

APPENDIX I TO REGULATION 2

[REGULATION 2 – 4 (ii)]

Distribution Schedule

(To be made out for each class of security)

POLYSIN EXPORTS LTD

(Name of Company)

Distribution of Equity Shares as on 03rd September 2014 (kind of Security)

Total nominal value Rs 5, 00,00,000/- Nominal value of each share/unit Rs 10/-

Total No.of shares/units 40,00,000 paid-up per share / unit Rs.10/-

Distinctive Nos. from 0000001 to 40,00,000

TABLE I
DISTRIBUTION OF HOLDINGS

Share or debenture holding of nominal value of		Share / Debenture holders		Share/ Debenture Amount	
Rs	Rs.	Number	% to total	(In Rs.)	% to total
(1)		(2)	(3)	(4)	(5)
Upto	5,000	3610	82.01	79,60,100	19.90
5,001	10,000	469	10.65	39,05,000	9.76
10,001	20,000	163	3.70	24,83,420	6.21
20,001	30,000	80	1.82	20,47,430	5.12
30,001	40,000	21	0.48	7,30,210	1.82
40,001	50,000	12	0.27	5,60,000	1.40
50,001	1,00,000	25	0.57	18,67,010	4.67
1,00,001 and above		22	0.50	2,04,46,830	51.12
TOTAL		4402	100.00	4,00,00,000	100.00

TABLE II
NAME OF SHARE / DEBENTURE HOLDER AND SHARES / DEBENTURES
HELD BY THE FOLLOWING , Viz.

Name of Share / Debenture holder	No.of Shares (or debenture amount in Rs.)	% to total No. of Shares (or debenture capital)	
(1)	(2)	(3)	
(a) Foreign holding	(i) Foreign Collaborators		
	(ii) Foreign Financial Institutions		
	(iii) Foreign Nationals		
	(iv) Non- resident Indians (Persons holding Indian passport staying abroad and persons of Indian Origin staying abroad)	1291	0.03
	T O T A L . . .	1291	0.03
(B) Goct./Govt. sponsored Financial Institutions	(i) Life Insurance Corporation of India		
	(ii) Unit Trust of India		
	(iii) Industrial Finance Corporation of India		
	(iv) Industrial Development Bank of India		
	(v) Industrial Credit and Investment Corporation of India		
	(vi) General Insurance Corporation of India and its subsidiaries		
	(vii) Nationalised Banks		
	(viii) Government Companies		
	(ix) Central Government		
	(x) State Government		
	(xi) State Financial Corporations		
T O T A L . . .	NIL	NIL	
(c) Bodies Corporate (not covered under [(a) and (b)]	(i) Holding Companies		
	(ii) Subsidiary Companies		
	(iii) Other Bodies Corporate	6,88,668	17.22
	T O T A L . . .	6,88,668	17.22

(d) Directors and their relatives (as defined in Sec.6 of the Companies Act. 1956)		12,35,515	30.89
(e) Other Top 50 Share/ Debenture holders (other than those listed above)]	(1)		
	(2)		
	(3)		
	(4)		
	(5)		
	(6) Separate List Enclosed		
	(7)		
	(8)		
	(9)		
	(10)		
	(11)		
	(12)		
	TOTAL	4,36,219	9.43

For Polystar Exports Ltd.

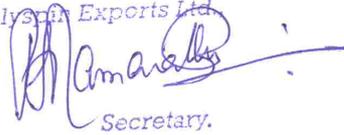
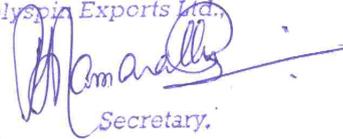

Secretary.

TABLE III
HOLDINGS OF OFFICE – BEARERS

Name of Directors, Managing Directors, Chairman, President, Secretary and Manager	Official relationship to the company	Number of shares (or Debenture amount in Rs.)
R. RAMJI	Managing Director	5,88,277
K. LAKSHMINARAYANAN	Director	7,500
S.R.SUBRAMANIAN	Director	68,500
S.V.RAVI	Director	6,300
S.SANKAR	Director	1,500
S.RENGANATHAN	Director	1,000
A.THIRUPATHI RAJA	Director	500
P.S.RAMANATHAN	Company Secretary	47,656

Certified Correct

For Polyspin Exports Ltd.,



Secretary.

Date:

(Signature of Managing Director/ Secretary)

NOTE : Separate forms should be completed for each class of security, e.g., debenture, preference shares, equity shares, etc. Similarly, separate forms should be completed for shares of the same class which are not identical in all respects.

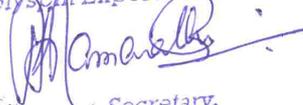
Shares are identical in all respects only if

- (i) they are of the same nominal value and the same amount per share has been called up;
- (ii) they are entitled to dividend at the same rate and for the same period, so that at the next ensuing distribution the dividend payable on each share will amount to exactly the same sum net and gross; and
- (iii) they carry the same rights in all other respects.

POLYSPIN EXPORTS LIMITED
NON- RESIDENT INDIANS
AS ON 03.09.2014

<u>Sl.No.</u>	<u>Folio/ID No.</u>	<u>Name of the Shareholders</u>	<u>No. of Shares</u>	<u>% of Holding</u>
1	IN30115127954406	JANAKI GOPALAN	1000	0.03
2	IN30302853409627	SAILESH SASIDHARAN	171	0.00
3	IN30290243150095	SANJIV RAZDAN	120	0.00
			<u>1291</u>	<u>0.03</u>

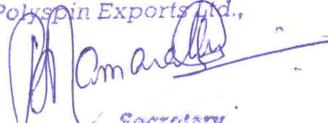
For Polyspin Exports Ltd.,


Secretary.

POLYSPIN EXPORTS LIMITED
OTHERBODIES CORPORATE HOLDING
AS ON 03.09.2014

Sl.No.	Folio/ID No.	Name of the Company	No. of Shares	% of Holding
1	1201060100193670	GOLCHHA PROMOTERS DEVELOPERS & BULDERS (P) LTD	3000	0.08
2	1204490000000095	SHRIAM FINANCIAL PVT. LTD.	1000	0.03
3	1202870000083495	SYS SECURITIES PVT LTD	2330	0.06
4	1601480000283770	SRI MAHALAKSHMI SHARES PRIVATE LTD	300	0.01
5	1202920000111233	JSEL SECURITIES LTD.(427)	100	0.00
6	1202980000064372	THE PENINSULAR PLANTATIONS LTD.	100	0.00
7	1201640000007983	MANSUKH STOCK BROKERS LIMITED	1286	0.03
8	IN30131321289026	POLYSPIN LIMITED	252800	6.32
9	IN30044110312282	INTEGRATED ENTERPRISES (INDIA) LTD., (SSVSM A/C)	250000	6.25
10	IN30023913598668	CHOLA PACKAGING LTD	80500	2.01
11	12	GANESH AGROPACK PVT.LTD.,	30000	0.75
12	IN30282210017937	ADROIT FIN SER PVT LTD	5500	0.14
13	IN30114310095924	MASTER CAPITAL SERVICES LTD	1900	0.05
14	IN30034310502394	TIRUPATI FIN-LEASE LIMITED	1200	0.03
15	1207220000000121	SKUNG TRADELINK LIMITED	700	0.02
16	IN3002011715328	KOLSITE CORPORATION LLP	3000	0.08
17	IN30236510000130	SHRI PARASRAM HOLDINGS PVT.LTD.	500	0.01
18	IN30357510001622	MATALIA STOCK BROKING PVT LTD	200	0.01
19	IN30039410014644	KARVY STOCK BROKING LIMITED	750	0.02
20	1201910100055137	SMC GLOBAL SECURITIES LIMITED	600	0.02
21	1203970000049801	SUGAL AND DAMANI SHARE BROKERS LTD	200	0.01
22	IN30133019485234	PARVATAVARDHANI INVESTMENTS LIMITED	100	0.00
23	IN30164510032663	GOLDMINE STOCKS PVT LTD	500	0.01
24	IN30189510835195	JRG FINCORP LIMITED	10	0.00
25	IN30011811039923	ALANKIT ASSIGNMENTS LTD	200	0.01
26	IN30132110399438	ISHA SECURITIES LIMITED	5	0.00
27	IN30023910851718	CENTRE FOR MONITORING INDIAN ECONOMY PVT LTD	1	0.00
28	IN30065210178607	ALL GUJARAT INVESTOR PROTECTION TRUST	1	0.00
29	IN30115113000946	PHOENIX SHARE & STOCKBROKERS PVT LTD	1	0.00
30	IN30134820008220	NIRSHILP SECURITIES PVT. LTD.	1	0.00
31	IN30198310285500	NAREDI INVESTMENT PVT. LTD.	1	0.00
32	2242	VAM MANAGEMENT SERVICES P LTD	1000	0.03
33	4557	RSR FINANCIAL SERVICE LIMITED	1000	0.03
34	4559	PEETEEM FINANCE & INVESTMENTS P LTD	100	0.00
35	5721	NAVIN CONSULTANTS PRIVATE LIMITED	500	0.01
36	5834	SI CAPITAL & FINANCIAL SERVICES LTD	2000	0.05
37	5850	DR.AGARWAALS EYE HOSPITAL LTD	31900	0.80
38	5851	BETHALA FINANCIAL SERVICE (P) LTD	300	0.01
39	7481	SHIVALIKA LEASING & FINANCE LTD	9100	0.23
40	IN30096610060240	GLOBE CAPITAL MARKET LTD	200	0.01
41	1203320000000066	ANGEL BROKING LIMITED.	590	0.01
42	1203440000068717	ARCADIA SHARE AND STOCK BROKERS PVT. LTD. BSE ABI	200	0.01
43	1204440000001190	MARFATIA STOCK BROKING PRIVATE LIMITED	200	0.01
44	IN30094010160640	INDUS PORTFOLIO PVT LTD	100	0.00
45	IN30311610000074	VENTURA SECURITIES LIMITED	1	0.00
46	1201640000007983	PACE STOCK BROKING SERVICES PVT LTD	2077	0.05
47	1207670000000254	BHANSALI VALUE CREATIONS PRIVATE LIMITED	350	0.01
48	1100001000014333	CAPSTOCKS & SECURITIES (INDIA) PVT LTD	100	0.00
49	1206940000001335	BHAJEE PORTFOLIO LIMITED	90	0.00
50	12058300000000311	NAVJEEVAN EQUITY BROKING PVT.LTD	50	0.00
51	IN30023910324155	GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED	1400	0.04
52	IN30210510082701	EUREKA STOCK AND SHARE BROKING SERVICE LTD	369	0.01
53	IN30018313632254	ICICI SECURITIES LIMITED	160	0.00
54	IN30001110002544	SUNIDHI SECURITIES AND FINANCE LTD	95	0.00
			<u>688668</u>	<u>17.22</u>

