

POLYSPIN EXPORTS LTD

(100% EXPORT ORIENTED UNIT)

RAJAPALAYAM



**Annual Report
2012 - 2013**



Founder

Sri. A.RAMMOHAN RAJA

MANAGING DIRECTOR'S MESSAGE



R.Ramji

Respected Shareholders,

I take this privilege to present you the 28th Annual Report of the Company's financial status for the year ended 31st March, 2013.

But the sad demise of our beloved founder and my father Sri. A. Rammohan Raja, makes this privilege tiny.

I wish, at this juncture, to reiterate my commitment to uphold the high values which Sri. A. Rammohan Raja, always cherished for the development of the company and the interest of the shareholders.

There have been many turbulence in all these years. But the forethought and wisdom of Sri. A. Rammohan Raja, made the company to tide over the situation.

This has been possible with the co-operation of the Shareholders, Board of Directors, City Union Bank, Central and State Government and in particular staff and workers of the Company. Mention should be made of the good support and understanding of the customers.

I shall commit myself for the sustained development, stay focused for conducting the business in the most ethical way and good social corporate governance. I am sure, I shall have the wholehearted support of the stakeholders of the company.

I am very pleased to inform you that the current year performance is very impressive.

With Regards,

R. RAMJI

Managing Director

POLYSPIN EXPORTS LIMITED

BOARD OF DIRECTORS	: SHRI R. RAMJI, <i>Managing Director</i> SHRI K. LAKSHMINARAYANAN SHRI S.R. SUBRAMANIAN SHRI S. RENGANATHAN SHRI A. THIRUPPATHY RAJA SHRI S. SANKAR SHRI S.V. RAVI
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.
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

POLYSPIN EXPORTS LIMITED

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

NOTICE

Notice is hereby given that the **Twenty Eighth Annual General Meeting** of the members of the company will be held at 9.30 A.M. on **Monday, the 23rd September, 2013**, at Sri Arjuna Manthiram, No. 21/595, Sri Krishna Colony, P.A.C.R. Salai, Rajapalayam, to transact the following business.

Ordinary Business :

1. To receive and adopt the Balance Sheet as at 31st March, 2013, 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 A. Thiruppathy Raja who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in place of Sri S. Sankar 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 Auditors are eligible for re-appointment.

SPECIAL BUSINESS :

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

RESOLVED that pursuant to the Resolution passed by the Board of Directors in the meeting held on 28th March, 2013 and subject to the provisions of section 198, 309 & 310 read with schedule XIII and other applicable provisions, if any of the Companies Act and subject to such approvals as may be necessary, the company hereby accords its approval and consent to the appointment of Sri. R. Ramji, as Managing Director of the Company for a period of three years with effect from 1st April, 2013, on the following terms and conditions:

- a. Salary : Rs. 2,50,000/- per month
- b. Commission : Three percent commission on the net profits of the Company subject to the ceiling of the total annual salary.
- c. Perquisites : Payment as per the Company's rules, subject to the provision of Schedule XIII of the Companies Act, 1956 and Income Tax Act 1961. It shall be restricted to 50% of the salary per annum.
- d. Contribution : Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these singly or put together are not taxable under Income Tax Act, 1961.
- e. Gratuity : Payable at a rate not exceeding half a month's salary for each completed year of service.
- f. Leave : Encashment of leave at the end of tenure.
- g. In case of inadequacy of profits the remuneration shall not exceed the limits as prescribed under Schedule XIII of the Companies Act, 1956.

By order of the Board,

Place : Rajapalayam

Date : 29.07.2013

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 14.09.2013 to 23.09.2013 (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 23.09.2013 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 13.09.2013.
- (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	Dividend Percentage	Date of Declaration of Dividend	Last Date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2006	6%	20.09.2006	19.09.2013	18.10.2013
31.03.2008	7%	11.08.2008	10.08.2015	09.09.2015
31.03.2009	8%	22.08.2009	21.08.2016	20.09.2016
31.03.2010	10%	03.09.2010	02.09.2017	01.10.2017
31.03.2011	10%	05.09.2011	04.09.2018	03.10.2018
31.03.2012	10%	17.09.2012	16.09.2019	15.10.2019

A sum of Rs. 1,94,587/- representing unpaid dividends for the year 31.03.2005 has been transferred to the Investor Education and Protection Fund on 24.10.2012 as required under section 205A of the Companies Act, 1956. Shareholders who have not collected the dividends for the year 31.03.2006 are requested to collect the same before 16.10.2013, after which the amount will be transferred to IEP Fund.

- (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.
- (h) As part of the Green Initiative the Ministry of Corporate Affairs has vide Circular No. 17/2011 dt. 21.04.2011 & No. 18/2011 dt. 29.04.2011 allows the service of documents on members of the Company through electronic mode.

Accordingly the Company is now permitted to send documents like Notice of the Shareholders Meeting, Other notices, Annual Reports or any other document, to its members in electronic form at the email address provided by the member or made available to the Company by the Depository Participant.

Members are requested to furnish and update their Email ID with Company and the Depository Participant. Members holding shares in Physical form are requested to dematerialize their holdings so as to enable the implementation of the Green Initiative.

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

Item No. 6

Sri. R. RAMJI has been the Joint Managing Director assisting the Managing Director Sri. A. Rammohan Raja, in the Day to Day affairs of the Company for all these years without any remuneration. Since 1991, he was involved in the development of export business. He is instrumental for good performance of the company and responsible for expansion and diversification.

Sri. A. Rammohan Raja, Managing Director expired on 31st January, 2013, In view of the above it is thought fit and necessary by the Board to appoint him as Managing Director for a period of three years with effect from 1st April, 2013 on the terms and condition as set out in the Agenda. This is subject to the approval of the share holders of the company.

Hence, the above resolution.

