 watts -12 Nos, 20 watts - 120 Nos. 20 and 50 watts street light - 4 Nos)
- Window AC's replaced with 3 Star / 5 Star Split AC's - 5 Nos.
- Energy Efficient Motors (IE2/IE3) installation - 20 Nos.
- VFD installation for Looms - 6 Nos.

**(ii) The impact on conservation of energy: (Rs. in Lakhs)**

- Sl. No. (i) - Annual saving 17,840 Kwh @ Rs. 7.80 = 1.39
- Sl. No. (ii) - Annual saving 3,240 Kwh @ Rs. 7.80 = 0.25
- Sl. No. (iii) - Annual saving 7,448 Kwh @ Rs. 7.80 = 0.58
- Sl. No. (iv) - Annual saving 3,093 Kwh @ Rs. 7.80 = 0.24

**(iii) The Capital investment on energy conservation equipment:- Rs. 2.47 Lakhs****B. TECHNOLOGY ABSORPTION:**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

(Rs. in Lakhs)

Particulars	2021-22	2020-21
a. Earnings	22,267.13	17,811.64
b. Outgo	4,423.87	2,186.61

On behalf of the Board,  
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam  
Date : May 27, 2022

**S.V. RAVI**  
Director  
(DIN : 00121742)

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

**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 <sup>st</sup> March, 2022
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 Lakhs
	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	Rs. 270.80 Lakhs
7.	Profit or Loss for the year	Rs. 84.69 Lakhs
	i. Considered in Consolidation – Share of Profit	Rs. 21.43 Lakhs
	ii. Not Considered in Consolidation	Rs. 63.26 Lakhs

On behalf of the Board,  
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam  
Date : May 27, 2022

**S.V. RAVI**  
Director  
(DIN : 00121742)

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

**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 Financial Officer, in the financial year 2021 - 22 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. 2021 - 22 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2021 - 22	Ratio of remuneration of each Director / to median remuneration of employees
Shri R. Ramji Managing Director & CEO	242.04	45.59	204.19

None of the Non-Executive Directors received any remuneration other than sitting fees during the financial year 2021-2022.

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary during the year.

Name of KMP & Designation	Remuneration of KMP for the F.Y. 2021 - 22 (Rs. in Lakhs)	% increase / (decrease) in remuneration in the F.Y. 2021 - 22
Shri P.K. Ramasubramanian, Company Secretary - Up to February 12, 2022	3.52	(9.37)
Shri. S. Seenivasa Varathan, Chief Financial Officer	19.93	3.53
Shri A. Emarajan, Company Secretary From February 12, 2022	1.89	--

- iii. In the financial year, there was an increase of 8.90% in the median remuneration of employees.
- iv. There were 1,899 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2022.
- v. Average percentual increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 10.24% whereas the decrease in the managerial remuneration for the same financial year was 13.06%. There is no exceptional circumstance for increase in the managerial remuneration.
- vi. It is hereby affirmed that the remuneration paid during the year 2021-22 is as per the Remuneration Policy of the Company;

**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 31<sup>st</sup> March 2022.

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	52	Managing Director & CEO	242.04	BCA (31 Years)	01.04.2013	---
2.	Shri B. Ponram	51	Chief Operating Officer	43.59	M.B.A., (17 Years)	01.11.2014	M/s. Polyspin Private Limited
3.	Shri Bal Krishna Ladha	74	Vice President (Marketing)	42.17	B.E. (Hons) Mech, MBA (44 Years)	01.09.2014	M/s. Ultra Tech Cements Limited
4.	Shri S. Satish Kumar	56	Vice President (Marketing)	41.72	M.A., (Economics) (29 Years)	01.04.2015	---
5.	Smt. B. Shashi Ladha	71	Marketing Officer	26.46	B.Sc., LLB (4 Years)	01.04.2017	---
6.	Shri N.D. Ramsankar	41	Project Officer	23.33	D.H.M (18 Years)	01.07.2009	---
7.	Shri S. Seenivasa Varathan	59	Chief Financial Officer	19.77	B.Com (33 Years)	01.01.1991	---
8.	Shri A. Emarajan	38	Company Secretary	13.24	B.Com., ACS (17 Years)	01.04.2021	M/s. The Ramaraju Surgical Cotton Mills Limited
9.	Shri K. Samidurai	52	Manager (Accounts)	11.64	B.Com (28 Years)	01.04.2020	M/s. Polyspin Private Limited
10.	Shri S. Narendran	65	Manager (Commercial)	10.90	B.Com (37 Years)	01.01.1991	---

- Note:-**
1. All appointments are contractual.
  2. Remuneration as shown above includes, inter-alia, Company's contribution to provident funds and taxable value of perquisites and does not include provision for Gratuity.
  3. None of the employees mentioned above is related to any Director of the company except Shri. R. Ramji, Managing Director who is related to Smt. Durga Ramji and Shri S.V. Ravi, Directors.

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 : May 27, 2022

## 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 / transactions	Nil
d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e) Justification for entering into such contracts or arrangements or transactions	Nil
f) Date(s) of approval by the Board	Nil
g) Amount paid as advance, if any	Nil
h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188	Nil

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

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

On behalf of the Board,  
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam  
Date : May 27, 2022

**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, 2022, 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, 2022, 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.36.7 to the standalone 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.37.3 to the standalone financial statements, which describes pending satisfaction of charge with ROC.

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><b>Evaluation of uncertain tax positions</b></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><b>Principal Audit Procedures</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 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, 2021 to evaluate whether any change was required to management's position on these uncertainties</p>
2.	<p><b>Recoverability of Indirect tax receivables</b></p> <p>As at March 31, 2022, 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><b>Principal Audit Procedures</b></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><b>Assessment of the Company's litigations and related disclosure of contingent liabilities</b></p> <p>Refer to Note No. 36.3 to the Standalone Financial Statements – "Contingent liabilities not provided for", Note No: 36.3 to the Standalone Financial Statements. As at March 31, 2022, 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 or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities made in relation to the Company's Standalone Financial Statements;</li> <li>• We used auditor's experts to gain an understanding and to evaluate the disputed tax matters;</li> <li>• We considered external legal opinions, where relevant, obtained by management;</li> </ul>



Sl. No.	Key Audit Matter	Auditor's Response
	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.	<ul style="list-style-type: none"> <li>• 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;</li> <li>• We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates / judgements;</li> <li>• 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;</li> <li>• We assessed the adequacy of the disclosures.</li> </ul> <p>•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.</p>

#### Information other than the Standalone Financial Statements and Auditor's Report thereon

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

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

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

#### Responsibilities of Management and those charged with Governance for the Standalone IND AS Financial 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 IND AS 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 IND AS financial statements.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government 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:
- 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.
  - 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.
  - 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.
  - In our opinion, the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements – Refer Note No.36.3 to the Standalone INDAS financial statements;
  - 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 No. 30.2 to the INDAS financial statements;
  - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - The Management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) As stated in Note No. 37.8 to the standalone financial statements
- The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - The Company has not declared any interim dividend during the year.
  - The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable
- C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act as amended:
- 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.

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

**S. SRITHAR**

Membership No. 209047  
 UDIN : 22209047AJRZIE1267

Date : May 27, 2022  
 Place : Rajapalayam

**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's Registration No. 015896S

**S. SRITHAR**

Date : May 27, 2022  
Place : Rajapalayam

Membership No. 209047  
UDIN : 22209047AJRZIE1267

**ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT**

**Annexure referred to in paragraph 1 of our Independent Auditor's Report of even date to the members of M/s. Polyspin Exports Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2022**

In terms of Companies (Auditor's Report) Order 2020, 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:-

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- a) i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment and Intangible Assets and relevant details of right-of-use assets.
- ii) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of physical verification of Property, Plant and Equipment and

right-of-use assets so to cover all the assets once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
- e) No proceedings have been initiated or are pending against the Company as at 31<sup>st</sup> March 2022, for holding benami property under The Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

## 2. INVENTORIES

- i. Physical verification of inventory or has been conducted at reasonable intervals by management. In our opinion, the coverage and procedure by the management is appropriate. The aggregate of discrepancies of 10% or more in each class of inventory noticed have been properly dealt with in the books of account.
- ii. The quarterly returns/statements filed by the Company with banks are in agreement with the books of the Company.

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

The Company has made investments in companies, and has not granted unsecured loans to other parties, during the year, in respect of which

- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable
- (b) In our opinion, the investments made are, prima facie, not prejudicial to the Company's interest.
- (c) The Company has not granted any loans or advances in the nature of loans. Hence, reporting under clause 3(iii)(c) to clause 3(iii)(f) is not applicable.

- (d) The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

## 4. COMPLIANCE WITH SECTIONS 185 & 186 OF THE ACT

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made as applicable.

## 5. DEPOSITS:

The company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the Order is not applicable.

## 6. COST RECORDS:

The maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

## 7. STATUTORY DUES

- i. The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
- ii. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- iii. Details of statutory dues referred to in sub-clause (i) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

(Rs.in Lakhs)

Name of the Statute	Nature of Dues	Amount	Period with the amount relates	Forum where the dispute is pending	Amount paid under protest
Central Excise Act, 1944	Excise Duty	71.71	June 2008 to March 2013	Commissioner of Central Excise, Madurai.	71.71
Central Excise Act, 1944	Excise Duty	129.11	Jan 2009 to March 2013	Commissioner of Central Excise, Madurai.	129.11
Central Excise Act, 1944	Excise Duty	3.69	April 2010 to March 2011	Assistant Commissioner of Central Excise, Rajapalayam.	3.69
Central Excise Act, 1944	Excise Duty	70.11	April 2013 to Dec 2014	Assistant Commissioner of Central Excise, Rajapalayam.	70.11
Central Excise Act, 1944	Excise Duty	30.04	April 2014 to Sep 2014	Assistant Commissioner of Central Excise, Rajapalayam.	30.04
Central Excise Act, 1944	Excise Duty	30.23	Oct 2014 to March 2015	Assistant Commissioner of Central Excise, Rajapalayam.	30.23
Central Excise Act, 1944	Excise Duty	25.24	April 2015 to Sep 2015	Assistant Commissioner of Central Excise, Rajapalayam.	25.24
Central Excise Act, 1944	Excise Duty	33.51	Oct 2015 to March 2016	Assistant Commissioner of Central Excise, Rajapalayam.	33.51
Central Excise Act, 1944	Excise Duty	94.08	April 2016 to March 2017	Commissioner of Central Excise, Trichy.	94.08
<b>TOTAL</b>		<b>487.72</b>		<b>TOTAL</b>	<b>487.72</b>



8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
9.
  - i) The company has not defaulted in any repayment of loans or borrowings or in the payment of interest thereon to any financial institution or bank.
  - ii) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
  - iii) The term loans have not been utilized for the purposes for which they were obtained.
  - iv) On an overall examination of the final statements of the company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the company.
  - v) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - vi) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10.
  - i) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - ii) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
11.
  - i) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or no material fraud on the company have been noticed or reported during the year.
  - ii) No report under sub-Section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government during the year and up to the date of this report.
  - iii) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14.
  - (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16.
  - (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
  - (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project under CSR. Accordingly clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**S. SRITHAR**

Membership No. 209047  
 UDIN : 22209047AJRZIE1267

Date : May 27, 2022  
 Place : Rajapalayam



**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 31<sup>st</sup> March, 2022]

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 31<sup>st</sup> March, 2022, 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 control 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 31<sup>st</sup> March, 2022, 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's Registration No. 015896S

**S. SRITHAR**

Membership No. 209047  
UDIN : 22209047AJRZIE1267

Place : Rajapalayam  
Date : May 27, 2022

**POLYSPIN EXPORTS LIMITED**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022**

(Rs.in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	4,324.17	4,576.55
Capital Work-in-Progress	3	35.05	--
Other Intangible Assets	3	1.87	2.10
Financial Assets			
i) Other Investments	4	64.26	69.38
ii) Others Financial Assets	5	75.43	40.63
Other Non-Current Assets	6	25.19	--
		<b>4,525.97</b>	<b>4,688.66</b>
<b>Current Assets</b>			
Inventories	7	2,871.28	4,714.52
Financial Assets			
i) Trade Receivables	8	4,023.48	2,573.78
ii) Cash and Cash Equivalents	9	900.98	257.65
iii) Other Bank Balance	10	1,296.74	1,314.60
iv) Other Financial Assets	11	10.91	147.07
Current Tax Assets (Net)		290.30	199.85
Other Current Assets	12	1,536.23	856.19
		<b>10,929.92</b>	<b>10,063.66</b>
		<b>15,455.89</b>	<b>14,752.32</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY</u></b>			
Equity Share Capital	13	500.00	500.00
Other Equity	14	4,931.03	4,056.79
		<b>5,431.03</b>	<b>4,556.79</b>
<b><u>LIABILITIES</u></b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	1,851.66	797.13
Deferred Tax Liabilities (Net)	16	457.46	435.50
		<b>2,309.12</b>	<b>1,232.63</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	17	5,969.41	7,119.63
ii) Trade Payables			
a. Dues of Micro and Small Enterprises	18	164.36	374.52
b. Dues of Creditors other than Micro and Small Enterprises	18	633.81	669.15
iii) Other Financial Liabilities	19	475.41	367.31
Other Current Liabilities	20	56.83	84.72
Provisions	21	415.92	347.57
		<b>7,715.74</b>	<b>8,962.90</b>
<b>Total Equity and Liabilities</b>		<b>15,455.89</b>	<b>14,752.32</b>

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZIE1267  
Date : May 27, 2022  
Place : Rajapalayam

**R. RAMJI**  
Managing Director & CEO

**S.V. RAVI**  
Director

**S. SEENIVASA VARATHAN**  
Chief Financial Officer

**A. EMARAJAN**  
Company Secretary

**POLYSPIN EXPORTS LIMITED**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(Rs.in Lakhs)

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>REVENUE</b>			
Revenue from Operations	22	27,697.03	23,462.47
Other Income	23	588.05	436.75
<b>Total Income</b>		<b>28,285.08</b>	<b>23,899.22</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	24	15,834.16	14,872.87
Changes in / Inventories of Finished Goods, Stock-in-Process	25	439.09	(898.54)
Employee Benefit Expenses	26	3,505.63	3,281.83
Finance Costs	27	481.87	525.52
Depreciation & Amortisation Expenses		387.15	365.53
Other Expenses	28	6,307.76	4,668.55
<b>Total Expenses</b>		<b>26,955.66</b>	<b>22,815.76</b>
<b>Profit before Exceptional Items and Tax</b>		<b>1,329.42</b>	<b>1,083.46</b>
Exceptional Items		----	----
<b>Profit before Tax</b>		<b>1,329.42</b>	<b>1,083.46</b>
Tax Expenses:-			
- Current Tax		407.35	339.00
- Deferred Tax		21.96	(5.50)
<b>Profit After Tax</b>		<b>900.11</b>	<b>749.96</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
- Remeasurement gains/(losses) on Defined Benefit obligations (net)		32.28	43.15
<b>Total Comprehensive Income</b>		<b>932.39</b>	<b>793.11</b>
Basic & Diluted Earning Per Equity Share of Rs.5/- each (in Rupees)		<b>9.32</b>	<b>7.93</b>

