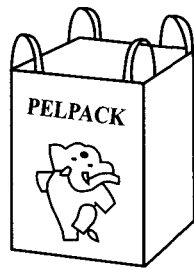


POLYSPIN EXPORTS LTD

(100% EXPORT ORIENTED UNIT)

RAJAPALAYAM



Twenty Fifth Annual Report and Balance Sheet
as at 31st March 2010.

POLYSPIN EXPORTS LIMITED

- BOARD OF DIRECTORS** : SHRI A. RAMMOHAN RAJA, *Managing Director*
SHRI K. LAKSHMINARAYANAN
SHRI S.R. SUBRAMANIAN
SHRI P.K. RAMASUBRAMANIAN
SHRI A. THIRUPPATHY RAJA
SHRI S. SHANKAR
SHRI S.V. RAVI
SHRI R. RAMJI, *Joint Managing Director*
- SECRETARY** : SHRI P.S. RAMANATHAN B.Com., B.L., A.C.S.
- AUDITORS** : M/s. KRISHNAN AND RAMAN,
CHARTERED ACCOUNTANTS,
RAJAPALAYAM.
- BANKERS** : CITY UNION BANK LTD.
RAJAPALAYAM
- REGISTERED OFFICE** : 351, P.A.C.R. SALAI,
RAJAPALAYAM - 626 117.
- FACTORY &
ADMINISTRATIVE OFFICE** : 1, RAILWAY FEEDER ROAD,
CHOLAPURAM SOUTH - 626 139.
RAJAPALAYAM.
- LISTED STOCK EXCHANGE** : MADRAS STOCK EXCHANGE,
POST BOX NO. 183,
11, SECOND LINE BEACH,
CHENNAI - 600 001.
- REGISTRAR & TRANSFER AGENTS** : M/s. Integrated Enterprises (India) Ltd.,
2 nd Floor, Kences Tower,
No.1, Ramakrishna Street,
North Usman Road, T.Nagar,
Chennai 600 017.
Phone No: 044 - 28140801

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report on the working of the company and Audited Accounts for the year ended 31st March, 2010

Financial Results

	Year ended 31.03.2010	Year ended 31.03.2009
	Rs.	Rs.
Sales and other Income =====	35,17,40,689	38,63,25,598
Operating Profit (Profit before interest, Depreciation and Tax)	3,23,55,985	2,86,82,853
LESS : Interest	62,72,958	83,05,374
Profit before Depreciation and Tax	2,60,83,027	2,03,77,479
LESS : Depreciation	71,51,151	77,37,087
Profit before Tax	1,89,31,876	1,26,40,392
Surplus Brought forward from previous year	7,38,152	4,75,600
Add : Provision for Tax-Deferred	2,55,000	4,58,000
	1,99,25,028	1,35,73,992
Less: Provision for Taxation-Current	92,00,000	50,20,000
Provision for Fringe Benefit Tax	----	72,000
Profit available for appropriation	1,07,25,028	84,81,992

Your directors propose to appropriate the same as follows

Proposed Dividend	40,00,000	32,00,000
Tax on Proposed Dividend	6,79,800	5,43,840
Transfer to General Reserve	40,00,000	40,00,000
Balance carried over to Balance Sheet	20,45,228	7,38,152
	1,07,25,028	84,81,992

DIVIDEND

Your Directors are pleased to recommend the payment of Dividend at **Rs.1.00 per share on the face value of Rs.10/- per share.**

This Dividend is not taxable in the hands of the Members. However Tax on the Dividend amounting to Rs. 6.80 Lakhs would be paid by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE OPERATION, CURRENT TRENDS AND FUTURE PROSPECTS

PRODUCTION AND SALES

The Production and Sale of the Company's products, PP woven FIBC bags were as follows :

	Year ended 31.03.2009	Year ended 31.03.2010
Production (Kgs)	27,39,919	26,29,906
Sales (Kgs)	27,44,272	26,69,711

The global recession having created the financial crisis has now come to a stage, which has revived economic activities. The experience has given us new directions and has made the Company to adopt ways and means to stabilize and grow positively and increase profitability. One such step has been the establishment of a Company in USA for logistics purpose. This has enabled the Company to effect better inventory control for economic marketing. The full impact will be reflected in the coming years.

The selling price of the company's products are directly linked to the price of raw materials. Consequently every reduction will be reflected in the selling price immediately. Due to the reduction in the raw material cost there has been a reduction in sales volume. However by the adoption of certain strategies, the company was able to realise higher profit.

EXPANSION

The Company is implementing an expansion programme involving an outlay of Rs. 8.00 Crores to produce the high quality tenacity yarn and Jumbo Bags in its existing plant at Cholapuram South. The Commercial Production in its new facility will commence shortly and the capacity will increase by 100% per annum. The full impact is likely to be reflected from the financial year 2011-12.

These investments have strengthened the Company's capability to deliver consistent product quality and significant savings in cost for our future operations.

Your Directors are confident of sustained performance and profitability in the ensuing years.

AWARDS

Your company has received the state Safety Award in recognition of the Best Safety Performance (Second Prize) for the year 2006 instituted by the office of the State Safety Planning Committee, Tamilnadu Government, Chennai.

SUBSIDIARIES

As required under the provisions of Sec. 212 of the Companies Act, 1956, the Compiled Accounts

together with Auditor's Report of the Subsidiary Company, Polyspin USA Inc is appended and forms part of the Annual Report.

DEPOSITS

The total amount of deposits as on 31st March, 2010 was Rs.132.06 Lakhs. The company has no overdue deposits.

ENERGY CONSERVATION / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE

In terms of section 217 (i) (e) of the Companies Act, 1956, read with the companies (Disclosure of particulars in the report of Board of Directors) rules 1988, the following informations are furnished.

ENERGY CONSERVATION

Strict control was exercised during the year for economising the use of power.

TECHNOLOGY ABSORPTION

Since the company has not taken steps regarding Research and Development, the particulars to be furnished under technology absorption is not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The outgo of foreign exchange during the year is Rs.1521.44 Lakhs. The foreign exchange earnings during the year is Rs.3110.82 Lakhs.

PARTICULARS OF EMPLOYEES

Statement under Section 217 (2A) of the Companies Act, 1956 has not been furnished, since none of the employee is getting remuneration of more than Rs.2,00,000/- per month or Rs.24,00,000/- per annum.

RESPONSIBILITY STATEMENT

The Directors confirm :

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) That appropriate accounting policies have been selected and applied them consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the annual accounts have been prepared on a going concern basis.

DIRECTORS

Sri. P.K. Ramasubramanian and Sri. A. Thiruppathy Raja, Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

AUDITORS

M/s. Krishnan & Raman, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance is annexed herewith and it forms part of the Directors Report.

ACKNOWLEDGEMENT

Your Directors thank City Union Bank Ltd., for their help and co-operation during the year.

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

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 26.7.2010

R.RAMJI
Joint Managing Director

A.RAMMOHAN RAJA
Managing Director

REPORT ON CORPORATE 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.

I. BOARD OF DIRECTORS

The Company is managed by the Board of Directors. Sri. A. Rammohan Raja is the Managing Director. He is assisted by Sri. R. Ramji, Joint Managing Director in the day to day affairs of the Company. The Board consists of eight Directors out of whom six are Non-executive Directors. There are Four independent Directors, who are eminent persons in the field of Banking, Finance, Management, Corporate Law and Business.

The Board consists of Eight Directors:

Name of the Directors	Category	Number of Other Directorship held	
		PUBLIC	PRIVATE
1) Sri. A. RAMMOHAN RAJA	Executive - Managing Director	2	3
2) Sri. K. LAKSHMI NARAYANAN	Non-Executive/ Independent	---	1
3) Sri. S.R. SUBRAMANIAN	Non-Executive	1	1
4) Sri P.K. RAMASUBRAMANIAN	Non-Executive/ Independent	---	---
5) Sri. A. THIRUPPATHY RAJA	- do -	---	---
6) Sri. S. SHANKAR	- do -	---	2
7) Sri. S.V. RAVI	Non-Executive	2	2
8) Sri. R. RAMJI	Executive Joint Managing Director	2	1

Seven Meetings of the Board of Directors of the Company was held during the year 2009-2010 on 30.04.2009, 03.07.2009, 30.07.2009, 22.08.2009, 21.10.2009, 22.01.2010 and 26.02.2010.

Name of the Directors	Attendance at the Board Meeting	Attendance at Last AGM
1) Sri. A. RAMMOHAN RAJA	7	Yes
2) Sri. K. LAKSHMI NARAYANAN	7	No
3) Sri. S.R. SUBRAMANIAN	7	No
4) Sri P.K. RAMASUBRAMANIAN	3	No
5) Sri. A. THIRUPPATHY RAJA	7	Yes
6) Sri. S. SHANKAR	7	Yes
7) Sri. S.V. RAVI	7	Yes
8) Sri. R. RAMJI	7	Yes

II. BRIEF RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT

Name of the Director	Sri P.K. Ramasubramanian		Sri A. Thiruppathy Raja	
Age (Years)	71		62	
Date of Appointment	24.01.2008		06.07.2001	
Expertise in specific functional area	Practising Company Secretary, Company Law & Cost Accounting		Business	
Qualification	B.Sc., A.C.S., A.I.C.W.A.,		B.A.,	
List of outside Directorship held	PUBLIC	PRIVATE	PUBLIC	PRIVATE
	---	---	---	---
Chairman / Member of the Committee of the Board of Directors of the company	Remuneration Committee (Member)		Shareholders / Investors Grievance Committee (Member)	
Chairman / Member of the Committee of Directors of other Companies	Nil		Nil	

III. AUDIT COMMITTEE

Terms of Reference :

The Terms of Reference of the Audit Committee pertains to the areas referred to in Sec. 292A of the Companies Act and Clause 49 of the Listing Agreement with the Stock Exchange. The Audit Committee consists of Sri. K. Lakshmi Narayanan (Chairman of the Committee), Sri. S.V. Ravi, and Sri. S. Shankar. Sri. P.S. Ramanathan is the Secretary of the Committee.