None of the Directors except Sri. S.V. Ravi and Sri R. Ramji, are concerned or interested in this item of the 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 of Expected Date of Commercial Production : 1. PP Woven FIBC Bags
2. Open End Spinning Yarn
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	2010-11	2011-12	2012-13
Sales :	4497.69	5797.10	8277.75
Profit before Interest & Depreciation :	527.92	603.89	658.43
Profit after Interest & Depreciation :	250.91	238.08	152.72
Profit after Tax :	146.41	159.12	101.29
Dividend (10%) :	40.00	40.00	40.00
Net worth :	824.09	936.72	991.52
EPS :	3.66	3.98	2.53

5. Export performance and net foreign exchange earning :

Particulars	2010-11	2011-12	2012-13
Exports - earnings in Foreign exchange :	4060.75	5393.14	5967.80
Foreign exchange out Flow :	2514.08	3272.64	2419.49

II. INFORMATION ABOUT THE APPOINTEE :

1. Background : 22 Years experience in Woven sack Industry
2. Past Remuneration Salary & Perquisites (Rupees in Lakhs) : No Remuneration has been paid
3. Recognition or awards : For Export performance and safety to the company

4. Job profile and his suitability :
 1. Over all control of Business of the Company as Managing Director
 2. Sustained Growth
 3. Stability
 4. Development
 5. Export Marketing
 6. Enhancing Share value
 7. Increase in turnover
 8. Consistent Dividend
 9. Diversification into new products
5. Remuneration proposed :

Remuneration as per the Resolution passed by the Board of Directors and set out in the Notice. No sitting fee is paid. Except Sri. S.V. Ravi and Sri. R. Ramji, none of the other directors have any relationship.

III. OTHER INFORMATION :

1. Inadequate profits :

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

The Company is implementing an expansion programme involving an outlay of Rs.OneCrore which will pave way for increased production and profitability.
3. Expected increase in productivity and profit :

It is expected that the sale volume will increase by 20% 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 : 29.07.2013

P.S. Ramanathan
Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report on the working of the company and Audited Accounts for the year ended 31st March, 2013.

Financial Results

	Year ended 31.03.2013 Rs.	Year ended 31.03.2012 Rs.
Sales and other Income =====	82,77,74,724	57,97,10,007 =====
Operating Profit (Profit before interest, Depreciation and Tax)	6,58,43,330	6,03,89,287
LESS : Interest	3,12,06,693	2,10,58,821
Profit before Depreciation and Tax	3,46,36,637	3,93,30,466
LESS : Depreciation	1,93,65,013	1,55,22,777
Profit before Tax	1,52,71,624	2,38,07,689
Surplus Brought forward from previous year	35,72,448	23,08,873
	1,88,44,072	2,61,16,562
Less: Provision for Taxation-Current (MAT)	30,56,000	48,25,214
Provision for Deferred Tax	20,87,000	30,70,000
Profit available for appropriation	1,37,01,072	1,82,21,348

Your directors propose to appropriate the same as follows

Proposed Dividend @ 10%	40,00,000	40,00,000
Tax on Proposed Dividend	6,48,900	6,48,900
Transfer to General Reserve	80,00,000	1,00,00,000
Balance carried over to Balance Sheet	10,52,172	35,72,448
	1,37,01,072	1,82,21,348

DIVIDEND

Your Directors are pleased to recommend the payment of **Dividend at Re.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. 6.48 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, FIBC bags and OE Spinning yarn were as follows :

	Year ended <u>31.03.2013</u>	Year ended <u>31.03.2012</u>
	<u>Quantity (Kgs.)</u>	<u>Quantity (Kgs.)</u>
1. Production		
1) FIBC Bags & PP Woven Bags	30,31,410	36,17,124
2) PP Woven Fabrics	7,18,591	7,861
3) PP Yarn	10,21,093	8,23,432
4) Paper Bags	34,696	---
5) Cotton Yarn & Fabric	10,38,319	2,940
2. Sales		
1) FIBC Bags & PP Woven Bags	36,25,945	36,63,269
2) PP Woven Fabrics	7,18,591	2,138
3) PP Yarn	10,21,093	8,23,432
4) Paper Bags	34,696	---
5) Cotton Yarn & Fabric	9,61,379	1,380

The recovery of the global economy has not been to the expectation. The market has been undergoing many turbulence. However, there has been marked improvement in sales which was due to the company taking appropriate steps to strengthen the fundamentals.

The company's "OE Yarn" division has performed well and the sales has increased from 1,380 Kgs. to 9,61,379 Kgs. The yarn is supplied under Deemed Export basis for which your company is availing EPCG benefits.

The problem posed by the power sector has not only been discouraging but also acted as a deterrent in improving of the profitability of the company.

To get over this, an application has been made to provide a dedicated power supply with TNEB. This is expected to be completed shortly and the profitability of the company will be better.

SUBSIDIARIES

During the year, there was no sales in the subsidiary company – POLYSPIN USA INC, USA, due to slowdown in the U.S. market. Since this was not remunerative as expected, your company's sixty percentage equity shares has been disinvested and as a result, it is not a subsidiary of your company. Hence not required to provide consolidated statement of accounts.

DIRECTORS

Yours directors regret to report the sad and sudden demise of our beloved founder and Managing Director Sri. A. Rammohan Raja, on 31st January, 2013. His expertise and contribution to the company was phenomenal. The Board places on record its grief over his demise and expresses its gratitude for his contribution.

Sri. R. Ramji, Joint Managing Director has been appointed as Managing Director of the company with effect from 1st April, 2013, subject to the approval of members of the company.

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

DEPOSITS

The total amount of deposits as on 31st March, 2013 was Rs. 284.61 Lakhs. The company has no overdue deposits.

ENERGY CONSERVATION / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE

Information under 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, and forming part of the Director's Report is annexed herewith.

PARTICULARS OF EMPLOYEES

Statement under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended has been appended along with the Directors' Report.

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.

AUDITORS

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

COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956, Sri. P.K. Ramasubramanian, has been appointed as Cost Auditor for the financial year 2013 -2014 to audit the cost accounts and records to facilitate the preparation of reports in accordance with the companies (Cost Audit Report) rules, 2011. The due date for filing Cost Audit Report is 30th September, 2013. The Cost Audit Report for the earlier year was filed within the due date to the Central Government.