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZIE1267

Date : May 27, 2022  
Place : Rajapalayam

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Director

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Chief Financial Officer

**A. EMARAJAN**  
Company Secretary

**POLYSPIN EXPORTS LIMITED**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(Rs. in Lakhs)

Particulars	2021 - 2022	2020 - 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before Tax	1,329.42	1,083.46
Adjustment for :		
Depreciation & Amortisation Expenses	387.15	365.53
Loss on Sale of Assets	13.31	24.00
Profit on Sale of Assets	(0.73)	(0.87)
Interest Expenses	481.87	525.52
Interest Income	(73.12)	(81.39)
Dividend Income	(11.53)	(19.41)
<b>Operating Profit before Working Capital</b>	<b>2,126.37</b>	<b>1,896.84</b>
Adjustment for Changes in		
(Increase) / Decrease in Inventories	1,843.23	(2,259.55)
(Increase) / Decrease in Trade Receivables	(1449.70)	(138.79)
(Increase) / Decrease in Other Financial Assets	(34.80)	31.81
(Increase) / Decrease in Other Non Current Assets	(25.19)	35.35
(Increase) / Decrease in Other Current Assets	(680.04)	(684.58)
(Increase) / Decrease in Other Current Financial Assets	136.16	145.32
Increase / (Decrease) in Trade Payables	(245.50)	43.48
Increase / (Decrease) in Other Current Liabilities & Provisions	88.88	159.64
Cash Generated from Operations	1,759.41	(770.48)
Income Taxes Paid	(439.13)	(165.00)
<b>Net Cash from Operating Activities (A)</b>	<b>1,320.28</b>	<b>(935.48)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets / WIP	(235.56)	(225.51)
Proceeds from Sale of Fixed Assets	53.39	16.73
Dividend Receipts	11.53	19.41
Interest Receipts	73.13	81.39
Proceeds from Sale of Shares	31.67	---
Investments in Term Deposits with Banks	17.87	(8.82)
<b>Net Cash used In Investing Activities (B)</b>	<b>(47.97)</b>	<b>(116.80)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES :</b>		
Proceeds from issuance of Share Capital	---	---
Proceeds from Share Premium	---	---
Proceeds / (Repayment) of Long Term Borrowings	1,054.53	(224.07)
Borrowings for Working Capital Purposes	(1,150.22)	2,050.99
Finance / Lease Liabilities - Increase / (Decrease)	---	---
Investment in Subsidiaries / Associates	5.13	(1.95)
Interest Expenses	(481.87)	(525.52)
Dividend Paid (Including Tax on Dividend)	(56.55)	(22.76)
<b>Net Cash used In Financial Activities (C)</b>	<b>(628.98)</b>	<b>1,276.69</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)</b>	<b>643.33</b>	<b>224.41</b>
Cash and Cash equivalents at the beginning of the Period	257.65	33.24
Cash and Cash equivalents at the end of the Period	900.98	257.65

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZIE1267  
Date : May 27, 2022  
Place : Rajapalayam

**R. RAMJI**  
Managing Director & CEO

**S.V. RAVI**  
Director

**S. SEENIVASA VARATHAN**  
Chief Financial Officer

**A. EMARAJAN**  
Company Secretary

**POLYSPIN EXPORTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(Rs.in Lakhs)

**A. EQUITY SHARE CAPITAL**

1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
500.00	--	--	--	500.00

2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
400.00	--	--	100.00	500.00

**B. OTHER EQUITY**

1) Current reporting period

(Rs.in Lakhs)

Particulars	Reserves and Surplus			
	General Reserve	Retained Earnings	Other Comprehensive Income / (Loss)	Total
Balance as at 1 <sup>st</sup> April, 2021	3,900.00	156.79	--	4,056.79
Profit for the year	--	900.11	--	900.11
Other Comprehensive Income	--	--	32.28	32.28
Dividend paid	--	(56.55)	--	(56.55)
Transfer from P&L	850.00	(850.00)	--	--
Transfer from OCI	--	32.28	(32.28)	--
Any other Change - Provision for Taxation	--	(1.60)	--	(1.60)
Balance as at 31 <sup>st</sup> March, 2022	4,750.00	181.03	--	4,931.03

2) Previous Reporting Period

(Rs.in Lakhs)

Particulars	Reserves and Surplus			
	General Reserve	Retained Earnings	Other Comprehensive Income / (Loss)	Total
Balance as 1 <sup>st</sup> April, 2020	3,300.00	86.26	--	3,386.26
Profit for the year	--	749.96	--	749.96
Other Comprehensive Income	--	--	43.15	43.15
Issue of 20,00,000 Bonus Equity Shares of Rs.5/- each	(100.00)	--	--	(100.00)
Dividend paid	--	(22.76)	--	(22.76)
Transfer from P&L	700.00	(700.00)	--	--
Transfer from OCI	--	43.15	(43.15)	--
Any other Change - Provision for Taxation Excess Provision withdrawn	--	0.18	--	0.18
Balance as at 31 <sup>st</sup> March, 2021	3,900.00	156.79	--	4,056.79

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZIE1267

Date : May 27, 2022  
Place : Rajapalayam

**R. RAMJI**  
Managing Director & CEO

**S.V. RAVI**  
Director

**S. SEENIVASA VARATHAN**  
Chief Financial Officer

**A. EMARAJAN**  
Company Secretary



**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 27<sup>th</sup> May 2022.

**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.

**Rounding off amounts :**

All amounts disclosed in the financial statements have been rounded off to the nearest rupees in lakhs as per the requirements of schedule III of the Act, unless otherwise stated.

**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 1<sup>st</sup> 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 IND AS transition date.

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

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

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

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

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

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

**2.6 Investment Property**

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

**2.7 Intangible Assets**

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

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

- |                                |                     |
|--------------------------------|---------------------|
| 1. Nature of intangible Assets | - Computer Software |
| 2. Estimated useful life       | - 3 Years           |

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

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 INDAS 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 a asset is held within a business model, whose objective 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.

**a. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income.

**b. Financial assets measured at fair value through profit or loss (FVTPL)**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss. Company's Current Investments in equity shares are measured at FVTPL.

**c. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value with a maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**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

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

Company has transferred its rights to receive cash flows from the asset.

**2.12 Financial Liabilities**

Financial Liabilities comprises of Borrowings from banks, Trade Payables, Derivative Financial Instruments, Financial Guarantee Obligation and Other Financial Liabilities.

**Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such financial liabilities including derivatives that are liabilities, shall be subsequently measured at fair value.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IND AS 109 - "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Financial liabilities measured at amortised cost**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

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 life time 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



**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

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.

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



**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

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.

**Earning Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

**Recent Accounting Pronouncements:**

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 23 March 2022, has made certain amendments in Companies (Indian Accounting Standard Rules), 2015. Such amendments shall come into force with

effect from 1 April 2022, but do not have a material impact on the financial statements of the Company.

**(I) INDAS 103: Business combination ;**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of IND AS 103.

This Company does not expect the amendment to have any significant impact in its Financial Statements.

**(II) IND AS 37: Provisions, Contingent Liabilities, and Contingent Assets ;**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Since Company's current practice is in line with the clarifications issued, there may not be material effect on the financial statements of the Company.

**(III) INDAS 109: FINANCIAL INSTRUMENTS ;**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Since Company current practice is in line with the clarifications issued, there may not be material effect on the financial statements of the Company.

**(IV) IND AS 16: PROPERTY, PLANT AND EQUIPMENT;**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on the financial statements.

## STANDALONE - NOTES FORMING PART OF ACCOUNTS

## 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(Rs. in Lakhs)

Particulars	Tangible Assets										Capital Work in Progress	Intangible Assets Computer Software
	Land	Building	Plant and Equipment	Power Generation Equipment	Furniture & Fittings	Vehicles	Office Equipment	Livestock	Library	Total		
<b>Gross Carrying Amount</b>												
As at 01.04.2021	49.00	2,182.57	4,884.75	57.87	12.31	127.73	75.44	---	0.12	7,389.79	---	7.51
Additions	---	47.83	140.85	---	---	7.08	4.43	0.32	--	200.51	35.05	--
Deductions	---	---	178.61	---	---	--	3.12	---	0.12	181.85	---	--
<b>As at 31.03.2022</b>	<b>49.00</b>	<b>2,230.40</b>	<b>4,846.99</b>	<b>57.87</b>	<b>12.31</b>	<b>134.81</b>	<b>76.75</b>	<b>0.32</b>	<b>--</b>	<b>7,408.45</b>	<b>35.05</b>	<b>7.51</b>
<b>Accumulated Depreciation and Impairment</b>												
As at 01.04.2021	---	375.49	2,251.30	52.21	5.54	81.33	47.25	---	0.12	2,813.24	---	5.41
Depreciation	---	81.02	282.85	0.91	0.87	10.77	10.50	---	--	386.92	---	0.23
Disposals	---	--	113.35	--	--	--	2.41	---	0.12	115.88	---	--
<b>As at 31.03.2022</b>	<b>---</b>	<b>456.51</b>	<b>2,420.80</b>	<b>53.12</b>	<b>6.41</b>	<b>92.10</b>	<b>55.34</b>	<b>---</b>	<b>--</b>	<b>3,084.28</b>	<b>---</b>	<b>5.64</b>
<b>Carrying Amount 31.03.2022</b>	<b>49.00</b>	<b>1,773.89</b>	<b>2,426.19</b>	<b>4.75</b>	<b>5.90</b>	<b>42.71</b>	<b>21.41</b>	<b>0.32</b>	<b>---</b>	<b>4,324.17</b>	<b>35.05</b>	<b>1.87</b>
Carrying Amount 01.04.2021	49.00	1,807.08	2,633.45	<b>5.66</b>	<b>6.77</b>	<b>46.40</b>	<b>28.19</b>	----	---	<b>4,576.55</b>		<b>2.10</b>

**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>FINANCIAL ASSETS</b>		
<b>4. OTHER INVESTMENTS</b>		
Investments In Equity Instruments (Unquoted)		
Number Face Value Trade Investment (Long term) (Equity Shares) Per Unit		
365 INR 1,000/- M/s. Ganesh Agro Pack Private Limited, India.	---	3.65
13,01,119 SLR 10/- M/s. Lankaspin Private Limited, Sri Lanka	59.46	59.46
42,200 INR 10/- M/s. OPG Power Generation Private Limited, India.	4.80	6.27
<b>Investments</b>	<b>64.26</b>	<b>69.38</b>
<b>5. OTHER FINANCIAL ASSETS (NON CURRENT)</b>		
Security Deposits with Electricity Board / Others	73.49	36.40
Loans to Employees	1.94	4.23
	<b>75.43</b>	<b>40.63</b>
<b>6. OTHER NON CURRENT ASSETS</b>		
Unsecured, Considered good		
Advance to Suppliers / Others	25.19	---
<b>7. INVENTORIES</b>		
Raw Material	524.95	1,542.43
Rawmaterials - Goods in Transit	--	404.56
Stores and Spares	287.72	262.55
Stores and Spares - Goods in Transit	--	7.27
Work In Process	1,607.58	1,873.75
Finished Goods	448.09	612.03
Process Waste	2.94	11.93
	<b>2,871.28</b>	<b>4,714.52</b>
<b>8. TRADE RECEIVABLES</b>		
Unsecured considered good	4,023.48	2,573.78

**As on 31<sup>st</sup> March, 2022**

Particulars	Outstanding followings periods from due date of payment					
	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	4,023.42	0.06	--	--	--	4,023.48
ii) Undisputed Trade Receivables – considered doubtful	--	--	--	--	--	--
iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--
<b>Total</b>	<b>4,023.42</b>	<b>0.06</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4,023.48</b>

**As on 31<sup>st</sup> March, 2021**

Particulars	Outstanding followings periods from due date of payment					
	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	2,573.78	--	--	--	--	2,573.78
ii) Undisputed Trade Receivables – considered doubtful	--	--	--	--	--	--
iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--
<b>Total</b>	<b>2,573.78</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,573.78</b>

**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	6.78	1.29
Balance with Banks		
- In Current Accounts	870.47	233.79
- In Unclaimed Dividend Accounts	23.73	25.38
	<b>900.98</b>	260.46
Less : Bank Overdraft	--	(2.81)
	<b>900.98</b>	257.65
<b>10. OTHER BANK BALANCE</b>		
Fixed Deposits with banks having balance maturity of twelve months or less		
- Under Lien	1,292.48	1,188.51
- Not Under Lien	4.26	126.09
	<b>1,296.74</b>	1,314.60
<b>11. OTHER FINANCIAL ASSETS (CURRENT)</b>		
GST / MEIS Scrip / Export Incentive / TED Claim Receivables	10.44	146.60
Security Deposit	0.47	0.47
	<b>10.91</b>	147.07
<b>12. OTHER CURRENT ASSETS</b>		
Advance to Suppliers / Others - Unsecured, Considered Good	494.33	176.49
Accrued Income	67.28	51.46
Prepaid Expenses	194.17	57.81
Other Current Assets	780.45	570.43
	<b>1,536.23</b>	856.19
<b>EQUITY AND LIABILITIES</b>		
<b>13. EQUITY SHARE CAPITAL</b>		
<b>-Authorised</b>		
1,00,00,000 Equity Shares of Rs.5/- each		
[Previous Year : 1,00,00,000 Equity Shares of Rs. 5/- each]	500.00	500.00
<b>-Issued, Subscribed and Paid up</b>		
1,00,00,000 Equity Shares of Rs.5/- each fully paid-up		
[Previous Year : 1,00,00,000 Equity Shares of Rs. 5/- each]	500.00	500.00
<b>13.1 Reconciliation of the Number of Shares Outstanding</b>	<b>No.of Shares</b>	<b>No.of Shares</b>
Number of Shares at the beginning	1,00,00,000	40,00,000
* Sub-Division of Equity Shares of Rs.10/- each to Rs. 5/- each	--	40,00,000
** Add:- Issue of Bonus Equity Shares of Rs. 5/- each	--	20,00,000
<b>Number of Shares at the end</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>

**Note:-**

\*During the year 2020-2021, the company has Sub-Divided of Equity Shares of the Company having a face value of Rs.10/- each to 2 equity shares of face value of Rs. 5/- each.

\*\*The Company has issued the Bonus Share in the ratio of 1 (One) equity share for every 4 (Four) existing equity shares held during the year 2020-2021.

**13.2 The details of Shareholders holding more than 5% shows :**

Particulars	As at 31.03.2022		As at 31.03.2021	
	No.of Shares	%	No.of Shares	%
i. Shri R. Ramji	18,47,690	18.48	18,07,799	18.08
ii. Smt. Durga Ramji	9,19,096	9.19	9,04,147	9.04
iii. M/s. Polyspin Private Limited	6,50,625	6.51	6,50,625	6.51

**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
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 2020-2021 the company has issued 20,00,000 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.		

