

POLYSPIN EXPORTS LTD

RAJAPALAYAM



Annual Report
2014 - 2015



Founder

Sri. A.RAMMOHAN RAJA

POLYSPIN EXPORTS LIMITED

| | | |
|--|---|---|
| BOARD OF DIRECTORS | : | SHRI R. RAMJI, <i>Managing Director</i> SHRI K. LAKSHMINARAYANAN SHRI S.R. SUBRAMANIAN SHRI S. RENGANATHAN SHRI A. THIRUPPATHY RAJA SHRI S. SANKAR SHRI S.V. RAVI SMT. DURGA RAMJI |
| SECRETARY | : | SHRI P.S. RAMANATHAN B.Com., B.L., A.C.S. |
| AUDITORS | : | M/s. KRISHNAN AND RAMAN, CHARTERED ACCOUNTANTS, RAJAPALAYAM. |
| SECRETARIAL AUDITOR | : | SHRI. B. SUBRAMANIAN PRACTISING COMPANY SECRETARY FLAT No.: 1, PRITHVI APARTMENTS, 7/4, SEETHA NAGAR, SECOND STREET, NUNGAMBAKKAM, CHENNAI - 600 034. |
| 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 | : | BOMBAY STOCK EXCHANGE |
| 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 **Thirtieth Annual General Meeting** of the members of the company will be held at 9.30 A.M. on **Tuesday, the 29th September, 2015**, at Sri Arjuna Manthiram, No. 21 / 595, Sri Krishna Colony, P.A.C.R. Salai, Rajapalayam, to transact the following business.

ORDINARY BUSINESS:

1. Financial Statements and Reports:-

To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

Resolved that the Balance Sheet as at 31st March, 2015, Statement of Profit and Loss account for the year ended on that date, the Cash Flow Statement for the year ended on that date, the Director's Report and the Auditor's Report thereon, be and are hereby considered and adopted.

2. Dividend:-

To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that a Dividend of Rs.1.20 per Share, be and is hereby declared for the year ended 31st March, 2015."

3. Reappointment of Director:-

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

Resolved that Sri. S.R. Subramanian, (DIN. 00122141), 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. Statutory Auditors:-

To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of M/s. Krishnan & Raman, Chartered Accountants, (Firm Registration No.: 001515S) as Auditors of the Company for the second consecutive year, viz. from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, out of their term of three consecutive years as approved at the Annual General Meeting held on 03.09.2014, be and is hereby ratified."

SPECIAL BUSINESS:

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

RESOLVED that on the resolution and recommendation of the Nomination & Remuneration Committee Sri. R. Ramji, Managing Director (DIN 00109393), be and is hereby reappointed as Managing Director of the Company for a period of three years with effect from 1st April 2015 subject to the provisions of Section 196, 197 and schedule V, Part II Section II of the Companies Act, 2013 and other applicable provisions of the Act, if any and Rules thereon and subject to such approval as may be required and subject to the approval of the Shareholders by a special resolution at the ensuing Annual General Meeting on the following terms and Conditions.

- Remuneration: Rs.5,00,000/- per month.
- Commission: Three percent commission on the net profits of the Company subject to the ceiling of the total annual salary.
- 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.
- 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.
- Gratuity : Payable at a rate not exceeding half a month's salary for each completed year of service.
- Leave : Encashment of leave at the end of tenure.
- 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.

Further resolved that the Board of Directors of the Company be and are hereby authorized to increase the remuneration payable to Sri. R. Ramji, Managing Director, subject to the limits as prescribed under section 196 and 197 read with schedule V of the Companies Act, 2013, during the tenure of his employment.

By order of the Board,

Place : Rajapalayam
Date : 30.07.2015

P.S. Ramanathan
Secretary

Notes :

1. **The Register of members and the share transfer books of the Company will remain closed from 23.09.2015 to 29.09.2015 (both days inclusive) for annual closing for the purpose of determining the member eligible for dividend.**
2. 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 29.09.2015 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 22.09.2015
3. 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 |
|----------------------|---------------------|---------------------------------|--|-----------------------------------|
| 31.03.2008 | 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 |
| 31.03.2014 | 12% | 03.09.2014 | 02.09.2021 | 01.10.2021 |

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of details relating to special business is furnished below.
5. **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.

6. Members are requested to kindly bring their copy of the Annual Report to the Annual General Meeting.
7. 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.
8. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Member holding shares in electronic mode are requested to submit their PAN to the depository participants with whom they maintain their demat account. Members holding shares in physical form are requested to submit their PAN to the company.
9. **Electronic copy of the Notice of the 30th 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 30th 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 30th Annual General Meeting and the Annual Report for 2014 – 15 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:

- a. 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 30th Annual General Meeting by electronic means and the business may be transacted through e-voting service provided by National Securities Depository Limited (NSDL).
- b. Remote e-voting means the facility of casting votes by a member using electronic voting system from a place other than the venue of Annual General Meeting.
- c. The facility for voting through ballot paper shall be made available at the meeting and members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting. Members who have already cast their votes through remote e-voting can attend the Annual General Meeting but cannot vote again.

The instructions for remote 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.nsdl.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.com
 - 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.nsdl.co.in
- 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:**
- The cut-off date for determining the eligibility for Remote e-voting is fixed as 22nd September, 2015.
- i. The e-voting period commence on 25th September, 2015 (9.00 A.M) and ends on 28th September, 2015 (5.00 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 22nd September, 2015 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 of 22nd September, 2015
 - 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 immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make a consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized to whom in writing who shall countersign the same.
- 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 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.
- vi. Pursuant to the provisions of clause 35A of the listing agreement, the results of the e-voting shall be submitted to the stock exchange within 48 hours of the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.polyspin.org and the website of NSDL.

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

Item No. 3

Details of the Directors seeking reappointment (in pursuance of clause 49 of the listing agreement)

| | |
|-------------------------------------|--|
| Name of Director | : Shri. S.R. Subramanian |
| DIN | : 00122141 |
| Date of Birth | : 31.03.1943 |
| Date of appointment on Board | : 01.02.1985 |
| Qualification | : M.Sc., |
| Share Holding | : 68,500 |
| Directorship held in other company: | Ganesh Agro Pack (P) Ltd., Sri Siddhivinayak Shares Ltd., |
| Member of committee | : Stakeholders Relationship Committee |
| Others | : 40 Years Experience in Banking and Securities |

Item No. 5

Shri. 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 & 310 read with schedule XIII of the Companies Act, 1956. The period of appointment was three years on a remuneration of Rs. 2.50 lakhs per month together with commission, perquisites and other benefits. The same was approved by the members at the AGM and the

remuneration was increased to Rs. 3.50 lakhs per month as per the approval of the members at the AGM. The turnover crossed 100 Crores in the year 2014 and for the year ended 2015, it is Rs. 144 Crores. The company has performed well under his management and leadership. The required expansion to keep pace with changes in manufacture has been started and is in progress. Taking into account the increased responsibility and progress, the nomination and remuneration committee has recommended the reappointment for a period of 3 years effect from 01.04.2015 on remuneration of Rs. 5.00 Lakhs per month, which is commensurate with 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 | 2012-13 | 2013-14 | 2014-15 |
| Sales | : 8277.75 | 11985.67 | 14430.60 |
| Profit before Interest & Depreciation | : 658.43 | 1029.28 | 1139.40 |
| Profit after Interest & Depreciation | : 152.72 | 459.61 | 512.57 |
| Profit after Tax | : 101.29 | 315.30 | 333.57 |
| Dividend | : (10%) 40.00 | (12%) 48.00 | (12%) 48.00 |
| Net worth | : 991.52 | 1249.98 | 1524.40 |
| EPS | : 2.53 | 7.88 | 8.34 |

5. Export performance and net foreign exchange earning :

| Particulars | Rupees in Lakhs | | |
|--|-----------------|---------|----------|
| | 2012-13 | 2013-14 | 2014-15 |
| Exports - earnings in Foreign exchange : | 5967.80 | 8149.51 | 10952.50 |
| Foreign exchange out Flow : | 2419.49 | 4010.20 | 5300.70 |

II. INFORMATION ABOUT THE APPOINTEE :

1. Background : 23 Years experience in Woven sack Industry
2. Past Remuneration : Rs. 49.43
Salary & Perquisites
(Rupees in Lakhs)
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 profit 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.

By order of the Board,

Place : Rajapalayam
Date : 30.07.2015

P.S. Ramanathan
Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report on the working of the company and Audited Accounts for the year ended 31st March, 2015.

| Financial Results | Year ended 31.03.2015 | Year ended 31.03.2014 |
|---|-----------------------|-----------------------|
| | Rs. | Rs. |
| Sales and other Income | 144,30,59,650 | 119,85,66,705 |
| Operating Profit (Profit before interest, Depreciation and Tax) | 11,39,40,528 | 10,29,27,995 |
| LESS : Interest | 4,30,29,433 | 3,48,04,904 |
| Profit before Depreciation and Tax | 7,09,11,095 | 6,81,23,091 |
| LESS : Depreciation | 1,96,53,803 | 2,21,62,047 |
| Profit before Tax | 5,12,57,292 | 4,59,61,044 |
| Surplus Brought forward from previous year | 28,97,727 | 10,52,172 |
| Add : Provision for Fringe Benefit Tax (withdrawn) | ---- | 542 |
| Provision for Tax 2009 - 10 (withdrawn) | 1,14,873 | ---- |
| | 5,42,69,892 | 4,70,13,758 |
| Less: Provision for Taxation-Current | 1,43,00,000 | 1,10,00,000 |
| Provision for Deferred Tax | 36,00,000 | 34,31,000 |
| Provision for Taxation (earlier years) | 2,69,757 | 69,271 |
| Profit available for appropriation | 3,61,00,135 | 3,25,13,487 |
| Your directors propose to appropriate the same as follows | | |
| Proposed Dividend @ 12% | 48,00,000 | 48,00,000 |
| Tax on Proposed Dividend | 9,59,712 | 8,15,760 |
| Transfer to General Reserve | 2,80,00,000 | 2,40,00,000 |
| Balance carried over to Balance Sheet | 23,40,423 | 28,97,727 |
| | 3,61,00,135 | 3,25,13,487 |

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. 9.59 Lakhs would be paid by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE OPERATION, CURRENT TRENDS AND

FUTURE PROSPECTS:

COMPANY PERFORMANCE

During the year under review the performance of your company was moderate. The turnover has increased from Rs.119 Crores to Rs. 143 Crores. The table below shows

comparative figures of production and sales of the company's products in quantity. There has been a marked improvement in the production and sales, quantitywise.