The Audit Committee met five times during the financial year on 30.04.2009, 03.07.2009, 30.07.2009, 21.10.2009 and 22.01.2010

IV. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company has formed an Investors / Shareholders Grievance Committee consisting of Sri. S.R. Subramanian (Chairman of the Committee), Sri. A. Thiruppathy Raja, and Sri. R. Ramji. Sri. P.S. Ramanathan is the Compliance Officer.

The Committee met five times during the financial year on 30.04.2009, 03.07.2009, 30.07.2009, 21.10.2009 and 22.01.2010

No. of shareholders queries/complaints received during 2009-10	-	67
No. of Complaints / queries not solved to the satisfaction of Shareholders	-	Nil
No. of Pending Share Transfer	-	Nil
No. of Pending Change of Address	-	Nil

V. REMUNERATION COMMITTEE

A Remuneration Committee under the provisions of Schedule XIII of the Companies Act, 1956 and the Listing Agreement has been constituted with the three Non-executive /

Independent Directors, namely Sri.K.Lakshmi Narayanan, Sri.P.K.Ramasubramanian and Sri.A.Thiruppathy Raja as members. Sri P.S.Ramanathan is the Secretary of the committee. Based on the approval accorded by the Remuneration Committee, the Board of Directors determine the Remuneration payable to the Managing Director which is subject to the approval of the shareholders.

VI. REMUNERATION OF DIRECTORS

1) Details of Remuneration paid to the Managing Director during the year 2009-10 are given below :

<u>Name and Designation</u>	<u>Salary & Perquisites</u> <u>(Rupees in Lakhs)</u>
-----------------------------	---

Sri.A.Rammohan Raja, Managing Director	13.15
--	-------

No Commission has been paid to the Managing Director, though he is eligible.

No Stock option is provided.

- 2) Sri R.Ramji, Joint Managing Director does not draw any remuneration.
- 3) The Non-Executive Directors do not draw any remuneration and no sitting fee has been paid for attending the meeting of the Board and Committee.

VII. Disclosure of Shareholding of Non-Executive Directors

Name of the Non-Executive Directors	No. of Shares
1) Sri. K. LAKSHMI NARAYANAN	7,500
2) Sri. S.R. SUBRAMANIAN	68,500
3) Sri. P.K. RAMASUBRAMANIAN	3,000
4) Sri. A. THIRUPPATHY RAJA	500
5) Sri. S. SHANKAR	1,500
6) Sri. S.V. RAVI	6,300

VIII. Disclosure of Relationship of the Directors

Sri A. Rammohan Raja, Managing Director is the father of Sri R. Ramji, Joint Managing Director and Father-in-Law of Sri S.V. Ravi. Except this there is no other relationship among the Directors.

IX. 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.

X. 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.

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

XI. 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 18 issued by the Institute of Chartered Accountants of India and the transaction with such companies are disclosed in Note No.22 Point No.6 Notes forming part of the accounts.

Details of non compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : **NIL**

XII. GENERAL BODY MEETING

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

Date	Venue	Time
31.08.2007	Sri Arjuna Manthiram, Rajapalayam	9.30 A.M
11.08.2008	- do -	9.30 A.M
22.08.2009	- do -	9.30 A.M

Postal Ballot

No special Resolution requiring Postal Ballot as required by the Companies (passing of the resolutions by postal ballot) Rules, 2001 / Clause 49 of the Listing Agreement has been placed for Shareholders approval at the last Annual General Meeting and the company is not proposing any special resolution to be taken up at the ensuing Annual General Meeting through postal ballot.

XIII. MEANS OF COMMUNICATION

Quarterly results and Half yearly results are generally published in Business Line (English) and Dinamalar (Tamil).

Tentative Schedule for Publication of Financial Results of the Company

Unaudited results for the First Quarter	-	15 th to 31 st July
Unaudited results for the Second Quarter	-	15 th to 31 st October
Unaudited results for the Third Quarter	-	15 th to 31 st January
Unaudited results for the Fourth Quarter	-	15 th to 30 th April

XIV. MANAGEMENT DISCUSSION AND ANALYSIS

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

XV. SHAREHOLDERS INFORMATION :

1. FINANCIAL CALENDER : **Year ended March 31, 2010**
2. ANNUAL GENERAL MEETING : **TWENTY FIFTH**
3. DATE & TIME : **3rd Sept. 2010 - 9.30 A.M.**
4. VENUE : Sri Arjuna Manthiram,
No. 12, Sri Krishna Colony,
P.A.C.R. Salai, Rajapalayam.
5. DATE OF BOOK CLOSURE : **25.08.2010 to 03.09.2010**
(Both days inclusive)
6. LAST DATE FOR RECEIPT OF PROXY FORM : **1st Sept. 2010 - 9.30 A.M.**
7. DIVIDEND PAYMENT DATE : **ON OR BEFORE 07.09.2010**
8. LISTED STOCK EXCHANGE : The Madras Stock Exchange, Chennai.

The Company has paid Annual Listing fee to the above Stock Exchange for the financial year 2010 - 2011
9. The company's Shares are permitted for trading in Bombay Stock Exchange under INDONEXT Platform with effect from 15.05.2006
10. STOCK CODE : 1. BSE - 590055 2. MSE - PSK
(INDONEXT)

11. STOCK PRICE PERFORMANCE

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

Month	High (Rs.)	Low (Rs.)
April 2009	11.49	8.43
May 2009	12.11	8.85
June 2009	13.50	11.00
July 2009	13.97	12.00
August 2009	13.65	11.44
September 2009	13.24	10.56
October 2009	14.29	10.93
November 2009	14.00	12.01
December 2009	15.50	12.20
January 2010	16.80	13.20
February 2010	16.50	13.36
March 2010	19.00	12.75

Source : BSE website

Note : There is no trading in Madras Stock Exchange.

12. SHARE TRANSFER SYSTEM

The Transfers are normally processed within 30 Days from the date of receipt, if the documents are complete in all respects. The Committee consisting of Two Directors Sri. R. Ramji, Sri. S.V. Ravi & Sri. P.S. Ramanathan, Company Secretary are empowered to approve the share transfer.

There are no pending Share Transfer as on 26th July, 2010.

The physical share transfer work has been entrusted with M/s. Integrated Enterprises (India)Ltd., who are the Depository Registrar.

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

13. DEPOSITORY REGISTRAR

M/s. Integrated Enterprises (India) Ltd.,
2 nd Floor, Kences Tower, No.1, Ramakrishna Street,
North Usman Road, T.Nagar, Chennai 600 017.
Phone No : 044 - 28140801

14. NAME OF THE DEPOSITORY : National Securities Depository Ltd.
Central Depository Services (India) Ltd.
15. ISIN No. I N E 9 1 4 G 0 1 0 1 1
16. DEMATERIALISATION OF SHARES AS ON 31.03.2010 : A total number of 19,21,460 shares, the face value of which is Rs. 1,92,14,600 have been dematerialised. This forms 48.04 % of the total paidup share capital.
17. INVESTOR, CORRESPONDENCE FOR TRANSFER, 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.
Phone No. 04563 - 221554
18. NAME AND ADDRESS OF THE COMPLIANCE OFFICER : Shri. P.S.Ramanathan, B.Com., B.L., A.C.S.,
Company Secretary,
No.351, P.A.C.R. Salai,
Rajapalayam 626 117.
Phone No. 04563 - 221554
19. A separate email ID has been created to facilitate the shareholders to redress their grievances. The email ID is : polyspinexportscs@gmail.com
20. PLANT LOCATION : No.1, Railway Feeder Road,
Cholapuram South. Rajapalayam. Tamilnadu.

21. RANGEWISE HOLDINGS

RANGE	2009 - 2010 No. of Shareholders	2009-2010 (%)	2008-2009 (%)
1 - 500	4019	22.65	23.65
501 - 1000	578	12.00	12.51
1001 - 2000	204	7.82	8.67
2001 - 3000	112	7.24	7.97
3001 - 4000	25	2.17	2.61
4001 - 5000	20	2.39	2.37
5001 - 10000	26	4.82	5.18
10001 - and above	27	40.91	37.04
	5011	100.00	100.00

22. CODE OF CONDUCT

The Board has laid down the Code of Conduct for the Directors of the Company and Senior Management of the Company

Declaration from the Managing Director and Chief Executive Officer.

(Under clause 49 of the Listing Agreement).

To

The Members

As provided under clause 49 of the Listing Agreement with Stock Exchange, the Board Member and the senior management personal have affirmed Compliance with the Company's code of conduct for the year ending 31st March 2010.

For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam

Date : 26.7.2010

R.RAMJI

Joint Managing Director

A.RAMMOHAN RAJA

Managing Director

CEO / CFO Certification

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

Certification under Clause 49(v) of the Listing Agreement.

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the Cash flow statements for the year ended 31.03.2010 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable law and regulations.
- (b) 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.
- (c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the Internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies if any.
- (d) We have indicated to the auditors and the Audit Committee
 - (i) Significant changes in internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

R.RAMJI
JOINT MANAGING DIRECTOR

A.RAMMOHAN RAJA
MANAGING DIRECTOR

Place : Rajapalayam
Date : 26.7.2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Polyspin Exports Limited,

We have examined the compliance of conditions of Corporate Governance by Polyspin Exports Limited, for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, which was required to be complied with upto 31st March, 2010.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. **KRISHNAN AND RAMAN**
CHARTERED ACCOUNTANTS

Place : Rajapalayam
Date : 26.7.2010

K.V.RAMAN
PARTNER.