**13.2 The details of Shareholders holding of Promoters as below :**

Shares held by promoters at the end of the year	As at 31.03.2022		As at 31.03.2021		% Change during the year
Promoter Name	No.of Shares	% of total Shares	No.of Shares	% of total Shares	
1. Shri R. Ramji	18,47,690	18.48	18,07,799	18.08	0.40
2. Smt. Durga Ramji	9,19,096	9.19	9,04,147	9.04	0.15
3. M/s. Polyspin Private Limited	6,50,625	6.51	6,50,625	6.51	-
4. Smt. R. Sunethra	3,18,750	3.19	3,18,750	3.19	-
5. Shri. S.R. Subramanian	2,27,750	2.28	2,27,750	2.28	-
6. M/s. Cholapackaging Private Limited	2,21,190	2.21	2,11,222	2.11	0.10
7. Smt. R. Subbulakshmi	1,43,152	1.43	1,43,152	1.43	-
8. Smt. R. Vijayalakshmi	1,25,295	1.25	1,25,250	1.25	-
9. Shri. R. Varun	1,02,524	1.03	94,105	0.94	0.09
10. M/s. Ganesh Agro Pack Private Limited	75,000	0.75	75,000	0.75	-
11. Shri. R. Sakthikumar	57,555	0.58	57,555	0.58	-
12. Shri. V.S. Baskar Raja	50,000	0.50	50,000	0.50	-
13. Smt. S.Sowmiya	40,997	0.41	40,997	0.41	-
14. Smt. R. Lakshmi	33,810	0.34	32,310	0.32	0.02
15. Shri. S.V. Ravi	17,000	0.17	17,000	0.17	-
16. Ms. Bhavna Shirish Lilladhar	6,875	0.07	6,875	0.07	-

**14. OTHER EQUITY**

Particulars	Reserves and Surplus		
	General Reserve	Retained Earnings	Total
<b>Other Equity as at 1<sup>st</sup> April, 2020</b>	<b>3,300.00</b>	<b>86.26</b>	<b>3,386.26</b>
Profit for the Year	--	749.96	<b>749.96</b>
Other Comprehensive Income	--	43.15	<b>43.15</b>
Add : Provision for Taxation	--	0.18	<b>0.18</b>
Less : Issue of 20,00,000 Bonus Equity Shares of Rs. 5/- each	(100.00)	--	(100.00)
Less : Dividend Paid	--	(22.76)	(22.76)
Transfer to General Reserve	700.00	(700.00)	--
<b>Other Equity as at 31<sup>st</sup> March, 2021</b>	<b>3,900.00</b>	<b>156.79</b>	<b>4,056.79</b>
Profit for the Year	--	900.11	<b>900.11</b>
Other Comprehensive Income	--	32.28	<b>32.28</b>
Less : Dividend Paid	--	(56.55)	<b>(56.55)</b>
Less : Provision for Taxation - Excess Provision withdrawn	--	(1.60)	<b>(1.60)</b>
Transfer to General Reserve	850.00	(850.00)	---
<b>Other Equity as at 31<sup>st</sup> March, 2022</b>	<b>4,750.00</b>	<b>181.03</b>	<b>4,931.03</b>



## STANDALONE - NOTES FORMING PART OF ACCOUNTS

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>General Reserve:</b>		
General reserve is created by the Company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.		
<b>Retained earnings:</b>		
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. (Refer statement of changes in equity.)		
<b>15. BORROWINGS (NON CURRENT)</b>		
<b>-Secured</b>		
<b>From Axis Bank</b>		
- Rupee Term Loan	254.58	590.09
- COVID Emergency Credit Line	1,596.03	200.00
<b>From Others</b>		
- Hire Purchase Loan	1.05	7.04
	<b>1,851.66</b>	<b>797.13</b>
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.		
<b>15.5 Repayment of Term Loan :</b>		
Facility 1 - Rs. 254.58 Lakhs - Balance amount is repayable in 12 equated monthly installments starting from April, 2023.		
Facility 2 - Rs. 133.40 Lakhs - Balance amount is repayable in 24 equated monthly installments starting from April, 2023.		
Facility 3 - Rs. 616.63 Lakhs - Balance amount is repayable in 37 equated monthly installments starting from April, 2023.		
Facility 4 - Rs. 846.00 Lakhs - 72 Months is including 24 months of Maratorium Annually.		
<b>15.6 Repayment of Hire Purchase Loan</b>		
Facility 1 - Rs.1.05 Lakhs - Balance amount is repayable in 2 equated monthly installments starting from April, 2023.		
<b>16. DEFERRED TAX LIABILITIES</b>		
Deferred Tax Liabilities	<b>457.46</b>	435.50
<b>17. BORROWINGS (CURRENT)</b>		
<b>Secured</b>		
<b>From City Union Bank</b>		
- Foreign Bills Discounted	1,602.30	1,726.50
- Packing Credit in Foreign Currency / Export Packing Credit	--	2,854.59
- Cash Credit on Raw Material and Book Debts	--	1,035.69
- Advance Against Term Deposits	270.72	711.00
- Short Term Loan	--	387.06
<b>From Axis Bank</b>		
- Export Credit Facilities (FBP/FBD/EBRD/PSCFC)	451.01	--
- Export Credit Facilities (RPC/RPCFC)	2,002.03	--
- Open Cash Credit	969.85	--
<b>From South Indian Bank</b>		
- Advanced Against Term Deposit	100.55	103.28
<b>Current Liability for Long Term Debt</b>	<b>572.95</b>	301.51
	<b>5,969.41</b>	<b>7,119.63</b>

**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
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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**

Micro and Small Enterprises	<b>164.36</b>	374.52
Other than Micro and Small Enterprises	<b>633.81</b>	669.15
	<b>798.17</b>	1,043.67

**As on 31<sup>st</sup> March, 2022**

Particulars	Outstanding followings periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	164.36	--	--	--	164.36
ii) Others	633.81	--	--	--	633.81
iii) Disputed dues - MSME	--	--	--	--	--
iv) Disputed dues - Others	--	-	-	-	--
<b>Total</b>	<b>798.17</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>798.17</b>

**As on 31<sup>st</sup> March, 2021**

Particulars	Outstanding followings periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	374.52	--	--	--	374.52
ii) Others	669.15	--	--	--	669.15
iii) Disputed dues - MSME	-	--	--	--	--
iv) Disputed dues - Others	-	-	-	-	--
<b>Total</b>	<b>1,043.67</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,043.67</b>

**19. OTHER FINANCIAL LIABILITIES**

Unpaid Dividend	<b>4.00</b>	8.96
Liability for Operating and Other Expenses	<b>443.14</b>	340.37
Liability for Other Finance	<b>28.27</b>	17.98
	<b>475.41</b>	367.31

**20. OTHER CURRENT LIABILITIES**

Liability for Operating and Other Expenses	<b>40.31</b>	42.31
Advance from Customers	<b>16.52</b>	42.41
	<b>56.83</b>	84.72

**21. PROVISIONS**

Provision for Taxation	<b>415.92</b>	347.57
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**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>22. SALES / REVENUE FROM OPERATIONS</b>		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	<b>23,750.60</b>	18,125.66
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	<b>703.68</b>	2,862.49
- Cotton Yarn	<b>2,855.32</b>	2,226.78
	<b>27,309.60</b>	23,214.93
Less : Sales Return	<b>5.98</b>	44.67
	<b>27,303.62</b>	23,170.26
<b>OTHER OPERATING INCOME</b>		
Sale of Plastic Scrap	<b>311.00</b>	217.74
Sale of MEIS Duty Scrip	<b>21.49</b>	--
Sale of Cotton Waste	<b>25.55</b>	41.96
Sale of Rawmaterial	<b>35.37</b>	32.34
Rebate on Service Tax	<b>--</b>	0.17
	<b>27,697.03</b>	23,462.47
<b>23. OTHER INCOME</b>		
Interest Receipts	<b>73.12</b>	81.39
Foreign Exchange Fluctuations	<b>477.36</b>	335.08
Dividend Receipts	<b>11.53</b>	19.41
Profit on Sale of Machinery	<b>0.73</b>	0.87
Profit on Sale of Equity Shares	<b>25.31</b>	--
	<b>588.05</b>	436.75
<b>24. COST OF RAW MATERIAL CONSUMED</b>		
Polypropylene Granules and Master Batch	<b>11,809.63</b>	9,025.78
Printing Materials	<b>77.03</b>	84.95
Yarn	<b>1,115.58</b>	581.51
Cotton Yarn / Hank Yarn Purchases	<b>18.80</b>	4.86
Cotton & Cotton Waste	<b>1,991.52</b>	1,528.48
BOPP Film Purchases	<b>9.78</b>	29.63
LLDPE Liner Purchases	<b>--</b>	184.02
Fabric Purchases	<b>88.67</b>	142.55
Kraft Paper	<b>712.76</b>	3,126.89
Glue	<b>7.53</b>	31.51
Printing Materials - Paper Bags	<b>2.86</b>	132.69
	<b>15,834.16</b>	14,872.87
<b>25. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
Opening Stock	<b>2,497.70</b>	1,599.16
Closing Stock	<b>2,058.61</b>	2,497.70
	<b>439.09</b>	(898.54)

**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>26. EMPLOYEE BENEFITS EXPENSES</b>		
Remuneration to Managing Director	207.02	138.65
Salaries & Wages, Bonus and other allowance	2,665.07	2,532.71
Contribution to Provident Fund and Other Funds	311.25	285.54
Labour Welfare Expenses	215.93	207.01
LIC Group Gratuity	106.36	117.92
	<b>3,505.63</b>	<b>3,281.83</b>
<b>27. FINANCE COSTS</b>		
Interest on		
- Fixed Loans	76.58	113.73
- Working Capital Facilities	404.36	409.90
- Others Borrowing Cost	0.04	0.04
H.P. Finance Charges	0.89	1.85
	<b>481.87</b>	<b>525.52</b>
<b>28. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Repairs & Maintenance		
- Building	61.92	86.25
- Machinery	35.16	54.08
- General	20.01	30.74
Processing Charges Paid	1,474.99	1,272.58
Stores & Spares Consumed	1,226.56	998.60
Power & Fuel	1,009.80	878.72
	<b>3,828.44</b>	<b>3,320.97</b>
Postage & Telephone	39.80	32.96
Printing & Stationery	20.54	42.07
Travelling Expenses	81.10	64.92
Director's Sitting Fees	5.10	3.60
Bank Charges	56.24	51.29
Corporate Social Responsibility (CSR)	20.20	60.44
Professional Charges	58.71	54.38
Licence, Taxes & Fees	19.55	22.20
Insurance Charges	99.17	85.38
Subscription & Periodicals	3.66	4.62
Filing Fees	1.00	0.59
Audit Fees	3.02	3.10
Vehicle Maintenance	49.13	33.78
Miscellaneous Expenses	5.67	10.96
Ineligible ITC & ITC Reversal	76.42	29.50
Donation	5.56	1.00
Commission Paid	72.69	101.30
Rent Paid	24.60	23.76
Quality Claim Charges	0.37	0.87
Testing Charges	9.26	11.71
Hank Yarn Obligation	3.65	1.50
Sales Promotion Expenses	51.87	39.85
Ocean Freight	1,711.57	591.22
Lorry Freight	33.04	49.90
Loss on Sale of Assets	13.31	24.00
Bad Debts Written Off	14.09	2.68
	<b>6,307.76</b>	<b>4,668.55</b>

## 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.

	Rs. in Lakhs	
29.2. EARNINGS PER SHARE :	Year Ended 31-03-2022	Year Ended 31-03-2021
a) Total Comprehensive Income (After Tax)	932.39	793.11
b) Number of Equity Shares	1,00,00,000	1,00,00,000
c) Basic and Diluted Earnings per share	9.32	7.93
(Face Value of Rs.5/- per Equity Share)(inRs)		

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.

### 30. Financial Risk Management :-

The Company's principle 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 principle 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.

##### 30.1.(a). 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 export of finished goods, besides import of raw materials, capital goods and spares, etc., purchased in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

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

#### Details of Derivative Instruments Outstanding (hedged):-

Forward Contract	As at 31.03.2022		As at 31.03.2021	
	USD (In Million)	Rs. (In Lakhs)	USD (In Million)	Rs. (In Lakhs)
<b>SOLD :</b>				
USD / INR	----	----	----	----
<b>BOUGHT :</b>				
USD / INR	9.87	7,806.58	2.50	1,923.37

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

Particulars	As at 31.03.2022	As at 31.03.2021
Currency (USD in Millions)	0.46	0.08
Rs. in Lakhs	354.07	60.06

#### 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 31.03.2022 and 31.03.2021.

(Rs. in Lakhs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	3% Increase	3% Decrease	3% Increase	3% Decrease
INR	234.20	234.20	57.70	57.70

##### 30.1.(b) 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. Any changes in the interest rates environment may impact future cost of borrowings.

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

(Rs. in Lakhs)

	As at 31.03.2022	As at 31.03.2021
Fixed Rate Borrowings	Nil	790.09
Floating Rate Borrowings	1,850.61	Nil



## STANDALONE - NOTES FORMING PART OF ACCOUNTS

**30.2. 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.

**a) 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 31.03.2022	As at 31.03.2021
Unsecured - Considered Good	4,023.48	2,573.78
Doubtful	14.09	2.68
Less : Provision for Bad Debts	(14.09)	(2.68)
<b>Total</b>	<b>4,023.48</b>	<b>2,573.78</b>

**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.

**30.3. 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, Cash Credit, Letter of Credit, Buyer's Credit and Working Capital Limits. The Company ensures it has sufficient cash to meet its operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times.

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

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Floating Rate - Expiring within one year- working capital limits.	1,558.12	639.72

**30.4. 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 31.03.2022	As at 31.03.2021
Long Term Borrowings	1,851.66	797.13
Current Liability for Long Term Debt	572.95	301.51
Short Term Borrowings	5,396.46	6,818.12
Less: Cash and Cash Equivalents	2,197.72	1,572.25
<b>Net Debt (A)</b>	<b>5,623.35</b>	<b>6,344.51</b>
Equity Share Capital	500.00	500.00
Other Equity	4,931.03	4,056.79
<b>Total Equity (B)</b>	<b>5,431.03</b>	<b>4,556.79</b>
Total Capital Employed (C) = (A) + (B)	<b>11,054.38</b>	10,901.30
<b>Capital Gearing Ratio (A) / (C)</b>	<b>50.87%</b>	<b>58.20%</b>

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.

**30.5. 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 31.03.2022		As at 31.03.2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets :</b>				
Other Investments	64.26	64.26	69.38	69.38
Trade Receivables	4,023.48	4,023.48	2,573.78	2,573.78
Cash and Bank Balances	900.98	900.98	257.65	257.65
Other Bank Balances	1,296.74	1,296.74	1,314.60	1,314.60
Other Financial Assets	10.91	10.91	147.07	147.07
<b>Financial Liabilities :</b>				
Borrowings	5,969.41	5,969.41	7,119.63	7,119.63
Trade Payables	798.17	798.17	1,043.67	1,043.67
Other Financial Liabilities	475.41	475.41	367.31	367.31

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

During the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, 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's specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in Level 2.
3. Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) Level 3. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

- Replaces IND AS 18 Revenue and IND AS 11 Construction contracts

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

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

Adoption of IND AS 115 is not expected to have any impact on the Companies revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when the materials are delivered to at the customers in case of FIBC Bags, PP Fabric, PP Yarn, 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.