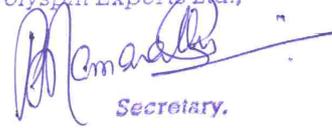
For Polyspin Exports Ltd.,


Secretary.

POLYSPIN EXPORTS LIMITED
DIRECTORS AND THEIR RELATIVES HOLDING
AS ON 03.09.2014

SL.NO.	FOLIO/ID NO.	NAMES	NO.OF. SHARES	% OF HOLDING
1	30131321079960/8161/3 0023914013048	SRI.R.RAMJI	588277	14.71
2	30131321077386	SMT. VIJAYALAKSHMI R	50100	1.25
	30131321200554/ 30023914082062	SMT . DURGA R	329538	8.24
4	30131320459356	SRI. RAVI S V	6300	0.16
5	30131320459348/ 0006	SMT. SUNETHRA R	127500	3.19
6	30023913543521/ 8157	SRI.VARUN R	33300	0.83
7	30131320841395	SRI . SUBRAMANIAN S R	68500	1.71
8	30044110007887	SMT. MEENA SUBRAMANIAN	21500	0.54
9	000376	SRI. THIRUPATHI RAJA A	500	0.01
10	002069	SRI. LAKSHMINARAYANAN K	7500	0.19
11	002241	SRI. SANKAR S	1500	0.04
12	8130	SRI. RENGANATHAN S	1000	0.03
		TOTAL	<u>1235515</u>	<u>30.89</u>

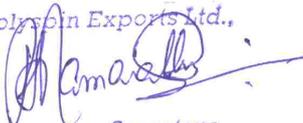
For Polyspin Exports Ltd.,


Secretary.

POLYSPIN EXPORTS LIMITED
TOP 50 SHARE HOLDERS AS ON 03.09.2014

<u>Sl. No.</u>	<u>Folio/ID No.</u>	<u>Name of the Share Holder</u>	<u>No. of Shares</u>	<u>% of Holding</u>
1	IN30048413258334	RAGHVENDRA	58869	1.47
2	IN30023914011472	P S RAMANATHAN	47656	1.19
3	1201070000136758	ARUNABEN MANHERLAL VAKIL	21391	0.53
4	300	GOVINDARAJAN P	20000	0.50
5	IN30021415834323	SOWMIYA S	15999	0.40
6	1206400000014909	UDAYAPPAN T	12712	0.32
7	1203970000003036	SWATI MAHESHWARI	11191	0.28
8	IN30017510546629	BASKAR RAJA V S	10000	0.25
9	39	LATHA B	10000	0.25
10	2362	KALYANAM S	10000	0.25
11	IN30002010995476	MAHESWARI S	9900	0.25
12	6179	MEENAKSHI M	9600	0.24
13	IN30048412787934	REKHA	9232	0.23
14	1201090000935916	A.VIMAL CHAND . .	8730	0.22
15	IN30311610454955	P MUKESH	8500	0.21
16	1201060100193639	RAJESH KUMAR GOLECHHA	7700	0.19
17	IN30023910010761	JOHN M T	7661	0.19
18	IN30023910010761	INDRA KUMAR BAGRI	7002	0.18
19	2621	ROSHAIAH V	7000	0.18
20	IN30102220720210	VANKA SIDDHARTHA	6800	0.17
21	IN30163760030029	RADHA KRISHNAN G	6250	0.16
22	1201070000169401	CHANDRESHKUMAR HASMUKHLAL PALISHWALA	6100	0.15
23	712	MAHADEVA RAJA P V	6000	0.15
24	7103	SURESH KUMAR	5500	0.14
25	IN30021412538837	ASHWINY KUMAR	5500	0.14
26	1201070000258234	BHAVINI R BHUTWALA	5435	0.14
27	IN30023913083708	CHANDUBHAI PARMANAND KARMIANI	5291	0.13
28	2858	RAMAKRISHNAN S	5000	0.13
29	2859	PUSHPA RAMAKRISHNAN	5000	0.13
30	2978	VIJAYAKUMAR M	5000	0.13
31	8014	PARIMALA S	5000	0.13
32	120515000030273	CHANDRIKA KIRAN SHAH	5000	0.13
33	IN30017510033029	RAJENDRAN P.K.	5000	0.13
34	4276	DHARAM CHAND JAIN	4600	0.12
35	1203600000734374	ARVINDKUMAR RAKJIBHAI PATEL	4500	0.11
36	IN30043310021580	SANJAY ARJUNDAS WADHWAL	4400	0.11
37	IN30135630019892	SANJAY AGGARWAL	4200	0.11
38	IN30023910039556	MARUTHUPANDIAN	4150	0.10
39	616	SUBRAMANIAN P K	4150	0.10
40	IN30169610384922	BALASUBRAMANI.V.P	3867	0.10
41	IN30023914172698	R.SAKTHIKUMAR	3823	0.10
42	IN30292710088723	RUPAL DILIPKUMAR SHAH	3800	0.10
43	1201070000169414	MANJULABEN HASMUKHLAL GILITWALA	3710	0.09
44	4654	GUNAVETHI N	3700	0.09
45	5915	VAIKUNTHALAL S KOTHARI	3700	0.09
46	IN30108010377857	PRIYADARSHANA	3600	0.09
47	709	AMBIKA A	3500	0.09
48	710	SUBBULAKSHMI P M	3500	0.09
49	711	VASANTHA P S	3500	0.09
50	IN30017510553402	MEENAKSHI V	3500	0.09
			<u>436219</u>	<u>9.43</u>

For Polyspin Exports Ltd.,


Secretary,

POLYSPIN EXPORTS LTD

(100% EXPORT ORIENTED UNIT)

RAJAPALAYAM



Annual Report
2013 - 2014

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. THIRUPATHY RAJA SHRI S. SANKAR SHRI S.V. RAVI SMT. DURGA RAMJI
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.
CORPORATE IDENTIFICATION NUMBER	: L51909TN1985PLC011683
E-MAIL	: pelpack@vsnl.net
PHONE NO	: 04563 - 221554 / 284503
FAX	: 04563 - 284505
WEBSITE	: www.polyspin.org
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., 2nd 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.

CIN : L51909TN1985PLC011683

NOTICE

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of the members of the company will be held at 9.30 A.M. on **Wednesday, the 3rd September, 2014**, 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 2014, 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 consider and if thought fit, to pass with or without modification, the following as an Ordinary resolution:-

Resolved that Sri. S.V. Ravi (DIN. 00121742), Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation.

4. To appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution:

Resolved that M/s. Krishnan & Raman, Chartered Accountants, the retiring Auditors of the company, be and are hereby appointed as Auditors of the company for a period of three years to hold office from the conclusion of this 29th Annual General Meeting till the conclusion of 32nd Annual General Meeting on a remuneration that may be fixed by the Board of Directors on the determination by the Audit Committee.

SPECIAL BUSINESS:

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

RESOLVED that in accordance with the provisions of Section 196, 197 and Schedule V, Part II, Section II of the Companies Act, 2013, approval and consent of the company, be and is hereby accorded for the variation in the remuneration payable to Sri. R. Ramji, (DIN.00109393), with effect from 1st June, 2014, on the following terms and conditions.

- a. Salary: Rs.3,50,000/- 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 provisions of Schedule V Part II Section II of the Companies Act, 2013 and Income Tax Act 1961. It shall be restricted to 50% of the salary per annum.

- d. Contribution: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
 - 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 V Part II Section II of the Companies Act, 2013
 - h. Residual Duration: Two years (Upto 31st March, 2016).
6. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:
- “RESOLVED that Smt. Durga Ramji, (DIN: 00109397) who was appointed as additional director and holds office till the conclusion of the forthcoming Annual General Meeting, be and is hereby appointed as Director of the Company representing Women Directorship under section 149 (1) of the companies Act, 2013, subject to retirement by rotation.
7. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:
- RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules thereon, Sri. K. Lakshminarayanan (DIN: 00122080), Director of the Company who is liable to retire by rotation, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years from 1th September, 2014 to 31st August, 2019
8. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:
- “RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules thereon, Sri. S. Renganathan (DIN: 00403586), Director of the Company (who retires at this Annual General Meeting), be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years from 1st September, 2014 to 31st August, 2019.
9. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:
- RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules thereon, Sri. A. Thiruppathy Raja (DIN: 00110840), Director of the Company, who is liable to retire by rotation, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years from 1st September, 2014 to 31st August, 2019.