AUDITOR'S REPORT

To the Shareholders,

We have audited the attached Balance Sheet of Polyspin Exports Limited, Rajapalayam as on 31st March 2010 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) order issued by the Central Government of India in terms of Sub-Section 4(A) of Section 227 of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 and above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with mandatory Accounting Standards referred in Sub Section (3c) of Section 211 of the Companies Act, 1956.
 - e. In our opinion and based on information and explanation given to us, none of the directors are disqualified as on 31st March 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant policies and other notes thereon given the information required by the Companies Act 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India.
 - i. In so far as it relates to Balance Sheet, of the State of Affairs for the Company as at 31st March 2010
 - ii. In so far as it relates to the Profit and Loss Account of the Profit of the Company for the year ended on that date; and
 - iii. In so far as it relates to the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For **M/S.KRISHNAN AND RAMAN,**
CHARTERED ACCOUNTANTS

Place : Rajapalayam
Date : 26.7.2010

K.V.RAMAN
PARTNER

ANNEXURE TO AUDITOR'S REPORT

(Referred to in Paragraph 2 of our report of even date)

1. In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets of the company have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion the Company has not disposed of substantial part of its fixed assets during the year and going concern status of the company is not affected.
2. In respect of its inventories :
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies notified on physical verification of inventory as compared to the book records.
3. In respect of loans secured or unsecured granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
 - a. The Company has not granted any loans to Companies, firms or other parties during the year and no loans have been taken from any party during the year.
 - b. In our opinion and according to information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c. Since the company has not taken any loans there is no question of overdue amount.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business of the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- b. In our opinion and according to the information and explanations given to us, the prices paid for the purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register(s) maintained under section 301 of the Companies Act, 1956, as aggregating during the period to Rs.5,00,000/- (Rupees Five Lacs) or more in respect of each party are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
6. The Company has accepted deposits from Public and in our opinion and according to the explanations given to us the provisions of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 wherever applicable have been complied with.
7. In our opinion the Internal Audit system of the Company is Commensurate with its size and nature of its business.
8. According to the information and explanations given to us, cost records under section 209(1)(d) of the Companies Act, 1956 are not required to be maintained.
9. In respect of Statutory dues :
- a. According to records of the Company undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax , Customs duty, Excise duty, Cess and other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2010 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs.12.67 Lakhs that have not been deposited on account of matters pending before appropriate authorities are as under :

	Name of the Statute	Nature of the Dues	Forum where the dispute is pending	Financial Year	Amount (Rs. in Lakhs)
1)	Finance Act, 1994 (Service Tax provisions)	Service Tax	Madurai Bench of Madras High Court	09.07.04 to 15.06.05	12.67

10. The Company has no accumulated Losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a Chit Fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditors Report) order, 2003, is not applicable to the Company.
14. The Company has maintained proper records or transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All Shares, Debentures and other investments have been held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has raised new term loans during the year. The Term Loans outstanding at the beginning of the year as also those availed during the year were applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures and hence creation of securities in respect of the same does not arise.
20. The Company has not raised any money by way of Public Issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that Causes the financial statements to be materially misstated.

For **M/S.KRISHNAN & RAMAN,**
CHARTERED ACCOUNTANTS

Place : Rajapalayam
Date : 26.7.2010

K.V.RAMAN
PARTNER

POLYSPIN EXPORTS LIMITED

BALANCE SHEET as at March 31, 2010

	Schedule No.	As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
SOURCE OF FUNDS				
1. Shareholders funds :				
Share Capital	1	4,00,00,000		4,00,00,000
Reserves and Surplus	2	<u>3,21,45,228</u>		<u>2,68,38,152</u>
		7,21,45,228		6,68,38,152
2. Loan funds :				
Secured Loans	3	7,18,34,943		4,44,52,910
Unsecured Loans	4	<u>1,32,06,000</u>		<u>1,48,26,000</u>
		8,50,40,943		5,92,78,910
3. Deferred Tax Liability	13	<u>9,42,000</u>		<u>11,97,000</u>
Total		<u>15,81,28,171</u>		<u>12,73,14,062</u>
APPLICATION OF FUNDS				
1. Fixed Assets :				
Gross Block		11,59,61,394		11,72,91,319
Less : Depreciation	6	<u>4,41,89,641</u>		<u>4,89,69,789</u>
Net Block		7,17,71,753		6,83,21,530
2. Investments	5	60,62,710		59,65,510
3. <u>Current Assets, Loans and Advances</u>				
(a) Inventories	7	3,88,81,717		3,14,50,525
(b) Cash & Bank Balances	8	1,64,19,535		1,41,68,499
(c) Loans and advances	9	2,77,19,706		2,04,74,579
(d) Sundry Debtors	10	<u>4,89,52,602</u>		<u>2,49,88,980</u>
		13,19,73,560		9,10,82,583
<u>Less : Current Liabilities & Provisions :</u>				
Liabilities	11	2,61,18,052		2,26,29,721
Provisions	12	<u>2,55,61,800</u>		<u>1,54,25,840</u>
Net Current Assets		8,02,93,708		5,30,27,022
Total		<u>15,81,28,171</u>		<u>12,73,14,062</u>
Notes on accounts	22			

As per our report of even date
M/s. KRISHNAN AND RAMAN
Chartered Accountants
K.V. RAMAN
Partner
Rajapalayam
26th July, 2010

A. RAMMOHAN RAJA
Managing Director
R. RAMJI
Joint Managing Director
P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
P.K. RAMASUBRAMANIAN
A. THIRUPATHY RAJA
S. SHANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2010

	Schedule No.	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME			
Sales	14	34,95,80,131	38,51,54,766
Other Income	15	21,60,558	11,70,832
		<u>35,17,40,689</u>	<u>38,63,25,598</u>
EXPENDITURE			
Raw Material consumed	16	21,75,61,776	24,19,00,811
Stores & Spares consumed		88,58,150	97,12,644
Power & Fuel		1,31,22,546	1,12,89,963
Salaries & Wages	17	3,17,24,085	2,90,97,819
Other Manufacturing Expenses	18	1,14,81,246	1,23,36,290
Interest & Finance Charges	19	62,72,958	83,05,374
Administrative, Selling & Other Overheads		3,76,13,576	3,93,87,200
Depreciation	20	71,51,151	77,37,087
(Increase) / Decrease in Stock	21	(9,76,675)	1,39,18,018
		<u>33,28,08,813</u>	<u>37,36,85,206</u>
Profit available for appropriation		1,89,31,876	1,26,40,392
Balance brought forward		7,38,152	4,75,600
Provision for Taxation - Deferred		2,55,000	4,58,000
		<u>1,99,25,028</u>	<u>1,35,73,992</u>
Provision for Taxation - Current		92,00,000	50,20,000
Provision for Taxation - FBT		----	72,000
Proposed Dividend		40,00,000	32,00,000
Tax on Proposed Dividend		6,79,800	5,43,840
Transfer to General Reserve		40,00,000	40,00,000
Surplus carried to Balance Sheet		20,45,228	7,38,152
		<u>1,99,25,028</u>	<u>1,35,73,992</u>
Earnings per share (Basic)			
Face value of Rs 10 each	22 (5)	2.50	2.00

As per our report of even date
M/s. KRISHNAN AND RAMAN
Chartered Accountants

K.V. RAMAN
Partner
Rajapalayam
26th July, 2010

A. RAMMOHAN RAJA
Managing Director

R. RAMJI
Joint Managing Director

P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
P.K. RAMASUBRAMANIAN
A. THIRUPATHY RAJA
S. SHANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2010

	2009 - 2010	2008 - 2009
	(Rupees in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Extraordinary items	189.32	126.40
Depreciation	71.51	77.37
Interest & Finance Charges	62.73	83.05
Loss on Sale of Assets	59.86	0.38
(Profit) / Loss on Compulsory Acquisition of Building	0.00	(0.09)
(Profit) / Loss on Compulsory Acquisition of Land	0.00	0.03
Income Tax Paid	(60.46)	(45.46)
Operating Profit before working	322.96	241.68
Capital Changes		
ADJUSTMENTS FOR		
- Trade and other Receivables	(251.62)	130.11
- Inventories	(74.31)	287.98
- Trade Payables	76.79	(54.16)
	(249.14)	363.93
Cash Generated from Operations	73.82	605.61
LESS : Interest & Finance Charges	62.73	83.05
Net Cash from Operating Activities	(A) 11.09	(A) 522.56
NET CASH USED IN INVESTING ACTIVITIES		
Investments in Fixed Assets	(222.17)	(122.99)
Proceeds from Sale of Assets	11.19	1.05
Investments	(0.97)	---
	(B) (211.95)	(C) (121.94)
NET CASH USED IN FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Repayments)	(62.15)	(24.27)
Proceeds from Short Term Borrowings (Net of Repayments)	319.76	(306.62)
Payment of Dividend and Tax thereon	(34.23)	(25.84)
	(C) 223.38	(C) (356.73)
Net Decrease in Cash & Cash Equivalents	(A+B+C) 22.52	(A+B+C) 43.89
Cash & Cash Equivalents as at 31 st March 2009	141.68	97.79
Cash & Cash Equivalents as at 31 st March 2010	164.20	141.68
Net Change in Cash & Cash Equivalents	22.52	43.89
As per our report of even date M/s. KRISHNAN AND RAMAN Chartered Accountants K.V. RAMAN Partner Rajapalayam 26 th July, 2010	A.RAMMOHAN RAJA Managing Director R.RAMJI Joint Managing Director P.S. RAMANATHAN Secretary	K. LAKSHMINARAYANAN S.R. SUBRAMANIAN P.K. RAMASUBRAMANIAN A. THIRUPATHY RAJA S. SHANKAR S.V. RAVI Directors

AUDIT CERTIFICATE ON THE FLOW STATEMENT

To

The Board of Directors,
Polyspin Exports Limited,
1, Railway Feeder Road,
Cholapuram South - 626 139.

We have examined the attached Cash Flow Statement of Polyspin Exports Limited for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Madras Stock Exchange and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 26th July, 2010 to the members of the Company.

For M/s. **KRISHNAN AND RAMAN**
CHARTERED ACCOUNTANTS

Place : Rajapalayam
Date : 26.7.2010

K.V.RAMAN
PARTNER.