## STANDALONE - NOTES FORMING PART OF ACCOUNTS

**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:

	Rs. in Lakhs	
Particulars	2021-2022	2020-2021
Employer's contribution towards:		
- Provident Fund	243.30	226.39
- Employee State Insurance	55.62	59.15

**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. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Defined Benefit Obligation at beginning of the year	476.21	373.11
Current Service Cost	78.45	73.08
Past Service Cost	---	---
Interest Expense	28.27	23.85
Benefit Payments from Plan Assets	(114.80)	(39.53)
Increase/(Decrease) due to effect of any business combination / divestiture / transfer)	4.88	---
Re-measurements - Due to Financial Assumptions	54.17	---
Re-measurements - Due to Experience Adjustments	(25.79)	45.70
Defined Benefit Obligation at the end of the year	501.39	476.21
Discount Rate	7.65%	6.75%
Salary Escalation Rate	7.00%	5.00%

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

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Fair value of Plan Assets at beginning of the year	445.02	348.04
Interest Income	32.64	22.16
Employer Contributions	191.96	112.51
Benefit Payments from Plan Assets	(114.80)	(39.53)
Other (Employee Contribution, Taxes, Expenses)	(21.00)	(0.71)
Increase/(Decrease) due to effect of any business combination / divestiture / transfer)	4.88	---
Remeasurements - Return on Assets (Excluding Interest Income)	(3.91)	2.55
<b>Fair Value of Plan Assets at the end of the year</b>	<b>534.79</b>	<b>445.02</b>
<b>Weighted Average Asset Allocations at the year end</b>		
Equities	----	----
Bonds	----	----
Gilts	---	----
Insurance Policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## STANDALONE - NOTES FORMING PART OF ACCOUNTS

## C. Components of Defined Benefit Cost (Rs. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Current Service Cost	78.45	73.08
Past Service Cost	---	---
<b>Total Service Cost</b>	<b>78.45</b>	<b>73.08</b>
Interest Expense on DBO	28.27	23.85
Interest (Income) on Plan Assets	(32.64)	(22.16)
Interest (Income) on Reimbursement Rights	---	---
<b>Total Net Interest Cost</b>	<b>(4.37)</b>	<b>1.69</b>
Defined Benefit Cost included in P & L	74.08	74.77
Remeasurements - Due to Financial Assumptions	54.17	---
Remeasurements - Due to Experience Adjustments	(25.79)	45.70
(Return) on Plan Assets (Excluding Interest Income)	3.91	(2.55)
<b>Total Re-measurements in OCI</b>	<b>32.28</b>	<b>43.15</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>106.36</b>	<b>117.92</b>
Discount Rate	7.65%	6.75%
Salary Escalation Rate	7.00%	5.00%

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

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Defined Benefit Obligation	501.39	476.21
Fair Value of Plan Assets	534.80	445.02
<b>Funded Status</b>	<b>(33.40)</b>	<b>31.18</b>
Effect of Asset Ceiling / Onerous Liability	---	---
<b>Net Defined Benefit Liability / (Asset)</b>	<b>(33.40)</b>	<b>31.18</b>

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

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Net Defined Benefit Liability / (Asset) at beginning of the year	30.48	25.07
Defined Benefit Cost included in P & L	74.08	74.77
Total Re-measurements included in OCI	32.28	43.15
Employer Contributions	(191.95)	(112.51)
<b>Net Defined Benefit Liability / (Asset) at end of the year</b>	<b>(55.11)</b>	<b>30.48</b>

## Additional Disclosure Items

## Current and Non-Current Liability and Asset (Rs. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Non-Current Assets	---	---
Current Liabilities	24.12	94.88
Non - Current Liabilities	477.28	381.33

## Expected Cash Flow for following years (Rs. in Lakhs)

Maturity Profile of Defined Benefit Obligations	
Year 1	24.12
Year 2	32.63
Year 3	24.17
Year 4	38.67
Year 5	35.95
Beyond 5 years	237.20

## Summary of Financial &amp; Demographic Assumptions (Rs. in Lakhs)

Particulars	Valuation Date	
	31.03.2022	31.03.2021
Discount Rate	7.65%	6.75%
Salary Escalation - First 5 Years	7.00%	5.00%
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table	100%	100%
Disability Rate (as % of above mortality rate)	0.00%	0.00%
Withdrawal Rate	1% to 3%	1% to 3%
Retirement Age	58 Years	58 Years
Average Future Service	17.51	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. Multiwraps Private Limited (upto 22.02.2022)
6. 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 (upto 22.02.2022)
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 (upto 22.02.2022)
10. Smt. Durga Ramji, Director
11. Shri P.K. Ramasubramanian, Company Secretary (upto 12.02.2022)
12. Shri S. Seenivasa Varathan, Chief Financial Officer
13. Shri A. Emarajan, Company Secretary (from 12.02.2022)
14. Shri C.M. Dharmakrishna Raja
15. Smt. R. Sunethra
16. Smt. G. Sudha

## C) Transaction during the year with Related Parties : (Rs. in Lakhs)

Sl. No.	Particulars	Year Ended 31-03-2022		Year Ended 31-03-2021	
		Associate / Other Companies	Key Management Personnel / his Relatives	Associate / Other Companies	Key Management Personnel / his Relatives
1.	Processing Charges Paid	1,412.80	---	1,340.99	---
2.	Remuneration to Directors & KMP	---	267.21	---	258.00
3.	Chennai Office - Rent Paid	---	18.00	---	18.00
4.	Sale of PP Strips / Yarn	635.58	---	204.19	---
5.	Sale of Fabric	68.42	---	706.88	---
6.	Sale of Sewing Yarn	88.75	---	115.25	---
7.	Sale of Paper Tubes	---	---	1,148.78	---
8.	Sale of PP Waste	---	---	0.50	---
9.	Assets Sold during the year	46.86	---	29.22	---
10.	Sale of Rawmaterials	---	---	1.38	---
11.	Sale of Kraft Papers	198.68	---	3.02	---
12.	Dividend Received	11.49	---	19.41	---
13.	Purchase of Rawmaterials / Master batch	82.84	---	203.23	---
14.	Purchase of Fabric / Knitted Fabric	0.05	---	148.11	---
15.	Purchase of Laminated Woven Fabric	88.65	---	---	---
16.	Purchase of Kraft Paper	---	---	2,000.82	---
17.	Purchase of Glue	---	---	42.03	---
18.	Purchase of Packing Materials	8.60	---	8.77	---
19.	Purchase of Assets	28.00	---	0.88	---
20.	Purchase of Water	---	0.18	---	---
21.	Factory Rent Paid	6.60	---	6.14	---
22.	Dividend Paid	5.62	18.67	2.25	6.98
23.	Sale of Investment	---	28.83	---	---
24.	Director's Sitting Fees Paid	---	5.10	---	3.60



**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

**D) Significant Related Parties Transactions :**

(Rs. in Lakhs)

Particulars	2021-22	2020-21
<b>1. Processing Charges Paid</b>		
M/s. Polyspin Private Limited	1,200.92	1063.12
M/s. Chola Packaging Private Limited	5.17	--
M/s. Energyspin Private Limited	83.37	277.20
M/s. Ganesh Agro Pack Private Limited	---	0.67
M/s. Multiwraps Private Limited	123.34	---
<b>2. Remuneration to Directors &amp; KMP</b>		
Shri R. Ramji, Managing Director & CEO	242.04	166.24
Shri P.K. Ramasubramanian, Secretary & CCO (upto 12.02.2022)	3.52	3.88
Shri B. Ponram, Chief Operating Officer	---	68.63
Shri S. Seenivasa Varathan, Chief Financial Officer	19.76	19.25
Shri A. Emarajan, Company Secretary & CCO (from 12.02.2022)	1.89	---
<b>3. Chennai Office - Rent Paid</b>		
Smt. Durga Ramji	18.00	18.00
<b>4. Sale of PP Strips / Yarn</b>		
M/s. Lankaspin Private Limited, Sri Lanka.	635.58	204.19
<b>5. Sale of PP Fabric</b>		
M/s. Lankaspin Private Limited, Sri Lanka	65.32	705.96
M/s. Ganesh Agro Pack Private Limited	0.94	--
M/s. Chola Packaging Private Limited	2.16	0.92
<b>6. Sale of Sewing Yarn</b>		
M/s. Ganesh Agro Pack Private Limited	1.91	29.00
M/s. Chola Packaging Private Limited	0.98	6.39
M/s. Lankaspin Private Limited, Sri Lanka.	83.82	79.62
M/s. Energyspin Private Limited	2.04	0.24
<b>7. Sale of Paper Tube</b>		
M/s. Polyspin Private Limited	--	1148.78
<b>8. Sale of PP Waste</b>		
M/s. Polyspin Private Limited	--	0.50
<b>9. Assets Sold during the year</b>		
M/s. Polyspin Private Limited	46.86	28.75
M/s. Chola Packaging Private Limited	--	0.47
<b>10. Sale of Rawmaterials</b>		
M/s. Polyspin Private Limited	--	1.38
<b>11. Sale of Kraft Papers</b>		
M/s. Polyspin Private Limited	190.24	--
M/s. Energyspin Private Limited	8.44	3.02
<b>12. Dividend Received</b>		
M/s. Lankaspin Private Limited, Sri Lanka.	11.16	18.97
M/s. Ganesh Agro Pack Private Limited	0.33	0.44
<b>13. Purchase of Rawmaterials / Master batch</b>		
M/s. Polyspin Private Limited	0.04	---
M/s. Ganesh Agro Pack Private Limited	82.80	98.77
M/s. Energyspin Private Limited	--	104.46
<b>14. Purchase of Fabric / Knitted Fabric</b>		
M/s. Ganesh Agro Pack Private Limited	---	147.59
M/s. Chola Packaging Private Limited	0.05	0.52

Particulars	2021-22	2020-21
<b>15. Purchase of Laminated Woven Fabric</b>		
M/s. Ganesh Agro Pack Private Limited	88.65	---
<b>16. Purchase of Kraft Paper</b>		
M/s. Polyspin Private Limited	--	2000.82
<b>17. Purchase of Glue</b>		
M/s. Polyspin Private Limited	--	42.03
<b>18. Purchase of Packing Materials</b>		
M/s. Ganesh Agro Pack Private Limited	8.58	8.71
M/s. Energyspin Private Limited	0.02	--
M/s. Chola Packaging Private Limited	--	0.06
<b>19. Purchase of Assets</b>		
M/s. Polyspin Private Limited	28.00	0.88
<b>20. Purchase of Water</b>		
Shri C.M. Dharamakrishna Raja	0.18	--
<b>21. Factory Rent Paid</b>		
M/s. Polyspin Private Limited	4.80	5.66
M/s. Ramji Investments Private Limited	1.80	0.48
<b>22. Dividend Paid to Associates</b>		
M/s. Polyspin Private Limited	3.90	1.56
M/s. Chola Packaging Private Limited	1.27	0.51
M/s. Ganesh Agro Pack Private Limited	0.45	0.18
<b>Dividend Paid to KMP and Relatives</b>		
Shri R. Ramji, Managing Director & CEO	10.84	4.23
Shri S.R. Subramanian, Director	1.36	0.54
Shri S.V. Ravi, Director	0.10	0.04
Shri K.S. Pradeep, Director	0.01	--
Smt. Durga Ramji, Director	5.42	2.16
Smt. R. Sunethra	0.91	--
Shri C.M.D. Dharmakrishna Raja	0.01	--
Shri S. Seenivasa Varathan, CFO	0.02	0.01
<b>23. Sale of Investments (Equity Shares)</b>		
Shri S.V. Ravi	15.80	--
Smt R. Sunethra	5.53	--
Smt G. Sudha	7.50	--
<b>24. Director's Sitting Fees</b>		
Shri S.R. Subramanian, Director	0.50	0.40
Shri P. Vaidyanathan, Director (upto 22.02.2022)	0.50	0.40
Shri S.R. Venkatanarayana Raja, Director	0.60	0.40
Shri V.S. Jagdish, Director	0.60	0.40
Shri R. Sundaram, Director	0.60	0.40
Shri S.V. Ravi, Director	0.60	0.40
Shri Rajesh Devarajan, Director	0.60	0.40
Shri K.S. Pradeep, Director (upto 22.02.2022)	0.50	0.40
Smt. Durga Ramji, Director	0.60	0.40



## STANDALONE - NOTES FORMING PART OF ACCOUNTS

## 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	
		31.03.2022	31.03.2021
1.	Segment Revenue (Net Sales / Income from Operation)		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	24,784.62	21,166.52
	b) Cotton Yarn	2,912.41	2,295.95
	<b>Total</b>	<b>27,697.03</b>	<b>23,462.47</b>
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	1,589.52	1,541.76
	b) Cotton Yarn	221.77	67.22
	<b>Total</b>	<b>1,811.29</b>	<b>1,608.98</b>
	Less : Financial Charges	481.87	525.52
	<b>Profit Before Tax</b>	<b>1,329.42</b>	<b>1,083.46</b>
3.	Capital Employed		
	Segment Assets :		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	13,833.30	13,205.11
	b) Cotton Yarn	1,622.59	1,547.21
	<b>Total</b>	<b>15,455.89</b>	<b>14,752.32</b>
	Segment Liabilities :		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	9,695.58	9,809.54
	b) Cotton Yarn	329.28	386.00
	<b>Total</b>	<b>10,024.86</b>	<b>10,195.54</b>

(Rs. in Lakhs)

36.1 Auditors' Remuneration :	2021 - 2022	2020 - 2021
Audit Fees / Statutory Auditors	0.50	0.50
Tax Audit Fees /Appeal Fees	0.50	0.50
Certification Fees	0.82	0.90
Other Services	1.20	1.20

(Rs. in Lakhs)

36.2 Managing Director's Remuneration :	2021 - 2022	2020 - 2021
Salary	176.79	115.00
Perquisites	65.25	51.25

(Rs. in Lakhs)

36.3. Contingent Liabilities not Provided for :	2021 - 2022	2020 - 2021
i) Unexpired Letter of Credit	1,280.95	316.39
ii) Bank Guarantee	---	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 31.03.2022	As at 31.03.2021
i) Total outstanding due to Micro and Small Enterprises	164.35	374.52
ii) Total outstanding due to Creditors other than Micro and Small Enterprises	633.81	669.15
<b>Total</b>	<b>798.16</b>	<b>1,043.67</b>

As required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has outstanding dues of Rs. 164.35 Lakhs as at 31<sup>st</sup> March, 2022 to Micro and Small 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 31.03.2022	As at 31.03.2021
a. Principal Amount remaining unpaid but not due as at the year end	164.35	374.52
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 - 627 132 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. 15.16 Lakhs (Previous Year: Rs.15.15 Lakhs) being the credit given by TNEB for the transfer of power to the Grid.

## For the year ended

31.03.2022 31.03.2021

Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	2,38,788 KWH	2,38,530 KWH
Units Captively Consumed	2,38,788 KWH	2,38,530 KWH

(included under Power &amp; Fuel)

## STANDALONE - NOTES FORMING PART OF ACCOUNTS

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 31<sup>st</sup> December, 2021 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 21.96 Lakhs as on 31.03.2022 Previous Year: (5.50 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.

## 37. Additional Regulatory Information:-

### 37.1. Financial Ratios:-

S.No.	Particulars	Numerator	Denominator	As on March 31, 2022	As on March 31, 2021	Percentage Variation
1.	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.42	1.12	26.78%
2.	Debt-Equity Ratio (in times)	Total Debt	Total Equity	1.44	1.74	(17.24%)
3.	Debt Service Coverage Ratio (in times)	Net Profit after tax+ Non-Cash Operating Expenses	Debt Services	4.27	3.31	29.00%
4.	Net Profit Ratio (in %)	Net Profit	Revenue from Operations	3.25	3.20	1.56%
5.	Return on Equity Ratio (in%)	Net Profit	Average Total Equity	18.02	17.98	0.22%
6.	Return on Capital employed (in%)	Profit before tax and Finance Cost	Capital employed= Net worth+ Total Debt+ Deferred Tax Liabilities	13.21	12.46	6.02%
7.	Return on Investment (in %)	Income generated from Investments	Average Investments	17.25	28.37	(39.20%)
8.	Trade Receivables Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivables	8.40	9.37	(10.35%)
9.	Inventory Turnover Ratio (in times)	Cost of Goods Sold	Average Inventories	6.37	6.25	1.92%
10.	Trade Payables Turnover Ratio (in times)	Cost of Materials consumed + Changes in Inventories of Stock in trade + Other Expenses	Average Trade Payable	24.52	22.96	6.79%
11.	Net Capital Turnover Ratio (in times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	8.62	21.31	(59.55%)

For Serial No. 1 and 3, there have been significant change (i.e. 25% or more) in the Current Ratio and operating Net Profit Ratio as compared to the previous year which are mainly due to increase in net profit of the company.

For Serial No. 7 there have been significant change (i.e. 25% or more) in Return on Investment Ratio as compared to the previous year is mainly due to the lower receipt of dividend income on the investment value.