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

RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules thereon, Sri. S. Sankar (DIN: 00122325), Director of the Company, who is liable to retire by rotation, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years from 1st September, 2014 to 31st August, 2019.

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

RESOLVED that pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereon, consent of the members of the company, be and is hereby accorded to the Board of Directors, to enter into contracts and arrangements for a period of five years with the related parties for a sum not exceeding Rs. 25 Crores each in a year with (a) Polyspin Limited and (b) Lankaspin Private Limited and for a sum not exceeding Rs. 1 Crore each in a year with (a) Cholapackaging Limited (b) Energyspin Private Limited and (c) Ganesh Agro Pack Private Limited.

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

“RESOLVED that in supersession of all the resolutions passed earlier in this regard, the consent of the Company be and is hereby accorded to the Board of Directors under Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company to borrow, from time to time, whether by way of loan in Indian rupees and / or Foreign Currency at their discretion, either from bank(s), Financial Institution(s), Bodies Corporate or any other lending institution(s) or persons , whether in India or abroad including moneys that may be borrowed by issue of debentures whether convertible or not, zero coupon bonds or such other securities as the Board in its absolute discretion determine on moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose, of the company, provided that the maximum outstanding amount of moneys so borrowed by the Board shall at any time not exceed Rs.100 Crores.

By order of the Board,

Place : Rajapalayam

Date : 16.07.2014

P.S. Ramanathan
Secretary

Notes :

1. The Register of members and the share transfer books of the Company will remain closed from 25.08.2014 to 03.09.2014 (both days inclusive) for annual closing.
2. **A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.**

The Proxy form should be lodged with the company atleast 48 hours before the scheduled commencement of the meeting.

Revenue stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy Form, for identification purpose.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of details relating to special business is furnished below.
4. 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 03-09-2014 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 24-08-2014.
5. 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
31.03.2007	Nil	----	----	----
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
31.03.2013	10%	23.09.2013	22.09.2020	21.10.2020

A sum of Rs. 1,98,547/- representing unpaid dividends for the year 31.03.2006 has been transferred to the Investor Education and Protection Fund on 17.10.2013 as required under section 205A of the Companies Act, 1956.

The members are informed that under the provisions of Section 124(6) of the Companies Act 2013, the SHARES in respect of which unpaid and unclaimed dividend has been transferred under sub Section (5) to the fund SHALL ALSO BE TRANSFERRED TO THE FUND. The proviso provides that any claimant of shares transferred above shall be entitled to claim the transfer of shares from the Investor Education and Protection Fund on submission of documents prescribed.

6. 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.
7. Members are requested to kindly bring their copy of the Annual Report to the Annual General Meeting.
8. 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.
9. **Electronic copy of the Notice of the 29th Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered email address, physical copies of the Notice of the 29th Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.**
10. **Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2013 – 14 will also be available on the Company's website www.polyspin.org for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Rajapalayam for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also write to the Company's email id: polyspinexportscs@gmail.com**
11. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, read with clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting by electronic means

and the business may be transacted through e-voting service provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
- i. Open the e-mail and also open PDF file namely "Polyspin Exports Limited e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL:
<https://www.evoting.nsd.com>.
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.

Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting>Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Polyspin Exports Limited as appearing in the Attendance Slip.

Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to subra1152@gmail.com with a copy marked to evoting@nsdl.co.in
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsd.com.

- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- i. Initial password is provided at the bottom of the attendance slip for the Annual General Meeting:
EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

C. Other instructions:

- i. The e-voting period commence on 28th August, 2014 (09.00 A.M) and ends on 30th August, 2014 (06.00 P.M). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 1st August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 1st August, 2014.
- iii. Mr. B. Subramanian, Practicing Company Secretary (Membership No. F2152 & C.P. 2275) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. The result shall be declared on or after the Annual General Meeting of the Company. The results declared along with Scrutinizer's Report shall be placed on the Company's website [www. polyspin.org](http://www.polyspin.org) and the website of NSDL within two days of passing the resolution at the Annual General Meeting of the company and communicated to the stock exchanges.

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

Item No. 5

Sri. R. Ramji, (DIN. 00109393), was first appointed as Managing Director by the Board of Directors in the meeting held on 28th March, 2013. The appointment was made subject to the provisions of section 198, 309 and 310 read with schedule XIII of the Companies Act, 1956. The period of appointment was made for three years on a monthly remuneration of Rs. 2,50,000/- together with commission, perquisites and other benefits. The company has performed well under his management. The turnover has crossed Rs.100 Crores and the yarn manufacturing plant is functioning well. The Nomination and Remuneration Committee has recommended an increase in the monthly remuneration commensurate with the structure of the Industry.

Hence, the special resolution to enable the board to pay the increased remuneration which is subject to the provisions of section 196, 197 Schedule V, Part II, Section II of the Companies Act, 2013.

None of the Directors and key management personnel except Sri. R. Ramji, Sri. S.V. Ravi and Smt. Durga Ramji are interested in the Resolution.

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

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

S.No.	Name of the Company	Designation
1.	Polyspin Exports Limited	Managing Director
2.	Lankaspin Private Limited, Sri Lanka	Director
3.	Polyspin Limited	Director
4.	Energyspin Private Limited	Director
5.	Ramji Investments Private Limited	Director

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

I. GENERAL INFORMATION :

1. Nature of Industry : Manufacturing
2. Date of Commercial Production : Already Under Production
1. FIBC Bags / Fabrics / Yarn
2. Open End Spinning Yarn
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable

4. Financial Performance :

Rupees in Lakhs

Particulars	2011-12	2012-13	2013-14
Sales	5797.10	8277.75	11985.67
Profit before Interest & Depreciation	603.89	658.43	1029.28
Profit after Interest & Depreciation	238.08	152.72	459.61
Profit after Tax	159.12	101.29	315.30
Dividend (10%)	40.00	40.00	(12%) 48.00
Net worth	936.72	991.52	1249.98
EPS	3.98	2.53	7.88

5. Export performance and net foreign exchange earning :

Particulars	2011-12	2012-13	2013-14
Exports - earnings in Foreign exchange	5393.14	5967.80	8149.51
Foreign exchange out Flow	3272.64	2419.49	4010.20

II. INFORMATION ABOUT THE APPOINTEE :

1. Background : 22 Years experience in Woven sack Industry
2. Past Remuneration Salary & Perquisites (Rupees in Lakhs) : Rs. 31.02 (2013-14)
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.

III. OTHER INFORMATION :

1. Inadequate profits :

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

The Company has implemented the expansion programme 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 :

The information and explanation may be taken as disclosure under the listing agreement.

Item 6

Smt. Durga Ramji, (DIN: 00109397) was appointed as an additional Director representing Women Director under the provisions of Section 149 (1) of the Companies Act, 2013. She holds office till the conclusion of this Annual General Meeting. Being eligible offers herself for appointment as Director of the company representing Women Directorship.

The company has received a notice along with a deposit of Rs.1,00,000/- under the provisions of Section 160 of the companies Act, 2013, from a member signifying intention to propose the appointment of Smt. Durga Ramji, a Non-Executive Director of the company

She has much experience in corporate management and export marketing. She is a Director in Polyspin Limited, Energyspin (P) Limited, Lankaspin Private Limited and Ramji Investments Private Limited.

None of the Director except Smt. Durga Ramji and R. Ramji are interested in the above resolution.

Item No. 7

Sri. K. Lakshminarayanan (DIN. 00122080) is a Director of the company who is liable to retire by rotation. Pursuant to the provisions of Section 149 of the Companies Act, 2013, he is proposed to be appointed as an Independent Director for a period of five years.

The company has received a notice along with a deposit of Rs.1,00,000/- under the provisions of Section 160 of the companies Act, 2013, from a member signifying intention to propose the appointment of Sri. K. Lakshminarayanan, as an independent Director of the company.

Sri. K. Lakshminarayanan, B.Com, C.A.I.I.B., is a retired Executive Director of Canara Bank. He has the vast experience in Banking and finance. He is the Chairmen of Audit committee of the Company. He is director of M/s. Ramji Investments Private Limited.

He will be an independent and Non-Executive director.

None of the Directors except Sri. K. Lakshminarayanan is interested in the above resolution.

In the opinion of the Board of Directors of the Company, the Independent Directors proposed to be appointed fulfills the condition stipulated in the Act and the rules made thereunder and the proposed Director is Independent of the Management.

Item No. 8

Sri. S. Renganathan (DIN. 00403586) is a Director of the company who is liable to retire by rotation. Pursuant to the provisions of Section 149 of the Companies Act, 2013, he is proposed to be appointed as an Independent Director for a period of five years.

The company has received a notice along with a deposit of Rs.1,00,000/- under the provisions of Section 160 of the companies Act, 2013, from a member signifying intention to propose the appointment of Sri. S. Renganathan, as an independent Director of the company.

Sri S. Renganathan has rich experience in construction chemicals and has to his credit the introduction of many innovative products used in the construction industry.

Being an industrialist for the past twenty five years, his association would immensely benefit the company.

He is a member in the Board of Directors of the following companies:-

1. Vijay Constro Chemicals Private Limited.
2. Vijay Adhesives Private Limited.

He will be an independent and Non-Executive director.

None of the Directors except Sri.S.Renganathan, is interested in the above resolution.

In the opinion of the Board of Directors of the Company, the Independent Directors proposed to be appointed fulfills the condition stipulated in the Act and the rules made thereunder and the proposed Director is Independent of the Management.

Item No. 9

Sri. A. Thiruppathy Raja (DIN. 00110840), is a Director of the company who is liable to retire by rotation. Pursuant to the provisions of Section 149 of the Companies Act, 2013, he is proposed to be appointed as an Independent Director for a period of five years.