PRODUCTION AND SALES

The Production and Sale of the Company's products, FIBC bags and OE Spinning yarn were as follows :

| | Year ended 31.03.2015 | Year ended 31.03.2014 |
|------------------------------|-----------------------|-----------------------|
| | Quantity (Kgs.) | Quantity (Kgs.) |
| 1. Production | | |
| 1) FIBC Bags & PP Woven Bags | 59,81,687 | 45,05,599 |
| 2) PP Woven Fabrics | 41,004 | 2,45,632 |
| 3) PP Yarn | 9,07,742 | 10,09,819 |
| 4) Paper Bags | 50,285 | 84,587 |
| 5) Cotton Yarn & Fabric | 24,73,092 | 20,67,265 |
| 2. Sales | | |
| 1) FIBC Bags & PP Woven Bags | 59,72,835 | 45,15,878 |
| 2) PP Woven Fabrics | 41,004 | 2,45,632 |
| 3) PP Yarn | 9,07,742 | 10,09,819 |
| 4) Paper Bags | 51,425 | 83,147 |
| 5) Cotton Yarn & Fabric | 24,49,668 | 20,54,520 |

The global economy has posted a moderate growth of 2.6%. Your company being an export oriented company, the stabilization and growth in European, US and other countries contribute a significant change in turnover. The economic growth of our country also makes an impact. This has made the company to take into account various factors not only of domestic but also global. The price of crude oil has a marked impact on PP / HD, raw materials for the company. Since the price of crude oil nosedived, its impact was on the supply position of raw material. Steps had been taken to streamline and strengthen the supply chain. The fall in price had also an indirect effect on the marketing of the company's products. This is a hurdle and to have a cushioning effect, your company has formulated a policy of the production capacity. It postulated the necessity for having constant increase in production and implementation of cost effective economic measures which your company was able to achieve. As part of this continuous process of expansion, the company has invested Rs. 330 Lakhs. The machinery and other required inputs are of the latest technology. Apart from the above, the power factor and strength of rupees will have certain impacts on your company. The sale of cotton yarn has also contributed to an extent. However, the present position of cotton yarn is not encouraging.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Shri. R. Ramji, was reappointed as Managing Director of the Company for a period of three years with effect from 01-04-2015, subject to approval of the shareholders at the ensuing Annual General Meeting. His reappointment has been considered and recommended by the Nomination and Remuneration committee.

Shri. S.R. Subramanian, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for reappointment.

Declaration by Independent Directors:- The Independent Directors of the company have declared that they meet the criteria of Independence in terms of Section 149 (6) of the Companies Act, 2013 and that there is no change in their status of Independence.

Shri. K. Lakshminarayanan, Shri. S. Renganathan, Shri. A. Thirupathi Raja and Shri. S. Sankar were appointed as Independent Directors of the Company for a period of five years with effect from 01-09-2014, at the AGM held on 03-09-2014.

Policy of Directors Appointment and remuneration:- In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company. The policy also envisages and takes into account the total involvement with dedication and human touch.

Key Managerial Personnel:- Shri. R. Ramji, Managing Director, Shri. P.S. Ramanathan, Company Secretary & Chief Compliance Officer and Shri. S. Seenivasa Varathan, Chief Financial Officer were designated as "Key Managerial Personnel" of the company pursuant to Section 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013, and Clause 49(II)(B)(6)(b)(iii) of the Listing Agreement, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters. Pursuant to Clause 49(II)(B)(5) of the Listing Agreement, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

MEETINGS

During the year Six Board Meetings were held. The details of the Meetings of the Board and its various Committees are given in the Corporate Governance Report. The number of days in between the board meeting did not exceed 120 days.

LISTING

Consequent to the closure of Madras Stock Exchange, your company being eligible as per the directions of Bombay Stock Exchange under diluted Norms of Listing, has filed the application along with deposit of Rs. 5 Lakhs. The necessary documents, particulars and clarification have also been furnished. The board is pleased to inform that Bombay Stock Exchange has given in principle approval for direct listing. The annual listing fee of Rs. 2 Lakhs for the year 2015 – 16 has also been paid. The listing is expected shortly.

DEPOSITS

The Company had Fixed Deposit amounting to Rs. 322.66 Lakhs at the beginning of the year. The company has not accepted fresh deposits from 1st April, 2014. The company had repaid deposits of Rs. 29.72 Lakhs with interest during the year.

As per the provisions of General Circular No. 09 / 2015 the company had the option to repay the deposits in accordance with the terms and conditions of acceptance. However, the company has repaid on various dates the entire deposits together with interest. There is no outstanding amount on principle & interest as on 30th June, 2015.

ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the company.

INTERNAL FINANCIAL CONTROLS

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company.

Sri. P.S. Ramanathan, the Compliance Officer, has been appointed as the Internal Auditor with a dedicated internal audit team. The internal audit reports were reviewed periodically by Audit Committee as well as by the Board. Further, the Board annually reviews the effectiveness of the Company's internal control system.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013, it is reported that the Company has not given any loans, guarantees and no investments has been made in bodies corporate or firm.

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 as per Annexure -I. The code of conduct as approved by the board is provided in the above annexure and website.

CORPORATE SOCIAL RESPONSIBILITY

Company has taken corporate social responsibility initiatives. The Committee comprising one Independent Director and two directors have been constituted as CSR Committee to develop CSR policy and implement the CSR initiatives whenever it is applicable to the Company.

However, the corporate social responsibility activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013 is applicable only from the current financial year 2014 – 2015. The progress and details are given in Annexure – II.

AUDITORS :

M/s. Krishnan & Raman, Chartered Accountants, were appointed as Auditors of the company for a period of three years by the member of the company in the Annual General Meeting held on 03.09.2014. The appointment for the year 2015 – 2016 is to be ratified by the members at the ensuing Annual General Meeting. The Audit Committee considered their eligibility under the provisions of Companies Act, 2013.

COST AUDITORS :

As per provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Government has not notified the products of our company to which the Cost Audit would be applicable. Hence, the Cost Audit was not conducted for your company for the financial year 2014 – 15

SECRETARIAL AUDITOR

Pursuant to Provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Your company has appointed Mr. B. Subramanian, Company Secretary in Practice, Chennai, to conduct the Secretarial Audit of the Company for the Financial year ended 31st March, 2015.

The Secretarial Audit Report (in Form MR – 3) is attached as Annexure – III to this report.

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

The information required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo are given in Annexure - IV to this report.

EXTRACT OF ANNUAL RETURN

The details regarding extract of Annual Return in Form No: MGT-9 pursuant to Section 92 of Companies Act, 2013 and

Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is annexed herewith as Annexure - V.

WOMEN AT WORK PLACE

In order to prevent sexual harassment of women at work place a new Act of 2013, has been notified. Under the said Act, the company is required to setup Internal Complaints Committee to look into complaints of sexual harassment at work place of any women employee. The company has adopted the policy for prevention of sexual harassment and has setup a committee for implementation of the policy. During the year, the company has not received any complaints of harassment.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Clause 49(II) (F) of the Listing Agreement, the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website.

A forum to enable the concerned personnel of the Company to report any deviation or other acts which are against the general code of conduct of personnel, business and other activities has been created.

RISK MANAGEMENT POLICY

Company has developed and implemented a risk management policy, as required under clause 49(v) of the listing agreement. A committee of the Board named as Risk Management Committee has been formed by the Board to address and evaluate various risks impacting the Company, in practice with reference to the forex and interest rate. At present the board has not identified any element of risk which may threaten the existence and development of the company.

The Company has laid down a Risk Management Policy and Procedure to inform the Board Members about the Risk assessment and minimization process, which is a vigorous and active process for identification and mitigation of risks. 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.

MATERIAL CHANGES AND COMMITMENTS

No Material changes and commitments, affecting the financial position of the Company has been occurred between the end of the financial year 2014-15 and till the date of this report.

PERSONNEL

None of the employees is in receipt of remuneration in excess of the limit laid down under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel)

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

RELATED PARTY TRANSACTIONS:

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

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board, which has been uploaded on the website of the Company.

HUMAN RESOURCES

Your company treats its "human resources" as one of its most important assets. Your company enjoys a very cordial relationship with workers and employee at all levels.

Your company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your company thrust is on the promotion of talent internally through job rotation and job enlargement.

TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the company, as on the date of last AGM 3rd September, 2014 with the Ministry of Corporate Affairs. An amount of Rs. 2,34,961.62 unclaimed dividend pertaining to the year 2008 will be transferred to the IEP Fund, before 09.09.2015.

CODE OF CONDUCT

The Board has laid down the code of conduct for Directors of the company and senior management personnel.

The Directors shall follow in letter and spirit the provisions as contained in section 166 of the Companies Act, 2013. They shall also follow general principles of pillars of character. The same with certain variation involving their nature of work applies to the senior management personnel. All the directors of the board and senior management personnel have confirmed the compliance with the code.

INSIDER TRADING

The company has formulated and implemented the code of conduct for prevention of insider trading with regard to the securities by directors and designated person of the company as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to take this opportunity to place on record their gratitude and sincere appreciation for the timely and valuable assistance and support received from Bankers – City Union Bank, Share Transfer Agents, Customers, Suppliers, Share Holders and Regulatory Authorities.

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

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 30.07.2015

S.V. RAVI
Director

R.RAMJI
Managing Director

ANNEXURE I TO DIRECTOR'S REPORT**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. THIRUPATHY 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 |

Six Meetings of the Board of Directors of the Company was held during the year 2014-2015 on 28.05.2014, 16.07.2014, 03.09.2014, 29.10.2014, 28.01.2015 and 25.03.2015

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

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

| | | |
|---|---|---------|
| Name of the Director | Sri. S.R. Subramanian | |
| Age (Years) | 71 | |
| Date of Appointment | 01.02.1985 | |
| Expertise in specific functional area | 40 years experience in Banking and Securities | |
| Qualification | M.Sc., | |
| List of outside Directorship held | PUBLIC | PRIVATE |
| | 1 | 1 |
| Chairman / Member of the Committee of the Board of Directors of the Company | Chairman of Stakeholders Relationship Committee | |
| Chairman / Member of the Committee of Directors of other Companies | 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 five times during the financial year on 28.05.2014, 16.07.2014, 03.09.2014, 29.10.2014 and 28.01.2015.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has formed Stakeholders Relationship Committee consisting of Sri. S. R. Subramanian (Chairman of the Committee), Sri. A. Thirupathy Raja, and Sri. R. Ramji. Sri. P.S. Ramanathan is the Compliance Officer.