37.2. There are no transaction with struck off of companies under section 248 or 560 of the Companies Act.

37.3. Charges/ Satisfaction of charges with ROC.

- All the charges are registered with ROC within the stipulated time.
- Please note, the company has created charges with HDFC Bank for the availment HP loan towards purchase of BUS is not satisfied and we are going to file the satisfaction of charges for the same.

37.4. The Company does not have any investments through more than two layers of investments companies as per section 192 (87) (cd) and section 186 of companies Act, 2013.

37.5. There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Companies Act.

- The company has not given any Loans or Advances in the nature of loans to promoters, directors, KMPs and their related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
- The title deeds of all the immovable properties are held in the name of the Company.
- The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31st March, 2022.
- No Intangible Assets under development during the year.
- Quarterly statements of Current Assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in agreement with the books of account.
- No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2022 for holding any benami property under the benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

## STANDALONE - NOTES FORMING PART OF ACCOUNTS

vii. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

viii. The company has not advanced / loaned / invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

37.7. There were no transaction relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the income tax Act, 1961 (43 of 1961).

#### 37.8 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable TDS. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

	2021 - 2022	2020 - 2021
Interim Dividend	Nil	Nil
Final Dividend	60.00	60.00

(Rs. in Lakhs)

During the year ended March 31, 2022, on account of the final dividend for fiscal 2021 the Company has incurred a net cash outflow of Rs. 56.24 Lakhs.

The Board of Directors in their meeting on May 27, 2022 recommended a final dividend of Rs. 0.60 per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on August 26, 2022 and if approved would result in a net cash outflow of approximately Rs. 60.00 Lakhs.

37.9. The Provisions with respect to Corporate Social Responsibility as per Section 135 of the Companies Act have been duly complied with.

37.10. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

37.11. The Central Government has published, the Code on Social Security, 2020 and Industrial Relations Code, 2020 ("Codes"), relating to employee benefits during employment and post-employment benefits and received presidential assent in September, 2020. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the code when it comes into effect and will record any related impact in the period, the code becomes effective.

37.12 The Company has considered the possible effects that may result from the COVID-19 pandemic based on the internal and external information, to the extent known and available, upto the date of approval of these results and concluded that no further adjustments are required to the accompanying financial results. The Company will continue to monitor the developing scenario for any material changes.

37.13. The MCA vide notification dated 24<sup>th</sup> March, 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 1<sup>st</sup> April, 2021, the Company has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever it is applicable.

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

Signature to Notes 1 to 38

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

**S. SRITHAR**  
 Membership No. 209047  
 UDIN : 22209047AJRZIE1267

Date : May 27, 2022  
 Place : Rajapalayam

**R. RAMJI**  
 Managing Director & CEO

**S.V. RAVI**  
 Director

**S. SEENIVASA VARATHAN**  
 Chief Financial Officer

**A. EMARAJAN**  
 Company Secretary

## 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, 2022, 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, 2022, 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 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 on the Consolidated financial statements.

**Emphasis of Matter**

- a. We draw attention to Note No.36.7 to the consolidated financial statements, which describes the status of confirmation of balance of Trade Debtors, Trade Creditors and Other Parties.
- b. We draw attention to Note No.37.3 to the consolidated financial statements, which describes pending satisfaction of charge with ROC.

Our opinion is not modified in respect of these matters.

**Key Audit Matters**

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

Sl No.	Key Audit Matter	Auditor's Response
1.	<b>Evaluation of uncertain tax positions</b>  The Group has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.  Refer Note No.36.1 to the Consolidated Financial Statements	<b>Principal Audit Procedures</b>  Obtained details of completed tax assessments and demands for the year ended March 31, 2022 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, 2021 to evaluate whether any change was required to management's position on these uncertainties
2.	<b>Recoverability of Indirect tax receivables</b>  As at March 31, 2022, other current assets in respect of withholding tax, GST and CESAT appeal Duty of Rs. 25.73 Lakhs which are pending adjudication.  Refer Note No. 30.4 to the Consolidated Financial Statements.	<b>Principal Audit Procedures</b>  We have involved our expertise to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.
3.	<b>Assessment of the Group's litigations and related disclosure of contingent liabilities</b>  [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, 2022, the Group has exposures towards litigations relating to the matter as included in the aforesaid Notes. Significant management judgement is required to assess such matter to	Our procedures included the following: <ul style="list-style-type: none"> <li>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;</li> <li>We discussed with management the recent developments and the status of the litigations which were reviewed and noted by the Group's audit committee;</li> <li>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;</li> </ul>



Sl No.	Key Audit Matter	Auditor's Response
	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 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.	<ul style="list-style-type: none"> <li>• We used auditor's experts to gain an understanding and to evaluate the disputed tax matters;</li> <li>• We considered external legal opinions, where relevant, obtained by management;</li> <li>• 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;</li> <li>• We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates / judgements;</li> <li>• 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</li> <li>• We assessed the adequacy of the disclosures.</li> <li>• 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.</li> </ul>

#### 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 INDAS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Group in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (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.1,315.77 Lakhs as at 31<sup>st</sup> March 2022 and total revenues of Rs. 3,965.08 Lakhs and total net profit after tax of Rs. 84.69 Lakhs and total comprehensive income of Rs. 84.69 Lakhs for the year ended 31<sup>st</sup> March 2022 and for the period from 01<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 respectively and net cash inflows of (Rs. 229.19 Lakhs) for the year ended 31<sup>st</sup> March 2022. 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. Further, the said Associate is located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in the said country and which have been audited by other auditors under generally accepted auditing standards applicable in the country. The Holding Company's management has converted the financial statements of the associate from accounting principles generally accepted in the respective country to accounting principles generally accepted in India. We have audited the conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of the associate, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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 IND AS 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 No. 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.
  - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity

- ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) As stated in Note No. 37.8 to the consolidated financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Company has not declared any interim dividend during the year.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable
- C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company incorporated in India, to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act, which are required to be commented upon by us.

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZVO3706

Date : May 27, 2022  
Place : Rajapalayam

**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

Date : May 27, 2022  
 Place : Rajapalayam

**S. SRITHAR**  
 Membership No. 209047  
 UDIN : 22209047AJRZVO3706

**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 31<sup>st</sup> March, 2022]

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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022, 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 : 22209047AJRZVO3706

Date : May 27, 2022

Place : Rajapalayam

**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022**

(Rs.in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	4,324.17	4,576.55
Capital Work-in-Progress	3	35.05	--
Other Intangible Assets	3	1.87	2.10
Financial Assets			
i) Other Investments	4	275.61	259.30
ii) Others Financial Assets	5	75.43	40.63
Other Non-Current Assets	6	25.19	--
		<u>4,737.32</u>	<u>4,878.58</u>
<b>Current Assets</b>			
Inventories	7	2,871.28	4,714.52
Financial Assets			
i) Trade Receivables	8	4,023.48	2,573.78
ii) Cash and Cash Equivalents	9	900.98	257.65
iii) Other Bank Balance	10	1,296.74	1,314.60
iv) Other Financial Assets	11	10.91	147.07
Current Tax Assets (Net)		290.30	199.85
Other Current Assets	12	1,536.23	856.19
		<u>10,929.92</u>	<u>10,063.66</u>
		<u>15,667.24</u>	<u>14,942.24</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY</u></b>			
Equity Share Capital	13	500.00	500.00
Other Equity	14	5,142.38	4,246.71
		<u>5,642.38</u>	<u>4,746.71</u>
<b><u>LIABILITIES</u></b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	1,851.66	797.13
Deferred Tax Liabilities (Net)	16	457.46	435.50
		<u>2,309.12</u>	<u>1,232.63</u>
<b>Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	17	5,969.41	7,119.63
ii) Trade Payables	18		
a. Dues of Micro, Small and Medium Enterprises		164.36	374.52
b. Dues of Creditors other than Micro, Small and Medium Enterprises		633.81	669.15
iii) Other Financial Liabilities	19	475.41	367.31
Other Current Liabilities	20	56.83	84.72
Provisions	21	415.92	347.57
		<u>7,715.74</u>	<u>8,962.90</u>
<b>Total Equity and Liabilities</b>		<u>15,667.24</u>	<u>14,942.24</u>

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

**R. RAMJI**  
Managing Director & CEO

**S.V. RAVI**  
Director

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZVO3706  
Date : May 27, 2022  
Place : Rajapalayam

**S. SEENIVASA VARATHAN**  
Chief Financial Officer

**A. EMARAJAN**  
Company Secretary



**POLYSPIN EXPORTS LIMITED**

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(Rs. in Lakhs)

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>REVENUE</b>			
Revenue from Operations	22	27,697.03	23,462.47
Other Income	23	588.05	436.75
<b>Total Income</b>		<b>28,285.08</b>	<b>23,899.22</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	24	15,834.16	14,872.87
Changes in / Inventories of Finished Goods, Stock-in-Process	25	439.09	(898.54)
Employee Benefit Expenses	26	3,505.63	3,281.83
Finance Costs	27	481.87	525.52
Depreciation & Amortisation Expenses		387.15	365.53
Other Expenses	28	6,307.76	4,668.55
<b>Total Expenses</b>		<b>26,955.66</b>	<b>22,815.76</b>
<b>Profit before Exceptional Items and Tax</b>		<b>1,329.42</b>	<b>1,083.46</b>
Exceptional Items		----	----
<b>Profit before Tax</b>		<b>1,329.42</b>	<b>1,083.46</b>
Tax Expenses:-			
- Current Tax		407.35	339.00
- Deferred Tax		21.96	(5.50)
<b>Profit for the year before Share of Profit of Associates</b>		<b>900.11</b>	<b>749.96</b>
<b>Share of Profit of Associates</b>		<b>21.43</b>	<b>124.09</b>
<b>Profit for the year</b>		<b>921.54</b>	<b>874.05</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
- Remeasurement gains/(losses) on Defined Benefit Obligations (net)		32.28	43.15
<b>Total Comprehensive Income</b>		<b>953.82</b>	<b>917.20</b>
Basic & Diluted Earning Per Equity Share of Rs.5/- each (in Rupees)		<b>9.54</b>	<b>9.17</b>

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZVO3706

Date : May 27, 2022  
Place : Rajapalayam

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Managing Director & CEO

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**S.V. RAVI**  
Director

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Company Secretary

**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(Rs. in Lakhs)

Particulars	2021 - 2022	2020 - 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before Tax	1,350.85	1,207.55
Adjustment for :		
Depreciation & Amortisation Expenses	387.15	365.53
Loss on Sale of assets	13.31	24.00
Profit on Sale of Assets	(0.73)	(0.87)
Interest Expenses	481.87	525.52
Interest Income	(73.12)	(81.39)
Dividend Income	(11.53)	(19.41)
<b>Operating Profit before Working Capital</b>	<b>2,147.80</b>	<b>2,020.93</b>
Adjustment for Changes in		
(Increase) / Decrease in Inventories	1,843.23	(2,259.55)
(Increase) / Decrease in Trade Receivables	(1,449.70)	(138.79)
(Increase) / Decrease in Other Financial Assets	(34.80)	31.81
(Increase) / Decrease in Other Non Current Assets	(25.19)	35.35
(Increase) / Decrease in Other Current Assets	(680.04)	(684.58)
(Increase) / Decrease in Other Current Financial Assets	136.16	145.32
(Increase) / Decrease in Investments	(21.43)	(124.09)
Increase / (Decrease) in Trade Payables	(245.50)	43.48
Increase / (Decrease) in Other Current Liabilities & Provisions	88.88	159.64
Cash Generated from Operations	1,759.41	(770.48)
Income Taxes Paid	(439.13)	(165.00)
<b>Net Cash from Operating Activities (A)</b>	<b>1,320.28</b>	<b>(935.48)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets / WIP	(235.56)	(225.51)
Proceeds from Sale of Fixed Assets	53.39	16.73
Dividend Receipts	11.53	19.41
Interest Receipts	73.13	81.39
Proceeds from Sale of Shares	31.67	--
Investments in Term Deposits with Banks	17.87	(8.82)
<b>Net Cash used In Investing Activities (B)</b>	<b>(47.97)</b>	<b>(116.80)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES :</b>		
Proceeds from issuance of Share Capital	---	---
Proceeds from Share Premium	---	---
Proceeds / (Repayment) of Long Term Borrowings	1,054.53	(224.07)
Borrowings for Working Capital Purposes	(1,150.22)	2,050.99
Finance / Lease Liabilities - Increase / (Decrease)	--	---
Investment in Subsidiaries / Associates	5.13	(1.95)
Interest Expenses	(481.87)	(525.52)
Dividend Paid (including Tax on Dividend)	(56.55)	(22.76)
<b>Net Cash used In Financial Activities (C)</b>	<b>(628.98)</b>	<b>1,276.69</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)</b>	<b>643.33</b>	<b>224.41</b>
Cash and Cash equivalents at the beginning of the Period	257.65	33.24
Cash and Cash equivalents at the end of the Period	900.98	257.65

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZVO3706  
Date : May 27, 2022  
Place : Rajapalayam

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Company Secretary

**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(Rs.in Lakhs)

**A. EQUITY SHARE CAPITAL**

**1) Current reporting period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
500.00	--	--	--	500.00

**2) Previous reporting period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
400.00	--	--	100.00	500.00

**B. OTHER EQUITY**

**1) Current reporting period**

(Rs.in Lakhs)

Particulars	Reserves and Surplus				
	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive Income / (Loss)	Total
<b>Balance as at 1<sup>st</sup> April, 2021</b>	3,900.00	189.92	156.79	--	4,246.71
Profit for the year	--	--	900.11	--	900.11
Adjustments	--	21.43	--	--	21.43
Other Comprehensive Income	--	--	--	32.28	32.28
Dividend paid	--	--	(56.55)	--	(56.55)
Transfer from P&L	850.00	--	(850.00)	--	--
Transfer from OCI	--	--	32.28	(32.28)	--
Any other Change - Provision for Taxation	--	--	(1.60)	--	(1.60)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>4,750.00</b>	<b>211.35</b>	<b>181.03</b>	--	<b>5,142.38</b>

**2) Previous Reporting Period**

(Rs.in Lakhs)

Particulars	Reserves and Surplus				
	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive Income / (Loss)	Total
<b>Balance as at 1<sup>st</sup> April, 2020</b>	3,300.00	65.83	86.26	--	3,452.09
Profit for the year	--	--	749.96	--	749.96
Adjustments	--	124.09	--	--	124.09
Other Comprehensive Income	--	--	--	43.15	43.15
Issue of 20,00,000 Bonus Equity Shares of Rs.5/- each	(100.00)	--	--	--	(100.00)
Dividend paid	--	--	(22.76)	--	(22.76)
Transfer from P&L	700.00	--	(700.00)	--	--
Transfer from OCI	--	--	43.15	(43.15)	--
Any other Change - Provision for Taxation - Excess Provision withdrawn	--	--	0.18	--	0.18
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>3,900.00</b>	<b>189.92</b>	<b>156.79</b>	--	<b>4246.71</b>

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

**S. SRITHAR**  
Membership No. 209047  
UDIN : 22209047AJRZVO3706

Date : May 27, 2022  
Place : Rajapalayam

**R. RAMJI**  
Managing Director & CEO

**S.V. RAVI**  
Director

**S. SEENIVASA VARATHAN**  
Chief Financial Officer

**A. EMARAJAN**  
Company Secretary

## 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.) 31<sup>st</sup> March, 2022.

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 Places of Business / Country of Incorporation
	31.03.2022	31.03.2021	
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 May 27, 2022.

**2. Significant Accounting Policies**

These are set out under Significant Accounting Policies 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.