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 : 29.07.2013

S.V. RAVI
Director

R.RAMJI
Managing Director

ANNEXURE TO THE DIRECTORS REPORT

Information as per Sec. 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the report of the Directors for the year ended 31st March 2013

Sl. No.	Name	Designation	Remuneration received		Qualification
			Gross Rs.	Net Rs.	
1.	Sri A. Rammohan Raja	Managing Director	22,98,600 /-	17,72,630 /-	B.Sc.,

Experience (Years)	Date of Commencement of Employment	Age	Last Employment held
23 Years	29.03.1985	69 Years	----

Sri. A. Rammohan Raja, our beloved founder and Managing Director expired on 31st January, 2013. Sri. R. Ramji, Joint Managing Director has been appointed as Managing Director with effect from 1st April, 2013.

Annexure to Directors' Report for the year ended 31st March, 2013

In terms of Section 217 (i) (e) of the Companies Act (as amended) and the disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31.03.2013.

FORM A

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

Energy Audit and conservation measure is regularly adopted and implemented.

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

Electricity		2012-13	2011-12
a) Purchased from Electricity Boards			
Unit	KWH	5,34,767	---
Total Amount	Rs.	48,26,757	---
Rate / Unit	Rs.	9.02	---

POLYSPIN EXPORTS LIMITED

		2012-13	2011-12
b) Own Generation			
i) Through Diesel Generator Units	KWH	5,33,894	3520
Unit per Litre of Diesel Oil	KWH	3.49	3.52
Diesel Cost per Unit	Rs.	17.04	14.20
c) Purchased from Third Party			
Unit	KWH	4,44,192	---
Total Amount	Rs.	28,69,319	---
Rate / Unit	Rs.	6.46	---

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

Product (with Details)	:	OE Cotton Yarn
100% Cotton Yarn (40s Converted) Kgs.	:	3,34,571 Kgs.
Electricity per Kgs. of Production of Yarn	:	4.52 Units / Kgs.
(Based on 40s Converted (in units))		

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Rs. in Lakhs)

<u>Particulars</u>	<u>2012-13</u>	<u>2011-12</u>
a. Earnings	5967.80	5393.14
b. Outgo	2419.49	3272.64

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 29.07.2013

S.V. RAVI
Director

R.RAMJI
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. R. Ramji, is the Managing Director. The Board consists of seven 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, Industry and Business.

The Board consists of Seven Directors:

Name of the Directors	Category	Number of Other Directorship held	
		PUBLIC	PRIVATE
1) Sri. A. RAMMOHAN RAJA	Executive - Managing Director	Up to 31 st January 2013	
2) Sri. K. LAKSHMINARAYANAN	Non-Executive/ Independent	---	1
3) Sri. S.R. SUBRAMANIAN	Non-Executive	1	1
4) Sri S. RENGANATHAN	Non-Executive/ Independent	---	1
5) Sri. A. THIRUPPATHY RAJA	- do -	---	---
6) Sri. S. SANKAR	- do -	---	2
7) Sri. S.V. RAVI	Non-Executive	1	2
8) Sri. R. RAMJI	Executive - Managing Director	From 1st April - 2013	
		1	1

Nine Meeting of the Board of Directors of the Company was held during the year 2012-2013 on 20.04.2012, 28.05.2012, 30.07.2012, 17.09.2012, 31.10.2012, 28.12.2012, 30.01.2013, 01.02.2013 and 28.03.2013.

Name of the Directors	Attendance at the Board Meeting	Attendance at Last AGM
1) Sri. A. RAMMOHAN RAJA	7	No
2) Sri. K. LAKSHMINARAYANAN	8	No
3) Sri. S.R. SUBRAMANIAN	8	No
4) Sri S. RENGANATHAN	9	Yes
5) Sri. A. THIRUPPATHY RAJA	9	Yes
6) Sri. S. SANKAR	8	Yes
7) Sri. S.V. RAVI	9	Yes
8) Sri. R. RAMJI	9	Yes

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Sri. A. Thiruppathi Raja		Sri. S. Sankar	
Age (Years)	65		56	
Date of Appointment	06.07.2001		06.07.2001	
Expertise in specific functional area	Business		Chartered Accountant and Management Consultant	
Qualification	B.A.,		F.C.A.	
List of outside Directorship held	PUBLIC	PRIVATE	PUBLIC	PRIVATE
	---	---	---	2
Chairman / Member of the Committee of the Board of Directors of the company	Shareholders / Investors Grievance Committee (Member)		Audit 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. Lakshminarayanan (Chairman of the Committee), Sri.S.V.Ravi and Sri.S.Sankar. Sri.P.S.Ramanathan is the Secretary of the Committee.

The Audit Committee met six times during the financial year on 20.04.2012, 28.05.2012, 30.07.2012, 31.10.2012, 30.01.2013 and 28.03.2013.

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 six times during the financial year on 20.04.2012, 28.05.2012, 30.07.2012, 31.10.2012, 30.01.2013 and 28.03.2013.

No.of shareholders queries/complaints received during 2012-13	-	49
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.Lakshminarayanan, Sri.S.Renganathan and Sri.A.Thirupathy 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 2012-13 are given below :

<u>Name and Designation</u>	<u>Salary & Perquisites</u> <u>(Rupees in Lakhs)</u>
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Sri. A. Rammohan Raja, Managing Director	22.99
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No Commission has been paid to the Managing Director, though he is eligible.

No Stock option is provided.

Sri. A. Rammohan Raja, expired on 31st January, 2013.

2) Sri R.Ramji was appointed as managing director with effect from 1st April, 2013 on remuneration of Rs. 2.50 Lakhs per month plus perquisites, subject to the approval of the shareholders at the ensuing Annual General Meeting.