The Committee met four times during the financial year on 28.05.2014, 03.09.2014, 29.10.2014 and 28.01.2015.

No. of shareholders queries / complaints received during 2014-15 - 65
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. NOMINATION AND REMUNERATION COMMITTEE:

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. Thirupathy Raja as members. Sri P.S. Ramanathan is the Secretary of the committee. Based on the approval accorded by the Remuneration Committee, the Board of Directors determine the Remuneration payable to the Managing Director which is subject to the approval of the shareholders.

VI. REMUNERATION OF DIRECTORS

Details of Remuneration paid to the Managing Director during the year 2014-15 are given below :

| <u>Name and Designation</u> | <u>Salary & Perquisites (Rupees in Lakhs)</u> |
|--|---|
| Sri. R. Ramji, Managing Director | 49.43 |
| 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. A sitting fee of Rs. 5,000/- per meeting is paid for attending the meeting of the Board of Directors with effect from 28th January, 2015.

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

| <u>Name of the Non-Executive Directors</u> | <u>No. of Shares</u> |
|--|----------------------|
| 1) Sri. K. LAKSHMINARAYANAN | 7,500 |
| 2) Sri. S.R. SUBRAMANIAN | 68,500 |
| 3) Sri. S. RENGANATHAN | 1,600 |
| 4) Sri. A. THIRUPPATHY RAJA | 500 |
| 5) Sri. S. SANKAR | 1,500 |
| 6) Sri. S.V. RAVI | 6,300 |
| 7) Smt. DURGA RAMJI | 3,34,859 |

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.

| <u>Date</u> | <u>Venue</u> | <u>Time</u> |
|-------------|-----------------------------------|-------------|
| 17.09.2012 | Sri Arjuna Manthiram, Rajapalayam | 9.30 A.M |
| 23.09.2013 | - do - | 9.30 A.M |
| 03.09.2014 | - 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.

Remote E-voting is provided pursuant to clause 35 B 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.

XIV. SHAREHOLDERS INFORMATION :

1. FINANCIAL CALENDER : **Year ended March 31, 2015**
2. ANNUAL GENERAL MEETING : **THIRTIETH**
3. DATE & TIME : **29TH September, 2015 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 : **23.09.2014 to 29.09.2015 (Both days inclusive)**
6. E-VOTING DATE : **25th to 28th September, 2015**
(For details refer the Notice to Annual General Meeting) **Time : 9.00 A.M. to 5.00 P.M. Under NSDL Platform**
7. LAST DATE FOR RECEIPT OF PROXY FORM : **27.09.2015 - 9.30 A.M.**
8. DIVIDEND PAYMENT DATE : **Date of AGM**
9. LISTED STOCK EXCHANGE : In Principle approved for listing has been given by BSE.

The Company has paid Annual Listing fee to the above Stock Exchange for the financial year 2015 - 2016
10. Since, the Madras Stock Exchange has been closed, BSE has given in principle approval for Direct Listing and will be shortly listed in BSE.
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 2014 | 25.05 | 20.00 |
| May 2014 | 27.75 | 22.00 |
| June 2014 | 32.50 | 25.05 |
| July 2014 | 34.65 | 25.25 |
| August 2014 | 38.05 | 30.00 |
| September 2014 | 40.95 | 35.30 |
| October 2014 | 43.85 | 35.45 |
| November 2014 | 66.15 | 45.75 |
| December 2014 | 61.95 | 51.45 |
| January 2015 | 59.95 | 48.80 |
| February 2015 | 50.90 | 39.35 |
| March 2015 | 46.70 | 38.00 |

Source : BSE website

Note : There is no trading in Madras Stock Exchange.

13. SHARE TRANSFER SYSTEM :

The Transfers are normally processed within 15 Days by RTA from the date of receipt, if the documents are complete in all respects. The Committee consisting of Two Directors 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 30.07.2015.

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., 2nd Floor, Kences Tower, No.1, Ramakrishna St, North Usman Road, T.Nagar, Chennai 600 017. Ph : 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. INVESTOR CORRESPONDENCE : Registered Office:
FOR TRANSFER, PAYMENT OF No.351, P.A.C.R.Salai,
DIVIDEND ON SHARES OR ANY Rajapalayam 626 117.
OTHER QUERY RELATING TO Ph : 04563 - 221554
THE SHARES OF THE COMPANY

18. NAME AND ADDRESS OF THE : Shri. P.S.Ramanathan,
COMPLIANCE OFFICER B.Com., B.L., A.C.S.,
Company Secretary,
No.351, P.A.C.R.Salai,
Rajapalayam 626 117.
Ph. : 04563 - 221554
www.polyspin.org

19. A separate email ID has been created to facilitate the
shareholders to redress their grievances. The email
ID is : polyspinexportscs@gmail.com

20. PLANT LOCATION

- i) 100% EOU - FIBC Bags & : No.1, Railway Feeder Road,
Woven Bags Division Cholapuram South.
Rajapalayam (Via),
Tamilnadu.
- ii) OE Yarn Unit - Division : PEL Textiles,
206 B/1, Sankarankovil Road,
Cholapuram South.
Rajapalayam (Via)
- iii) Windmill Unit (250 KW) : Pazhavor Taluk,
Tirunelveli District.

21. RANGEWISE HOLDINGS

| RANGE | 2014 - 2015 | 2014 - 2015 | 2013 - 2014 |
|-------------------|---------------------|---------------|-------------|
| | No. of Shareholders | (%) | (%) |
| 1 - 500 | 3575 | 19.53 | 20.30 |
| 501 - 1000 | 456 | 9.50 | 10.28 |
| 1001 - 2000 | 160 | 6.11 | 6.39 |
| 2001 - 3000 | 76 | 4.94 | 5.04 |
| 3001 - 4000 | 19 | 1.65 | 1.92 |
| 4001 - 5000 | 11 | 1.29 | 1.40 |
| 5001 - 10000 | 20 | 3.61 | 4.13 |
| 10001 - and above | 22 | 53.37 | 50.54 |
| | 4339 | 100.00 | 100.00 |

22. DEMATERIALIZATION OF SHARES AS ON 31.03.2015

| | No. of Shareholders | (%) | No. of Shares | (%) |
|---------------|---------------------|---------------|------------------|---------------|
| CDSL | 276 | 6.36 | 1,80,501 | 4.51 |
| NSDL | 845 | 19.47 | 25,22,459 | 63.06 |
| Physical Form | 3218 | 74.17 | 12,97,040 | 32.43 |
| TOTAL | 4339 | 100.00 | 40,00,000 | 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 Directors shall follow in letter and spirit the provisions as contained in section 166 of the Companies Act, 2013. They shall also follow general principles of pillars of character. The same with certain variation involving their nature of work applies to the senior management personnel. All the directors of the board and senior management personnel have confirmed the compliance with the code.

Declaration from the Managing Director and Chief Executive Officer.

(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 personnel have affirmed Compliance with the Company's code of conduct for the year ending 31 March 2015.

For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 30.07.2015

R. RAMJI
Managing Director

**CERTIFICATION BY MANAGING DIRECTOR
TO THE BOARD**

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

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

We hereby certify to the Board that:

1. We have reviewed the financial statements and the Cash flow statements for the year ended 31.03.2015 and to the best of our knowledge and belief;
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the Internal Control System for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the auditors and the Audit Committee
 - (i) that there are no significant changes in internal control over financial reporting during the year.
 - (ii) that there are no significant changes in accounting policies during the year
 - (iii) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

S. SEENIVASA VARATHAN
CFO

R. RAMJI
MANAGING DIRECTOR

Place : Rajapalayam

Date : 30.07.2015

**AUDITORS' CERTIFICATE ON COMPLIANCE
WITH THE CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE
LISTING AGREEMENTS**

**To the Members of
Polyspin Exports Limited
CIN : L51909TN1985PLC011683**

1. We have examined the compliance with the conditions of Corporate Governance by Polyspin Exports Limited ('the Company') for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange in India, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is their responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

V. SRIKRISHNAN
PARTNER
Membership No. 206115

Place : Rajapalayam

Date : 30.07.2015

ANNEXURE II TO DIRECTOR'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

The company has constituted a Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013 and the rules, schedules and circulars thereon. The following are the members of the committee.

1. Sri. R. Ramji, Managing Director
2. Sri. S.V. Ravi, Director
3. Sri. A. Thirupathy Raja, Independent Director

The Compliance officer, Sri. P.S. Ramanathan, is the Secretary of the Committee.

The company takes into account the importance and necessity of social responsibility for sustained growth of not only the company but also the nation. These will in the long run usher in welfare and wealth to the nation. The purposed implementation shall be on the following basis.

1. Promoting and providing eco friendly atmosphere.
2. Promoting and providing education to the under privileged children and weaker section of the economy.
3. Eradicating hunger, poverty and malnutrition.
4. Provision of Drinking water, sanitation and medical assistance.
5. To contribute to organization which have made the above possible to an extent.
6. To protect National heritage.

These measure shall be implemented in and around the plant location so as to make the local population reap the benefits and socio economic development of rural area undergo a change which shall contribute to the wealth of the nation.

Since, the applicability has arisen this year, the amount set apart for CSR is Rs. 7.50 Lakhs which shall be spent during the year.

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 30.07.2015

S.V. RAVI
Director

R. RAMJI
Managing Director

ANNEXURE III TO DIRECTOR'S REPORT

Form MR – 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To
The Members,
POLYSPIN EXPORTS LIMITED,
[CIN: L51909TN1985PLC011683]
351, PACR Salai,
Rajapalayam - 626 117.

I have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. POLYSPIN EXPORTS LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the financial year ended **31st March 2015** and also after **31st March 2015** but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit, I hereby report that, in my opinion, during the audit period covering the financial year ended on **31st March 2015** (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with my letter of even date annexed to this report as Annexure-A.