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1. SHARE CAPITAL		
Authorised :		
50,00,000 Equity Shares of Rs.10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed & Paid up		
40,00,000 Equity Shares of Rs.10/- each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
2. RESERVES AND SURPLUS		
General Reserve as per		
Last balance Sheet	2,61,00,000	2,21,00,000
Add : Transfer from Profit & Loss A/c	<u>40,00,000</u>	<u>40,00,000</u>
	3,01,00,000	2,61,00,000
Surplus in Profit & Loss Account	<u>20,45,228</u>	<u>7,38,152</u>
	3,21,45,228	2,68,38,152
3. SECURED LOANS		
<i>(Refer Schedule 22 Para 3)</i>		
i) From City Union bank		
a) Term Loan	73,88,827	1,19,70,700
b) Export Packing Credit	3,40,14,474	2,09,51,133
c) Foreign Bills Discounted	2,48,42,467	1,08,07,461
d) Cash Credit on Raw Material and Book Debts	40,11,049	----
ii) Loan against Term Deposit from Axis Bank	8,67,357	----
iii) Others		
Hire Purchase Loan	7,10,769	7,23,616
	<u>7,18,34,943</u>	<u>4,44,52,910</u>
4. UNSECURED LOANS		
Fixed Deposits	1,32,06,000	1,46,33,000
Inter Corporate Deposits	----	1,93,000
	<u>1,32,06,000</u>	<u>1,48,26,000</u>
5. INVESTMENTS (UNQUOTED)		
Kisan Vikas Patra	20,000	20,000
13,01,119 Equity Shares of Sri Lankan Rs. 10/- each in M/s. Lankaspin (P) Ltd., Sri Lanka.	59,45,510	59,45,510
2000 Equity shares of USD 1 each in Polyspin USA Inc., USA	97,200	----
Aggregate amount of unquoted Investments at cost	<u>60,62,710</u>	<u>59,65,510</u>

POLYSPIN EXPORTS LIMITED

6. SCHEDULE OF FIXED ASSETS AS AT 31st MARCH 2010.

Description	Gross Block			Depreciation				Net Block		
	Cost as at 01.04.2009	Addition	Deduction	Cost as at 31.03.2010	Up to 01.04.2009	For the Year	Withdrawal	Up to 31.03.2010	As at 31.03.2010	As at 01.04.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	41,06,860	----	----	41,06,860	----	----	----	----	41,06,860	41,06,860
Building	1,61,50,180	61,91,295	----	2,23,41,475	73,77,648	6,07,968	----	79,85,616	1,43,55,859	87,72,532
Plant & Machinery	8,72,77,994	1,03,36,461	1,89,47,863	7,86,66,592	3,93,40,734	60,56,686	1,19,24,293	3,34,73,127	4,51,93,465	4,79,37,260
Furnitures & Fittings	2,98,141	20,500	----	3,18,641	1,69,509	19,519	----	1,89,028	1,29,613	1,28,632
Vehicles	46,08,971	6,87,943	----	52,96,914	19,19,360	4,51,991	----	23,71,351	29,25,563	26,89,611
Office Equipment	3,26,447	1,26,600	88,400	3,64,647	1,50,103	14,987	7,006	1,58,084	2,06,563	1,76,344
Library	12,435	----	----	12,435	12,435	----	----	12,435	----	----
	11,27,81,028	1,73,62,799	1,90,36,263	11,11,07,564	4,89,69,789	71,51,151	1,19,31,299	4,41,89,641	6,69,17,923	6,38,11,239
Add : Capital Work in Progress	45,10,291	48,53,830	45,10,291	48,53,830	----	----	----	----	48,53,830	45,10,291
TOTAL	11,72,91,319	2,22,16,629	2,35,46,554	11,59,61,394	4,89,69,789	71,51,151	1,19,31,299	4,41,89,641	7,17,71,753	6,83,21,530

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
7. INVENTORIES : (certified by a Director)		
Stores & Spares at cost	29,89,045	31,20,348
Raw Materials at cost	1,91,15,319	1,25,29,499
Work in Process	1,36,46,335	1,27,96,106
Finished Goods	29,22,508	29,93,826
Process Waste	2,08,510	10,746
	<u>3,88,81,717</u>	<u>3,14,50,525</u>
8. CASH AND BANK BALANCES		
Cash on hand	1,55,764	83,708
Bank balances		
- with scheduled bank in Current Account	39,21,965	23,39,798
- with scheduled bank in Term Deposit Account	1,23,41,806	1,17,44,993
	<u>1,64,19,535</u>	<u>1,41,68,499</u>
9. LOANS AND ADVANCES		
(Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	60,50,112	64,16,927
Income Tax Paid/Tax deducted at source	1,51,36,335	91,23,355
Claims Receivable	17,21,281	4,62,464
Prepaid Expenses	8,88,822	7,22,516
Deposits with Govt. departments	25,21,844	25,05,950
Interest Accrued on Deposits	11,39,854	10,15,574
Fringe Benefit Tax	2,61,458	2,27,793
	<u>2,77,19,706</u>	<u>2,04,74,579</u>
10. SUNDRY DEBTORS		
Unsecured-Outstanding over six months		
Considered Good	21,10,233	1,04,159
Others-Considered Good	4,68,42,369	2,48,84,821
(Due from Directors-NIL)		
	<u>4,89,52,602</u>	<u>2,49,88,980</u>
11. CURRENT LIABILITIES		
For Purchases	1,60,34,276	1,67,86,353
For Expenses	79,00,207	41,64,464
For Other Finance	7,63,229	5,79,543
Unclaimed Dividend	14,20,340	10,99,361
Investors Education and Protection Fund		
To be credited with :		
a) Unclaimed Dividend	-----	-----
b) Unclaimed Matured Deposits	-----	-----
c) Interest accrued on (a) & (b) above	-----	-----
	<u>2,61,18,052</u>	<u>2,26,29,721</u>

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)

	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.
12. PROVISIONS		
Provision for Taxation	2,06,20,000	1,14,20,000
Proposed Dividend	40,00,000	32,00,000
Tax on Proposed Dividend	6,79,800	5,43,840
Provision for Fringe Benefit Tax	2,62,000	2,62,000
	<u>2,55,61,800</u>	<u>1,54,25,840</u>
13. DEFERRED TAX LIABILITY	11,97,000	16,55,000
Less : Transferred from Profit & Loss Account	2,55,000	4,58,000
	<u>9,42,000</u>	<u>11,97,000</u>
14. SALES / INCOME FROM OPERATION		
Export Sales	31,75,11,616	36,08,53,365
Domestic Sales	2,99,42,782	2,19,47,313
Sale of Waste	21,25,733	23,54,088
	<u>34,95,80,131</u>	<u>38,51,54,766</u>
15. OTHER INCOME		
Interest Receipts	14,43,907	10,80,394
Sale of Scrap	-----	35,898
Profit on Sale of High Sea Sales	3,62,052	33,647
Profit on Acquisition of Building by NHA1	-----	9,047
Refund for ST on Comm. To NRI	3,44,346	-----
Commission (Receipt)	1,260	11,846
Forex Fluctuations	8,993	-----
	<u>21,60,558</u>	<u>11,70,832</u>
16. RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	18,27,85,128	22,11,29,766
Kraft paper Purchase	3,96,782	42,56,918
Printing Materials	50,53,655	23,77,149
Yarn	1,37,40,921	1,22,67,468
Fabric Purchases	75,00,000	-----
Paper Bags Purchases	5,17,599	-----
Bags Purchases	75,67,691	18,69,510
	<u>21,75,61,776</u>	<u>24,19,00,811</u>
17. SALARIES & WAGES		
Remuneration to Managing Director	12,15,000	12,21,103
Salaries & Wages	1,99,53,448	1,83,92,674
P.F. & E.S.I. Contribution	33,84,907	31,74,386
Labour Welfare Expenses	6,59,318	5,27,183
LIC Group Gratuity	33,94,744	12,91,820
Bonus	24,02,667	36,09,292
Apprentice Stipend	7,14,001	8,81,361
	<u>3,17,24,085</u>	<u>2,90,97,819</u>

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
18. OTHER MANUFACTURING EXPENSES		
Repairs & Maintenance		
- Building	11,12,776	2,75,634
- Machinery	17,58,519	5,69,756
- General	3,17,607	2,36,899
Processing Charges paid	92,72,795	1,25,70,842
Less : Receipts	<u>9,80,451</u>	<u>13,16,841</u>
	82,92,344	1,12,54,001
19. INTEREST & FINANCE CHARGES	1,14,81,246	1,23,36,290
Interest on		
- Fixed Loans	17,29,760	36,28,082
- Others	44,68,463	45,44,670
H.P. Finance Charges	74,735	1,32,622
	<u>62,72,958</u>	<u>83,05,374</u>
20. ADMINISTRATIVE, SELLING & OTHER OVERHEADS		
Postage & Telephone	6,22,935	8,23,352
Printing & Stationery	3,30,885	3,08,371
Travelling Expenses	25,38,356	13,19,402
Bank Charges	29,08,931	25,97,129
Professional Charges	1,54,055	69,200
Licence, Taxes & Fees	4,29,099	2,61,710
Insurance Charges	10,50,081	14,54,122
Subscription & Periodicals	1,35,695	1,01,865
Filing Fees	12,050	2,500
Audit Fees	32,545	33,950
Vehicle Maintenance	10,46,768	10,96,741
Miscellaneous Expenses	2,44,577	1,59,453
Commission paid	98,42,789	1,34,43,340
Rent	1,32,000	1,32,000
Loss on Sale of Assets	59,86,323	38,191
Loss on Acquisition of Land by NHA1	-----	2,574
Testing Charges	7,18,708	4,51,328
Service Tax on GTA	1,06,612	1,77,967
Sales Promotion Exps.	3,00,000	-----
Rebate & Quality claim chg.	3,58,472	-----
Service Tax on Testing Charges / BAS	13,100	33,81,222
Ocean Freight	1,02,18,503	1,31,29,410
Lorry Freight	4,31,092	4,03,373
	<u>3,76,13,576</u>	<u>3,93,87,200</u>
21. (INCREASE) / DECREASE IN STOCK		
Opening stock	1,58,00,678	2,97,18,696
Closing stock	1,67,77,353	1,58,00,678
	<u>(9,76,675)</u>	<u>1,39,18,018</u>

22. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

1. ACCOUNTING POLICIES :

- (a) The Accounts are prepared under the historical cost concept and they materially comply with mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- (b) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- i) SALES :
Export Sales is stated at C & F / CIF / FOB basis.
- ii) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price (net of rebates and discounts), import duties, levies and any directly attributable cost of bringing the assets on its working condition for the intended use.
- iii) DEPRECIATION :
 - 1) Depreciation is charged under Straight Line method.
 - 2) Depreciation on Additions during the year is provided on a prorata basis from the date the assets have been installed and put to use on a Straight Line method at rates and in the manner specified under Schedule XIV of the Companies Act, 1956.
- iv) CURRENT ASSETS :
Inventories are certified by a Director and are valued as under :
 - 1) Raw Materials & Stores : At cost
 - 2) Semi finished goods : At cost
 - 3) Finished goods : Lower of cost or market price
- v) All accounts receivable are unsecured and are considered good other than that have been classified as Doubtful and are subject to confirmation.
- vi) RECOGNITION OF INCOME & EXPENDITURE :
 - 1) Income & Expenditure are recognised on accrual basis.
 - 2) Bonus to Employees is accounted on accrual basis. Provision of Rs.24,02,667/- have been made towards Bonus Payable for the year ended 31st March 2010.
- vii) FOREIGN CURRENCY TRANSACTION :
 - 1) Export sales are accounted at exchange rates prevailing on the date of negotiation of bills by the bankers.
 - 2) Purchase of imported raw materials and components are accounted at amounts paid to discharge the related liabilities.
 - 3) Foreign currency loans for acquisition of fixed assets are converted at the rate prevailing on the date of Balance Sheet. The gain or loss arising out of currency translation is adjusted in the cost of fixed assets.
 - 4) Current Assets and Current Liabilities are translated at the rate prevailing on the date of Balance Sheet. The gain or loss if any, arising there from are recognised in the Profit and Loss Account.

viii) RETIREMENT BENEFITS :

- 1) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- 2) Contribution payable by the Company under defined contribution schemes towards Provident Fund for the year are charged to Profit and Loss Account.
- 3) The Company has its own approved Gratuity Fund and the contributions to that fund are being made to LIC. The Company has made a provision towards Gratuity for a sum of Rs. 18,21,055/- in this year on the basis of Actuarial valuation furnished by LIC.
- 4) 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 as per Accounting Standard 15.

IX. 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. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

X. RESEARCH AND DEVELOPMENT :

No such expenditure incurred during the current year.

XI. BORROWING COSTS :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

All other borrowing costs are charged to revenue.

XII. TAXES ON INCOME :

Tax expenses comprises current tax and deferred tax.

- a) Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rate and tax laws.
- b) The Company recognizes the deferred tax liability / asset based on the accumulated timing difference using the current tax rate.

XIII. GOVERNMENT SUBSIDY / GRANT :

Interest subvention under Pre and Post shipment advance is credited to the interest and finance charges.

XIV. IMPAIRMENT OF ASSETS : AS-28

In the Opinion of the Company, the recoverable amount of the fixed assets of the Company will not be lower than the book value of the fixed assets. Hence, no provision has made for impairment.

2. 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.

3. SECURED LOANS :

- i) Rupee Term Loan and Working capital finance from Bank is secured by a First charge, by way of equitable mortgage, of specified land and hypothecation of specified assets under this loan.
 - ii) Working Capital Finance from Bank is further secured by hypothecation of all Current Assets of the Company.
 - iii) The Loans are additionally secured by Personal Guarantee of two Directors of the Company.
 - iv) Hire Purchase Loan is secured by hypothecation of Specified Vehicle purchased under the scheme.
4. The Company's Business activity falls within a single primary business segment, viz, manufacture of PP Woven FIBC Bags. As such, there are no separate reportable segments as per Accounting Standard 17.

5. EARNINGS PER SHARE :

	Year Ended 31-03-2010	Year Ended 31-03-2009
a) Net Profit after Tax (Rs. in Lacs)	99.87	80.06
b) Number of Equity Shares	40,00,000	40,00,000
c) Basic and diluted Earnings per share (Face Value Rs.10/- per Equity Share)	2.50	2.00

6. REPORTING ON RELATED PARTIES :

In accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India, the Company has identified the following companies as Related parties :

A) Associate Companies :

- | | |
|----------------------------------|------------------------|
| 1. Polyspin Limited | 5. Energyspin (P) Ltd. |
| 2. Lankaspin (P) Ltd., Srilanka. | 6. Ramona Filaments |
| 3. Chola Packaging Ltd. | 7. Ramona Industries |
| 4. Ganesh Agro Pack (P) Ltd. | |

B) Subsidiary Company :

Polyspin USA Inc., USA.

C) Key management Personnel and Relatives :

- i. Sri A. RAMMOHAN RAJA - Managing Director
- ii. Sri R. RAMJI - Joint Managing Director

POLYSPIN EXPORTS LIMITED

D) Transaction during the year with Related Parties :

Sl. No.	Particulars	Year Ended	Year Ended		
		31-03-2010	31-03-2009		
		(Rs. in Lakhs)			
		Associate / Subsidiary Companies	Key Management Personnel	Associate Companies	Key Management Personnel
1.	Sale of Raw Materials (on High Sea Sales)	136.34	---	17.85	---
2.	Sale of Raw Materials	---	---	47.04	---
3.	Purchase of Raw Materials (on High Sea Sales)	36.85	---	---	---
4.	Purchase of Yarn (on High Sea Sales)	17.71	---	---	---
5.	Purchase of Sacks	79.20	---	18.70	---
6.	Purchase of Fabric	75.00	---	---	---
7.	Purchase of Paper Bags	5.18	---	---	---
8.	Purchase of Kraft Paper	2.29	---	---	---
9.	Processing charges paid	67.03	---	92.20	---
10.	Processing Charges Receipts	9.80	---	13.17	---
11.	Assets Purchased during the year	10.50	---	7.08	---
12.	Remuneration to Directors	---	13.15	---	12.21
13.	Rent	0.24	---	0.24	---
14.	Inter Corporate Deposits Repaid	1.93	---	0.32	---
15.	Sale of Yarn, Fabric & Bags Sales	498.58	---	202.76	---
16.	Assets sold during the year	11.02	---	1.04	---

7. QUANTITATIVE INFORMATION :

	Year Ended	Year Ended
	31-03-2010	31-03-2009
A. Licensed Capacity		
PP Woven FIBC Bags, Paper Bags, PP Woven Fabric & Yarn		Licensing requirement is not applicable to the Company
B. Installed Capacity		
PP Woven FIBC Bags, Paper Bags, PP Woven Fabric & Yarn	2400 Tons per annum	2400 Tons per annum
C. Production, Sales & Stock of		
PP Woven FIBC Bags, Paper Bags, PP Woven Fabric & Yarn		

POLYSPIN EXPORTS LIMITED

		Year Ended 31-03-2010	Year Ended 31-03-2009
1. Production	<u>Unit</u>		
1) PP Woven FIBC Bags	Kgs.	26,29,906	27,39,919
2) PP Woven Fabrics	Kgs.	1,52,249	29,441
3) PP Yarn	Kgs.	4,31,335	1,97,495
4) Paper Bags	Kgs.	23,073	1,24,068

2. Sales

	<u>Unit</u>	Year Ended 31-03-2010	Year Ended 31-03-2009		
		Quantity	Rs. in Lakhs	Quantity	Rs. in Lakhs
1) PP Woven FIBC Bags	Kgs.	26,69,711	3066.48	27,44,272	3517.59
2) PP Woven Fabrics	Kgs	1,52,249	114.73	29,441	21.66
3) PP Yarn	Kgs	4,31,335	264.95	1,97,495	154.02
4) Paper Bags	Kgs	27,937	24.76	1,20,348	83.61
5) PP Granules	Kgs	---	---	70,305	39.97
6) Plastic Scrap	Kgs	---	21.26	---	23.54
7) Other Income (exports)	---	---	3.62	---	11.16
			3495.80		3851.55

3. Closing Stock

	<u>Unit</u>	Year Ended 31-03-2010	Year Ended 31-03-2009	Year Ended 31-03-2008
1) PP Woven FIBC Bags	Kgs.	25,379	29,961	26,689
2) Paper Bags	Kgs.	---	5,429	1,709
3) PP Woven Fabrics, Cutbits & Liner	Kgs.	1,24,207	1,57,788	2,78,118
4) PP Yarn	Kgs.	1,10,591	41,978	41,065

4. Raw Materials Consumed

	<u>Unit</u>	Year Ended 31-03-2010	Year Ended 31-03-2009		
		Quantity	Rs. in Lakhs	Quantity	Rs. in Lakhs
1) PP Granules	Kgs.	32,46,992	1827.85	30,79,259	2211.30
2) Kraft Paper	Kgs.	9,282	3.97	1,10,541	42.57
3) Yarn	Kgs.	1,37,267	137.41	112,261	122.67
4) Printing Materials	Kgs.	---	50.54	---	23.77
5) PP Woven Bags	Kgs.	69,851	75.67	15,050	18.69
6) Paper Bags	Kgs.	6,906	5.18	---	---
7) PP Woven Fabric	Kgs.	1,00,000	75.00	---	---
			2175.62		2419.00

POLYSPIN EXPORTS LIMITED

		For the year ended	
		31-03-2010	31-03-2009
		<u>Rs. in Lakhs</u>	
D.	1) Value of Imports on CIF Basis		
	a) Raw Materials & Consumable stores	1413.35	930.78
	b) Capital Goods	---	3.03
	2) Expenditure in Foreign Currency		
	i) Commission to Foreign Agents	98.43	134.43
	ii) Foreign Travel Expenses	4.48	2.05
	iii) Association Membership Fees	---	0.36
	iv) Conference Fees	1.01	---
	v) Bags Testing Fees	4.17	---
	3) Earnings in foreign exchange on FOB Value of exports	3110.82	3522.62

E. Value of raw materials, stores & Spares consumed		For the year ended			
		31-03-2010		31-03-2009	
		%	Rs. in Lacs	%	Rs. in Lacs
	i) Raw Material				
	Imported	65.15	1417.47	37.70	912.07
	Indigenous	34.84	758.15	62.30	1506.97
	ii) Stores -				
	Indigenous	100.00	88.58	100.00	97.08

8.	Auditors' Remuneration :	Rs.	Rs.
	Audit Fees	16,545	15,000
	Tax Audit Fees /Appeal Fees	5,000	5,000
	Certification Fees	6,000	6,450
	Travelling Expenses reimbursed	5,000	7,500

9. Sales tax assessment for the year ended 31.03.2005 has been completed. Income tax assessment for the Assessment year 2005-06 has been completed.