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. LAKSHMINARAYANAN	7,500
2) Sri. S.R. SUBRAMANIAN	68,500
3) Sri. S. RENGANATHAN	1,000
4) Sri. A. THIRUPATHY RAJA	500
5) Sri. S. SANKAR	1,500
6) Sri. S.V. RAVI	6,300

VIII. Disclosure of Relationship of the Directors

Sri R. Ramji, Managing Director is the Brother-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.4 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
03.09.2010	Sri Arjuna Manthiram, Rajapalayam	9.30 A.M
05.09.2011	- do -	9.30 A.M
17.09.2012	- 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, 2013**
2. ANNUAL GENERAL MEETING : **TWENTY EIGHTH**
3. DATE & TIME : **23rd September, 2013 - 9.30 A.M.**
4. VENUE : Sri Arjuna Manthiram,
No. 21/595, Sri Krishna Colony,
P.A.C.R. Salai, Rajapalayam - 626 117.
5. DATE OF BOOK CLOSURE : **14.09.2013 to 23.09.2013**
(Both days inclusive)
6. LAST DATE FOR RECEIPT OF PROXY FORM : **21.09.2013 - 9.30 A.M.**
7. DIVIDEND PAYMENT DATE : **Date of AGM**
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 2012 - 2013
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 2012	18.90	16.50
May 2012	20.95	16.20
June 2012	17.30	15.80
July 2012	17.85	16.25
August 2012	17.60	14.65
September 2012	17.00	14.15
October 2012	16.60	14.80
November 2012	16.45	14.35
December 2012	16.35	13.90
January 2013	16.60	14.55
February 2013	16.40	14.30
March 2013	17.30	15.05

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 & Company Secretary Sri. P.S. Ramanathan are empowered to approve the share transfer.

There are no pending Share Transfer as on 29.07.2013.

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 31.03.2013 : A total number of 25,22,160 shares, the face value of which is Rs. 2,52,21,600 have been dematerialised. This forms 63.05 % 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
- i) 100% EOU - FIBC Bags & Woven Bags Division : No.1, Railway Feeder Road,
Cholapuram South. Rajapalayam (Via),
Tamilnadu.
- ii) OE Yarn Unit - Division : PEL Textiles,
206 B/1, Sankarankovil Road,
Cholapuram South. Rajapalayam (Via)

21. RANGEWISE HOLDINGS

RANGE	2012 - 2013 No. of Shareholders	2012 - 2013 (%)	2011 - 2012 (%)
1 - 500	3749	20.79	21.29
501 - 1000	503	10.53	11.05
1001 - 2000	178	6.79	6.99
2001 - 3000	83	5.25	5.38
3001 - 4000	20	1.75	1.82
4001 - 5000	13	1.53	1.50
5001 - 10000	21	3.89	4.25
10001 - and above	25	49.47	47.72
	4592	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 2013.

For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam

Date : 29.07.2013

R. RAMJI
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 31.03.2013 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.

Place : Rajapalayam
Date : 29.07.2013

R. RAMJI
MANAGING DIRECTOR

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, 2013 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, 2013.

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 : 29.07.2013

K.V.RAMAN
PARTNER

AUDITOR'S REPORT TO THE MEMBERS OF POLYSPIN EXPORTS LIMITED

We have audited the accompanying financial statements of Polyspin Exports Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2013, the statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub - section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013.
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub – section (4 A) of Section 227 of the Act, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the order.
2. As required by Section 227 (3) of the Act, 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub – section (3C) of Section 211 of the Companies Act, 1956; and
 - (e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub – section (1) of Section 274 of the Companies Act, 1956.

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

Place : Rajapalayam
Date : 27.05.2013

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. We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209 (1) (d) of the Act in relation to products manufactured and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
9. In respect of Statutory dues :
- According to records of the Company undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, VAT, 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, 2013 for a period of more than six months from the date of becoming payable.
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 : 27.05.2013

K.V.RAMAN
PARTNER

POLYSPIN EXPORTS LIMITED

BALANCE SHEET as at March 31, 2013

	Schedule No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.	
I. EQUITY AND LIABILITIES				
1. Shareholders funds				
Share Capital	1	4,00,00,000	4,00,00,000	
Reserves and Surplus	2	<u>5,91,52,172</u>	<u>5,36,72,448</u>	
		9,91,52,172		9,36,72,448
2. Non-current liabilities				
a) Long-term borrowings	3	15,89,12,741	14,64,61,892	
b) Deferred Tax liabilities	4	<u>1,15,49,000</u>	<u>94,62,000</u>	
		17,04,61,741		15,59,23,892
3. Current Liabilities				
a) Short term borrowings	5	21,81,00,137	14,86,28,495	
b) Trade payables	6	2,85,89,774	1,96,93,082	
c) Other Current liabilities	7	1,29,64,645	91,71,591	
d) Short term provisions	8	<u>2,25,25,442</u>	<u>2,86,69,442</u>	
		28,21,79,998		20,61,62,610
TOTAL		<u>55,17,93,911</u>	<u>45,57,58,950</u>	
II. ASSETS				
1. Non-current assets				
a) Fixed assets				
i) Tangible assets	9	22,99,40,048	20,55,05,551	
ii) Intangible assets		2,31,347	----	
iii) Capital work-in-progress		<u>2,29,31,923</u>	<u>2,05,42,769</u>	
		25,31,03,318		22,60,48,320
b) Non-current investments	10	<u>63,49,390</u>		64,27,710
2. Current assets				
a) Inventories	11	11,16,65,612	8,71,01,259	
b) Trade receivables	12	7,48,59,130	6,39,58,817	
c) Cash and Bank Balances	13	3,14,45,004	1,83,96,725	
d) Short-term loans and advances	14	<u>7,43,71,457</u>	<u>5,38,26,119</u>	
		29,23,41,203		22,32,82,920
TOTAL		<u>55,17,93,911</u>	<u>45,57,58,950</u>	

Notes on accounts 22

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

K.V. RAMAN
Partner
Rajapalayam
27.05.2013

R. RAMJI
Managing Director

P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
S. RENGANATHAN
A. THIRUPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2013**