The company has received a notice along with a deposit of Rs.1,00,000/- under the provisions of Section 160 of the companies Act, 2013, from a member signifying intention to propose the appoint of Sri.A.Thiruppathy Raja, as an independent Director of the company.

Sri.A.Thiruppathy Raja, B.A., has vast experience in Textile and Yarn Business.

He will be an independent and Non-Executive director.

None of the Directors except Sri.A.Thiruppathy Raja, is interested in the above resolution.

In the opinion of the Board of Directors of the Company, the Independent Directors proposed to be appointed fulfills the condition stipulated in the Act and the rules made thereunder and the proposed Director is Independent of the Management.

Item No. 10

Sri. S. Sankar, (DIN. 00122325) is a Director of the company who is liable to retire by rotation. Pursuant to the provisions of Section 149 of the Companies Act, 2013, he is proposed to be appointed as an Independent Director for a period of five years.

The company has received a notice along with a deposit of Rs.1,00,000/- under the provisions of Section 160 of the companies Act, 2013, from a member signifying intention to propose the appointment of Sri. S. Sankar, as an independent Director of the company. He has vast experience in global corporate enterprises.

Sri. S. Sankar, FCA., is a Chartered Accountant and Management Consultant. He is a member of Audit Committee of the Company.

He is a member in the Board of Directors of the following companies:-

1. Corporate Advizory Group Private Limited
2. Chennai Corporate Financial Services Private Limited
3. Port and Infrastructure Consultancy (Madras) Private Limited
4. CEEL EPC Limited
5. Sankar Power Projects Consultancy Private Limited
6. MSA Holding Private Limited

7. Wingreen Energy Infra Private Limited
8. Emgee Advisory Services Private Limited
9. Polysoft ISW Tech Convergence Private Limited

He will be an independent and Non-Executive director.

None of the Directors except Sri. S. Sankar, is interested in the above resolution.

In the opinion of the Board of Directors of the Company, the Independent Directors proposed to be appointed fulfills the condition stipulated in the Act and the rules made thereunder and the proposed Director is Independent of the Management.

Item No.11

Pursuant to Section 188 of the Companies Act, 2013 and the Companies (Meeting of Board and its power) Rules, 2014, no contracts or arrangement with a related party with respect to the transactions specified in that Section can be entered by our Company, other than transactions which are entered in the ordinary course of business on an arm's length basis without the consent of the shareholders by special resolution.

In view of the growing operations and in particular the export sales, the company is required to enter into the contract and agreements for sale, purchase, trade, avail and render job work with the related parties.

Even though the transactions will be entered in the ordinary course of business of the company on an arm's length basis, as good Corporate Governance the consent of the shareholders by way of special resolution pursuant to Section 188 of the Companies Act, 2013 and the Rules made thereunder is being requested to enable the Board to enter into contracts for Sale, Purchase or supply of raw materials, Compounds and Finished goods and to avail and render job works with the above related parties for a period of five years with effect from the date of execution of the contracts for the amount as mentioned in the resolution with each related parties

Sri. R. Ramji, Managing Director, Sri. S.V. Ravi, Sri S.R. Subramanian and Smt. Durga Ramji Directors are interested in this resolution as they have the following interests in the related parties.

S.No.	Name	Interested Director	Nature of Interest
1.	Polyspin Limited	Sri. R. Ramji, Smt. Durga Ramji	Directors
2.	Lankaspin Private Limited	Sri. R. Ramji, Smt. Durga Ramji	Directors
3.	Chola Packaging Limited	Sri. S.V. Ravi	Managing Director
4.	Energyspin Private Limited	Sri. R. Ramji, Smt. Durga Ramji	Directors
5.	Ganesh Agro Pack (P) Limited	Sri. S.R. Subramanian, Sri. S.V. Ravi	Directors

Item No.12

An ordinary resolution was passed at the general meeting held on 5th September, 2011 according consent under Section 293 (1) (d) of Companies Act, 1956, to borrow money in excess of the aggregate of the paid up capital of the company and its free reserves, provided that the maximum amount of moneys so borrowed by the Board of Directors shall not, at any time, exceed Rs. 50 Crores. The said resolution is current and continues to be in force.

Meanwhile under Section 180 Companies Act, 2013, which was put into force from 12th September, 2013, Board of Directors of a company can borrow money exceeding the aggregate of paid-up capital and free reserves only with the consent of the shareholders by special resolution as against ordinary resolution under Section 293(1)(d) of Companies Act, 1956.

Although the said ordinary resolution passed on 5th September, 2011 is current and continues to be in force, as a matter of abundant caution, the Board of Directors recommend the above special resolution as set out in the notice for your approval.

None of the Directors, Key managerial personnel of the company and their relatives are interested or concerned in the aforesaid resolution.

By order of the Board,

Place : Rajapalayam

Date : 16.07.2014

P.S. Ramanathan
Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report on the working of the company and Audited Accounts for the year ended 31st March, 2014.

Financial Results

	Year ended 31.03.2014	Year ended 31.03.2013
	Rs.	Rs.
Sales and other Income =====	119,85,66,705	82,77,74,724
Operating Profit (Profit before interest, Depreciation and Tax)	10,29,27,995	6,58,43,330
LESS : Interest	3,48,04,904	3,12,06,693
Profit before Depreciation and Tax	6,81,23,091	3,46,36,637
LESS : Depreciation	2,21,62,047	1,93,65,013
Profit before Tax	4,59,61,044	1,52,71,624
Surplus Brought forward from previous year	10,52,172	35,72,448
Add : Provision for Fringe Benefit Tax (withdrawn)	542	----
	4,70,13,758	1,88,44,072
Less: Provision for Taxation-Current	1,10,00,000	30,56,000
Provision for Deferred Tax	34,31,000	20,87,000
Provision for Taxation (earlier years)	69,271	-----
Profit available for appropriation	3,25,13,487	1,37,01,072
Your directors propose to appropriate the same as follows		
Proposed Dividend @ 12%	48,00,000	40,00,000
Tax on Proposed Dividend	8,15,760	6,48,900
Transfer to General Reserve	2,40,00,000	80,00,000
Balance carried over to Balance Sheet	28,97,727	10,52,172
	3,25,13,487	1,37,01,072

DIVIDEND

Your Directors are pleased to recommend the payment of **Dividend at Re.1.20 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. 8.16 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 31.03.2014	Year ended 31.03.2013
	<u>Quantity (Kgs.)</u>	<u>Quantity (Kgs.)</u>
1. Production		
1) FIBC Bags & PP Woven Bags	45,05,599	30,31,410
2) PP Woven Fabrics	2,45,632	7,18,591
3) PP Yarn	10,09,819	10,21,093
4) Paper Bags	84,587	34,696
5) Cotton Yarn & Fabric	20,67,265	10,38,319
2. Sales		
1) FIBC Bags & PP Woven Bags	45,15,878	36,25,945
2) PP Woven Fabrics	2,45,632	7,18,591
3) PP Yarn	10,09,819	10,21,093
4) Paper Bags	83,147	34,696
5) Cotton Yarn & Fabric	20,54,520	9,61,379

The global economy is on the recovery mode. Since our company is an export company, even an insignificant change in the economic factor affects us. The global economy grew by 2.1% as against Indian economic growth of 4.7%. The rate of inflation has increased from 4.2% in the year 2005-06 to 12.3% for the year 2009-10 and decreased to 9.5% for the year 2013-14. The total exports has increased from 105.2 billion dollar in the 2005-06 to 309.8 billion dollar in the year 2011-12 and 318 billion dollar for the year 2013-14.

The company's turnover in spite of certain economic bottleneck both domestic and global, has increased from Rs. 82.77 Crores to Rs.119.85 Crores. This has been possible due to the constant vigil and upgradation of facilities to satisfy the export market condition. The increased production of yarn has also benefited the company's increase in sales. A major hurdle is the power sector, which is closely monitored, so that necessary steps will be taken to overcome the same. The strength of Rupee is another factor which will have certain impacts on your company. The company expects a very good future in view of the stability of the economy.

The new government at the centre with pragmatic approach will pave way for stable economic growth. Though many fine prints are to be looked into and solved, a momentum has been created.

LISTING:

The equity shares of your company are traded at BSE T segment (Stock code 590055). The annual listing fee for the year 2014 – 15 has been paid.

The company has received a communication from Madras Stock Exchange that the activities of the Madras Stock Exchange will be closed shortly. We have been advised to get listing in Bombay Stock Exchange. We are pleased to inform that the Bombay Stock Exchange has written to us that subject to certain conditions being fulfilled as per the diluted norms, our company can be listed in BSE. It is proposed to fulfill the conditions and be listed in BSE.

DIRECTORS:

Sri. S.V. Ravi, Director, retires by rotation at the ensuing Annual General Meeting and since he is eligible for re-appointment, it is proposed to reappoint him as Director of the company.

Smt. Durga Ramji, representing Women Directorship was co-opted as an Additional Director and will hold the office till the date of the forthcoming Annual General Meeting and being eligible offer herself for re-appointment and is proposed to be re-appointed as representing Women Directorship liable for retirement by rotation.

Sri. S. Renganathan, Director, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. He is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st August, 2019, under the provisions of Section 149 of the Companies Act, 2013.

Sri. K. Lakshminarayanan, Sri. A. Tirupathy Raja & Sri. S. Sankar, Directors, retire by rotation under the erstwhile applicable provisions of the Companies Act, 1956. They are proposed to be appointed as Independent Directors for five consecutive years for a term upto 31st August, 2019, under the Section 149 of the Companies Act, 2013.