10.	Managing Director's Remuneration :	Rs.	Rs.
	Salary	12,00,000	11,20,000
	Perquisites	1,14,960	1,01,103

11. As at 31.03.2010, the company has no outstanding dues to Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
12. The Company has generated power out of Wind Mill installed at Pazhavor Taluk, Tirunelveli District, and the generated power was captively consumed by the Company by drawing the power from TNEB Grid. The Power and Fuel consumed is net of Rs.10.58 Lacs being the credit given by TNEB for the transfer of power to the Grid.

	For the year ended	
	31.03.2010	31.03.2009
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	3,02,208 KWH	3,27,108 KWH
Units Captively Consumed	3,02,208 KWH	3,27,108 KWH

(included under Power & Fuel)

13. The Company's shares are listed in Madras Stock Exchange and are permitted for trading in Bombay Stock Exchange (Indonext Platform). The Listing fee for the financial year 2010-11 has been paid.

14. Deferred Tax (AS 22) :

Deferred Tax Asset for Rs.255000/- has been withdrawn from Deferred Tax Liability in accordance with Accounting for deferred tax in pursuance of AS 22 issued by the Institute of Chartered Accountants of India.

15. Contingent Liabilities not Provided For :

	31.03.2010	31.03.2009
	(Rs. in Lakhs)	
	=====	
i) Unexpired Letter of Credit	22.96	63.02
ii) Bank Guarantee	10.00	10.00
iii) Service Tax demand not accepted		
a) Dispute before the High Court	12.67	12.67
b) Under Appeal	Nil	18.31

16. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

CIN No. : **L51909TN1985PLC011683** State Code : **18**
 Balance Sheet : **31.03.2010**

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue : **NIL** Right Issue : **NIL**
 Bonus Issue : **NIL** Private Issue : **NIL**

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : **1,58,128** Total Assets : **1,58,128**

Sources of Funds

Paid-up Capital : **40,000** Reserves & Surplus : **32,145**
 Secured Loans : **71,835** Unsecured Loans : **13,206**
 Deferred Tax Liability : **942**

Application of Funds

Net Fixed Assets : **71,772** Investments : **6,063**
 Net Current Assets : **80,293** Misc. Expenditure : **N I L**
 Accumulated Losses : **N I L**

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover : **3,51,741** Total Expenditure : **3,32,809**
 Profit Before Tax : **18,932** Profit After Tax : **9,987**
 Earning Per Share in Rs. : **2.50** Dividend rate % : **10**

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Major Product Description
3923	PP WOVEN FIBC BAGS / FABRIC / PP YARN / PAPER BAGS

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

Signatures to Schedules 1 to 22

As per our report of even date
M/s.KRISHNAN AND RAMAN
 Chartered Accountants

K.V. RAMAN
 Partner
 Rajapalayam
 26th July, 2010

A.RAMMOHAN RAJA
 Managing Director

R.RAMJI
 Joint Managing Director

P.S. RAMANATHAN
 Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
P.K. RAMASUBRAMANIAN
A. THIRUPATHY RAJA
S. SHANKAR
S.V. RAVI
 Directors

POLYSPIN EXPORTS LIMITED

Statement Pursuant to Section 212 (1) (e) of the Companies Act, 1956

1) Name of the Subsidiary	POLYSPIN USA INC.
2) Financial Year of the Subsidiary ended	31.03.2010
3) Date from which it became a Subsidiary	02.04.2009
4) Holding Company's Interest - Number of Shares held - Percentage of holding	2000 100%
5) The net aggregate amount of the Subsidiary's Profit / (Loss) so far as it concerns members of the holding company and is not dealt with in the holding company's account - For the financial year of the Subsidiary - For the Previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	USD 148 Not Applicable
6) The Net aggregate amount of the Subsidiary's Profit / (Loss) dealt with in the Holding Company's accounts. - For the financial year of the Subsidiary - For the Previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	Nil Nil

As per our report of even date
M/s.KRISHNAN AND RAMAN
Chartered Accountants

K.V. RAMAN
Partner
Rajapalayam
26th July, 2010

A.RAMMOHAN RAJA
Managing Director

R.RAMJI
Joint Managing Director

P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
P.K. RAMASUBRAMANIAN
A. THIRUPATHY RAJA
S. SHANKAR
S.V. RAVI
Directors

AUDITOR'S REPORT

To

The Board of Directors of Polyspin Exports Limited on the Consolidated Financial Statements of Polyspin Exports Limited and its Subsidiaries.

1. We have examined the attached Consolidated Balance Sheet of Polyspin Exports Limited and its Subsidiaries, Polyspin USA Inc as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended. These Consolidated financial statements are the responsibility of M/s. Polyspin Exports Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries. These financial statements have been compiled by the auditor of the subsidiary whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, they are based on the said report.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of Separate audited financial statements of M/s. Polyspin Exports Limited and its Subsidiaries compilation report is included in the Consolidated financial statements.
5. On the basis of information and explanation given to us and on the consideration of the separate audit report on individual audited financial statements of M/s. Polyspin Exports Limited and its Subsidiaries compilation report, we are of the opinion that the said financial statements give a true and fair view in conformity with accounting principles generally accepted in India :
 - i) In the case of the Consolidated Balance Sheet, consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2010.
 - ii) In the case of Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its Subsidiaries for the year then ended; and
 - iii) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its Subsidiaries for the year then ended.

For **M/S.KRISHNAN & RAMAN,**
CHARTERED ACCOUNTANTS

Place : Rajapalayam
Date : 26.7.2010

K.V. RAMAN
PARTNER

POLYSPIN EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET as at March 31, 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCE OF FUNDS		
1. Shareholders funds :		
Share Capital	4,00,00,000	4,00,00,000
Reserves and Surplus	<u>3,21,51,888</u>	<u>2,68,38,152</u>
	7,21,51,888	6,68,38,152
2. Loan funds :		
Secured Loans	7,18,34,943	4,44,52,910
Unsecured Loans	<u>1,32,06,000</u>	<u>1,48,26,000</u>
	8,50,40,943	5,92,78,910
3. Deferred Tax Liability	9,42,000	11,97,000
Total	<u>15,81,34,831</u>	<u>12,73,14,062</u>
APPLICATION OF FUNDS		
1. Fixed Assets :		
Gross Block	11,59,61,394	11,72,91,319
Less : Depreciation	<u>4,41,89,641</u>	<u>4,89,69,789</u>
Net Block	7,17,71,753	6,83,21,530
2. Good Will	7,200	---
3. Investments	59,65,510	59,65,510
4. <u>Current Assets, Loans and Advances</u>		
(a) Inventories	4,13,22,967	3,14,50,525
(b) Cash & Bank Balances	1,66,99,525	1,41,68,499
(c) Loans and advances	2,77,19,706	2,04,74,579
(d) Sundry Debtors	<u>4,98,99,582</u>	<u>2,49,88,980</u>
<u>Less : Current Liabilities & Provisions :</u>	13,56,41,780	9,10,82,583
Liabilities	2,96,89,612	2,26,29,721
Provisions	<u>2,55,61,800</u>	<u>1,54,25,840</u>
Net Current Assets	8,03,90,368	5,30,27,022
Total	<u>15,81,34,831</u>	<u>12,73,14,062</u>
Notes on accounts		

As per our report of even date
M/s.KRISHNAN AND RAMAN
Chartered Accountants

K.V. RAMAN
Partner
Rajapalayam
26th July, 2010

A.RAMMOHAN RAJA
Managing Director

R.RAMJI
Joint Managing Director

P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
P.K. RAMASUBRAMANIAN
A. THIRUPATHY RAJA
S. SHANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2010

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME		
Sales	34,95,80,131	38,51,54,766
Other Income	22,58,523	11,70,832
	<u>35,18,38,654</u>	<u>38,63,25,598</u>
EXPENDITURE		
Raw Material consumed	21,75,61,776	24,19,00,811
Stores & Spares consumed	88,58,150	97,12,644
Power & Fuel	1,31,22,546	1,12,89,963
Salaries & Wages	3,17,24,085	2,90,97,819
Other Manufacturing Expenses	1,14,81,246	1,23,36,290
Interest & Finance Charges	62,72,958	83,05,374
Administrative, Selling & Other Overheads	3,77,04,881	3,93,87,200
Depreciation	71,51,151	77,37,087
(Increase) / Decrease in Stock	(9,76,675)	1,39,18,018
	<u>33,29,00,118</u>	<u>37,36,85,206</u>
Profit available for appropriation	1,89,38,536	1,26,40,392
Balance brought forward	7,38,152	4,75,600
Provision for Taxation - Deferred	2,55,000	4,58,000
	<u>1,99,31,688</u>	<u>1,35,73,992</u>
Provision for Taxation - Current	92,00,000	50,20,000
Provision for Taxation - FBT	----	72,000
Proposed Dividend	40,00,000	32,00,000
Tax on Proposed Dividend	6,79,800	5,43,840
Transfer to General Reserve	40,00,000	40,00,000
Surplus carried to Balance Sheet	20,51,888	7,38,152
	<u>1,99,31,688</u>	<u>1,35,73,992</u>
Earnings per share (Basic)		
Face value of Rs 10 each	2.50	2.00

As per our report of even date
M/s.KRISHNAN AND RAMAN
Chartered Accountants

K.V. RAMAN
Partner
Rajapalayam
26th July, 2010

A.RAMMOHAN RAJA
Managing Director

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S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2010