	Schedule No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
INCOME			
Sales / Revenue from Operations	15	82,55,15,698	57,73,34,863
Other Income	16	22,59,026	23,75,144
		<u>82,77,74,724</u>	<u>57,97,10,007</u>
EXPENDITURE			
Cost of Raw Material consumed	17	59,45,46,126	35,52,35,983
Changes in / Inventories of Finished Goods, stock-in-Process	18	(2,66,27,760)	(5,28,874)
Employee Benefit Expenses	19	5,54,30,673	4,29,66,073
Finance Costs	20	3,12,06,693	2,10,58,821
Depreciation & Amortisation Expenses		1,93,65,013	1,55,22,777
Other Expenses	21	13,85,82,355	12,16,47,538
		<u>81,25,03,100</u>	<u>55,59,02,318</u>
Profit Before Tax		<u>1,52,71,624</u>	<u>2,38,07,689</u>
Provision for Taxation - Current (MAT)		30,56,000	48,00,000
Provision for Tax - Deferred		20,87,000	30,70,000
Provision for Tax - Previous Year		----	25,214
		<u>1,01,28,624</u>	<u>1,59,12,475</u>
Earnings per share (Basic)			
Face value of Rs 10 each (Rs.)		2.53	3.98

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

K. V. RAMAN
Partner
Rajapalayam
27.05.2013

R. RAMJI
Managing Director

P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
S. RENGANATHAN
A. THIRUPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

POLYSPIN EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2013

	2012 - 2013	2011 - 2012
CASH FLOW FROM OPERATING ACTIVITIES	(Rupees in Lakhs)	
Net profit before Tax and Extraordinary items	152.72	238.08
Depreciation	193.65	155.23
Interest & Finance Charges	312.07	210.59
Loss on Sale of Assets	7.93	4.60
(Profit) on Sale of Assets	---	(0.30)
Income Tax Paid	35.00	(93.32)
Operating Profit before working Capital Changes	701.37	514.88
ADJUSTMENTS FOR		
- Trade and other Receivables	(379.23)	(267.18)
- Inventories	(245.64)	(43.70)
- Trade Payables	257.24	(5.25)
	(367.63)	(316.13)
Cash Generated from Operations	333.74	198.75
LESS : Interest & Finance Charges	312.07	210.59
Net Cash from Operating Activities	(A) 21.67	(A) (11.84)
NET CASH USED IN INVESTING ACTIVITIES		
Investments in Fixed Assets	(670.55)	(1066.72)
Proceeds from Sale of Assets	1.10	3.05
Investments	0.78	(3.65)
	(B) (668.67)	(B) (1067.32)
NET CASH USED IN FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Repayments)	124.50	703.89
Proceeds from Short Term Borrowings (Net of Repayments)	694.72	381.09
Payment of Dividend and Tax thereon	(41.74)	(48.02)
	(C) 777.48	(C) 1036.96
Net Increase in Cash & Cash Equivalents	(A+B+C) 130.48	(A+B+C) (42.20)
Cash & Cash Equivalents as at 31 st March 2012	183.97	226.16
Cash & Cash Equivalents as at 31 st March 2013	314.45	183.97
Net Change in Cash & Cash Equivalents	(130.48)	(42.20)

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

K. V. RAMAN
Partner
Rajapalayam
27.05.2013

R. RAMJI
Managing Director

P. S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S. R. SUBRAMANIAN
S. RENGANATHAN
A. THIRUPATHY RAJA
S. SANKAR
S. V. RAVI
Directors

AUDIT CERTIFICATE ON THE CASH 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, 2013. 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 27th May, 2013 to the members of the Company.

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

Place : Rajapalayam
Date : 27.05.2013

K.V.RAMAN
PARTNER

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
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1. SHARE CAPITAL

Authorised :

50,00,000 Equity Shares of Rs.10/- each (Previous Year : 50,00,000 Equity Shares of Rs. 10/- each)	<u>5,00,00,000</u>	<u>5,00,00,000</u>
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Issued, Subscribed & Paid up

40,00,000 Equity Shares of Rs.10/- each (Previous Year : 40,00,000 Equity Shares of Rs. 10/- each)	<u>4,00,00,000</u>	<u>4,00,00,000</u>
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1.1 Reconciliation of the Number of Shares Outstanding

Number of Shares at the beginning	<u>40,00,000</u>	40,00,000
Number of Shares at the end	<u>40,00,000</u>	<u>40,00,000</u>

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	%	No. of Shares	%
i) Sri. R. Ramji	3,18,615	7.97	2,03,062	5.08
ii) Smt. Durga Ramji	2,62,418	6.56	1,92,542	4.81
iii) Polyspin Limited	2,52,800	6.32	2,52,800	6.32
iv) Integrated Enterprises (India) Ltd	2,50,000	6.25	2,50,000	6.25

1.3 There is no Stock option was granted to the employees.

2. RESERVES AND SURPLUS

General Reserve

Opening Balance	5,01,00,000	4,01,00,000
Add : Transferred from Profit and Loss Account	<u>80,00,000</u>	<u>1,00,00,000</u>
	(A) 5,81,00,000	<u>5,01,00,000</u>

Profit and Loss Account

Opening Balance	35,72,448	23,08,873
Add : Profit for the Year	1,52,71,624	2,38,07,689
Less : Provision for TAX / MAT	30,56,000	48,25,214
Provision for Deferred Tax	20,87,000	30,70,000
Proposed Dividend	40,00,000	40,00,000
Tax on Dividend	6,48,900	6,48,900
Transferred to General Reserves	<u>80,00,000</u>	<u>1,00,00,000</u>
	(B) 10,52,172	<u>35,72,448</u>

TOTAL	<u><u>5,91,52,172</u></u>	<u><u>5,36,72,448</u></u>
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POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
3. LONG TERM BORROWINGS		
<u>-Secured</u>		
Term Loan from City Union Bank	8,25,99,473	9,42,46,613
- From Others		
Hire Purchase Loan	10,63,395	19,63,743
Buyers Credit - Capital Goods	4,16,51,955	3,12,73,536
<u>- Unsecured</u>		
Deposits		
Fixed Deposits	2,84,61,000	1,74,78,000
Intercorporate Deposits	15,00,000	15,00,000
Advance Against Term Deposit	36,36,918	----
	<u>15,89,12,741</u>	<u>14,64,61,892</u>

3.1 Rupee Term Loan Working capital finance from Bank is secured by a First charge, by way of equitable mortgage, of specified assets under this loan.