DEPOSITS:

The total amount of deposits as on 31st March, 2014 is Rs.322.66 Lakhs. The company has no overdue deposits.

Section 74 of the Companies Act, 2013 has provided an option to repay the existing deposits within the stipulated time as provided in Rules made thereunder. The Company has decided to repay all the existing deposits by complying with the formalities required in this regard.

ENERGY CONSERVATION / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE:

Information under Section 217 (1) (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, has not been furnished. Since, none of the employee is getting remuneration of more than Rs. 5,00,000/- per month or Rs.60,00,000/- per annum.

RESPONSIBILITY STATEMENT:

The Directors confirm:

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2014, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company 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. Based on the recommendation of the Audit Committee, the Board of Directors of the Company have proposed the appointment of M/s. Krishnan & Raman, Chartered Accountants, as the Auditors of the company from the conclusion of the forthcoming 29th Annual General Meeting till the conclusion of the 32nd Annual General Meeting and have further confirmed that the said appointment would be in conformity with the provisions of Section 141 of the Companies Act, 2013.

Under Section 139 of the Companies Act, 2013, a listed Company can appoint an Audit firm as auditor for a maximum of 2 terms of five consecutive years. However, they are eligible for reappointment after a period of 5 years from the completion of such term. The Auditors have completed the maximum threshold limit of 10 consecutive years. However, a period of three years is given for compliance of the new requirement. Since a period of three years is available to continue with the existing auditors, it is proposed to appoint them for the remaining eligibility period of three years.

COST AUDITORS:

The Government of India has approved the proposed to appoint Sri. P.K. Ramasubramanian, Cost Accountant, Rajapalayam, to audit the Cost Accounts of the Company for the period ended 31st March, 2014. The Cost Audit report for the earlier year has been filed.

As per provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Government has not notified the products of our company to which the Cost Audit would be applicable. Based upon such notifications and as and when clarification is issued, the Company will take steps for compliance.

REPORT ON CORPORATE GOVERNANCE:

The Company has complied with the requirements of Corporate Governance as stipulated in Clause 49 and 35 B of the Listing Agreements. 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 : 16.07.2014

S.V. RAVI
Director

R.RAMJI
Managing Director

Annexure to Directors' Report for the year ended 31st March, 2014

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 31.03.2014.

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		2013-14	2012-13
a) Purchased from Electricity Boards			
Unit	KWH	19,44,518	5,34,767
Total Amount	Rs.	1,34,85,850	48,26,757
Rate / Unit	Rs.	6.94	9.02
b) Own Generation			
Through Diesel Generator Units	KWH	3,25,187	5,33,894
Unit per Litre of Diesel Oil	KWH	3.54	3.49
Diesel Cost per Unit	Rs.	16.67	17.04
c) Purchased from Third Party			
Unit	KWH	11,73,210	4,44,192
Total Amount	Rs.	92,73,742	28,69,319
Rate / Unit	Rs.	7.90	6.46

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

Product (with Details)	:	OE Cotton Yarn	
100% Cotton Yarn (40s Converted) Kgs.	:	7,96,417 Kgs.	3,34,571 Kgs.
Electricity per Kgs. of Production of Yarn (Based on 40s Converted (in units))	:	4.32 Unit / Kgs.	4.52 Unit / Kgs.

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 16.07.2014

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 eight Directors out of whom seven are Non-executive Directors. There are four independent Directors, who are eminent persons in the field of Banking, Finance, Management, Industry, Business and Export Marketing. There is one Director representing Women Directorship under the provisions of Section 149 of the Companies Act, 2013.

The Board consists of Eight Directors:

Name of the Directors	Category	Number of Other Directorship held	
		PUBLIC	PRIVATE
1) Sri. R. RAMJI	Executive - Managing Director	1	3
2) Sri. K. LAKSHMINARAYANAN	Non-Executive/ Independent	---	1
3) Sri. S.R. SUBRAMANIAN	Non-Executive	1	1
4) Sri S. RENGANATHAN	Non-Executive/ Independent	---	2
5) Sri. A. THIRUPPATHY RAJA	- do -	---	---
6) Sri. S. SANKAR	- do -	1	8
7) Sri. S.V. RAVI	Non-Executive	1	2
8) Smt. DURGA RAMJI	Non-Executive - Women Directorship	1	2

Seven Meeting of the Board of Directors of the Company was held during the year 2013-2014 on 27.05.2013, 29.07.2013, 31.08.2013, 23.09.2013, 25.10.2013, 17.01.2014 and 31.03.2014.

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

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Sri. S. Renganathan		Sri. S.V. Ravi		Smt. Durga Ramji	
Age (Years)	69		55		42	
Date of Appointment	21.10.2011		27.11.1992		28.05.2014	
Expertise in specific functional area	Industrialist		Industrialist		Vast and rich experience in the field of Export Marketing	
Qualification	---		B.A.,		B.Sc.,	
List of outside Directorship held	PUBLIC	PRIVATE	PUBLIC	PRIVATE	PUBLIC	PRIVATE
	---	2	1	2	1	2
Chairman / Member of the Committee of the Board of Directors of the company	Nomination and Remuneration Committee (Member)		Audit Committee (Member)		---	
Chairman / Member of the Committee of Directors of other Companies	Nil		Nil		Nil	

Name of the Director	Sri. K. Lakshminarayan		Sri. A. Thiruppathy Raja		Sri. S. Sankar	
Age (Years)	81		66		56	
Date of Appointment	15.10.1994		06.07.2001		06.07.2001	
Expertise in specific functional area	Retired Bank Executive		Business		Chartered Accountant and Management Consultant	
Qualification	B.Com., C.A.I.I.B.,		B.A.,		F.C.A.,	
List of outside Directorship held	PUBLIC	PRIVATE	PUBLIC	PRIVATE	PUBLIC	PRIVATE
	---	1	---	---	1	8
Chairman / Member of the Committee of the Board of Directors of the company	Chairman of Audit Committee		Stakeholders Relationship Committee (Member) & Nomination and Remuneration Committee (Member)		Audit Committee (Member)	
Chairman / Member of the Committee of Directors of other Companies	Nil		Nil		Nil	

III. AUDIT COMMITTEE

Terms of Reference :

The Terms of Reference of the Audit Committee pertains to the areas referred to in Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange. The Audit Committee consists of 2 Independent Directors Sri. K. Lakshminarayanan (Chairman of the Committee), Sri. S. Sankar and Sri. S.V. Ravi. Sri. P.S. Ramanathan is the Secretary of the Committee.

The Audit Committee met six times during the financial year on 27.05.2013, 29.07.2013, 23.09.2013, 25.10.2013, 17.01.2014 and 31.03.2014.

IV. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

(RENAMED AS STAKEHOLDERS RELATIONSHIP COMMITTEE ON 28.05.2014)

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 27.05.2013, 29.07.2013, 23.09.2013, 25.10.2013 and 17.01.2014..

No. of shareholders queries / complaints received during 2013-14	-	61
No. of Complaints / queries not solved to the satisfaction of Shareholders	-	Nil
No. of Pending Share Transfer	-	Nil
No. of Pending Change of Address	-	Nil

Most of the queries related to non receipt of Dividends, which have been duly complied with by sending duplicate Dividend warrants.

V. REMUNERATION COMMITTEE:

(RENAMED AS NOMINATION AND REMUNERATION COMMITTEE ON 28.05.2014)

A Remuneration Committee under the provisions of the Companies Act, 2013, and the Listing Agreement has been constituted with the three Non-executive / Independent Directors, namely Sri K. Lakshminarayanan, Sri S. Renganathan 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

Details of Remuneration paid to the Managing Director during the year 2013-14 are given below :

<u>Name and Designation</u>	<u>Salary & Perquisites</u> <u>(Rupees in Lakhs)</u>
Sri. R. Ramji, Managing Director	31.02

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

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.

Disclosure: Necessary disclosure as per the provisions of Companies Act, 2013 and the listing agreement has been provided under the appropriate places of the Directors report.

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. THIRUPPATHY RAJA	500
5) Sri. S. SANKAR	1,500
6) Sri. S.V. RAVI	6,300
7) Smt. DURGA RAMJI	325,538

VIII. Disclosure of Relationship of the Directors :

Sri R. Ramji, Managing Director is related to Sri S.V. Ravi and Smt. Durga Ramji. Except this there is no other relationship among the Directors.

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. Necessary inputs are provided to the Audit Committee on a monthly basis. The production and sales are monitored and any deviation from the projected is identified, solution found and necessary rectifications are done periodically.

Audit Committee as well as the Board of Directors 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 Schedule 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
05.09.2011	Sri Arjuna Manthiram, Rajapalayam	9.30 A.M
17.09.2012	- do -	9.30 A.M
23.09.2013	- 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.

E-voting is provided from the current year pursuant to clause 35B of the listing Agreement . This has been more clearly explained in the notice to Annual General Meeting.

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

The unaudited results of the first, second and third quarter are announced within 30 days of the end of the relevant quarter and the fourth quarter and annual audited results are announced within 60 days of the end of the Financial Year.