1. I have examined the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
 - i. The Companies Act 2013 (the Act), the rules made thereunder and the Companies Act 1956;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992; and
- v. The listing Agreement entered with the Madras Stock Exchange Limited (Which has ceased to be a recognized stock Exchange effective from 14th May 2015). The company has filed an application for listing of Equity shares along with required Deposit money and Listing fee for the year 2015 – 16 with Bombay Stock Exchange and got the in-principle approval for listing.
- vi. The following laws, that are specifically applicable to the Company:
- (a) Essential Commodities Act 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003).
2. I am informed that, during the year the Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of:
- i. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - ii. The following Regulations and Guidelines prescribed under the SEBI Act;
 - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
 - (f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
3. I am also informed that for the year, there were no other laws specifically applicable to the company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
 4. I have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July 2015.
 5. During the period under review, and also considering the compliance related action taken by the Company after **31st March 2015** but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
 6. I further report that:
 - (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (ii) Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda of Board meetings were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
 - (iii) Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - (iv) There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

B. SUBRAMANIAN

Practising Company Secretary

Membership No: 2152

Certificate of Practice: 2275

Flat No: 1, Prithvi Apartments,

7/4, Seetha Nagar Second Street,

Nungambakkam,

Chennai – 600 034.

Place : Rajapalayam

Date : 30.07.2015

Annexure - A to Secretarial Audit Report of even date

To
The Members,
POLYSPIN EXPORTS LIMITED,
[CIN: L51909TN1985PLC011683]
351, PACR Salai,
Rajapalayam - 626 117.

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2015 is to be read along with this letter.

- Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
- While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the Company after **31st March, 2015** but before the issue of this report.
- I have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. SUBRAMANIAN

Practising Company Secretary
Membership No: 2152

Certificate of Practice: 2275

Flat No: 1, Prithvi Apartments,

7/4, Seetha Nagar Second Street,

Nungambakkam,

Chennai – 600 034.

Place : Rajapalayam

Date : 30.07.2015

ANNEXURE IV TO DIRECTOR'S REPORT

In terms of Section 217 (j) (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 31.03.2015.

FORM A

I. FIBC DIVISION

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

Electricity

| | | | |
|--|------------|--------------------|----------------|
| a) Purchased from Electricity Boards | | 2014-15 | 2013-14 |
| Unit | KWH | 40,79,029 | 32,04,917 |
| Total Amount | Rs. | 3,25,10,890 | 2,50,52,093 |
| Rate / Unit | Rs. | 7.97 | 7.81 |
| b) Own Generation | | | |
| Through Diesel Generator Units | KWH | 6,81,461 | 10,05,220 |
| Unit per Litre of Diesel Oil | KWH | 3.05 | 3.28 |
| Diesel Cost per Unit | Rs. | 15.41 | 15.22 |
| c) Consumed from generation / Windmill - own | | | |
| Unit | KWH | 3,33,822 | 3,64,566 |
| Total Amount | Rs. | 21,19,770 | 16,40,547 |
| Rate / Unit | Rs. | 6.35 | 4.50 |
| d) Consumed from generation / Windmill | | | |
| Unit | KWH | 3,42,422 | 4,91,937 |
| Total Amount | Rs. | 14,55,294 | 20,90,732 |
| Rate / Unit | Rs. | 4.25 | 4.25 |

B. CONSUMPTION PER UNIT OF PRODUCTION

| | | |
|-------------------------------------|------------------------|-----------------|
| Product - FIBC bags, Fabrics & Yarn | 69,30,433 Kgs. | 57,61,050 Kgs. |
| Electricity per Kg of Production | 0.78 Unit / Kg. | 0.88 Unit / Kg. |

II. TEXTILE DIVISION

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

Electricity

| | | | |
|--|------------|--------------------|----------------|
| a) Purchased from Electricity Boards | | 2014-15 | 2013-14 |
| Unit | KWH | 30,58,551 | 19,44,518 |
| Total Amount | Rs. | 2,31,35,523 | 1,34,85,850 |
| Rate / Unit | Rs. | 7.56 | 6.94 |
| b) Own Generation | | | |
| Through Diesel Generator Units | KWH | 2,45,261 | 3,25,187 |
| Unit per Litre of Diesel Oil | KWH | 3.51 | 3.54 |
| Diesel Cost per Unit | Rs. | 15.68 | 16.67 |
| c) Purchased from Third Party | | | |
| Unit | KWH | 1,77,320 | 11,73,210 |
| Total Amount | Rs. | 10,70,041 | 92,73,742 |
| Rate / Unit | Rs. | 6.03 | 7.90 |
| d) Consumed from generation / Windmill | | | |
| Unit | KWH | 69,836 | ---- |
| Total Amount | Rs. | 2,96,803 | ---- |
| Rate / Unit | Rs. | 4.25 | ---- |

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

| | | |
|--|-----------------------|----------------|
| Product (with Details) | OE COTTON YARN | |
| 100% Cotton Yarn (40s converted) Kgs. | 6,68,400 Kgs | 7,96,417 Kgs |
| Electricity per Kg of Production of Yarn (Based on 40s Converted (in units)) | 5.31 Unit / Kg | 4.32 Unit / Kg |

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 30.07.2015

S.V. RAVI **R. RAMJI**
Director Managing Director

ANNEXURE V TO DIRECTOR'S REPORT

Form No: MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2015

[Pursuant to section 92(3) of Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN : L51909TN1985PLC011683
2. Registration Date : 29.03.1985
3. Name of the Company : POLYSPIN EXPORTS LIMITED
4. Category / Sub-Category of the Company : Public Company / Company having Share Capital
5. Address of the Registered Office and Contact details : 351, P.A.C.R. Salai, Rajapalayam 626 117.
Phone : 04563 - 221554 / 284503 Fax : 04563 - 284505
Email : polyspinexportscs@gmail.com
Website : www.polyspin.org
6. Whether listed company : Yes
7. Registrar and Transfer Agency : 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 - 803.

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S.No. | Name and Description of main products / Services | NIC Code of the Product / Service | % to total turnover of the company |
|-------|--|-----------------------------------|------------------------------------|
| 1. | FIBC Bags, Fabric & Yarn | 25209 | 80.55 |
| 2. | Cotton Yarn | 13111 | 19.45 |

III. Particulars of Holding, Subsidiary and Associate Companies

| S.No. | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associates | % of share Held | Applicable Section |
|---------|-------------------------------|-----------|-----------------------------------|-----------------|--------------------|
| - NIL - | | | | | |

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

| Category of Shareholding | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--|---|---------------|----------------|------------------|---|---------------|----------------|------------------|--------------------------|
| | Demat | Physical | Total | % of Total Share | Demat | Physical | Total | % of Total Share | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual / Hindu Undivided Family | 1192715 | 159800 | 1352515 | 33.82 | 1291959 | 101550 | 1393509 | 34.84 | 1.02 |
| b) Central Government | - | - | - | - | - | - | - | - | - |
| c) State Government(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | 583300 | 30000 | 613300 | 15.33 | 583300 | 30000 | 613300 | 15.33 | - |
| e) Financial Institutions / Bank | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(1) | 1776015 | 189800 | 1965815 | 49.15 | 1875259 | 131550 | 2006809 | 50.17 | 1.02 |

POLYSPIN EXPORTS LIMITED

| Category of Shareholding | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|----------|---------|------------------|---|----------|---------|------------------|--------------------------|
| | Demat | Physical | Total | % of Total Share | Demat | Physical | Total | % of Total Share | |
| 2) Foreign | | | | | | | | | |
| a) NRIs - Individual | - | - | - | - | - | - | - | - | - |
| b) Other Individual | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Financial Institutions / Bank | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of promoter (A) = (A)(1) + (A)(2) | 1776015 | 189800 | 1965815 | 49.15 | 1875259 | 131550 | 2006809 | 50.17 | 1.02 |
| B. Public Shareholding | | | | | | | | | |
| 1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Financial Institutions / Banks | - | - | - | - | - | - | - | - | - |
| c) Central Government | - | - | - | - | - | - | - | - | - |
| d) State Government(s) | - | - | - | - | - | - | - | - | - |
| e) Venture capital fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) Foreign Institutional Investors | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| i) Other (Specify) | - | - | - | - | - | - | - | - | - |
| Sub Total (B)(1) | - | - | - | - | - | - | - | - | - |
| 2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 16806 | 45900 | 62706 | 1.57 | 10430 | 13700 | 24130 | 0.60 | (0.97) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal Share capital upto Rs. 1 Lakh | 591904 | 1208240 | 1800144 | 45.00 | 548486 | 1151790 | 1700276 | 42.50 | (2.50) |
| ii) Individual Shareholders holding nominal Share capital exceeding Rs.1 Lakh | 165444 | - | 165444 | 4.13 | 254840 | - | 254840 | 6.37 | 2.24 |
| c) Others | | | | | | | | | |
| i) Clearing Member | 951 | - | 951 | 0.02 | 1434 | - | 1434 | 0.04 | 0.02 |
| ii) Corporate Body - Limited Liability Partner | 3000 | - | 3000 | 0.08 | 3000 | - | 3000 | 0.08 | - |
| iii) Corporate CM / TM -Client Margin A/c | 700 | - | 700 | 0.02 | 4700 | - | 4700 | 0.12 | 0.10 |
| Client Beneficiary A/c | 1240 | - | 1240 | 0.03 | 4811 | - | 4811 | 0.12 | 0.09 |
| Sub Total (B)(2) | 780045 | 1254140 | 2034185 | 50.85 | 827701 | 1165490 | 1993191 | 49.83 | (1.02) |
| B. Total Public Shareholding (B) = (B)(1) + (B)(2) | 780045 | 1254140 | 2034185 | 50.85 | 827701 | 1165490 | 1993191 | 49.83 | (1.02) |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A) + (B) + (C) | 2556060 | 1443940 | 4000000 | 100 | 2702960 | 1297040 | 4000000 | 100 | - |