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

3.3 The Loans are additionally secured by Personal Guarantee of two Directors of the Company.

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

3.5 The year wise repayment to Term Loan are as follows :

Year	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
2012 - 2013	---	197.82
2013 - 2014	215.20	211.69
2014 - 2015	223.60	229.16
2015 - 2016	158.28	178.16
2016 - 2017	83.60	117.21
2017 - 2018	83.60	8.42
2018 - 2019	61.71	---
	825.99	942.46

4. DEFERRED TAX LIABILITIES

Deferred Tax Liabilities

Related to Fixed Assets	<u>1,15,49,000</u>	<u>94,62,000</u>
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POLYSPIN EXPORTS LIMITED**SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)**

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
5. SHORT TERM BORROWINGS		
-Secured		
From City Union Bank		
- Buyers Credit on Raw Material	7,59,34,106	5,65,88,638
- Foreign Bills Discounted	3,00,78,986	2,03,52,486
- Export Packing Credit	6,05,41,288	6,05,28,500
- Cash Credit on Raw Material and Book debts	5,15,45,757	1,11,58,871
	<u>21,81,00,137</u>	<u>14,86,28,495</u>
5.1 Working Capital Finance from Bank is further secured by hypothecation of all Current Assets of the Company.		
5.2 The Loans are additionally secured by Personal Guarantee of two Directors of the Company.		
6. TRADE PAYABLES		
For Goods	<u>2,85,89,774</u>	<u>1,96,93,082</u>
7. OTHER CURRENT LIABILITIES		
For Expenses	67,45,260	43,60,037
For Other Finance	41,98,091	30,59,112
Unpaid Dividend	20,21,294	17,52,442
	<u>1,29,64,645</u>	<u>91,71,591</u>
8. SHORT TERM PROVISIONS		
Provision for Taxation	1,78,76,000	2,40,20,000
Proposed Dividend	40,00,000	40,00,000
Tax on Proposed Dividend	6,48,900	6,48,900
Provision for Fringe Benefit Tax	542	542
	<u>2,25,25,442</u>	<u>2,86,69,442</u>

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

9. FIXED ASSETS

Description	Gross Block			Depreciation			Net Block		
	Cost as at 01.04.2012	Addition	Deduction	Cost as at 31.03.2013	Up to 01.04.2012	For the Year	Withdrawal	Up to 31.03.2013	As at As at 01.04.2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS									
Land	41,47,693	-----	-----	41,47,693	-----	-----	-----	-----	41,47,693
Building	6,31,86,675	53,54,420	-----	6,85,41,095	1,02,36,061	21,99,609	-----	1,24,35,670	5,61,05,425
Plant & Machinery	19,72,63,069	3,82,87,597	92,187	23,54,58,479	5,34,13,628	1,63,68,932	157	6,97,82,403	16,56,76,076
Furnitures & Fittings	3,18,641	85,120	-----	4,03,761	2,29,368	22,213	-----	2,51,581	1,52,180
Vehicles	67,41,309	-----	-----	67,41,309	25,58,354	7,09,054	-----	32,67,408	34,73,901
Office Equipment	4,72,412	1,45,750	-----	6,18,162	1,86,837	46,552	-----	2,33,389	3,84,773
Library	12,435	-----	-----	12,435	12,435	-----	-----	12,435	-----
Total-Tangible Assets	27,21,42,234	4,38,72,887	92,187	31,59,22,934	6,66,36,683	1,93,46,360	157	8,59,82,886	22,99,40,048
Total-Tangible Assets for Previous Year	18,77,87,532	8,61,29,253	17,74,551	27,21,42,234	5,21,53,327	1,55,22,777	10,39,421	6,66,36,683	20,55,05,551
INTANGIBLE ASSETS									
Computer Software	-----	2,50,000	-----	2,50,000	-----	18,653	-----	18,653	2,31,347

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)

			As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
10. NON-CURRENT INVESTMENTS				
(Unquoted)				
Number (Equity Shares)	Face Value Per Unit	Investment (Long term)		
365	Rs. 1,000/-	Ganesh Agro Pack (P) Ltd, India.	3,65,000	3,65,000
13,01,119	SLR 10/-	Lankaspin (P) Ltd., Sri Lanka	59,45,510	59,45,510
800	\$ 1/-	Polyspin USA Inc., USA	38,880	97,200
		Non-Trade Investment		
		Kisan Vikas Patra	----	20,000
Aggregate amount of Non-Current Investments at cost			63,49,390	64,27,710
11. INVENTORIES				
Raw Material			2,57,53,290	2,92,65,620
Stores and Spares			94,83,421	80,34,498
Work In Process			6,23,53,881	4,19,66,548
Finished Goods			1,38,73,788	77,83,393
Process Waste			2,01,232	51,200
			11,16,65,612	8,71,01,259
12. TRADE RECEIVABLES				
Over Six Months				
Good			1,47,953	58,08,128
Below Six Months				
Good			7,47,11,177	5,81,50,689
			7,48,59,130	6,39,58,817

POLYSPIN EXPORTS LIMITED**SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)**

	31.03.2013	31.03.2012
	Rs.	Rs.
13. CASH AND BANK BALANCES		
Cash on Hand	24,02,178	14,445
Balance with Banks		
- In Current Accounts	1,09,67,056	19,02,730
- In Fixed Deposit Accounts	1,80,75,770	1,64,79,550
	<u>3,14,45,004</u>	<u>1,83,96,725</u>

13.1 Balance with banks includes unclaimed dividend of Rs. 19,96,162/-
(Previous year Rs. 17,06,620/-)

14. SHORT TERM LOANS AND ADVANCES

Income Tax Paid / Tax Deducted at Source	1,99,45,096	2,57,22,857
Prepaid Expenses	11,68,574	3,76,849
Deposits with Govt. Departments	35,86,422	35,87,680
Interest Accrued on Deposits	14,47,635	14,13,463
Claim Receivable	57,23,192	15,51,566
Others	4,25,00,538	2,11,73,704
	<u>7,43,71,457</u>	<u>5,38,26,119</u>

Others Includes advance to Sundry Creditors, Advance to staff.