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, 2014**
2. ANNUAL GENERAL MEETING : **TWENTY NINTH**
3. DATE & TIME : **3rd September, 2014 - 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 : **25.08.2014 to 03.09.2014**
(Both days inclusive)
6. E-VOTING DATE : **28th, 29th & 30th August, 2014**
(For details refer the Notice to Annual General Meeting) **Time : 9.00 A.M. to 6.00 P.M.**
Under NSDL Platform

7. LAST DATE FOR RECEIPT OF PROXY FORM : **01.09.2014 - 9.30 A.M.**
8. DIVIDEND PAYMENT DATE : **Date of AGM**
9. LISTED STOCK EXCHANGE : The Madras Stock Exchange, Chennai.
The Company has paid Annual Listing fee to the above Stock Exchange for the financial year 2014 - 2015
10. The company's Shares are permitted for trading in Bombay Stock Exchange under INDONEXT Platform with effect from 15.05.2006
11. STOCK CODE : 1. BSE - 590055 2. MSE - PSK
(INDONEXT)

12. STOCK PRICE PERFORMANCE

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

Month		High (Rs.)	Low (Rs.)
April	2013	15.80	14.95
May	2013	16.90	15.10
June	2013	16.00	16.00
July	2013	17.85	15.80
August	2013	16.80	15.25
September	2013	15.65	14.35
October	2013	17.30	15.50
November	2013	18.70	17.00
December	2013	18.70	16.20
January	2014	25.75	17.00
February	2014	23.95	20.20
March	2014	21.50	18.55

Source : BSE website

Note : There is no trading in Madras Stock Exchange.

13. 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 16.07.2014.

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.

14. **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
15. **NAME OF THE DEPOSITORY** : National Securities Depository Ltd.
Central Depository Services (India) Ltd.
16. **ISIN No.** I N E 9 1 4 G 0 1 0 1 1
17. **DEMATERIALISATION OF SHARES AS ON 31.03.2014** : A total number of 25,56,060 shares, the face value of which is Rs. 2,55,60,600 have been dematerialised. This forms 63.90 % of the total paidup share capital.
18. **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
19. **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
20. A separate email ID has been created to facilitate the shareholders to redress their grievances. The email ID is : polyspinexportscs@gmail.com
21. **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)

22. RANGEWISE HOLDINGS

RANGE	2013 - 2014 No. of Shareholders	2013 - 2014 (%)	2012 - 2013 (%)
1 - 500	3672	20.30	20.79
501 - 1000	492	10.28	10.53
1001 - 2000	169	6.39	6.79
2001 - 3000	79	5.04	5.25
3001 - 4000	22	1.92	1.75
4001 - 5000	12	1.40	1.53
5001 - 10000	22	4.13	3.89
10001 - and above	23	50.54	49.47
	4491	100.00	100.00

23. CODE OF CONDUCT

The Board has laid down the Code of Conduct for Director of the company and Senior Management personnel.

The Director shall follow in letter and spirit the provisions as contained in section 166 and generally follow the general principle and pillars of character. The same with the certain variation applies to the senior management personnel.

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 2014.

For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 16.07.2014

R. RAMJI
Managing Director

CEO 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 31.03.2014 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 : 16.07.2014

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, 2014 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, 2014.

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
Firm Registration No. 001515S

Place : Rajapalayam
Date : 16.07.2014

K.V.RAMAN
PARTNER
Membership No. 9790

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. 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, 2014, 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") read with General circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, 2014.

- (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, read with General circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and
 - e) On the basis of written representations received from the directors as on 31st March, 2014, 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
Firm Registration No. 001515S

Place : Rajapalayam
Date : 28.05.2014

K.V.RAMAN
PARTNER
Membership No. 9790

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. However, in view of the amendment to the Companies Act, 2013, deposits will have to be repaid and regularized as per Section 74 of the Companies Act, on or before 31.03.2015. The company is advised to conform to the provisions.
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, 2014 for a period of more than six months from the date of becoming payable.

The disputed statutory dues aggregating to Rs. 204.49 Lakhs that have not been deposited on account of matters pending before appropriate authorities as under:

S.No.	Name of the Statute	Nature of the Dues	Forum where the dispute is pending	Period	Amount (Rs. in Lakhs)
1.	Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Madurai.	June 2008 To March, 2013	31.17 40.53
2.	Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Madurai.	January, 2009 To March, 2013	129.10
3.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2010 To March, 2011	3.69
TOTAL					204.49

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
Firm Registration No. 001515S

K.V.RAMAN

PARTNER

Membership No. 9790

Place : Rajapalayam

Date : 28.05.2014

BALANCE SHEET as at March 31, 2014

	Schedule No.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.	
I. EQUITY AND LIABILITIES				
1. Shareholders funds				
Share Capital	1	4,00,00,000	4,00,00,000	
Reserves and Surplus	2	<u>8,49,97,727</u>	<u>5,91,52,172</u>	
		12,49,97,727		9,91,52,172
2. Non-current liabilities				
a) Long-term borrowings	3	14,52,59,503	15,89,12,741	
b) Deferred Tax liabilities	4	<u>1,49,80,000</u>	<u>1,15,49,000</u>	
		16,02,39,503		17,04,61,741
3. Current Liabilities				
a) Short term borrowings	5	28,24,32,098	21,81,00,137	
b) Trade payables	6	2,40,71,774	2,85,89,774	
c) Other Current liabilities	7	2,42,23,887	1,29,64,645	
d) Short term provisions	8	<u>2,95,86,633</u>	<u>2,25,25,442</u>	
		36,03,14,392		28,21,79,998
TOTAL		<u>64,55,51,622</u>		<u>55,17,93,911</u>
II. ASSETS				
1. Non-current assets				
a) Fixed assets				
i) Tangible assets	9	25,70,40,561	22,99,40,048	
ii) Intangible assets		1,90,822	2,31,347	
iii) Capital work-in-progress		----	2,29,31,923	
		<u>25,72,31,383</u>		25,31,03,318
b) Non-current investments	10	<u>63,49,390</u>		63,49,390
2. Current assets				
a) Inventories	11	13,75,09,543	11,16,65,612	
b) Trade receivables	12	14,97,74,460	7,48,59,130	
c) Cash and Bank Balances	13	3,88,14,280	3,14,45,004	
d) Short-term loans and advances	14	<u>5,58,72,566</u>	<u>7,43,71,457</u>	
		38,19,70,849		29,23,41,203
TOTAL		<u>64,55,51,622</u>		<u>55,17,93,911</u>

Notes on accounts 22

As per our report of even date
M/s. KRISHNAN AND RAMAN
Chartered Accountants
Firm Registration No. 001515S

K.V. RAMAN
Partner, Membership No. 9790

Rajapalayam
28.05.2014

R. RAMJI
Managing Director

S. V. RAVI
DURGA RAMJI
Directors

P.S. RAMANATHAN
Secretary

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

POLYSPIN EXPORTS LIMITED**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2014**

	Schedule No.	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
INCOME			
Sales / Revenue from Operations	15	119,40,90,962	82,55,15,698
Other Income	16	44,75,743	22,59,026
		119,85,66,705	82,77,74,724
EXPENDITURE			
Cost of Raw Material consumed	17	83,02,23,787	59,45,46,126
Changes in / Inventories of Finished Goods, stock-in-Process	18	(52,12,011)	(2,66,27,760)
Employee Benefits Expense	19	7,82,52,654	5,54,30,673
Finance Costs	20	3,48,04,904	3,12,06,693
Depreciation & Amortisation Expenses		2,21,62,047	1,93,65,013
Other Expenses	21	19,23,74,280	13,85,82,355
		115,26,05,661	81,25,03,100
Profit Before Tax		4,59,61,044	1,52,71,624
Provision for Taxation - Current		1,10,00,000	30,56,000
Provision for Tax - Deferred		34,31,000	20,87,000
		3,15,30,044	1,01,28,624
Earnings per share (Basic)			
Face value of Rs 10 each (Rs.)		7.88	2.53

As per our report of even date
M/s. KRISHNAN AND RAMAN
Chartered Accountants
Firm Registration No. 001515S

K.V. RAMAN
Partner, Membership No. 9790

Rajapalayam
28.05.2014

R. RAMJI
Managing Director

S.V. RAVI
DURGA RAMJI
Directors

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

POLYSPIN EXPORTS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2014**

	2013 - 2014	2012 - 2013
CASH FLOW FROM ORERATING ACTIVITIES	(Rupees in Lakhs)	
Net profit before Tax and Extraordinary items	459.61	152.72
Depreciation	221.62	193.65
Interest & Finance Charges	348.05	312.07
Loss on Sale of Assets	2.68	7.93
(Profit) on Sale of Assets	(4.02)	----
Income Tax Paid	55.05	35.00
Operating Profit before working Capital Changes	1082.99	701.37
ADJUSTMENTS FOR		
- Trade and other Receivables	(564.16)	(379.23)
- Inventories	(258.43)	(245.64)
- Trade Payables	188.03	257.24
	(634.56)	(367.63)
Cash Generated from Operations	448.43	333.74
LESS : Interest & Finance Charges	348.05	312.07
Net Cash from Operating Activities	(A) 100.38	(A) 21.67
NET CASH USED IN INVESTING ACTIVITIES		
Investments in Fixed Assets	(504.35)	(670.55)
Proceeds from Sale of Assets	13.47	1.10
Investments	----	0.78
	(B) (490.88)	(B) (668.67)
NET CASH USED IN FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Repayments)	(136.53)	124.50
Proceeds from Short Term Borrowings (Net of Repayments)	643.32	694.72
Payment of Dividend and Tax thereon	(42.60)	(41.74)
	(C) 464.19	(C) 777.48
Net Increase in Cash & Cash Equivalents	(A+B+C) 73.69	(A+B+C) 130.48
Cash & Cash Equivalents as at 31 st March 2013	314.45	183.97
Cash & Cash Equivalents as at 31 st March 2014	388.14	314.45
Net Change in Cash & Cash Equivalents	(73.69)	(130.48)

As per our report of even date
M/s. KRISHNAN AND RAMAN
 Chartered Accountants
 Firm Registration No. 001515S

K.V. RAMAN
 Partner, Membership No. 9790

Rajapalayam
 28.05.2014

R. RAMJI
 Managing Director

S.V. RAVI
DURGA RAMJI
 Directors

P.S. RAMANATHAN
 Secretary

K. LAKSHMINARAYANAN
S.R. SUBRAMANIAN
S. RENGANATHAN
A. THIRUPATHY RAJA
S. SANKAR
 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, 2014. 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 28th May, 2014 to the members of the Company.