ii) Shareholding of Promoters

| S. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-------|-----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares pledged / encumbered to total shares | |
| 1 | R. Ramji | 575098 | 14.38 | - | 618557 | 15.46 | - | 1.08 |
| 2 | R. Durga | 325538 | 8.14 | - | 334859 | 8.37 | - | 0.23 |
| 3 | Polyspin Limited | 252800 | 6.32 | - | 252800 | 6.32 | - | - |
| 4 | Integrated Enterprises India Ltd. | 250000 | 6.25 | - | 250000 | 6.25 | - | - |
| 5 | R. Sunethra | 127500 | 3.19 | - | 127500 | 3.19 | - | - |
| 6 | Cholapackaging Ltd. | 80500 | 2.01 | - | 80500 | 2.01 | - | - |
| 7 | S.R. Subramanian | 68500 | 1.71 | - | 68500 | 1.71 | - | - |
| 8 | P.S. Ramanathan | 47656 | 1.19 | - | 51400 | 1.29 | - | 0.10 |
| 9 | R. Vijayalakshmi | 50100 | 1.25 | - | 50100 | 1.25 | - | - |
| 10 | Ganesh Agro Pack Private Ltd. | 30000 | 0.75 | - | 30000 | 0.75 | - | - |
| 11 | P. Govindarajan | 20000 | 0.50 | - | --- | --- | - | (0.50) |
| 12 | V.S. Basker Raja | 10000 | 0.25 | - | 20000 | 0.50 | - | 0.25 |
| 13 | K. Lakshminarayanan | 7500 | 0.19 | - | 7500 | 0.19 | - | - |
| 14 | V. Roshaiyah | 7000 | 0.18 | - | 7000 | 0.18 | - | - |
| 15 | S.V. Ravi | 6300 | 0.16 | - | 6300 | 0.16 | - | - |
| 16 | S. Ramakrishnan | 5000 | 0.13 | - | 5000 | 0.13 | - | - |
| 17 | Pushpa Ramakrishnan | 5000 | 0.13 | - | 5000 | 0.13 | - | - |
| 18 | M. Vijayakumar | 5000 | 0.13 | - | 5000 | 0.13 | - | - |
| 19 | P.K. Sharmila | --- | --- | - | 5000 | 0.13 | - | 0.13 |
| 20 | A.J. Prakasam | 3923 | 0.10 | - | 2393 | 0.06 | - | (0.04) |
| 21 | V. Meenakshi | 3500 | 0.09 | - | 3500 | 0.09 | - | - |
| 22 | T.N. Swaminathan | 3000 | 0.08 | - | 3000 | 0.08 | - | - |
| 23 | Sanjai Murali | 3000 | 0.08 | - | 3000 | 0.08 | - | - |
| 24 | Bhavna S Lilladhar | 3000 | 0.08 | - | 3000 | 0.08 | - | - |
| 25 | P. Murugan | 2900 | 0.07 | - | 2900 | 0.07 | - | - |
| 26 | M. Dakshayani | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 27 | M. Saikiran | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 28 | M.C. Bhimanand | 2500 | 0.06 | - | --- | --- | - | (0.06) |
| 29 | M.C. Sharmila | 2500 | 0.06 | - | --- | --- | - | (0.06) |
| 30 | M. Rajalingam | 2500 | 0.06 | - | --- | --- | - | (0.06) |
| 31 | Uma Muthuraman | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 32 | M. Alagappan | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 33 | P.R. Vasudevan | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 34 | R.R. Ramanathan | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 35 | S.A. Kumarasamy Raja | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 36 | S.K. Janaki | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 37 | P. Periathambi | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 38 | K.S. Jayalakshmi Ammal | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 39 | Nimish Lilladhar | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 40 | R. Parasakthi | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 41 | R. Vadiveswari | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 42 | R. Rathi Malar | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 43 | V. Ramapriya | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 44 | V. Gnaneswari | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 45 | R. Sumithra | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 46 | B. Prema | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 47 | T.A.B. Alagar Raja | 2500 | 0.06 | - | --- | --- | - | (0.06) |
| 48 | Arjunkumar M. Soni | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 49 | K. Janaki | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 50 | B. Sulochana | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 51 | Rajendra K Singhal | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 52 | M. Ramanathan | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 53 | Sunanda Datta Kulkarni | 2500 | 0.06 | - | 2500 | 0.06 | - | - |
| 54 | V.S.M. Rajalinga Raja | --- | --- | - | 2500 | 0.06 | - | 0.06 |
| 55 | K. Jawahar | 1500 | 0.04 | - | 1500 | 0.04 | - | - |
| 56 | M. Shanthi | 1500 | 0.04 | - | --- | --- | - | (0.04) |
| | | 1965815 | 49.15 | - | 2006809 | 50.17 | - | 1.02 |

POLYSPIN EXPORTS LIMITED

iii) Change in Promoter's Shareholding

| Shareholding | | | Increase / Decrease in Shareholding | Reason | Cumulative Shareholding during the year | |
|---|----------------------------------|------------|-------------------------------------|----------|---|----------------------------------|
| No. of shares at the beginning (01.04.2014) | % of total shares of the company | Date | | | No. of Shares | % of total shares of the company |
| 1965815 | 49.15 | 01.04.2014 | | | | |
| | | 31.03.2015 | 74024 | Purchase | 2039839 | 50.99 |
| | | 31.03.2015 | (33030) | Sales | 2006809 | 50.17 |
| 2006809 | 50.17 | 31.03.2015 | | | 2006809 | 50.17 |

iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)

| S. No. | Name | Shareholding | | Increase / Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|---------------------------------|---|----------------------------|-------------------------------------|----------|--|----------------------------|
| | | No. of Shares at the beginning (01.04.2014) | % of Shares of the Company | | | No. of Shares | % of Shares of the Company |
| 1. | Mr. Raghvendra | 39771 | 0.99 | 65524 | Purchase | 105295 | 2.63 |
| 2. | Mr. R.Varun | 32500 | 0.81 | 2285 | Purchase | 34785 | 0.87 |
| 3. | Dr. Agarwaals Eye Hospital Ltd. | 31900 | 0.80 | (31900) | Sale | --- | --- |
| 4. | Meena Subramanian | 21500 | 0.54 | --- | --- | 21500 | 0.54 |
| 5. | Mr. Arunaben Manherlal Vakil | 21391 | 0.54 | --- | --- | 21391 | 0.54 |
| 6. | S. Sowmiya | 15999 | 0.40 | --- | --- | 15999 | 0.40 |
| 7. | Mr. T. Udayappan | 12712 | 0.32 | (651) | Sale | 12061 | 0.30 |
| 8. | Swati Maheswari | 11191 | 0.28 | (491) | Sale | 10700 | 0.27 |
| 9. | V. Vimal Chand | 10380 | 0.26 | (3476) | Sale | 6904 | 0.17 |
| 10. | S. Kalyanam | 10000 | 0.25 | --- | --- | 10000 | 0.25 |

v) Shareholding of Directors and Key Managerial Personnel

| S. No. | Name | Shareholding | | Increase / Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|----------------------------|---|----------------------------|-------------------------------------|----------|--|----------------------------|
| | | No. of Shares at the beginning (01.04.2014) | % of Shares of the Company | | | No. of Shares | % of Shares of the Company |
| 1. | Sri. R. Ramji | 575098 | 14.38 | 43459 | Purchase | 618557 | 15.46 |
| 2. | Sri. K. Lakshminarayan | 7500 | 0.19 | --- | --- | 7500 | 0.19 |
| 3. | Sri. S.R. Subramanian | 68500 | 1.71 | --- | --- | 68500 | 1.71 |
| 4. | Sri. S. Ranganathan | 1000 | 0.03 | 600 | Transfer | 1600 | 0.04 |
| 5. | Sri. A. Thirupathy Raja | 500 | 0.01 | --- | --- | 500 | 0.01 |
| 6. | Sri. S. Sankar | 1500 | 0.04 | --- | --- | 1500 | 0.04 |
| 7. | Sri. S.V. Ravi | 6300 | 0.16 | --- | --- | 6300 | 0.16 |
| 8. | Smt. Durga Ramji | 325538 | 8.14 | 9321 | Purchase | 334859 | 8.37 |
| 9. | Sri. P.S. Ramanathan | 47656 | 1.19 | 3744 | Purchase | 51400 | 1.29 |
| 10. | Sri. S. Seenivasa Varathan | 1020 | 0.02 | --- | --- | 1020 | 0.02 |

vi) Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

| | Secured Loans Excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| Rs. in Lakhs | | | | |
| i) Principal Amount | 3954 | - | 323 | 4277 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | 3954 | - | 323 | 4277 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 133 | - | - | 133 |
| Reduction | (721) | - | (30) | (751) |
| Net Change | (588) | - | (30) | (618) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 3366 | - | 293 | 3659 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | 3366 | - | 293 | 3659 |

VI) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

| S.No. | Particulars of Remuneration | Shri. R. Ramji, Managing Director | Total Amount |
|------------------------|--|-----------------------------------|--------------|
| 1. | Gross Salary | | |
| a. | Salary as per provisions contained in section 17 (1) of the Income - tax Act, 1961 | 48.40 | 48.40 |
| b. | Value of perquisites u/s. 17 (2) Income - Tax Act, 1961 | 1.03 | 1.03 |
| c. | Profit in lieu of Salary under Section 17 (3) Income - Tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission - as % of profit | - | - |
| 5. | Others | - | - |
| | Total (A) | 49.43 | 49.43 |
| Ceiling as per the Act | Managing Director remuneration is fixed at 5% of net profit of the company and in case, no profit or inadequacy of profits, the Managing Director shall paid the maximum remuneration as per Section II Part II of Schedule V of the Companies Act, 2013 | | |

B. Remuneration to Other Directors :

| Particulars of Remuneration | Name of the Directors | | | | | | | Total Amount Rs. |
|----------------------------------|--------------------------|----------------------|-------------------|------------------------|---------------|--------------|------------------|------------------|
| | Sri. K.Lakshmi narayanan | Sri S.R. Subramanian | Sri S.Ranganathan | Sri. A.Thirupathy Raja | Sri. S.Sankar | Sri S.V.Ravi | Smt. Durga Ramji | |
| Fee for attending board meetings | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 70000 |
| Commission | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| Total (1) | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 70000 |

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (Rs. in Lakhs)

| S.No. | Particulars of Remuneration | Mr. P.S. Ramanathan, Company Secretary & CCO | Mr. S. Seenivasa Varathan, CFO | Total Amount |
|-------|--|--|--------------------------------|--------------|
| 1. | Gross Salary | | | |
| a. | Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961 | 4.73 | 8.37 | 13.11 |
| b. | Value of perquisites u/s. 17 (2) Income Tax Act, 1961 | - | - | - |
| c. | Profit in lieu of Salary under Section 17 (3) Income Tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit | - | - | - |
| 5. | Others | - | - | - |
| | Total (A) | 4.73 | 8.37 | 13.11 |