**Rounding off amounts :**

All amounts disclosed in the financial statements have been rounded off to the nearest rupees in lakhs as per the requirements of schedule III of the Act, unless otherwise stated.

**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:

## CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

**2.1 Current Versus Non-Current Classification**

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cost or cost equivalent unless restricted from being exchanged or used to settle a liability for 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 1<sup>st</sup> 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 |



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**CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS**


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For transition to IND AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at 1<sup>st</sup> 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 other costs incurred in bringing the inventories to the present location and condition.

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

**2.6. Cash Flow Statement**

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

**2.7. Borrowing Costs**

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

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

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

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

**2.8 Financial Assets**

Financial Assets comprises of Investments in Equity, Trade Receivables, Cash and Cash equivalents and Other Financial Assets.

**Classification**

The Company classifies Financial Assets as subsequently measured at Amortized Cost, Fair Value Through Other Comprehensive Income (FVTOCI) or Fair Value Through Profit or Loss (FVTPL) on the basis of its business model for managing the Financial Assets and the contractual cash flows characteristics of the financial assets.

**Initial Recognition and Measurement**

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

**a. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

**b. Financial assets measured at fair value through profit or loss (FVTPL)**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss. Company's Current Investments in equity shares are measured at FVTPL.

**c. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that

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**CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS**


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are subject to an insignificant risk of change in value with a maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**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.

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

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IND AS 109 - "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Financial liabilities measured at amortised cost**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

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.

**2.10. 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.

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**CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS**


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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 in net interest on the net defined benefit liability / asset;

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

4. 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.

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

**CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS**

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.

**Earning Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares)

**Recent Accounting Pronouncements:**

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 23 March 2022, has made certain

amendments in Companies (Indian Accounting Standard Rules), 2015. Such amendments shall come into force with effect from 1 April 2022, but do not have a material impact on the financial statements of the Company.

**(I) IND AS 103: Business combination ;**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of IND AS 103.

This Company does not expect the amendment to have any significant impact in it's Financial Statements.

**(II) IND AS 37: Provisions, Contingent Liabilities, and Contingent Assets ;**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Since Company's current practice is in line with the clarifications issued, there may not be material effect on the financial statements of the Company.

**(III) IND AS 109: FINANCIAL INSTRUMENTS ;**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Since Company current practice is in line with the clarifications issued, there may not be material effect on the financial statements of the Company.

**(IV) IND AS 16: PROPERTY, PLANT AND EQUIPMENT;**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on the financial statements.

## CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

## 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(Rs. in Lakhs)

Particulars	Tangible Assets										Capital Work in Progress	Intangible Assets Computer Software
	Land	Building	Plant and Equipment	Power Generation Equipment	Furniture & Fittings	Vehicles	Office Equipment	Livestock	Library	Total		
<b>Gross Carrying Amount</b>												
As at 01.04.2021	49.00	2,182.57	4,884.75	57.87	12.31	127.73	75.44	---	0.12	7,389.79	---	7.51
Additions	---	47.83	140.85	---	---	7.08	4.43	0.32	--	200.51	35.05	--
Deductions	---	---	178.61	---	---	--	3.12	---	0.12	181.85	---	--
<b>As at 31.03.2022</b>	<b>49.00</b>	<b>2,230.40</b>	<b>4,846.99</b>	<b>57.87</b>	<b>12.31</b>	<b>134.81</b>	<b>76.75</b>	<b>0.32</b>	<b>--</b>	<b>7,408.45</b>	<b>35.05</b>	<b>7.51</b>
<b>Accumulated Depreciation and Impairment</b>												
As at 01.04.2021	---	375.49	2,251.30	52.21	5.54	81.33	47.25	---	0.12	2,813.24	---	5.41
Depreciation	---	81.02	282.85	0.91	0.87	10.77	10.50	---	--	386.92	---	0.23
Disposals	---	--	113.35	--	--	--	2.41	---	0.12	115.88	---	--
<b>As at 31.03.2022</b>	<b>---</b>	<b>456.51</b>	<b>2,420.80</b>	<b>53.12</b>	<b>6.41</b>	<b>92.10</b>	<b>55.34</b>	<b>---</b>	<b>--</b>	<b>3,084.28</b>	<b>---</b>	<b>5.64</b>
<b>Carrying Amount 31.03.2022</b>	<b>49.00</b>	<b>1,773.89</b>	<b>2,426.19</b>	<b>4.75</b>	<b>5.90</b>	<b>42.71</b>	<b>21.41</b>	<b>0.32</b>	<b>---</b>	<b>4,324.17</b>	<b>35.05</b>	<b>1.87</b>
Carrying Amount 01.04.2021	49.00	1,807.08	2,633.45	<b>5.66</b>	<b>6.77</b>	<b>46.40</b>	<b>28.19</b>	----	---	<b>4,576.55</b>		<b>2.10</b>



**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS**

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>FINANCIAL ASSETS</b>		
<b>4. OTHER INVESTMENTS</b>		
Investments In Equity Instruments (Unquoted)		
Number Face Value Trade Investment (Long term) (Equity Shares) Per Unit		
365 INR 1,000/- M/s. Ganesh Agro Pack Private Limited, India.	---	3.65
13,01,119 SLR 10/- M/s. Lankaspin Private Limited, Sri Lanka	270.81	249.38
42,200 INR 10/- M/s. OPG Power Generation Private Limited, India.	4.80	6.27
<b>Investments</b>	<b>275.61</b>	<b>259.30</b>
<b>5. OTHER FINANCIAL ASSETS (NON CURRENT)</b>		
Security Deposits with Electricity Board / Others	73.49	36.40
Loans to Employees	1.94	4.23
	<b>75.43</b>	<b>40.63</b>
<b>6. OTHER NON CURRENT ASSETS</b>		
Unsecured, Considered good		
Advance to Suppliers / Others	25.19	---
<b>7. INVENTORIES</b>		
Raw Materials	524.95	1,542.43
Rawmaterials - Goods in Transit	--	404.56
Stores and Spares	287.72	262.55
Stores and Spares - Goods in Transit	--	7.27
Work In Process	1,607.58	1,873.75
Finished Goods	448.09	612.03
Process Waste	2.94	11.93
	<b>2,871.28</b>	<b>4,714.52</b>
<b>8. TRADE RECEIVABLES</b>		
Unsecured, considered good	4,023.48	2,573.78

**As on 31st March, 2022**

(Rs. in Lakhs)

Particulars	Outstanding followings periods from due date of payment					
	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	4,023.42	0.06	--	--	--	4,023.48
ii) Undisputed Trade Receivables – considered doubtful	--	--	--	--	--	--
iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--
<b>Total</b>	<b>4,023.42</b>	<b>0.06</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4,023.48</b>

(Rs. in Lakhs)

Particulars	Outstanding followings periods from due date of payment					
	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	2,573.78	--	--	--	--	2,573.78
ii) Undisputed Trade Receivables – considered doubtful	--	--	--	--	--	--
iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--
<b>Total</b>	<b>2,573.78</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,573.78</b>

**POLYSPIN EXPORTS LIMITED**

**STANDALONE - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	6.78	1.29
Balance with Banks		
- In Current Accounts	870.47	233.79
- In Unclaimed Dividend Accounts	23.73	25.38
	<u>900.98</u>	<u>260.46</u>
Less : Bank Overdraft	--	(2.81)
	<u>900.98</u>	<u>257.65</u>
<b>10. OTHER BANK BALANCE</b>		
Fixed Deposits with banks having balance maturity of twelve months or less		
- Under Lien	1,292.48	1,188.51
- Not Under Lien	4.26	126.09
	<u>1,296.74</u>	<u>1,314.60</u>
<b>11. OTHER FINANCIAL ASSETS (CURRENT)</b>		
GST / MEIS Scrip / Export Incentive / TED Claim Receivables	10.44	146.60
Security Deposit	0.47	0.47
	<u>10.91</u>	<u>147.07</u>
<b>12. OTHER CURRENT ASSETS</b>		
Advance to Suppliers / Others - Unsecured, Considered Good	494.33	176.49
Accrued Income	67.28	51.46
Prepaid Expenses	194.17	57.81
Other Current Assets	780.45	570.43
	<u>1,536.23</u>	<u>856.19</u>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>13. EQUITY SHARE CAPITAL</b>		
<b>-Authorised</b>		
1,00,00,000 Equity Shares of Rs.5/- each		
[Previous Year : 1,00,00,000 Equity Shares of Rs. 5/- each]	500.00	500.00
<b>-Issued, Subscribed and Paid up</b>		
1,00,00,000 Equity Shares of Rs.5/- each fully paid-up		
[Previous Year : 1,00,00,000 Equity Shares of Rs. 5/- each]	500.00	500.00
<b>13.1 Reconciliation of the Number of Shares Outstanding</b>	<b><u>No.of Shares</u></b>	<b><u>No.of Shares</u></b>
Number of Shares at the beginning	1,00,00,000	40,00,000
* Sub-Division of Equity Shares of Rs.10/- each to Rs. 5/- each	--	40,00,000
** Add:- Issue of Bonus Equity Shares of Rs. 5/- each	--	20,00,000
<b>Number of Shares at the end</b>	<u>1,00,00,000</u>	<u>1,00,00,000</u>

**Note:-**

\*During the year 2020-2021, the company has Sub-Divided of Equity Shares of the Company having a face value of Rs.10/- each to 2 equity shares of face value of Rs. 5/- each.

\*\*The Company has issued the Bonus Share in the ratio of 1 (One) equity share for every 4 (Four) existing equity shares held during the year 2020-2021.

**13.2 The details of Shareholders holding more than 5% shows :**

Particulars	As at 31.03.2022		As at 31.03.2021	
	No.of Shares	%	No.of Shares	%
i. Shri R. Ramji	18,47,690	18.48	18,07,799	18.08
ii. Smt. Durga Ramji	9,19,096	9.19	9,04,147	9.04
iii. M/s. Polyspin Private Limited	6,50,625	6.51	6,50,625	6.51

**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED BALANCE SHEET - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
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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 2020-2021 the company has issued 20,00,000 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.

**13.3 The details of Shareholders holding of Promoters as below :**

Shares held by promoters at the end of the year	As at 31.03.2022		As at 31.03.2021		% Change during the year
Promoter Name	No.of Shares	% of total Shares	No.of Shares	% of total Shares	
1. Shri R. Ramji	18,47,690	18.48	18,07,799	18.08	0.40
2. Smt. Durga Ramji	9,19,096	9.19	9,04,147	9.04	0.15
3. M/s. Polyspin Private Limited	6,50,625	6.51	6,50,625	6.51	-
4. Smt. R. Sunethra	3,18,750	3.19	3,18,750	3.19	-
5. Shri. S.R. Subramanian	2,27,750	2.28	2,27,750	2.28	-
6. M/s. Chalapackaging Private Limited	2,21,190	2.21	2,11,222	2.11	0.10
7. Smt. R. Subbulakshmi	1,43,152	1.43	1,43,152	1.43	-
8. Smt. R. Vijayalakshmi	1,25,295	1.25	1,25,250	1.25	-
9. Shri. R. Varun	1,02,524	1.03	94,105	0.94	0.09
10. M/s. Ganesh Agro Pack Private Limited	75,000	0.75	75,000	0.75	-
11. Shri. R. Sakthikumar	57,555	0.58	57,555	0.58	-
12. Shri. V.S. Baskar Raja	50,000	0.50	50,000	0.50	-
13. Smt. S.Sowmiya	40,997	0.41	40,997	0.41	-
14. Smt. R. Lakshmi	33,810	0.34	32,310	0.32	0.02
15. Shri. S.V. Ravi	17,000	0.17	17,000	0.17	-
16. Ms. Bhavna Shirish Lilladhar	6,875	0.07	6,875	0.07	-

**14. OTHER EQUITY**

Particulars	Reserves and Surplus			
	General Reserve	Capital Reserve	Retained Earnings	Total
<b>Other Equity as at 1<sup>st</sup> April, 2020</b>	<b>3,300.00</b>	65.83	86.26	<b>3,452.09</b>
Profit for the Year	--	--	749.96	<b>749.96</b>
Adjustments	--	124.09	--	<b>124.09</b>
Other Comprehensive Income	--	--	43.15	<b>43.15</b>
Add : Provision for Taxation	--	--	0.18	<b>0.18</b>
Less : Issue of 20,00,000 Bonus Equity Shares of Rs. 5/- each	(100.00)	--	--	(100.00)
Less : Dividend Paid	--	--	(22.76)	(22.76)
Transfer to General Reserve	700.00	--	(700.00)	--
<b>Other Equity as at 31<sup>st</sup> March, 2021</b>	<b>3,900.00</b>	189.92	<b>156.79</b>	<b>4,246.71</b>
Profit for the Year	--	--	900.11	<b>900.11</b>
Adjustment	--	21.43	--	<b>21.43</b>
Other Comprehensive Income	--	--	32.28	<b>32.28</b>
Less : Dividend Paid	--	--	(56.55)	<b>(56.55)</b>
Less : Provision for Taxation - Excess Provision withdrawn	--	--	(1.60)	<b>(1.60)</b>
Transfer to General Reserve	850.00	--	(850.00)	---
<b>Other Equity as at 31<sup>st</sup> March, 2022</b>	<b>4,750.00</b>	<b>211.35</b>	<b>181.03</b>	<b>5,142.38</b>

## CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
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**GENERAL RESERVE**

General reserve is created by the Company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

**CAPITAL RESERVE**

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

**RETAINED EARNINGS**

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. (Refer statement of changes in equity.)

**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 remeasurements of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in cash of actuarial loss / gain and in case of fair value recognition of equity instruments, the same will be transferred when the respective equity instruments are derecognised.

**15. BORROWINGS (NON CURRENT)****-Secured****From Axis Bank**

- Rupee Term Loan	254.58	590.09
- COVID Emergency Credit Line	1,596.03	200.00

**From Others**

- Hire Purchase Loan	1.05	7.04
	<u>1,851.66</u>	<u>797.13</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 of Term Loan :**

Facility 1 - Rs. 254.58 Lakhs - Balance amount is repayable in 12 equated monthly installments starting from April, 2023.

Facility 2 - Rs. 133.40 Lakhs - Balance amount is repayable in 24 equated monthly installments starting from April, 2023.

Facility 3 - Rs. 616.63 Lakhs - Balance amount is repayable in 37 equated monthly installments starting from April, 2023.

Facility 4 - Rs. 846.00 Lakhs - 72 Months is including 24 months of Moratorium Annually.

**15.6 Repayment of Hire Purchase Loan**

Facility 1 - Rs.1.05 Lakhs - Balance amount is repayable in 2 equated monthly installments starting from April, 2023.