15. SALES / REVENUE FROM OPERATION

Export Sales	67,51,27,015	54,96,61,033
Domestic Sales		
- FIBC Bags	10,00,53,755	2,35,85,830
- Cotton Yarn	4,62,93,558	---
Sale of Plastic scrap	36,29,484	40,88,000
Sale of Cotton Waste	4,11,886	---
	<u>82,55,15,698</u>	<u>57,73,34,863</u>

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)

	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.
16. OTHER INCOME		
Interest Receipts	16,12,598	15,82,621
Profit on Sale of High Sea Sales	----	2,26,557
Profit on Sale of Assets	----	30,000
Dividend Receipts	6,06,378	----
Forex Flutuations	----	5,35,966
Profit on Sale of 250 KVA Genset	17,970	----
Miscellaneous sales	12,000	----
Profit on Sale of Equity Shares	10,080	----
	22,59,026	23,75,144
17. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	38,41,12,815	32,46,74,061
Printing Materials	89,06,149	78,75,104
Yarn / Hank yarn purchases	2,91,33,771	2,19,26,829
Cotton & Cotton Waste	8,99,83,754	7,59,989
Bags Purchases & Paper Bags purchases	7,89,20,293	----
Kraft Paper Purchases	34,13,994	----
Fabric Purchases	75,350	----
	59,45,46,126	35,52,35,983
18. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	4,98,01,141	4,92,72,267
Closing Stock	7,64,28,901	4,98,01,141
	(2,66,27,760)	(5,28,874)
19. EMPOLYEE BENEFITS EXPENSES		
Remuneration to Managing Director	20,10,600	24,14,956
Salaries & Wages	3,69,92,145	3,13,31,764
P.F. & E.S.I. Contribution	62,25,196	53,66,619
Labour Welfare Expenses	29,34,158	20,03,873
LIC Group Gratuity	33,25,784	7,00,198
Bonus / Ex-gratia	39,42,790	11,48,663
	5,54,30,673	4,29,66,073

POLYSPIN EXPORTS LIMITED**SCHEDULES FORMING PART OF ACCOUNTS**

	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.
20. FINANCE COSTS		
Interest on		
- Fixed Loans	1,44,63,751	91,81,987
- Working Capital Facilities	1,65,71,155	1,16,77,593
H.P. Finance Charges	1,71,787	1,99,241
	<u>3,12,06,693</u>	<u>2,10,58,821</u>
21. OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Repairs & Maintenance		
- Building	13,38,063	41,62,127
- Machinery	15,62,927	8,46,932
- General	6,40,122	6,94,554
Processing Charges paid	1,11,53,380	3,75,02,554
Stores & Spares Consumed	2,14,28,184	1,26,44,428
Power & Fuel	5,31,13,718	2,72,22,012
	<u>8,92,36,394</u>	<u>8,30,72,607</u>
Postage & Telephone	9,40,198	6,46,043
Printing & Stationery	10,63,670	7,52,872
Travelling Expenses	19,77,599	23,59,078
Bank Charges	60,42,804	52,40,397
Professional Charges	2,75,380	4,91,329
Licence, Taxes & Fees	9,93,484	5,17,608
Insurance Charges	17,42,222	15,79,888
Subscription & Periodicals	1,51,418	1,35,147
Filing Fees	16,500	5,000
Audit Fees	63,000	46,500
Vehicle Maintenance	20,55,436	18,81,936
Miscellaneous Expenses	5,77,170	1,47,387
Rebate	13,500	----
Commission paid	73,19,117	58,32,424
Rent	16,20,776	----
Loss on Sale of Assets	----	4,60,194
Loss on Sale of Highsea sale	7,93,254	----
Testing Charges	7,18,684	4,26,780
Service Tax on GTA	3,43,818	1,52,435
Packing Charges	25,205	----
Selling Expenses	75,476	----
Forex fluctuation A/C.	27,02,413	----
Sales Promotion Exps.	525	3,00,000
Service Tax on Testing Charges	91,833	15,098
Ocean Freight	1,84,86,579	1,65,01,090
Lorry Freight	12,55,900	10,83,725
	<u>13,85,82,355</u>	<u>12,16,47,538</u>

22. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of preparation of financial statements:

The Accounts are prepared under the historical cost convention and they materially comply with mandatory accounting standards issued by the Institute of Chartered Accountants of India. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

B. Use of Estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumption that affect the reported amounts of revenue, expenses, assets and liabilities at the end of the reporting period. Difference between the actual results and the estimated are recognized in the period in which the results are known/materialized.

C. 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.

D. Fixed Assets :

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.

E. Depreciation:

Depreciation is charged under Straight Line method.

Depreciation on Additions during the year is provided on 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.

F. Investments:

Investments are recorded as long term investments unless they are expected to be sold within one year. Investments in subsidiaries and associates are valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

G. Inventories:

Inventories are valued at lower of cost or net realizable value except for scrap and by products which are valued at net realizable value.

Cost of inventories of finished goods and work – in – process includes material cost, cost of conversion and other cost.

Stores and spares is valued at weighted average cost.

H. 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 therefrom are recognised in the Profit and Loss Account.

I. Employee 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.
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.

J. Revenue Recognition:

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

1. Export Sales is stated at C & F / CIF / FOB basis.
2. Domestic Sales excludes Excise duty, Education cess, VAT and CST.
3. Dividend income is recognized when right to receive the payment is established by the Balance Sheet date.
4. Interest income is recognized on accrual basis.
5. Income from windmill:
The value of power generated at windmill is captively consumed by the company. It is not treated as revenue but have been set off against cost of Power & Fuel.

K. 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.

L. Research and Development:

No such expenditure incurred during the current year.

M. TAXES ON INCOME :

Tax expense comprises current tax and deferred tax.