For M/s. **KRISHNAN AND RAMAN**
CHARTERED ACCOUNTANTS
Firm Registration No. 001515S

Place : Rajapalayam
Date : 28.05.2014

K.V.RAMAN
PARTNER
Membership No. 9790

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2014	As at 31.03.2013		
	Rs.	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>		
(Previous Year : 50,00,000 Equity Shares of Rs. 10/- each)				
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>		
(Previous Year : 40,00,000 Equity Shares of Rs. 10/- each)				
1.1 Reconciliation of the Number of Shares Outstanding				
Number of Shares at the beginning	<u>40,00,000</u>	<u>40,00,000</u>		
Number of Shares at the end	<u>40,00,000</u>	<u>40,00,000</u>		
1.2 The details of share holders holding more than 5%				
Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	%	No. of Shares	%
i) Sri. R. Ramji	5,75,098	14.38	3,18,615	7.97
ii) Smt. Durga Ramji	3,25,538	8.14	2,62,418	6.56
iii) M/s. 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	5,81,00,000		5,01,00,000	
Add : Transferred from Profit and Loss Account	<u>2,40,00,000</u>		<u>80,00,000</u>	
	(A) 8,21,00,000		5,81,00,000	
Profit and Loss Account				
Opening Balance	10,52,172		35,72,448	
Add : Profit for the Year	4,59,61,044		1,52,71,624	
Provision for Fringe Benefit Tax (Withdrawn)	542		---	
Less : Provision for TAX / Current	1,10,00,000		30,56,000	
Provision for Deferred Tax	34,31,000		20,87,000	
Provision for Dividend Tax (2012-13)	30,900		---	
Provision for Taxation A.Y. (2010-11)	38,371		---	
Proposed Dividend	48,00,000		40,00,000	
Tax on Dividend	8,15,760		6,48,900	
Transferred to General Reserves	<u>2,40,00,000</u>		<u>80,00,000</u>	
	(B) 28,97,727		10,52,172	
TOTAL	<u>8,49,97,727</u>		<u>5,91,52,172</u>	

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
3. LONG TERM BORROWINGS		
<u>-Secured</u>		
Term Loan from City Union Bank	8,51,28,927	8,25,99,473
- From Others		
Hire Purchase Loan	8,03,292	10,63,395
Buyers Credit - Capital Goods	1,57,32,670	4,16,51,955
<u>- Unsecured</u>		
Deposits		
Fixed Deposits	3,22,66,000	2,84,61,000
Intercompany Deposits	----	15,00,000
Advance Against Term Deposit	1,13,28,614	36,36,918
	<u>14,52,59,503</u>	<u>15,89,12,741</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)
2013 - 2014	---	215.20
2014 - 2015	381.29	223.60
2015 - 2016	273.60	158.28
2016 - 2017	126.07	83.60
2017 - 2018	49.91	83.60
2018 - 2019	20.42	61.71
	851.29	825.99

4. DEFERRED TAX LIABILITIES

Deferred Tax Liabilities

Related to Fixed Assets	<u>1,49,80,000</u>	<u>1,15,49,000</u>
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POLYSPIN EXPORTS LIMITED**SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)**

	As at 31.03.2014	As at 31.03.2013
	Rs.	Rs.
5. SHORT TERM BORROWINGS		
-Secured		
From City Union Bank		
- Buyers Credit on Raw Material	8,79,65,599	7,59,34,106
- Foreign Bills Discounted	6,13,69,761	3,00,78,986
- Export Packing Credit	6,00,65,451	6,05,41,288
- Cash Credit on Raw Material and Book debts	7,30,31,287	5,15,45,757
	<u>28,24,32,098</u>	<u>21,81,00,137</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>2,40,71,774</u>	<u>2,85,89,774</u>
7. OTHER CURRENT LIABILITIES		
For Expenses	1,18,95,305	67,45,260
For Other Finance	1,00,59,497	41,98,091
Unpaid Dividend	22,69,085	20,21,294
	<u>2,42,23,887</u>	<u>1,29,64,645</u>
8. SHORT TERM PROVISIONS		
Provision for Taxation	2,39,70,873	1,78,76,000
Proposed Dividend	48,00,000	40,00,000
Tax on Proposed Dividend	8,15,760	6,48,900
Provision for Fringe Benefit Tax	----	542
	<u>2,95,86,633</u>	<u>2,25,25,442</u>

POLYSPIN EXPORTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS (CONTINUED)

9. FIXED ASSETS

Description	Gross Block		Depreciation		Net Block		
	Cost as at 01.04.2013	Addition	Deduction	For the Year	Up to 31.03.2014	As at 31.03.2014	As at 01.04.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS							
Land	41,47,693	-----	-----	-----	-----	41,47,693	41,47,693
Building	6,85,41,095	1,07,89,446	-----	23,12,391	-----	6,45,82,480	5,61,05,425
Plant & Machinery	23,55,39,444	3,85,27,528	32,67,285	1,90,52,946	27,81,507	18,47,28,437	16,57,39,633
Furnitures & Fittings	4,03,761	-----	-----	25,558	-----	1,26,622	1,52,180
Vehicles	67,41,309	10,91,090	11,28,905	6,93,259	4,01,714	31,44,541	34,73,901
Office Equipment	5,37,197	26,940	-----	37,368	-----	3,10,788	3,21,216
Library	12,435	-----	-----	-----	12,435	-----	-----
Total-Tangible Assets	31,59,22,934	5,04,35,004	43,96,190	2,21,21,522	31,83,221	25,70,40,561	22,99,40,048
Total-Tangible Assets for Previous Year	27,21,42,234	4,38,72,887	92,187	1,93,46,360	157	8,59,82,886	20,55,05,551
INTANGIBLE ASSETS							
Computer Software	2,50,000	-----	-----	40,525	-----	59,178	1,90,822
							2,31,347

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

			As at 31.03.2014	As at 31.03.2013
			Rs.	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	38,880
Aggregate amount of Non-Current Investments at cost			<u>63,49,390</u>	<u>63,49,390</u>
11. INVENTORIES				
Raw Material			4,50,91,084	2,57,53,290
Stores and Spares			1,07,77,547	94,83,421
Work In Process			6,57,34,000	6,23,53,881
Finished Goods			1,57,66,948	1,38,73,788
Process Waste			1,39,964	2,01,232
			<u>13,75,09,543</u>	<u>11,16,65,612</u>
12. TRADE RECEIVABLES				
Over Six Months				
Good			1,99,79,854	1,47,953
Below Six Months				
Good			12,97,94,606	7,47,11,177
			<u>14,97,74,460</u>	<u>7,48,59,130</u>

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

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
13. CASH AND BANK BALANCES		
Cash on Hand	25,16,611	24,02,178
Balance with Banks		
- In Current Accounts	82,23,753	1,09,67,056
- In Fixed Deposit Accounts	2,80,73,916	1,80,75,770
	<u>3,88,14,280</u>	<u>3,14,45,004</u>
13.1 Balance with banks includes unclaimed dividend of Rs. 22,56,193 (Previous year Rs. 19,96,162/-)		
14. SHORT TERM LOANS AND ADVANCES		
Income Tax Paid / Tax Deducted at Source	1,71,42,154	1,99,45,096
Prepaid Expenses	29,99,207	11,68,574
Deposits with Govt. Departments	38,91,074	35,86,422
Interest Accrued on Deposits	29,86,537	14,47,635
Claim Receivable	54,12,498	57,23,192
Others	2,34,41,096	4,25,00,538
	<u>5,58,72,566</u>	<u>7,43,71,457</u>
Others Includes advance to Sundry Creditors, Advance to staff.		
15. SALES / REVENUE FROM OPERATION		
Export Sales	98,46,82,602	67,51,27,015
Domestic Sales		
- FIBC Bags / Fabric / Yarn	5,80,29,343	10,00,53,755
- Cotton Yarn	11,83,64,744	4,62,93,558
OTHER OPERATING INCOME		
Sale of Plastic scrap	60,49,841	36,29,484
Sale of Cotton Waste	4,88,047	4,11,886
FMS / FPS Duty Credit Scrip - Sales	2,60,28,172	-----
Rebate on Service Tax	4,48,213	-----
	<u>119,40,90,962</u>	<u>82,55,15,698</u>

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

	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
16. OTHER INCOME		
Interest Receipts	31,91,894	16,12,598
Dividend Receipts	6,69,187	6,06,378
Profit on Sale of Genset	-----	17,970
Miscellaneous sales - Sale of Scrap	-----	12,000
Profit on Sale of Equity Shares	-----	10,080
Profit on Sale of High Sea Sales	2,12,134	----
Profit on Sale of Car	63,497	----
Profit on Sale of Machine	3,39,031	----
	<u>44,75,743</u>	<u>22,59,026</u>
17. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	55,60,78,771	38,41,12,815
Printing Materials	85,05,940	89,06,149
Yarn purchases	1,53,91,842	2,91,33,771
Cotton & Cotton Waste	20,40,52,220	8,99,83,754
BOPP Film Purchases	8,10,510	-----
Bags & Paper Bags purchases	-----	7,89,20,293
LLDPE Liner Purchases	6,34,214	-----
Kraft Paper Purchases	62,75,058	34,13,994
Fabric Purchases	3,84,75,232	75,350
	<u>83,02,23,787</u>	<u>59,45,46,126</u>
18. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	7,64,28,901	4,98,01,141
Closing Stock	8,16,40,912	7,64,28,901
	<u>(52,12,011)</u>	<u>(2,66,27,760)</u>
19. EMPLOYEE BENEFITS EXPENSE		
Remuneration to Managing Director	31,02,082	20,10,600
Salaries & Wages	5,43,16,396	3,69,92,145
P.F. & E.S.I. Contribution	94,03,969	62,25,196
Labour Welfare Expenses	56,99,251	29,34,158
LIC Group Gratuity	13,42,710	33,25,784
Bonus / Ex-gratia	43,88,246	39,42,790
	<u>7,82,52,654</u>	<u>5,54,30,673</u>