VIII. Penalties / Punishment / Compounding of Offences :

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment compounding fee imposed | Authority (IRD / NCLT / Court) | Appeal made, if any |
|---|------------------------------|-------------------|---|--------------------------------|---------------------|
| A. Company Penalty Punishment Compounding | | | NIL | | |
| B. Directors Penalty Punishment Compounding | | | NIL | | |
| C. Other Officers in Default Penalty Punishment Compounding | | | NIL | | |

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 30.07.2015

S.V. RAVI
Director

R. RAMJI
Managing Director

ANNEXURE VI TO DIRECTOR'S REPORT

Directors'/ Employees Remuneration

Pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of the remuneration of each Director to the median remuneration of the employees and the percentage increase in remuneration of Managing Director, Company Secretary, CCO, & Chief Financial Officer, in the financial year 2014-15 and the comparison of the remuneration of the Key Managerial Personnel against the performance of the company is as follows:

| Name of Director & Designation | Remuneration of Director for the F.Y. 2014 - 15 (Rs. in Lakhs) | % increase in remuneration in the F.Y. 2014 - 15 | Ratio of remuneration of each Director / to median remuneration of employees |
|-------------------------------------|--|--|--|
| Shri. R. Ramji Managing Director | 49.43 | 42.78 | 89.63 |

| Name of KMP & Designation | Remuneration of KMP for the F.Y. 2014 - 15 (Rs. in Lakhs) | % increase in remuneration in the F.Y. 2014 - 15 | Comparison of the remuneration of KMP against performance of the company |
|---|---|--|--|
| 1. Shri. P.S. Ramanathan Company Secretary & CCO | 4.73 | 31.68 | 8.78 |
| 2. Shri. S. Seenivasa Varathan CFO | 8.37 | 14.11 | 15.50 |

- ii. In the financial year, there was an increase of 16.28% in the median remuneration of employees.
- iii. There were 1588 permanent employees on the rolls of Company as on 31 March, 2015.
- iv. Relationship between average increase in remuneration and Company performance : Even though the PBIDT of the Company has increased by 10.70%, Profit before tax increased 11.52% and the Profit after tax increased by 5.80%, whereas the increase in median remuneration was 16.28%. The average increase in median remuneration was in line with the performance of the Company and partly on individual employee's performance.
- v. Comparison of the remuneration of the Key Managerial Personnel against the performance (PBT) of the Company:

| Name of Key Managerial Personnel | Increase / Decrease | |
|---|---------------------|---------------------------|
| | Remuneration (%) | Company's Performance (%) |
| Sri. R. Ramji, Managing Director | 42.78 | 11.52 |
| Sri. P.S. Ramanathan, Company Secretary & CCO | 31.68 | 11.52 |
| Sri. S. Seenivasa Varathan, CFO | 14.11 | 11.52 |

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

| Closing Market Price per Share in | | % Increase | Price Earnings Ratio | | Market Capitalization Rs. in Lakhs | |
|-----------------------------------|------------------|------------|----------------------|------------------|------------------------------------|------------------|
| As on 31.03.2014 | As on 31.03.2015 | | As on 31.03.2014 | As on 31.03.2015 | As on 31.03.2014 | As on 31.03.2015 |
| 22.25 | 40.00 | 80% | 2.82 | 4.80 | 804.00 | 1608.00 |

The Company had allotted shares under its IPO in 1995 at the price of INR 10 per equity share. The company's shares are listed in BSE Ltd.

- vii. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 was 11.11%, whereas the increase in the managerial remuneration for the same financial year was 43%. The increase in remuneration was in line with the performance of the Company, industrial standards and individual employee's performance. There is no exceptional circumstance for increase in the managerial remuneration.
- viii. Key parameters for the variable component of remuneration of Directors: None of the Directors received any remuneration other than sitting fees during the financial year 2014-15.
- ix. Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not applicable since none of the Directors received any remuneration.
- x. It is hereby affirmed that the remuneration paid during the year 2014-15 is as per the Remuneration Policy of the Company:

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 30.07.2015

S.V. RAVI
Director

R. RAMJI
Managing Director

ANNEXURE VII TO DIRECTOR'S REPORT

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

| | | |
|----|---|-----|
| a. | Name(s) of the related party and nature of relationship | Nil |
| b. | Nature of Contracts / arrangement / transactions | Nil |
| c. | Duration of the Contracts / arrangements / transactions | Nil |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any | Nil |
| e. | Justification for entering into such contracts or arrangements or transactions | Nil |
| f. | Date(s) of approval by the Board | Nil |
| g. | Amount paid as advance, if any | Nil |
| h. | Date on which the special resolution was passed in general meeting as required under first provision to Section 188 | Nil |

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

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

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 30.07.2015

S.V. RAVI
Director

R. RAMJI
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Polyspin Exports Limited

1. We have audited the accompanying financial statements of Polyspin Exports Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2015, 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

2. The Company's board of directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of the 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

3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures 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.

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

Opinion

6. 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, 2015.
 - (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

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") as amended, issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matter specified in paragraphs 3 and 4 of the order.
8. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified Section 133 of the act, read with Rule 7 of the companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us:
- i. The company has in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements – Also refer Note 22(14) to the financial statements.
- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 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 were 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.
- (iii). The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and accordingly, the provisions of Clause (iii) of paragraph 3 of the order are not applicable to the company.

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

V. SRIKRISHNAN
PARTNER

Place : Rajapalayam

Date : 29.05.2015

Membership No. 206115

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March, 2015, we report that:

- (i) 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.
- (ii). In respect of its inventories:
- a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- (iv) 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 inventories, 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.
- (v) 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 (1) (b) of the Companies Act, 2013 in accordance with terms and conditions for which the deposits have been accepted. The company is assured to repay on or before 30.06.2015.
- (vi) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Government of India under Section 148 of the Companies Act, 2013 are not applicable to the company for the year under audit.
- (vii) According to information and explanations given to us and the books of account examined by us, in respect of statutory dues:
- a. The company has generally been regular in depositing 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 applicable to it with appropriate authorities during the year. 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 2015 for a period of more than six months from the date of becoming payable.

- b. The disputed statutory dues aggregating to Rs.274.60 Lakhs that have not been deposited on account of matters pending before appropriate authorities are 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 |
| 4. | Central Excise Act, 1944 | Excise Duty | Assistant Commissioner of Central Excise, Rajapalayam. | April, 2013 To December, 2014 | 26.84 43.27 |
| TOTAL | | | | | 274.60 |

- c. According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder has been transferred to such fund within time.

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loan have been applied

by the company during the year for the purpose for which they were obtained.

- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

V. SRIKRISHNAN
PARTNER
 Membership No. 206115

Place : Rajapalayam
 Date : 29.05.2015

POLYSPIN EXPORTS LIMITED

BALANCE SHEET as at March 31, 2015

| Particulars | Schedule No. | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. |
|-----------------------------------|--------------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholders funds | | | |
| a) Share Capital | 1 | 4,00,00,000 | 4,00,00,000 |
| b) Reserves and Surplus | 2 | <u>11,24,40,423</u> | <u>8,49,97,727</u> |
| | | 15,24,40,423 | 12,49,97,727 |
| 2. Non-current liabilities | | | |
| a) Long-term borrowings | 3 | 9,62,19,763 | 14,52,59,503 |
| b) Deferred Tax liabilities | 4 | <u>1,85,80,000</u> | <u>1,49,80,000</u> |
| | | 11,47,99,763 | 16,02,39,503 |
| 3. Current Liabilities | | | |
| a) Short term borrowings | 5 | 26,96,99,744 | 28,24,32,098 |
| b) Trade payables | 6 | 5,93,95,808 | 2,40,71,774 |
| c) Other Current liabilities | 7 | 2,62,87,449 | 2,42,23,887 |
| d) Short term provisions | 8 | <u>3,89,15,712</u> | <u>2,95,86,633</u> |
| | | 39,42,98,713 | 36,03,14,392 |
| TOTAL | | <u>66,15,38,899</u> | <u>64,55,51,622</u> |
| II. ASSETS | | | |
| 1. Non-current assets | | | |
| a) Fixed assets | | | |
| i) Tangible assets | 9 | 26,64,21,369 | 25,70,40,561 |
| ii) Intangible assets | | 1,51,247 | 1,90,822 |
| iii) Capital work-in-progress | | ---- | ---- |
| | | <u>26,65,72,616</u> | <u>25,72,31,383</u> |
| b) Non-current investments | 10 | 63,49,390 | 63,49,390 |
| 2. Current assets | | | |
| a) Inventories | 11 | 13,54,49,335 | 13,75,09,543 |
| b) Trade receivables | 12 | 13,69,22,614 | 14,97,74,460 |
| c) Cash and Bank Balances | 13 | 4,67,70,966 | 3,88,14,280 |
| d) Short-term loans and advances | 14 | <u>6,94,73,978</u> | <u>5,58,72,566</u> |
| | | 38,86,16,893 | 38,19,70,849 |
| TOTAL | | <u>66,15,38,899</u> | <u>64,55,51,622</u> |

Notes on accounts 22

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

R. RAMJI
Managing Director & CEO

A. THIRUPATHY RAJA
Director

V. SRIKRISHNAN
Partner,
Membership No. 206115

S.V. RAVI
Director

S. SANKAR
Director

Rajapalayam
29.05.2015

P.S. RAMANATHAN
Secretary & CCO

S. SEENIVASA VARATHAN
CFO

POLYSPIN EXPORTS LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015

| Particulars | Schedule No. | For the year ended 31.03.2015 Rs. | For the year ended 31.03.2014 Rs. |
|---|--------------|---|---|
| INCOME | | | |
| Sales / Revenue from Operations | 15 | 143,78,73,722 | 119,40,90,962 |
| Other Income | 16 | 51,85,928 | 44,75,743 |
| | | <u>144,30,59,650</u> | <u>119,85,66,705</u> |
| EXPENDITURE | | | |
| Cost of Raw Material consumed | 17 | 89,94,96,266 | 83,02,23,787 |
| Changes in / Inventories of Finished Goods, stock-in-Process | 18 | (1,82,89,519) | (52,12,011) |
| Employee Benefits Expense | 19 | 13,41,07,010 | 7,82,52,654 |
| Finance Costs | 20 | 4,30,29,433 | 3,48,04,904 |
| Depreciation & Amortisation Expenses | | 1,96,53,803 | 2,21,62,047 |
| Other Expenses | 21 | 31,38,05,365 | 19,23,74,280 |
| | | <u>139,18,02,358</u> | <u>115,26,05,661</u> |
| Profit Before Tax | | 5,12,57,292 | 4,59,61,044 |
| Provision for Taxation - Current | | 1,43,00,000 | 1,10,00,000 |
| Provision for Tax - Deferred | | 36,00,000 | 34,31,000 |
| | | <u>3,33,57,292</u> | <u>3,15,30,044</u> |
| Earnings per share (Basic) | | | 7.88 |
| Face value of Rs 10 each (Rs.) | | 8.34 | |

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

V. SRIKRISHNAN
Partner,
Membership No. 206115
Rajapalayam
29.05.2015

R. RAMJI
Managing Director & CEO

S. V. RAVI
Director

P.S. RAMANATHAN
Secretary & CCO

A. THIRUPPATHY RAJA
Director

S. SANKAR
Director

S. SEENIVASA VARATHAN
CFO

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, 2015. 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 29th May, 2015 to the members of the Company.