**16. DEFERRED TAX LIABILITIES**

Deferred Tax Liabilities	<u>457.46</u>	<u>435.50</u>
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**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>17. BORROWINGS (CURRENT)</b>		
<b>Secured</b>		
<b>From City Union Bank Limited</b>		
- Foreign Bills Discounted	1,602.30	1,726.50
- Packing Credit in Foreign Currency / Export Packing Credit	--	2,854.59
- Cash Credit on Raw Material and Book Debts	--	1,035.69
- Advance Against Term Deposits	270.72	711.00
- Short Term Loan	--	387.06
<b>From Axis Bank</b>		
- Export Credit Facilities (FBP/FBD/EBRD/PSCFC)	451.01	--
- Export Credit Facilities (RPC/RPCFC)	2,002.03	--
- Open Cash Credit	969.85	--
<b>From South Indian Bank</b>		
- Advanced Against Term Deposit	100.55	103.28
<b>Current Liability for Long Term Debt</b>	572.95	301.51
	<b>5,969.41</b>	<b>7,119.63</b>

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**

Micro and Small Enterprises	164.36	374.52
Other than Micro and Small Enterprises	633.81	669.15
	<b>798.17</b>	<b>1,043.67</b>

**As on 31<sup>st</sup> March, 2022**

Particulars	Outstanding followings periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	164.36	--	--	--	164.36
ii) Others	633.81	--	--	--	633.81
iii) Disputed dues - MSME	--	--	--	--	--
iv) Disputed dues - Others	--	-	-	-	--
<b>Total</b>	<b>798.17</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>798.17</b>

**As on 31<sup>st</sup> March, 2021**

Particulars	Outstanding followings periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	374.52	--	--	--	374.52
ii) Others	669.15	--	--	--	669.15
iii) Disputed dues - MSME	-	--	--	--	--
iv) Disputed dues - Others	-	-	-	-	--
<b>Total</b>	<b>1,043.67</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,043.67</b>

**19. OTHER FINANCIAL LIABILITIES**

Unpaid Dividend	4.00	8.96
Liability for Operating and Other Expenses	443.14	340.37
Liability for Other Finance	28.27	17.98
	<b>475.41</b>	<b>367.31</b>

**20. OTHER CURRENT LIABILITIES**

Liability for Operating and Other Expenses	40.31	42.31
Advance from Customers	16.52	42.41
	<b>56.83</b>	<b>84.72</b>

**21. PROVISIONS**

Provision for Taxation	415.92	347.57
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**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>22. SALES / REVENUE FROM OPERATIONS</b>		
<u>Export Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	<b>23,750.60</b>	18,125.66
<u>Domestic Sales</u>		
- FIBC Bags / Fabric / Yarn / Multifilament Yarn / Paper Bags / Kraft Papers	<b>703.68</b>	2,862.49
- Cotton Yarn	<b>2,855.32</b>	2,226.78
	<b>27,309.60</b>	23,214.93
Less : Sales Return	<b>5.98</b>	44.67
	<b>27,303.62</b>	23,170.26
<b>OTHER OPERATING INCOME</b>		
Sale of Plastic Scrap	<b>311.00</b>	217.74
Sale of MEIS Duty Scrip	<b>21.49</b>	--
Sale of Cotton Waste	<b>25.55</b>	41.96
Sale of Rawmaterial	<b>35.37</b>	32.34
Rebate on Service Tax	<b>--</b>	0.17
	<b>27,697.03</b>	23,462.47
<b>23. OTHER INCOME</b>		
Interest Receipts	<b>73.12</b>	81.39
Foreign Exchange Fluctuations	<b>477.36</b>	335.08
Dividend Receipts	<b>11.53</b>	19.41
Profit on Sale of Machinery	<b>0.73</b>	0.87
Profit on Sale of Equity Shares	<b>25.31</b>	--
	<b>588.05</b>	436.75
<b>24. COST OF RAW MATERIAL CONSUMED</b>		
Polypropylene Granules and Master Batch	<b>11,809.63</b>	9,025.78
Printing Materials	<b>77.03</b>	84.95
Yarn	<b>1,115.58</b>	581.51
Cotton Yarn / Hank Yarn Purchases	<b>18.80</b>	4.86
Cotton & Cotton Waste	<b>1,991.52</b>	1,528.48
BOPP Film Purchases	<b>9.78</b>	29.63
LLDPE Liner Purchases	<b>--</b>	184.02
Fabric Purchases	<b>88.67</b>	142.55
Kraft Paper	<b>712.76</b>	3,126.89
Glue	<b>7.53</b>	31.51
Printing Materials - Paper Bags	<b>2.86</b>	132.69
	<b>15,834.16</b>	14,872.87
<b>25. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
Opening Stock	<b>2,497.70</b>	1,599.16
Closing Stock	<b>2,058.61</b>	2,497.70
	<b>439.09</b>	(898.54)

**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS**

(Rs.in Lakhs)

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>26. EMPLOYEE BENEFITS EXPENSES</b>		
Remuneration to Managing Director	207.02	138.65
Salaries & Wages, Bonus and other allowance	2,665.07	2,532.71
Contribution to Provident Fund and Other Funds	311.25	285.54
Labour Welfare Expenses	215.93	207.01
LIC Group Gratuity	106.36	117.92
	<b>3,505.63</b>	<b>3,281.83</b>
<b>27. FINANCE COSTS</b>		
Interest on		
- Fixed Loans	76.58	113.73
- Working Capital Facilities	404.36	409.90
- Others Borrowing Cost	0.04	0.04
H.P. Finance Charges	0.89	1.85
	<b>481.87</b>	<b>525.52</b>
<b>28. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Repairs & Maintenance		
- Building	61.92	86.25
- Machinery	35.16	54.08
- General	20.01	30.74
Processing Charges Paid	1,474.99	1,272.58
Stores & Spares Consumed	1,226.56	998.60
Power & Fuel	1,009.80	878.72
	<b>3,828.44</b>	<b>3,320.97</b>
Postage & Telephone	39.80	32.96
Printing & Stationery	20.54	42.07
Travelling Expenses	81.10	64.92
Director's Sitting Fees	5.10	3.60
Bank Charges	56.24	51.29
Corporate Social Responsibility (CSR)	20.20	60.44
Professional Charges	58.71	54.38
Licence, Taxes & Fees	19.55	22.20
Insurance Charges	99.17	85.38
Subscription & Periodicals	3.66	4.62
Filing Fees	1.00	0.59
Audit Fees	3.02	3.10
Vehicle Maintenance	49.13	33.78
Miscellaneous Expenses	5.67	10.96
Ineligible ITC & ITC Reversal	76.42	29.50
Donation	5.56	1.00
Commission Paid	72.69	101.30
Rent Paid	24.60	23.76
Quality Claim Charges	0.37	0.87
Testing Charges	9.26	11.71
Hank Yarn Obligation	3.65	1.50
Sales Promotion Expenses	51.87	39.85
Ocean Freight	1,711.57	591.22
Lorry Freight	33.04	49.90
Loss on Sale of Assets	13.31	24.00
Bad Debts Written Off	14.09	2.68
	<b>6,307.76</b>	<b>4,668.55</b>

## 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.

	Rs. in Lakhs	
29.2. EARNINGS PER SHARE :	Year Ended	Year Ended
	31.03.2022	31.03.2021

a) Total Comprehensive Income (After Tax)	953.82	917.20
b) Number of Equity Shares	1,00,00,000	1,00,00,000
c) Basic and Diluted Earnings per share	9.53	9.17
(Face Value of Rs.5/- per Equity Share) (in Rs.)		

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.

### 30. Financial Risk Management :-

The Company's principle 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 principle 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.

##### 30.1.(a). 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 export of finished goods, besides import of raw materials, capital goods and spares, etc., purchased in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

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

#### Details of Derivative Instruments Outstanding (hedged):-

Forward Contract	As at 31.03.2022		As at 31.03.2021	
	USD (In Million)	Rs. (In Lakhs)	USD (In Million)	Rs. (In Lakhs)
<b>SOLD :</b>				
USD / INR	----	----	----	----
<b>BOUGHT :</b>				
USD / INR	9.87	7,806.58	2.50	1,923.37

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

Particulars	As at 31.03.2022	As at 31.03.2021
Currency (USD in Millions)	0.46	0.08
Rs. in Lakhs	354.07	60.06

#### 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 31.03.2022 and 31.03.2021.

(Rs. in Lakhs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	3% Increase	3% Decrease	3% Increase	3% Decrease
INR	234.20	234.20	57.70	57.70

##### 30.1.(b) 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. Any changes in the interest rates environment may impact future cost of borrowings.

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

(Rs. in Lakhs)

	As at 31.03.2022	As at 31.03.2021
Fixed Rate Borrowings	Nil	790.09
Floating Rate Borrowings	1,850.61	Nil

## CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

**30.2. 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.

**a) 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 31.03.2022	As at 31.03.2021
Unsecured - Considered Good	4,023.48	2,573.78
Doubtful	14.09	2.68
Less : Provision for Bad Debts	(14.09)	(2.68)
<b>Total</b>	<b>4,023.48</b>	<b>2,573.78</b>

**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.

**30.3. 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, Cash Credit, Letter of Credit, Buyer's Credit and Working Capital Limits. The Company ensures it has sufficient cash to meet its operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times.

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

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Floating Rate - Expiring within one year- working capital limits.	1,558.12	639.72

**30.4. 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 31.03.2022	As at 31.03.2021
Long Term Borrowings	1,851.66	797.13
Current Liability for Long Term Debt	572.95	301.51
Short Term Borrowings	5,396.46	6,818.12
Less: Cash and Cash Equivalents	2,197.72	1,572.25
<b>Net Debt (A)</b>	<b>5,623.35</b>	<b>6,344.51</b>
Equity Share Capital	500.00	500.00
Other Equity	5,142.38	4,246.71
<b>Total Equity (B)</b>	<b>5,642.38</b>	<b>4,746.71</b>
Total Capital Employed (C) = (A) + (B)	<b>11,265.73</b>	<b>11,091.22</b>
<b>Capital Gearing Ratio (A) / (C)</b>	<b>49.91%</b>	<b>57.20%</b>

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.

**30.5. 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 31.03.2022		As at 31.03.2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets :</b>				
Other Investments	275.61	275.61	259.30	259.30
Trade Receivables	4,023.48	4,023.48	2,573.78	2,573.78
Cash and Bank Balances	900.98	900.98	257.65	257.65
Other Bank Balances	1,296.74	1,296.74	1,314.60	1,314.60
Other Financial Assets	10.91	10.91	147.07	147.07
<b>Financial Liabilities :</b>				
Borrowings	5,969.41	5,969.41	7,119.63	7,119.63
Trade Payables	798.17	798.17	1,043.67	1,043.67
Other Financial Liabilities	475.41	475.41	367.31	367.31

## CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

During the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, 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's specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in Level 2.
3. Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) Level 3. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

- Replaces IND AS 18 Revenue and IND AS 11 Construction contracts

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

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

Adoption of IND AS 115 is not expected to have any impact on the Companies revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when the materials are delivered to at the customers in case of FIBC Bags, PP Fabric, PP Yarn, 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 effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

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

**Property, Plant and Equipment, Intangible Assets:-**

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

**Current Taxes:-**

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

**Deferred Tax Rate (Including MAT Credit Entitlement)**

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



## CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

**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.

**Fair Value measurement of Financial Instruments:-**

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

**Interest in other Entities:-**

Significant management judgement is exercised in determining the interest in other entities. The management believes that wherever there is significant in finance over certain companies belong to its group, such companies are treated as associated companies even though it holds less than 20% of the voting 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 31.03.2022	As at 31.03.2021
Ownership held	38.48%	38.48%

**The Summarised Separate financial information of associate Company is given below :**

M/s. Lankaspin Private Limited, Srilanka.

(Rs. in Lakhs)

Balance Sheet	31.03.2022	31.03.2021
Non-Current assets	338.78	275.21
Current assets	976.99	1,245.52
<b>Total Assets</b>	<b>1,315.77</b>	<b>1,520.73</b>
Non-Current liabilities	39.79	39.81
Current liabilities	687.93	867.80
<b>Total Liabilities</b>	<b>727.72</b>	<b>907.61</b>
<b>Total Equity</b>	<b>588.05</b>	<b>613.12</b>
<b>Profit and Loss</b>		
Revenue	3,965.08	4,151.41
Profit of the period	84.69	371.97
Other Comprehensive income	--	---
Total Comprehensive income	84.69	371.97
<b>Summarised Cash flow</b>		
Cash flows from operating activities	(201.01)	501.86
Cash flows from investing activities	(20.70)	(152.51)
Cash flows from financing activities	(50.06)	(89.05)
<b>Net Increase /(Decrease) in cash and cash equivalents</b>	<b>(271.77)</b>	<b>260.30</b>

Profit and Loss	31.03.2022	31.03.2021
Total Revenue	3,965.08	4,151.41
Profit before tax	100.61	437.77
Tax expenses	(15.92)	(66.00)
Profit after tax	84.69	371.77
Share of profit in Associate	32.59	143.05
OCI	---	---
TCI	32.59	143.05

## CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

**Reconciliation to the carrying amount of investment in associates as on 31.03.2022**

(Rs. in lakhs)

Profit and Loss	31.03.2022	31.03.2021
Entity TCI	84.69	371.77
Effective shareholding %	38.48%	38.48%
Associates share of profit / OCI	32.59	143.05
Less : unrealized profit on Intercompany Transaction (net of tax)	--	---
Amount recognized in P & L	21.43	124.09
Reconciliation	--	---
Opening Carrying cost	<b>249.38</b>	125.29
Less: treasury share Adjustment	---	---
Add: Fair value of corporate guarantee obligation given	--	---
Add : Associates share of profit / OCI	32.59	143.05
Less : Sale / Reversal of OCI share	--	---
Less : Dividend Received	11.16	18.96
<b>Net Carrying Amount</b>	<b>270.81</b>	<b>249.38</b>

**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:

Rs. in Lakhs

Particulars	2021-2022	2020-2021
Employer's contribution towards:		
- Provident Fund	243.30	226.39
- Employee State Insurance	55.62	59.15

**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. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Defined Benefit Obligation at beginning of the year	476.21	373.11
Current Service Cost	78.45	73.08
Past Service Cost	---	---
Interest Expense on DBO	28.27	23.85
Benefit Payments from Plan Assets	(114.80)	(39.53)
Increase/(Decrease) due to effect of any business combination / divestiture / transfer)	4.88	---
Re-measurements - Due to Financial Assumptions	54.17	---
Re-measurements - Due to Experience Adjustments	(25.79)	45.70
Defined Benefit Obligation at the end of the year	501.39	476.21
Discount Rate	7.65%	6.75%
Salary Escalation Rate	7.00%	5.00%

**B. Change in Fair Value of Plan Assets**

(Rs. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Fair value of Plan Assets at beginning of the year	445.02	348.04
Interest Income	32.64	22.16
Employer Contributions	191.96	112.51
Benefit Payments from Plan Assets	(114.80)	(39.53)
Other (Employee Contribution, Taxes, Expenses)	(21.00)	(0.71)
Increase/(Decrease) due to effect of any business combination / divestiture / transfer)	4.88	---
Remeasurements - Return on Assets (Excluding Interest Income)	(3.91)	2.55
<b>Fair Value of Plan Assets at the end of the year</b>	<b>534.79</b>	<b>445.02</b>
<b>Weighted Average Asset Allocations at the year end</b>		
Equities	----	----
Bonds	----	----
Gilts	---	----
Insurance Policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**C. Components of Defined Benefit Cost**

(Rs. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Current Service Cost	78.45	73.08
Past Service Cost	---	---
<b>Total Service Cost</b>	<b>78.45</b>	<b>73.08</b>
Interest Expense on DBO	28.27	23.85
Interest (Income) on Plan Assets	(32.64)	(22.16)
Interest (Income) on Reimbursement Rights	---	---
<b>Total Net Interest Cost</b>	<b>(4.37)</b>	<b>1.69</b>
Defined Benefit Cost included in P & L	74.08	74.77
Remeasurements - Due to Financial Assumptions	54.17	---
Remeasurements - Due to Experience Adjustments	(25.79)	45.70
(Return) on Plan Assets (Excluding Interest Income)	3.91	(2.55)
<b>Total Re-measurements in OCI</b>	<b>32.28</b>	<b>43.15</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>106.36</b>	<b>117.92</b>
<b>Discount Rate</b>	<b>7.65%</b>	<b>6.75%</b>
<b>Salary Escalation Rate</b>	<b>7.00%</b>	<b>5.00%</b>

## CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS

## D. Amounts recognized in the Statement of Financial Position

(Rs. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Defined Benefit Obligation	501.39	476.21
Fair Value of Plan Assets	534.80	445.02
<b>Funded Status</b>	<b>(33.40)</b>	<b>31.18</b>
Effect of Asset Ceiling / Onerous Liability	---	---
<b>Net Defined Benefit Liability / (Asset)</b>	<b>(33.40)</b>	<b>31.18</b>

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

(Rs. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Net Defined Benefit Liability / (Asset) at beginning of the year	30.48	25.07
Defined Benefit Cost included in P & L	74.08	74.77
Total Re-measurements included in OCI	32.28	43.15
Employer Contributions	(191.95)	(112.51)
<b>Net Defined Benefit Liability / (Asset) at end of the year</b>	<b>(55.11)</b>	<b>30.48</b>

## Additional Disclosure Items

Current and Non-Current Liability and Asset

(Rs. in Lakhs)

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Non-Current Assets	---	---
Current Liabilities	24.12	94.88
Non - Current Liabilities	477.28	381.33

Expected Cash Flow for following years

(Rs. in Lakhs)

Maturity Profile of Defined Benefit Obligations	
Year 1	24.12
Year 2	32.63
Year 3	24.17
Year 4	38.67
Year 5	35.95
Beyond 5 years	237.20

Summary of Financial &amp; Demographic Assumptions

(Rs. in Lakhs)

Particulars	Valuation Date	
	31.03.2022	31.03.2021
Discount Rate	7.65%	6.75%
Salary Escalation - First 5 Years	7.00%	5.00%
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%
Disability Rate (as % of above mortality rate)	0.00%	0.00%
Withdrawal Rate	1% to 3%	1% to 3%
Retirement Age	58 Years	58 Years
Average Future Service	17.51	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. Multiwraps Private Limited (upto 22.02.2022)
6. 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 (upto 22.02.2022)
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 (upto 22.02.2022)
10. Smt. Durga Ramji, Director
11. Shri P.K. Ramasubramanian, Company Secretary (upto 12.02.2022)
12. Shri S. Seenivasa Varathan, Chief Financial Officer
13. Shri A. Emarajan, Company Secretary (from 12.02.2022)
14. Shri C.M. Dharmakrishna Raja
15. Smt. R. Sunethra
16. Smt. G. Sudha

## C) Transaction during the year with Related Parties :

(Rs. in Lakhs)

Sl. No.	Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
		Associate / Other Companies	Key Management Personnel / his Relatives
1.	Processing Charges Paid	1,412.80	---
2.	Remuneration to Directors & KMP	---	267.21
3.	Chennai Office - Rent Paid	---	18.00
4.	Sale of PP Strips / Yarn	635.58	---
5.	Sale of Fabric	68.42	---
6.	Sale of Sewing Yarn	88.75	---
7.	Sale of Paper Tubes	---	1,148.78
8.	Sale of PP Waste	---	0.50
9.	Assets Sold during the year	46.86	---
10.	Sale of Rawmaterials	---	1.38
11.	Sale of Kraft Papers	198.68	---
12.	Dividend Received	11.49	---
13.	Purchase of Rawmaterials / Master batch	82.84	---
14.	Purchase of Fabric / Knitted Fabric	0.05	---
15.	Purchase of Laminated Woven Fabric	88.65	---
16.	Purchase of Kraft Paper	---	2,000.82
17.	Purchase of Glue	---	42.03
18.	Purchase of Packing Materials	8.60	---
19.	Purchase of Assets	28.00	---
20.	Purchase of Water	---	0.18
21.	Factory Rent Paid	6.60	---
22.	Dividend Paid	5.62	---
23.	Sale of Investment	---	28.83
24.	Director's Sitting Fees Paid	---	5.10

**POLYSPIN EXPORTS LIMITED**

**CONSOLIDATED - NOTES FORMING PARTS OF ACCOUNTS**

**D) Significant Related Parties Transactions :**

(Rs. in Lakhs)

Particulars	2021-22	2020-21
<b>1. Processing Charges Paid</b>		
M/s. Polyspin Private Limited	1,200.92	1063.12
M/s. Chola Packaging Private Limited	5.17	--
M/s. Energyspin Private Limited	83.37	277.20
M/s. Ganesh Agro Pack Private Limited	---	0.67
M/s. Multiwraps Private Limited	123.34	---
<b>2. Remuneration to Directors &amp; KMP</b>		
Shri R. Ramji, Managing Director & CEO	242.04	166.24
Shri P.K. Ramasubramanian, Secretary & CCO (upto 12.02.2022)	3.52	3.88
Shri B. Ponram, Chief Operating Officer	---	68.63
Shri S. Seenivasa Varathan, Chief Financial Officer	19.76	19.25
Shri A. Emarajan, Company Secretary & CCO (from 12.02.2022)	1.89	---
<b>3. Chennai Office - Rent Paid</b>		
Smt. Durga Ramji	18.00	18.00
<b>4. Sale of PP Strips / Yarn</b>		
M/s. Lankaspin Private Limited, Sri Lanka.	635.58	204.19
<b>5. Sale of PP Fabric</b>		
M/s. Lankaspin Private Limited, Sri Lanka	65.32	705.96
M/s. Ganesh Agro Pack Private Limited	0.94	--
M/s. Chola Packaging Private Limited	2.16	0.92
<b>6. Sale of Sewing Yarn</b>		
M/s. Ganesh Agro Pack Private Limited	1.91	29.00
M/s. Chola Packaging Private Limited	0.98	6.39
M/s. Lankaspin Private Limited, Sri Lanka.	83.82	79.62
M/s. Energyspin Private Limited	2.04	0.24
<b>7. Sale of Paper Tube</b>		
M/s. Polyspin Private Limited	--	1148.78
<b>8. Sale of PP Waste</b>		
M/s. Polyspin Private Limited	--	0.50
<b>9. Assets Sold during the year</b>		
M/s. Polyspin Private Limited	46.86	28.75
M/s. Chola Packaging Private Limited	--	0.47
<b>10. Sale of Rawmaterials</b>		
M/s. Polyspin Private Limited	--	1.38
<b>11. Sale of Kraft Papers</b>		
M/s. Polyspin Private Limited	190.24	--
M/s. Energyspin Private Limited	8.44	3.02
<b>12. Dividend Received</b>		
M/s. Lankaspin Private Limited, Sri Lanka.	11.16	18.97
M/s. Ganesh Agro Pack Private Limited	0.33	0.44
<b>13. Purchase of Rawmaterials / Master batch</b>		
M/s. Polyspin Private Limited	0.04	---
M/s. Ganesh Agro Pack Private Limited	82.80	98.77
M/s. Energyspin Private Limited	--	104.46
<b>14. Purchase of Fabric / Knitted Fabric</b>		
M/s. Ganesh Agro Pack Private Limited	---	147.59
M/s. Chola Packaging Private Limited	0.05	0.52

Particulars	2021-22	2020-21
<b>15. Purchase of Laminated Woven Fabric</b>		
M/s. Ganesh Agro Pack Private Limited	88.65	---
<b>16. Purchase of Kraft Paper</b>		
M/s. Polyspin Private Limited	--	2000.82
<b>17. Purchase of Glue</b>		
M/s. Polyspin Private Limited	--	42.03
<b>18. Purchase of Packing Materials</b>		
M/s. Ganesh Agro Pack Private Limited	8.58	8.71
M/s. Energyspin Private Limited	0.02	--
M/s. Chola Packaging Private Limited	--	0.06
<b>19. Purchase of Assets</b>		
M/s. Polyspin Private Limited	28.00	0.88
<b>20. Purchase of Water</b>		
Shri C.M. Dharamakrishna Raja	0.18	--
<b>21. Factory Rent Paid</b>		
M/s. Polyspin Private Limited	4.80	5.66
M/s. Ramji Investments Private Limited	1.80	0.48
<b>22. Dividend Paid to Associates</b>		
M/s. Polyspin Private Limited	3.90	1.56
M/s. Chola Packaging Private Limited	1.27	0.51
M/s. Ganesh Agro Pack Private Limited	0.45	0.18
<b>Dividend Paid to KMP and Relatives</b>		
Shri R. Ramji, Managing Director & CEO	10.84	4.23
Shri S.R. Subramanian, Director	1.36	0.54
Shri S.V. Ravi, Director	0.10	0.04
Shri K.S. Pradeep, Director	0.01	--
Smt. Durga Ramji, Director	5.42	2.16
Smt. R. Sunethra	0.91	--
Shri C.M.D. Dharmakrishna Raja	0.01	--
Shri S. Seenivasa Varathan, CFO	0.02	0.01
<b>23. Sale of Investments (Equity Shares)</b>		
Shri S.V. Ravi	15.80	--
Smt R. Sunethra	5.53	--
Smt G. Sudha	7.50	--
<b>24. Director's Sitting Fees</b>		
Shri S.R. Subramanian, Director	0.50	0.40
Shri P. Vaidyanathan, Director (upto 22.02.2022)	0.50	0.40
Shri S.R. Venkatanarayana Raja, Director	0.60	0.40
Shri V.S. Jagdish, Director	0.60	0.40
Shri R. Sundaram, Director	0.60	0.40
Shri S.V. Ravi, Director	0.60	0.40
Shri Rajesh Devarajan, Director	0.60	0.40
Shri K.S. Pradeep, Director (upto 22.02.2022)	0.50	0.40
Smt. Durga Ramji, Director	0.60	0.40

## CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

## 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	
		31.03.2022	31.03.2021
1.	Segment Revenue (Net Sales / Income from Operation)		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	24,784.62	21,166.52
	b) Cotton Yarn	2,912.41	2,295.95
	<b>Total</b>	<b>27,697.03</b>	<b>23,462.47</b>
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	1,589.52	1,541.76
	b) Cotton Yarn	221.77	67.22
	<b>Total</b>	<b>1,811.29</b>	<b>1,608.98</b>
	Less : Financial Charges	481.87	525.52
	<b>Profit Before Tax</b>	<b>1,329.42</b>	<b>1,083.46</b>
3.	Capital Employed Segment Assets :		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	14,044.64	13,395.03
	b) Cotton Yarn	1,622.59	1,547.21
	<b>Total</b>	<b>15,667.23</b>	<b>14,942.24</b>
	Segment Liabilities :		
	a) FIBC Bags, Fabric, Yarn, Multifilament Yarn, Paper Bag	9,695.57	9,809.54
	b) Cotton Yarn	329.28	386.00
	<b>Total</b>	<b>10,024.85</b>	<b>10,195.54</b>

As required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has outstanding dues of Rs. 164.35 Lakhs as at 31<sup>st</sup> March, 2022 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 31.03.2022	As at 31.03.2021
a. Principal Amount remaining unpaid but not due as at the year end	164.35	374.52
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	----	----

(Rs. in Lakhs)

36.1. Contingent Liabilities not Provided for : **2021 - 2022** **2020 - 2021**

- i) Unexpired Letter of Credit **1,280.95** 316.39
- ii) Bank Guarantee --- 25.00
- iii) The Company has challenged the levy of duty of excise and customs aggregating to Rs. 487.72 Lakhs (Previous Year Rs. 487.72 Lakhs) on wrong calculation of SION Norms for the consumption of UV Master Batches (Imported) for production of FIBC Bags meant for export (100% E.O.U) and the same is pending before the appropriate jurisdictional authorities.

## 36.2. Trade Payables

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
i) Total outstanding due to Micro, Small and Medium Enterprises	164.35	374.52
ii) Total outstanding due to Creditors other than Micro, Small and Medium Enterprises	633.81	669.15
<b>Total</b>	<b>798.16</b>	<b>1,043.67</b>

36.3 The Company has generated power out of Wind Mill installed at NH Road, Ambalavanapuram, Avarikulam Post, Tirunelveli District - 627 132 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. 15.16 Lakhs (Previous Year: Rs.15.15 Lakhs) being the credit given by TNEB for the transfer of power to the Grid.

## For the year ended

31.03.2022 31.03.2021

Licensed Capacity	<b>Not Applicable</b>	Not Applicable
Installed Capacity	<b>250 KW</b>	250 KW
Units Generated	<b>2,38,788 KWH</b>	2,38,530 KWH
Units Captively Consumed	<b>2,38,788 KWH</b>	2,38,530 KWH
	(included under Power & Fuel)	



## CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

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 31<sup>st</sup> December, 2021 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 21.96 Lakhs as on 31.03.2022 Previous Year: (5.50 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.

37.1. There are no transaction with struck off of companies under section 248 or 560 of the Companies Act.

37.2. The Company does not have any investments through more than two layers of investment companies as per section 2(87) (cd) and section (186) of companies Act, 2013.

37.3. Charges/ Satisfaction of charges with ROC.

- i. All the charges are registered with ROC within the stipulated time.
- ii. Please note, the company has created charges with HDFC Bank for the availment HP loan towards purchase of BUS is not satisfied and we are going to file the satisfaction of charges for the same.

37.4. There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Companies Act.

- 37.5. i. The company has not given any Loans or Advances in the nature of loans to promoters, directors, KMPs and their related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
- ii. The title deeds of all the immovable properties are held in the name of the Company.
- iii. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31<sup>st</sup> March, 2022.

iv. No Intangible Assets under development during the year.

v. Quarterly statements of Current Assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in agreement with the books of account.

vi. No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2022 for holding any benami property under the benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

vii. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

viii. The company has not advanced / loaned / invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the

Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

37.6. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessment under the income tax Act, 1961 (43 of 1961) during the year.

### 37.7 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable TDS. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

## CONSOLIDATED - NOTES FORMING PART OF ACCOUNTS

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

	(Rs. in Lakhs)	
	<u>2021 - 2022</u>	<u>2020 - 2021</u>
Interim Dividend	Nil	Nil
Final Dividend	60.00	60.00

During the year ended March 31, 2022, on account of the final dividend for fiscal 2021 the Company has incurred a net cash outflow of Rs. 56.24 Lakhs.

The Board of Directors in their meeting on May 27, 2022 recommended a final dividend of Rs. 0.60 per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on August 26, 2022 and if approved would result in a net cash outflow of approximately Rs. 60.00 Lakhs.

37.8. The Provisions with respect to Corporate Social Responsibility as per Section 135 of the Companies Act have been duly complied with.

37.9. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

37.10. The Central Government has published, the Code on Social Security, 2020 and Industrial Relations Code, 2020 ("Codes"), relating to employee benefits during employment and post-employment benefits and received presidential assent in September, 2020. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the code when it comes into effect and will record any related impact in the period, the code becomes effective.

37.11. The Company has considered the possible effects that may result from the COVID-19 pandemic based on the internal and external information, to the extent known and available, upto the date of approval of these results and concluded that no further adjustments are required to the accompanying financial results. The Company will continue to monitor the developing scenario for any material changes.

37.12. The MCA vide notification dated 24<sup>th</sup> March, 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 1<sup>st</sup> April, 2021, the Company has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever it is applicable.

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

Signature to Notes 1 to 38

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

**S. SRITHAR**  
 Membership No. 209047  
 UDIN : 22209047AJRZVO3706

Date : May 27, 2022  
 Place : Rajapalayam

**R. RAMJI**  
 Managing Director & CEO

**S.V. RAVI**  
 Director

**S. SEENIVASA VARATHAN**  
 Chief Financial Officer

**A. EMARAJAN**  
 Company Secretary

POLYSPIN

BOOK-POST

*If undelivered, please return to :*

**POLYSPIN EXPORTS LIMITED**

351, P.A.C.R. Salai,  
Rajapalayam - 626 117.  
Tamil Nadu.