	2009 - 2010	2008 - 2009
CASH FLOW FROM OPERATING ACTIVITIES	(Rupees in Lakhs)	
Net profit before Tax and Extraordinary items	189.38	126.40
Depreciation	71.51	77.37
Interest & Finance Charges	62.73	83.05
Loss on Sale of Assets	59.86	0.38
(Profit) / Loss on Compulsory Acquisition of Building	0.00	(0.09)
(Profit) / Loss on Compulsory Acquisition of Land	0.00	0.03
Income Tax Paid	<u>(60.46)</u>	<u>(45.46)</u>
Operating Profit before working Capital Changes	323.02	241.68
ADJUSTMENTS FOR		
- Trade and other Receivables	(261.09)	130.11
- Inventories	(98.72)	287.98
- Trade Payables	<u>112.44</u>	<u>(54.16)</u>
	<u>(247.37)</u>	<u>363.93</u>
Cash Generated from Operations	75.65	605.61
LESS : Interest & Finance Charges	62.73	83.05
Net Cash from Operating Activities	<u>(A) 12.92</u>	<u>(A) 522.56</u>
NET CASH USED IN INVESTING ACTIVITIES		
Investments in Fixed Assets	(222.17)	(122.99)
Proceeds from Sale of Assets	<u>11.19</u>	<u>1.05</u>
	<u>(B) (210.98)</u>	<u>(B) (121.94)</u>
NET CASH USED IN FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Repayments)	(62.15)	(24.27)
Proceeds from Short Term Borrowings (Net of Repayments)	319.76	(306.62)
Payment of Dividend and Tax thereon	<u>(34.23)</u>	<u>(25.84)</u>
	<u>(C) 223.38</u>	<u>(C) (356.73)</u>
Net Decrease in Cash & Cash Equivalents	<u>(A+B+C) 25.32</u>	<u>(A+B+C) 43.89</u>
Cash & Cash Equivalents as at 31 st March 2009	141.68	97.79
Cash & Cash Equivalents as at 31 st March 2010	167.00	141.68
Net Change in Cash & Cash Equivalents	25.32	43.89

As per our report of even date
M/s. KRISHNAN AND RAMAN
Chartered Accountants

K.V. RAMAN
Partner
Rajapalayam
26th July, 2010

A. RAMMOHAN RAJA
Managing Director

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P.K. RAMASUBRAMANIAN
A. THIRUPATHY RAJA
S. SHANKAR
S.V. RAVI
Directors

AUDIT CERTIFICATE ON THE CONSOLIDATED CASH FLOW STATEMENT

To

The Board of Directors,
Polyspin Exports Limited,
1, Railway Feeder Road,
Cholapuram South - 626 139.

We have examined the attached Consolidated Cash Flow Statement of Polyspin Exports Limited its Subsidiaries, Polyspin USA Inc for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Madras Stock Exchange and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 26th July, 2010 to the members of the Company.

For M/s. **KRISHNAN AND RAMAN**
CHARTERED ACCOUNTANTS

Place : Rajapalayam
Date : 26.7.2010

K.V.RAMAN
PARTNER.

NOTES ON CONSOLIDATED ACCOUNTS

1) Basis of Consolidation :

- a) The Consolidated Financial Statement include the Financial Statements of Polyspin Exports Limited, its Subsidiary Namely Polyspin USA Inc.

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership interest
Polyspin USA Inc.	USA	100%

The Consolidated Financial Statements have been prepared on the following basis :

- b) The financial statements of the Parent Company and its subsidiary Company have been consolidated on a line by line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions resulting in unrealized Profit or Losses.
- c) The Consolidated Financial statements are prepared by adopting uniform accounting policies.
- d) The excess / lower of cost of the Parent Company of its investment in the Subsidiaries over the parents portion of equity of the Subsidiaries at the date on which investment in the Subsidiaries are made is described in the financial statements as Good Will and Capital reserves.

2) Other significant Accounting Policies :

These are set out under the head "Significant Accounting Policies" of the Company and the Subsidiaries.

- 3) Previous year's figures have been regrouped / recast wherever considered necessary.

As per our report of even date
M/s. KRISHNAN AND RAMAN
Chartered Accountants

K.V. RAMAN
Partner
Rajapalayam
26th July, 2010

A. RAMMOHAN RAJA
Managing Director

R. RAMJI
Joint Managing Director

P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
P.K. RAMASUBRAMANIAN
A. THIRUPATHY RAJA
S. SHANKAR
S.V. RAVI
Directors

POLYSPIN USA INC.
(Subsidiary of Polyspin Exports Ltd.,)

1st Annual Report and Accounts for the year 2009 - 10

BOARD OF DIRECTORS : SHRI A. RAMMOHAN RAJA
SHRI R. RAMJI
SHRI. PONRAM BARATHY

AUDITORS : SRINIVASAN SRIDHARAN LLC
Certified Public Accountant,
67, Spring Street,
Edison, NJ 08820.

BANKERS : WACHOVIA BANK

**REGISTERED OFFICE &
WAREHOUSE** : 6300, BOAT ROCK BL VD SW, STE E
ATLANTA,
GA 30336

SRINIVASAN SRIDHARAN LLC

Certified Public Accountant

67, Spring Street,

Edison, NJ 08820

Independent Accountant's Compilation Report

Board of Directors

Polyspin USA Inc.

We have compiled the accompanying balance sheet of Polyspin USA Inc. as of March 31,2010, and the related statements of operations and cash flows, and the schedules of revenues and expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services, issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on them with accounting principles generally accepted in the United States of America.

June 18, 2010
Edison, New Jersey

Srinivasan Sridharan LLC
Srinivasan Sridharan LLC

BALANCE SHEET AS OF MARCH 31, 2010

ASSETS

CURRENT ASSETS		<u>2010</u>
Cash and Cash equivalents	\$	6,222
Accounts Receivable		21,044
Inventory		54,250
Total Current Assets	\$	81,516
TOTAL ASSETS	\$	81,516

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts Payable	\$	79,268
Loan from Officer		100
Total Current Liabilities		79,368
STOCKHOLDERS' EQUITY		
Common Stock - Authorized 5,000 Shares with a par value of \$1 and Issued 2,000 Shares		2,000
Retained Earnings		148
Total Stockholder's Equity		2,148
TOTAL LIABILITY AND EQUITY	\$	81,516

See independent accountant's compilation report.

The accompanying notes are an integral part of these financial statements

Date : June 18, 2010

A.RAMMOHAN RAJA
R.RAMJI
PONRAM BARATHY
Director

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2010

	<u>2010</u>
Operating Revenues	
Sales Revenues	\$ 54,361
Total Operating Revenues	<u>54,361</u>
Cost of Goods Sold	(52,184)
Gross Profit	<u>2,177</u>
Operating Expenses	(2,029)
Income from operations	<u>148</u>
Interest expense	---
Income before provision for income taxes	<u>148</u>
Provision for Income Taxes (Exp) / Benefit	---
Net Income	<u>\$ 148</u>

See independent accountant's compilation report.

The accompanying notes are an integral part of these financial statements

Date : June 18, 2010

A.RAMMOHAN RAJA
R.RAMJI
PONRAM BARATHY
Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2010</u>
Net Income	\$ 148
Adjustments to reconcile Net Income to net cash provided / (used) by operating activities :	
Account Receivable	(21,044)
Inventory	(54,250)
Accounts Payable	79,268
Loan from Officer	100
Net cash provided by Operating Activities	4,222
 CASH FLOW FROM FINANCING ACTIVITIES	
Capital Stock	2,000
Net cash provided by Financing Activities	2,000
Net cash increase for period	6,222
Cash at beginning of period	---
Cash at end of period	\$ 6,222

**STATEMENT OF STOCKHOLDERS'
EQUITY FOR THE YEAR ENDED MARCH 31, 2010**

	Common Stock	Retained Earnings	Total
Contribution	\$ 2,000	----	\$ 2,000
Earnings / (Loss)	----	148	148
Balance at 3 / 31 / 2010	\$ 2,000	\$ 148	\$ 2,148

See independent accountant's compilation report.

The accompanying notes are an integral part of these financial statements

Date : June 18, 2010

A.RAMMOHAN RAJA
R.RAMJI
PONRAM BARATHY
Director

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010

Note 1 - Description of Company's Business

Polyspin USA Inc. (Polyspin / Company) was incorporated on April 2, 2009 under the laws of the State of Georgia. The Company imports and distributes Polypropylene (PP) Woven FIBC bags, fabrics, yarn and paper bags. The company markets its services to a wide variety of business in the United States. Polyspin USA is a wholly owned subsidiary of Polyspin Exports Limited (PEL / parent), a publically held company in India that manufactures HDPE / PP Woven FIBC Bags.

Note 2 - Summary of Significant Accounting Policies

This summary of significant accounting policies of Polyspin is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements.

In July 2009, the Financial Accounting Standards Board (FASB) issued FASB Accounting standards Codification (FASC) 105, The FASB Accounting Standards Codification™ (ASC) and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162 (FASC 105). FASC 105, which is effective for annual periods ending after September 15, 2009, established the FASB ASC as the sole source of authoritative U.S. GAAP recognized by the FASB to be applied by non governmental entities. The adoption of FASC 105 did not change previous U.S. GAAP and had no impact on the Company's accompanying financial statements.

Basis of Presentation

The financial statements are prepared on accrual basis. These financial statements are presented for the year ended March 31,2010.

Revenue Recognition

The Company generates revenue from the sale of PP Bags and other materials.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property, Equipment and Depreciation

Property and equipment are reflected at cost. Depreciation is provided using straight-line method over its estimated useful life of three years for computer and Office Equipments. Maintenance and

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010

repairs are expensed as incurred. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable in accordance with Financial Accounting Standards Boards (FASB) Accounting Standards Codification (ASC) 360 Property, Plant and Equipment (FASC 360), formerly Statement of Financial Accounting Standards FASB No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Company to conclude that impairment indicators exist and that long-lived assets may be impaired.

Cost of Goods Sold

Costs of revenues consist primarily of FIBC bags imported and the cost to import such as freight, custom duty, shipping and handling charges.