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

V. SRIKRISHNAN
PARTNER
Membership No. 206115

Place : Rajapalayam
Date : 29.05.2015

POLYSPIN EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2015

| | 2014 - 2015 | 2013 - 2014 |
|--|-------------------|---------------|
| | (Rupees in Lakhs) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before Tax and Extraordinary items | 512.57 | 459.61 |
| Depreciation | 196.54 | 221.62 |
| Interest & Finance Charges | 430.29 | 348.05 |
| Loss on Sale of Assets | 16.49 | 2.68 |
| (Profit) on Sale of Assets | ---- | (4.02) |
| Income Tax Paid | 101.97 | 55.05 |
| Operating Profit before working Capital Changes | 1257.86 | 1082.99 |
| ADJUSTMENTS FOR | | |
| - Trade and other Receivables | (7.50) | (564.16) |
| - Inventories | 20.60 | (258.43) |
| - Trade Payables | 205.44 | 188.03 |
| | 218.54 | (634.56) |
| Cash Generated from Operations | 1476.40 | 448.43 |
| LESS : Interest & Finance Charges | 430.29 | 348.05 |
| Net Cash from Operating Activities | (A) 1046.11 | (A) 100.38 |
| NET CASH USED IN INVESTING ACTIVITIES | | |
| Investments in Fixed Assets | (330.29) | (504.35) |
| Proceeds from Sale of Assets | 29.65 | 13.47 |
| Investments | ---- | ---- |
| | (B) (300.64) | (B) (490.88) |
| NET CASH USED IN FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings (Net of Repayments) | (490.39) | (136.53) |
| Proceeds from Short Term Borrowings (Net of Repayments) | (127.32) | 643.32 |
| Payment of Dividend and Tax thereon | (48.19) | (42.60) |
| Net Increase in Cash & Cash Equivalents | (C) (665.90) | (C) 464.19 |
| | (A+B+C) 79.57 | (A+B+C) 73.69 |
| Cash & Cash Equivalents as at 31 st March 2014 | 388.14 | 314.45 |
| Cash & Cash Equivalents as at 31 st March 2015 | 467.71 | 388.14 |
| Net Change in Cash & Cash Equivalents | (79.57) | (73.69) |

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

R. RAMJI
 Managing Director & CEO

A. THIRUPATHY RAJA
 Director

V. SRIKRISHNAN
 Partner,
 Membership No. 206115

S.V. RAVI
 Director

S. SANKAR
 Director

Rajapalayam
 29.05.2015

P.S. RAMANATHAN
 Secretary & CCO

S. SEENIVASA VARATHAN
 CFO

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS

| Particulars | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. | | |
|---|-------------------------|-------------------------|---------------------|--------------------|
| 1. SHARE CAPITAL | | | | |
| Authorised : | | | | |
| 50,00,000 Equity Shares of Rs.10/- each (Previous Year : 50,00,000 Equity Shares of Rs. 10/- each) | <u>5,00,00,000</u> | <u>5,00,00,000</u> | | |
| Issued, Subscribed & Paid up | | | | |
| 40,00,000 Equity Shares of Rs.10/- each (Previous Year : 40,00,000 Equity Shares of Rs. 10/- each) | <u>4,00,00,000</u> | <u>4,00,00,000</u> | | |
| 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% | | | | |
| | As at 31.03.2015 | | As at 31.03.2014 | |
| Particulars | No. of Shares | % | No. of Shares | % |
| i) Sri. R. Ramji | 6,18,557 | 15.46 | 5,75,098 | 14.38 |
| ii) Smt. Durga Ramji | 3,34,859 | 8.37 | 3,25,538 | 8.14 |
| iii) M/s. Polyspin Limited | 2,52,800 | 6.32 | 2,52,800 | 6.32 |
| iv) M/s. 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 | 8,21,00,000 | | 5,81,00,000 | |
| Add : Transferred from Profit and Loss Account | 2,80,00,000 | | 2,40,00,000 | |
| | (A) 11,01,00,000 | | <u>8,21,00,000</u> | |
| Profit and Loss Account | | | | |
| Opening Balance | 28,97,727 | | 10,52,172 | |
| Add : Profit for the Year | 5,12,57,292 | | 4,59,61,044 | |
| Provision for Tax 2009-10 (Withdrawn) | 1,14,873 | | ---- | |
| Provision for Fringe Benefit Tax (Withdrawn) | ---- | | 542 | |
| Less : Provision for TAX / Current | 1,43,00,000 | | 1,10,00,000 | |
| Provision for Deferred Tax | 36,00,000 | | 34,31,000 | |
| Provision for Tax 2011-12 | 2,69,757 | | ---- | |
| Provision for Dividend Tax (2012-13) | ---- | | 30,900 | |
| Provision for Taxation A.Y. (2010-11) | ---- | | 38,371 | |
| Proposed Dividend | 48,00,000 | | 48,00,000 | |
| Tax on Dividend | 9,59,712 | | 8,15,760 | |
| Transferred to General Reserve | 2,80,00,000 | | 2,40,00,000 | |
| | (B) 23,40,423 | | <u>28,97,727</u> | |
| | TOTAL (A) + (B) | | <u>11,24,40,423</u> | <u>8,49,97,727</u> |
| 3. LONG TERM BORROWINGS | | | | |
| -Secured | | | | |
| Term Loan from City Union Bank | 4,92,15,240 | | 8,51,28,927 | |
| - From Others | | | | |
| Hire Purchase Loan | 25,83,073 | | 8,03,292 | |
| Buyers Credit - Capital Goods | 1,17,27,450 | | 1,57,32,670 | |

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

| Particulars | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. |
|---|--------------------------|--------------------------|
| - Unsecured | | |
| Deposits | | |
| Fixed Deposits | 2,92,94,000 | 3,22,66,000 |
| Advance Against Term Deposit | 34,00,000 | 1,13,28,614 |
| | <u>9,62,19,763</u> | <u>14,52,59,503</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 yearwise repayment to Term Loan are as follows : | | |
| Year | Amount (Rs. In Lakhs) | Amount (Rs. In Lakhs) |
| 2014 - 2015 | --- | 381.29 |
| 2015 - 2016 | 302.74 | 273.60 |
| 2016 - 2017 | 136.32 | 126.07 |
| 2017 - 2018 | 43.82 | 49.91 |
| 2018 - 2019 | 9.27 | 20.42 |
| | 492.15 | 851.29 |
| 4. DEFERRED TAX LIABILITIES | | |
| Deferred Tax Liabilities | <u>1,85,80,000</u> | <u>1,49,80,000</u> |
| 5. SHORT TERM BORROWINGS | | |
| -Secured | | |
| From City Union Bank | | |
| - Buyers Credit on Raw Material | 5,04,15,789 | 8,79,65,599 |
| - Foreign Bills Discounted | 7,28,68,315 | 6,13,69,761 |
| - Export Packing Credit | 6,95,50,544 | 6,00,65,451 |
| - Cash Credit on Raw Material and Book debts | 7,68,65,096 | 7,30,31,287 |
| | <u>26,96,99,744</u> | <u>28,24,32,098</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>5,93,95,808</u> | <u>2,40,71,774</u> |
| 7. OTHER CURRENT LIABILITIES | | |
| For Expenses | 1,55,25,365 | 1,18,95,305 |
| For Other Finance | 76,95,091 | 1,00,59,497 |
| Unpaid Dividend | 30,66,993 | 22,69,085 |
| | <u>2,62,87,449</u> | <u>2,42,23,887</u> |
| 8. SHORT TERM PROVISIONS | | |
| Provision for Taxation | 3,31,56,000 | 2,39,70,873 |
| Proposed Dividend | 48,00,000 | 48,00,000 |
| Tax on Proposed Dividend | 9,59,712 | 8,15,760 |
| | <u>3,89,15,712</u> | <u>2,95,86,633</u> |