1. 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.
2. The Company recognizes the deferred tax liability / asset based on the accumulated timing difference using the current tax rate.

N. Government SUBSIDY/GRANT :

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

O. 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. EARNINGS PER SHARE :

	Year Ended 31-03-2013	Year Ended 31-03-2012
a) Net Profit after Tax (Rs. in Lakhs)	101.29	159.12
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)	2.53	3.98

4. 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
2. Lankaspin (P) Ltd., Srilanka.
3. Energyspin (P) Ltd.
4. Chola Packaging Ltd.
5. Ganesh Agro Pack (P) Ltd.

B) Key management Personnel and Relatives :

- i. Sri A. RAMMOHAN RAJA - Managing Director (Upto 31st January 2013)
- ii. Sri R. RAMJI - Managing Director (From 1st April 2013)

POLYSPIN EXPORTS LIMITED

C) Transaction during the year with Related Parties :

Sl. No.	Particulars	Year Ended 31-03-2013		Year Ended 31-03-2012	
		(Rs. in Lakhs)			
		Associate / Subsidiary Companies	Key Management Personnel	Associate / Subsidiary Companies	Key Management Personnel
1.	Sale of Raw Materials (on High Sea Sales)	159.60	---	216.85	---
2.	Purchase of Bags	813.76	---	103.67	---
3.	Processing charges paid	38.40	---	331.79	---
4.	Remuneration to Directors	---	22.98	---	27.03
5.	Inter Corporate Deposits Accepted	---	---	15.00	---
6.	Sale of Yarn, Fabric & Bags Sales	1543.64	---	717.28	---
7.	Assets sold during the year	---	---	1.91	---
8.	Assets purchases during the year	39.35	---	---	---
9.	Purchase of Paper Bags, Kraft Paper	24.35	---	3.65	---
10.	Purchase of Fabric & Stitching Yarn	102.30	---	---	---
11.	Wind Mill Energy captive consumption	29.10	---	5.42	---

5. SEGMENTWISE REPORTING

As required under Accounting Standard (AS17), the Segment Revenue, Results and Capital employed are furnished below :-

(Rs. in Lakhs)

Sl. No.	Particulars	Year ended	
		31.03.2013	31.03.2012
1.	Segment Revenue (Net Sales / Income from each)		
	a) FIBC Bags	7078.71	5730.89
	b) Cotton Yarn	1136.03	1.58
	Total	8214.74	5732.47
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags	420.14	450.44
	b) Cotton Yarn	44.64	(1.78)
	Total	464.78	448.66
	Less : Financial Charges	312.06	210.59
	Total Profit Before Tax	152.72	238.07
3.	Capital Employed (Segment assets - Segment Liabilities)		
	a) FIBC Bags	618.21	732.92
	b) Cotton Yarn	373.31	204.08
	Total	991.52	937.00

POLYSPIN EXPORTS LIMITED

		For the year ended	
		31-03-2013	31-03-2012
		<u>Rs. in Lakhs</u>	
6.	1) Value of Imports on CIF Basis		
	a) Raw Materials & Consumable stores	2166.29	2854.76
	b) Capital Goods	172.13	353.60
	2) Expenditure in Foreign Currency		
	i) Commission to Foreign Agents	71.06	58.32
	ii) Foreign Travel Expenses	1.69	2.70
	iii) Manufacturing Fees	---	0.68
	iv) Bags Testing Fees	6.90	2.58
	v) Seminar & Association Fee	1.42	---
	3) Earnings in foreign exchange on FOB Value of exports	5967.80	5393.14

Value of raw materials, stores & Spares consumed

		For the year ended			
		31-03-2013		31-03-2012	
		%	<u>Rs. in Lakhs</u>	%	<u>Rs. in Lakhs</u>
i)	Raw Material				
	Imported	36.44	2166.29	80.36	2854.76
	Indigenous	63.56	3779.17	19.64	697.59
ii)	Stores Indigenous	100.00	214.28	100.00	126.44

7. Auditors' Remuneration :

A. Statutory Auditors	Rs.	Rs.
Audit Fees	25,000	27,575
Tax Audit Fees /Appeal Fees	7,500	5,000
Certification Fees	9,500	8,500
Travelling Expenses reimbursed	5,000	5,000
B. Cost Auditor - Fees	15,000	---

8. Sales tax assessment for the year ended 31.03.2007 has been completed. Income tax assessment for the Assessment year 2010-11 has been completed.

9. Managing Director's Remuneration :	<u>2012 - 2013</u>	<u>2011 - 2012</u>
	Rs.	Rs.
Salary	20,00,000	24,00,000
Perquisites	2,98,600	3,02,959

10. As at 31.03.2013, 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.

11. 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. 17.38 Lacs being the credit given by TNEB for the transfer of power to the Grid.

	For the year ended	
	31.03.2013	31.03.2012
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	3,86,216 KWH	3,71,504 KWH
Units Captively Consumed	3,86,216 KWH	3,71,504 KWH

(included under Power & Fuel)

12. 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 2012-13 has been paid.

13. Deferred Tax (AS 22) :

Deferred Tax Liability (Net) for Rs. 20.87 Lakhs as on 31.03.2013 has been provided from the Current year's Profit in accordance with the Accounting for deferred tax in pursuance of AS 22 issued by the Institute of Chartered Accountants of india.

14. Contingent Liabilities not Provided For :

	31.03.2013	31.03.2012
	(Rs. in Lakhs)	
	=====	
i) Unexpired Letter of Credit	35.47	148.99
ii) Bank Guarantee	10.00	10.00

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

Signature to Schedules 1 to 22

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

K. V. RAMAN
Partner
Rajapalayam
27.05.2013

R. RAMJI
Managing Director

P.S. RAMANATHAN
Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
S. RENGANATHAN
A. THIRUPATHY RAJA
S. SANKAR
S.V. RAVI
Directors

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 Eighth Annual General Meeting of the Company to be
held on 23rd September, 2013 and at any adjournment thereof.

Affix
Re.1
REVENUE
STAMP

Proxy's Signature

Member's Signature

Signed this day of 2013.

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.