SCHEDULES FORMING PART OF ACCOUNTS

	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
20. FINANCE COSTS		
Interest on		
- Fixed Loans	1,36,42,358	1,44,63,751
- Working Capital Facilities	2,09,70,220	1,65,71,155
H.P. Finance Charges	1,92,326	1,71,787
	3,48,04,904	3,12,06,693
21. OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Repairs & Maintenance		
- Building	16,67,923	13,38,063
- Machinery	12,33,331	15,62,927
- General	9,45,802	6,40,122
Processing Charges paid	2,49,48,224	1,11,53,380
Stores & Spares Consumed	2,79,87,453	2,14,28,184
Power & Fuel	7,40,77,232	5,31,13,718
	13,08,59,965	8,92,36,394
Postage & Telephone	10,91,751	9,40,198
Printing & Stationery	8,20,964	10,63,670
Travelling Expenses	27,01,187	19,77,599
Bank Charges	78,56,392	60,42,804
Professional Charges	4,91,870	2,75,380
Licence, Taxes & Fees	8,48,032	9,93,484
Insurance Charges	20,95,317	17,42,222
Subscription & Periodicals	1,74,015	1,51,418
Filing Fees	16,000	16,500
Audit Fees	67,500	63,000
Vehicle Maintenance	29,25,253	20,64,010
Miscellaneous Expenses	5,02,864	5,69,345
Rebate	-----	13,500
Commission paid	1,01,53,398	84,43,644
Donation	1,50,000	-----
Rent	5,11,250	4,95,500
Loss on Sale of Assets	2,68,208	-----
Loss on Sale of Highsea sale	49,178	7,93,254
Quality Claim Charges	9,04,347	-----
Testing Charges	6,12,725	7,43,889
Service Tax on GTA	7,20,282	4,19,294
Packing Charges	94,521	1,96,907
Selling Expenses	-----	525
Forex fluctuation A/C.	32,67,771	25,05,506
Service Tax on Testing Charges	47,687	91,833
Ocean Freight	2,30,43,450	1,84,86,579
Lorry Freight	20,95,746	12,55,900
Sales Discount	4,607	-----
	19,23,74,280	13,85,82,355

22. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of preparation of financial statements:

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards notified under section 211(3C) of the Companies Act, 1956, which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable, as adopted consistently by the Company. 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 31-03-2014	Year Ended 31-03-2013
a) Net Profit after Tax (Rs. in Lakhs)	315.30	101.29
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)	7.88	2.53

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 R. RAMJI - Managing Director
- ii. Sri P.S. RAMANATHAN - Secretary

POLYSPIN EXPORTS LIMITED

C) Transaction during the year with Related Parties :

Sl. No.	Particulars	Year Ended 31-03-2014	(Rs. in Lakhs)		Year Ended 31-03-2013
		Associate / Subsidiary Companies	Key Management Personnel	Associate / Subsidiary Companies	Key Management Personnel
1.	Sale of Raw Materials (on High Sea Sales)	84.47	---	159.60	---
2.	Purchase of Bags	---	---	813.76	---
3.	Processing charges paid	136.81	---	38.40	---
4.	Remuneration to Directors	---	31.02	---	22.98
5.	Purchase of Strips	3.16	---	---	---
6.	Sale of Yarn, Liner, Fabric & Bags	1344.00	---	1543.64	---
7.	Assets sold during the year	5.23	---	---	---
8.	Assets purchases during the year	70.76	---	39.35	---
9.	Purchase of Paper Bags, Kraft Paper	55.13	---	24.35	---
10.	Purchase of Fabric & Stitching Yarn	397.41	---	102.30	---
11.	Wind Mill Energy captive consumption	20.96	---	29.10	---

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	
		31.03.2014	31.03.2013
1.	Segment Revenue (Net Sales / Income from operation)		
	a) FIBC Bags, Fabric, Yarn	8869.34	7078.71
	b) Cotton Yarn	2741.43	1136.03
	Total	11610.77	8214.74
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn	653.52	420.14
	b) Cotton Yarn	154.14	44.64
	Total	807.66	464.78
	Less : Financial Charges	348.05	312.06
	Profit Before Tax	459.61	152.72
3.	Capital Employed (Segment assets - Segment Liabilities)		
	a) FIBC Bags, Fabric, Yarn	846.72	618.21
	b) Cotton Yarn	403.26	373.31
	Total	1249.98	991.52

POLYSPIN EXPORTS LIMITED

		For the year ended	
		31-03-2014	31-03-2013
		<u>Rs. in Lakhs</u>	
6.	1) Value of Imports on CIF Basis		
	a) Raw Materials & Consumable stores	3817.43	2166.29
	b) Capital Goods	---	172.13
	2) Expenditure in Foreign Currency		
	i) Commission to Foreign Agents	78.57	71.06
	ii) Foreign Travel Expenses	3.20	1.69
	iii) Bags Testing Fees	4.62	6.90
	iv) Seminar & Association Fee	0.32	1.41
	3) Earnings in foreign exchange on FOB Value of exports	8149.51	5967.80

Value of raw materials, stores &
Spares consumed

		For the year ended			
		31-03-2014		31-03-2013	
		%	Rs. in Lakhs	%	Rs. in Lakhs
i)	Raw Material				
	Imported	47.26	3923.49	36.44	2166.29
	Indigenous	52.74	4378.75	63.56	3779.17
ii)	Stores Indigenous	100.00	279.87	100.00	214.28

7. Auditors' Remuneration :

A. Statutory Auditors	Rs.	Rs.
Audit Fees	25,000	25,000
Tax Audit Fees /Appeal Fees	7,500	7,500
Certification Fees	---	9,500
Travelling Expenses reimbursed	5,000	5,000
B. Cost Auditor - Fees	30,000	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>2013 - 2014</u>	<u>2012 - 2013</u>
	Rs.	Rs.
Salary	30,00,000	20,00,000
Perquisites	1,02,082	2,98,600

10. As at 31.03.2014, 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 Pazhavoor 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. 16.41 Lacs being the credit given by TNEB for the transfer of power to the Grid.

	For the year ended	
	31.03.2014	31.03.2013
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	3,64,566 KWH	3,86,216 KWH
Units Captively Consumed	3,64,566 KWH	3,86,216 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 2014-15 has been paid.

13. Deferred Tax (AS 22) :

Deferred Tax Liability (Net) for Rs. 34.31 Lakhs as on 31.03.2014 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 :

	31.03.2014	31.03.2013
	(Rs. in Lakhs)	
	=====	
i) Unexpired Letter of Credit	----	35.47
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
Firm Registration No. 001515S

K.V. RAMAN
Partner, Membership No. 9790

Rajapalayam
28.05.2014

R. RAMJI
Managing Director

S.V. RAVI
DURGA RAMJI
Directors

P.S. RAMANATHAN
Secretary

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

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PROXY FORM

POLYSPIN EXPORTS LIMITED

CIN : L51909TN1985PLC011683

Regd. Office : PACR Salai, Rajapalayam - 626 117.

Name of the member(s) :

Registered address :

E-mail ID :

Folio No. / Client ID. DP ID :

I/We, bring the member(s) of shares of the above named Company, hereby appoint

1. Name : Address :

E-mail ID : Signature :or failing him / her

2. Name : Address :

E-mail ID : Signature :or failing him / her

3. Name : Address :

E-mail ID : Signature : or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on Wednesday, 3rd September 2014 at 9.30 A.M. at Sri Arjuna Manthiram, No. 21/595, Sri Krishna Colony, P.A.C.R. Salai, Rajapalayam - 626 117. Tamil Nadu, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Signed day of 2014

Signature of Shareholders

Signature of Proxy holder(s).....

Affix Rs.1
Revenue
Stamp



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

No.	Resolution	Optional	
		For	Against
	ORDINARY RESOLUTION		
1	Adoption of Financial Statements for the year ended 31 st March, 2014		
2	Declaration of Dividend for the year 2013 – 14		
3	Appointment of Sri. S.V. Ravi as Director of the Company		
4	Appointment of M/s. Krishnan & Raman, Chartered Accountants, as Auditor of the Company		
	SPECIAL BUSINESS		
5	Changes in the Remuneration to Sri. R. Ramji, Managing Director.		
6	Appointment of Smt. Durga Ramji, as Women Director		
7	Appointment of Sri. K. Lakshminarayanan, as an Independent Director		
8	Appointment of Sri. S. Renganathan, as an Independent Director		
9	Appointment of Sri. A. Thiruppathy Raja, as an Independent Director		
10	Appointment of Sri. S. Sankar, as an Independent Director		
11	Special Resolution under Section 188 of the Companies Act, 2013		
12	Special Resolution under Section 180 (1) (c) of the Companies Act, 2013		

BOOK-POST

POLYSPIN

If undelivered, please return to :

POLYSPIN EXPORTS LIMITED

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

Rajapalayam - 626 117.

Tamil Nadu.