Inventory

Inventory consists of FIBC Bags imported from its parents for sale to ultimate customers. Inventory is stated at the lower of weighted average cost or market.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses are equal or approximate their fair values due to the short term maturity of those instruments.

Income Taxes

The Company provide for income taxes on the basis of FASC 740, Income Taxes formerly Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" which requires recognition of deferred taxes based on the differences between the financial statement and the tax bases of assets and liabilities at enacted rates in effect in the years in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Recent Accounting Pronouncements

The Company adopted on April 2, 2009, FASB Interpretation 48, Accounting for Uncertainty in Income Taxes (FIN 48), which was codified by FASC 740, Income Taxes (FASC 740), which provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be derecognized and recorded as a tax benefit or expense in the current year. Adoption of FIN 48 did not have a material impact on the accompanying financial statements.

Note 3 - Income Taxes

For the year ended March 31, 2010 the company did not make any provision for income taxes.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010
Note 4. Related Party Transactions

Polyspin imported FIBC Bags and other materials from its parent and billed \$92,087 during the year. This cost is reflected in the cost of goods sold and inventory.

Note 5. Concentrations

Polyspin maintains its cash balance in a bank located in Georgia. This account is insured by the Federal Deposit Insurance Corporation upto balance of \$250,000. The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of credit with respect to receivables is limited to companies with strong credit rating. The Company establishes an allowance for uncollectible trade accounts based on historical collection experience and management's evaluation of collectibility of outstanding accounts receivable. The Company did not provided for an allowance for doubtful accounts.

Note 6. Subsequent Events

The Company has evaluated the need for disclosures and / or adjustments resulting from subsequent events through June 15, 2010. The evaluation did not result in any subsequent events that necessitated disclosures and / or adjustments.

Schedule 1

**SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2010**

Operating expenses	<u>2010</u>
Bank Service Charges	\$ 195
Internet Service	212
Licenses and Permits	454
Professional Fees	900
Telephone	189
Travel and Entertainment	79
Total	<u><u>\$ 2,029</u></u>

See independent accountant's compilation report.

The accompanying notes are an integral part of these financial statements

A.RAMMOHAN RAJA
R.RAMJI
PONRAM BARATHY
Director

Date : June 18, 2010

POLYSPIN EXPORTS LIMITED

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

NOTICE

Notice is hereby given that the **Twenty Fifth Annual General Meeting** of the members of the company will be held at 9.30 A.M. on **Friday, the 3rd Sept, 2010** at Sri Arjuna Manthiram, No.12, Sri Krishna Colony, P.A.C.R. Salai, Rajapalayam, to transact the following business.

Agenda :

1. To receive and adopt the Balance Sheet as at 31st March, 2010, Profit and Loss Account for the period ended on that date and the reports of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Sri P.K. Ramasubramanian who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in place of Sri A. Thiruppathy Raja who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors and fix their remuneration. M/s. Krishnan & Raman, Chartered Accountants, the retiring Auditor is eligible for re-appointment.

SPECIAL BUSINESS :

6. To consider if thought fit, to pass with or without modification, the following resolution as a special resolution.

RE-APPOINTMENT OF SRI A. RAMMOHAN RAJA AS MANAGING DIRECTOR

RESOLVED that pursuant to the Resolution passed by the Board Directors in their meeting held on 5th July, 2010 and subject to the provisions of section 198, 309 & 310 read with schedule XIII and other applicable provisions, if any of the companies Act, 1956 and subject to such approvals as may be necessary, the company hereby accords its consent and approval to the re-appointment of and the payment of remuneration and perquisites to Sri A. RAMMOHAN RAJA as Managing Director of the Company for a period of THREE years with effect from 1st April, 2010, on the following terms and conditions.

- (a) Salary - Rs. 2,00,000/- per month including Dearness and all other allowances.
- (b) Commission - Three percent commission on the net profits of the company subject to the ceiling of total annual salary.
- (c) Perquisites - Perquisites as per the company's rules and subject to the provisions of schedule XIII of the companies Act, 1956 and Income tax Act, 1961. It shall be restricted to 50% of salary per annum.

By order of the Board,

Place : Rajapalayam
Date : 26.7.2010

P.S. Ramanathan
Secretary

Notes :

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- (b) The instrument appointing a proxy should however be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from 25.8.2010 to 3.9.2010 (both days inclusive).
- (d) The dividend on the Equity shares as recommended by the Board will be paid on the approval of the members of the company to the eligible shareholders whose name appear in the company's register of members as on 3.9.2010 and to the eligible beneficial owners whose name appear in the list provided by the Depositories- National Securities Depository Ltd and Central Depository Services (India) Ltd as on 24th Aug, 2010
- (e) Under the provisions of Section 205C of the Companies Act, 1956, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are given below :

Financial year ended	Unclaimed Dividend As at 31.03.2010 Rs.	Unclaimed Dividend As at 31.03.2009 Rs.	Date of Declaration of Dividend	Last Date for claiming Unpaid Dividend	Due Date for transfer to IEP Fund
31.03.2003	1,71,288/-	1,73,208/-	08.09.2003	07.09.2010	06.10.2010
31.03.2004	2,45,344/-	2,50,224/-	24.09.2004	23.09.2011	22.10.2011
31.03.2005	2,11,542/-	2,13,762/-	26.09.2005	25.09.2012	24.10.2012
31.03.2006	1,98,517/-	2,01,767/-	20.09.2006	19.09.2013	18.10.2013
31.03.2008	2,41,939/-	2,60,399	11.08.2008	10.08.2015	09.09.2015
31.03.2009	3,51,710/-	---	22.08.2009	21.08.2016	20.09.2016

- (f) Members holding shares in physical form are requested to notify immediately change in their address, if any, to the Company quoting their folio numbers and members holding shares in Electronic form to their respective depository participant.
- (g) Members are requested to kindly bring their copy of the Annual Report to the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956 :

Item No. 6

Sri A. RAMMOHAN RAJA, the Managing Director of the Company was appointed as per the Resolution of the Members at the Annual General Meeting held on 31st August, 1994. He has been responsible for the development of the Company all these years. He is the pioneer in woven sack industry and due to his continuous efforts, the Company has established itself as one of the best 100% Export Oriented Units. As per the terms of appointment, though he is eligible for 3% commission on the net profits, the same has not been paid to him. Considering the development and higher responsibilities, the Board of Directors at the meeting held on 5th July, 2010 have reappointed Sri. A. Rammohan Raja as Managing Director with effect from 1st April, 2010 on a monthly salary of Rs. 2,00,000/- for a period of THREE years. This is subject to the provision of Schedule XIII and other applicable provisions of the Companies Act. The above is subject to the approval of the Shareholder of the Company. Hence the above Resolution.

None of the Directors except Sri A. RAMMOHAN RAJA, Sri R. RAMJI and Sri. S.V. RAVI are concerned or interested in this item of business.

Information required to be provided as per the provisions of para (IV), (B) under Section II, Part II, of schedule XIII of companies Act, 1956.

I. GENERAL INFORMATION :

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

4. Financial performance : Rupees in lakhs.

Particulars	2007-08	2008-09	2009-10
Sales :	3574.57	3863.25	3517.41
Profit before interest & Depreciation :	243.87	286.83	323.56
Profit after interest & Depreciation :	70.53	126.40	189.32
Profit after Tax :	46.48	80.06	99.87
Dividend :	28.00 (7%)	32.00 (8%)	40.00 (10%)
Networth :	625.76	668.38	721.45
EPS :	1.16	2.00	2.50

5. Export performance and net foreign exchange earnings : Rupees in lakhs.

Particulars	2007-08	2008-09	2009-10
Exports - earnings in foreign exchange :	3255.53	3522.62	3110.82
Foreign exchange out Flow :	1199.53	1070.65	1521.44

II. INFORMATION ABOUT THE APPOINTEE :

1. Background : 40 years experience and pioneer in woven sack industry.
2. Past remuneration : **2008-09** **2009-10**
Salary & Perquisites (Rupees in lakhs) 12.21 13.15
3. Recognition or awards : Many awards in Export performance and safety to the company.
4. Job profile and his suitability :
1. Over all management 2. Sustained Growth. 3. Stability. 4. Development
5. Enhancing share value 6. Increase in turn over 7. Consistent Dividend.
Managing Director since 1994 and has been responsible for sustained growth and stability.
5. Remuneration proposed
(a) Salary - Rs. 2,00,000/- per month.
(b) Commission - Three percent commission on the net profits.
(c) Perquisites - As per the provisions of the companies Act and as per the limits laid down in schedule XIII.
6. The above remuneration is reasonable taking into account the nature of industry and size of the company placed in similar situation.
7. There are no other pecuniary relationship other than the remuneration. No sitting fees is paid. Except Sri. A. RAMMOHAN RAJA, Sri. R. RAMJI & Sri. S.V. RAVI, none of the other directors have any relationship.

III. OTHER INFORMATION :

1. Inadequate profits :

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

2. Steps Taken :

The company is implementing an expansion programme involving an outlay of Rs. 8.00 Crores which will pave way for increased production and profitability.

3. Expected increase in productivity and profit :

It is expected that the sale volume will increased by 100% per annum and the profit substantially subject to the market conditions.

IV. DISCLOSURES :

Necessary disclosures are made in the directors report under " Corporate Governance".

By order of the Board,

Place : Rajapalayam

Date : 26.7.2010

P.S. Ramanathan
Secretary

POLYSPIN EXPORTS LIMITED

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

PROXY FORM

Folio No.

Client ID No.

No. of Shares held

I/We Son / Wife / Daughter of
..... residing at
being Member / Members of POLYSPIN EXPORTS LIMITED hereby appoint
..... of
residing at as my / our proxy to vote for me / us on my /
our behalf at the Twenty Fifth Annual General Meeting of the Company to be
held on 3rd Sept. 2010 and at any adjournment thereof.

Affix
Re.1
REVENUE
STAMP

Proxy's Signature

Member's Signature

Signed this day of 2010.

Note : 1) The Proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

2) A Proxy need not be a member.



BOOK-POST

If undelivered, please return to :

POLYSPIN EXPORTS LIMITED

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

Rajapalayam - 626 117.

Tamil Nadu.