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

9. FIXED ASSETS

| Description | Gross Block | | | Depreciation | | | Net Block | | | |
|--|--------------------------|-------------|-----------|--------------------------|---------------------|-----------------|------------|---------------------|---------------------|---------------------|
| | Cost as at 01.04.2014 | Addition | Deduction | Cost as at 31.03.2015 | Up to 01.04.2014 | For the Year | Withdrawal | Up to 31.03.2015 | As at 31.03.2015 | As at 01.04.2014 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| TANGIBLE ASSETS | | | | | | | | | | |
| Land | 41,47,693 | 9,61,255 | ----- | 51,08,948 | ----- | ----- | ----- | ----- | 51,08,948 | 41,47,693 |
| Building | 7,93,30,541 | 97,34,772 | ----- | 8,90,65,313 | 1,47,48,061 | 25,36,731 | ----- | 1,72,84,792 | 7,17,80,521 | 6,45,82,480 |
| Plant & Machinery | 27,07,99,687 | 1,88,50,683 | 48,72,965 | 28,47,77,405 | 8,60,71,250 | 1,59,28,903 | 9,00,535 | 10,10,99,618 | 18,36,77,787 | 18,47,28,437 |
| Furnitures & Fittings | 4,03,761 | ----- | ----- | 4,03,761 | 2,77,139 | 38,357 | ----- | 3,15,496 | 88,265 | 1,26,622 |
| Vehicles | 67,03,494 | 33,79,079 | ----- | 1,00,82,573 | 35,58,953 | 10,19,720 | ----- | 45,78,673 | 55,03,900 | 31,44,541 |
| Office Equipment | 5,64,137 | 1,03,250 | 72,800 | 5,94,587 | 2,53,349 | 90,517 | 11,227 | 3,32,639 | 2,61,948 | 3,10,788 |
| Library | 12,435 | ----- | ----- | 12,435 | 12,435 | ----- | ----- | 12,435 | ----- | ----- |
| Total-Tangible Assets | 36,19,61,748 | 3,30,29,039 | 49,45,765 | 39,00,45,022 | 10,49,21,187 | 1,96,14,228 | 9,11,762 | 12,36,23,653 | 26,64,21,369 | 25,70,40,561 |
| Total-Tangible Assets for Previous Year | 31,59,22,934 | 5,04,35,004 | 43,96,190 | 36,19,61,748 | 8,59,82,886 | 2,21,21,522 | 31,83,221 | 10,49,21,187 | 25,70,40,561 | 22,99,40,048 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Computer Software | 2,50,000 | ----- | ----- | 2,50,000 | 59,178 | 39,575 | ----- | 98,753 | 1,51,247 | 1,90,822 |

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

| Particulars | As at 31.03.2015 Rs. | As at 31.03.2014 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. |
| 13,01,119 | SLR 10/- | Lankaspin (P) Ltd., Sri Lanka |
| 800 | \$ 1/- | Polyspin USA Inc., USA |
| | | Aggregate amount of Non-Current Investments at cost |
| | | 63,49,390 |
| | | 63,49,390 |
| 11. INVENTORIES | | |
| Raw Material | 2,31,09,129 | 4,50,91,084 |
| Stores and Spares | 1,24,09,775 | 1,07,77,547 |
| Work In Process | 7,60,49,596 | 6,57,34,000 |
| Finished Goods | 2,29,72,492 | 1,57,66,948 |
| Process Waste | 9,08,343 | 1,39,964 |
| | 13,54,49,335 | 13,75,09,543 |
| 12. TRADE RECEIVABLES | | |
| Over Six Months | | |
| Good | 79,53,377 | 1,99,79,854 |
| Below Six Months | | |
| Good | 12,89,69,237 | 12,97,94,606 |
| | 13,69,22,614 | 14,97,74,460 |
| 13. CASH AND BANK BALANCES | | |
| Cash on Hand | 12,12,473 | 25,16,611 |
| Balance with Banks | | |
| - In Current Accounts | 1,45,27,145 | 82,23,753 |
| - In Fixed Deposit Accounts | 3,10,31,348 | 2,80,73,916 |
| | 4,67,70,966 | 3,88,14,280 |
| 13.1 Balance with banks includes unclaimed dividend of Rs. 30,84,062 (Previous year Rs. 22,56,193) | | |
| 14. SHORT TERM LOANS AND ADVANCES | | |
| Income Tax Paid / Tax Deducted at Source | 2,21,98,424 | 1,71,42,154 |
| Prepaid Expenses | 19,09,134 | 29,99,207 |
| Deposits with Govt. Departments | 73,56,283 | 38,91,074 |
| Interest Accrued on Deposits | 28,91,155 | 29,86,537 |
| Claim Receivable | 21,42,934 | 54,12,498 |
| Others | 3,29,76,048 | 2,34,41,096 |
| | 6,94,73,978 | 5,58,72,566 |
| Others includes advance to sundry creditors, Advance to staff | | |

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

| | For the year ended 31.03.2015 Rs. | For the year ended 31.03.2014 Rs. |
|--|---|---|
| 15. SALES / REVENUE FROM OPERATIONS | | |
| Export Sales | 111,21,82,264 | 98,46,82,602 |
| Domestic Sales | | |
| - FIBC Bags / Fabric / Yarn | 2,41,19,286 | 5,80,29,343 |
| - Cotton Yarn | 26,73,00,408 | 11,83,64,744 |
| | <u>140,36,01,958</u> | <u>116,10,76,689</u> |
| Less : Sales Return | 8,36,521 | ---- |
| | <u>140,27,65,437</u> | <u>116,10,76,689</u> |
| OTHER OPERATING INCOME | | |
| Sale of Plastic scrap | 1,19,72,000 | 60,49,841 |
| Sale of Cotton Waste | 4,44,530 | 4,88,047 |
| FMS / FPS Duty Credit Scrip - Sales | 2,09,71,177 | 2,60,28,172 |
| Rebate on Service Tax | 17,20,578 | 4,48,213 |
| | <u>143,78,73,722</u> | <u>119,40,90,962</u> |
| 16. OTHER INCOME | | |
| Interest Receipts | 32,78,074 | 31,91,894 |
| Dividend Receipts | 8,34,555 | 6,69,187 |
| Profit on Sale of High Sea Sales | 3,87,882 | 2,12,134 |
| Profit on Forex Exchange Fluctuation | 5,62,298 | ---- |
| Profit on Sale of Car | ---- | 63,497 |
| Profit on Sale of Machine | ---- | 3,39,031 |
| Export Incentive | 1,23,119 | ---- |
| | <u>51,85,928</u> | <u>44,75,743</u> |
| 17. COST OF RAW MATERIAL CONSUMED | | |
| Polypropylene Granules and Master Batch | 63,28,93,100 | 55,60,78,771 |
| Printing Materials | 41,52,803 | 85,05,940 |
| Yarn / Hank yarn purchases | 1,57,18,984 | 1,53,91,842 |
| Cotton & Cotton Waste | 19,43,18,053 | 20,40,52,220 |
| BOPP Film Purchases | 8,68,652 | 8,10,510 |
| Bags Purchases & Paper Bags purchases | 13,90,880 | ---- |
| LLDPE Liner Purchases | 7,03,715 | 6,34,214 |
| Kraft Paper Purchases | 21,83,526 | 62,75,058 |
| Fabric Purchases | 4,72,66,553 | 3,84,75,232 |
| | <u>89,94,96,266</u> | <u>83,02,23,787</u> |
| 18. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE | | |
| Opening Stock | 8,16,40,912 | 7,64,28,901 |
| Closing Stock | 9,99,30,431 | 8,16,40,912 |
| | <u>(1,82,89,519)</u> | <u>(52,12,011)</u> |
| 19. EMPLOYEE BENEFITS EXPENSE | | |
| Remuneration to Managing Director | 41,03,147 | 31,02,082 |
| Salaries & Wages | 9,42,95,742 | 5,43,16,396 |
| P.F. & E.S.I. Contribution | 1,58,62,878 | 94,03,969 |
| Labour Welfare Expenses | 83,27,968 | 56,99,251 |
| LIC Group Gratuity | 47,18,834 | 13,42,710 |
| Bonus / Ex-gratia | 67,98,441 | 43,88,246 |
| | <u>13,41,07,010</u> | <u>7,82,52,654</u> |

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

| Particulars | For the year ended 31.03.2015 Rs. | For the year ended 31.03.2014 Rs. |
|--------------------------------------|---|---|
| 20. FINANCE COSTS | | |
| Interest on | | |
| - Fixed Loans | 91,57,943 | 1,36,42,358 |
| - Working Capital Facilities | 3,36,68,162 | 2,09,70,220 |
| H.P. Finance Charges | 2,03,328 | 1,92,326 |
| | 4,30,29,433 | 3,48,04,904 |
| 21. OTHER EXPENSES | | |
| <u>Manufacturing Expenses</u> | | |
| Repairs & Maintenance | | |
| - Building | 30,73,390 | 16,67,923 |
| - Machinery | 31,67,509 | 12,33,331 |
| - General | 8,96,328 | 9,45,802 |
| Processing Charges paid | 9,74,73,729 | 2,49,48,224 |
| Stores & Spares Consumed | 3,70,89,186 | 2,79,87,453 |
| Power & Fuel | 7,40,75,316 | 7,40,77,232 |
| | 21,57,75,458 | 13,08,59,965 |
| Postage & Telephone | 27,74,064 | 10,91,751 |
| Printing & Stationery | 10,07,206 | 8,20,964 |
| Travelling Expenses | 59,56,946 | 27,01,187 |
| Directors sitting Fees | 70,000 | ---- |
| Bank Charges | 74,22,512 | 78,56,392 |
| Professional Charges | 16,99,022 | 4,91,870 |
| Licence, Taxes & Fees | 10,94,701 | 8,48,032 |
| Insurance Charges | 28,11,189 | 20,95,317 |
| Subscription & Periodicals | 1,80,987 | 1,74,015 |
| Filing Fees | 2,060 | 16,000 |
| Audit Fees | 62,500 | 67,500 |
| Vehicle Maintenance | 33,30,037 | 29,25,253 |
| Miscellaneous Expenses | 7,20,151 | 5,02,864 |
| Commission paid | 1,16,75,439 | 1,01,53,398 |
| Donation | 1,75,000 | 1,50,000 |
| Rent | 3,89,000 | 5,11,250 |
| Loss on Sale of Assets | 16,49,165 | 2,68,208 |
| Loss on Sale of Highsea sale | ----- | 49,178 |
| Quality Claim Charges | 17,63,049 | 9,04,347 |
| Testing Charges | 14,51,342 | 6,12,725 |
| Service Tax (GTA, Testing, etc.,) | 7,10,053 | 7,67,969 |
| Packing Charges | ---- | 94,521 |
| Forex fluctuation A/C. | 1,96,22,406 | 32,67,771 |
| Sales Promotion Expenses | 3,00,000 | ---- |
| Ocean Freight | 3,00,64,154 | 2,30,43,450 |
| Lorry Freight | 30,48,974 | 20,95,746 |
| Sales Discount | 49,950 | 4,607 |
| | 31,38,05,365 | 19,23,74,280 |

22. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. 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.

1.2. 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.

2. Fixed Assets – Tangible & Intangible and Depreciation

- 2.1. 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.
- 2.2. Cost of initial spares and tools is capitalized along with the respective assets. Expenditure directly related and incidental to construction /development and borrowing cost in para '3' are capitalized up to date the assets are ready for their intended use. Exchange differences are capitalized to the extent dealt with the respective assets.
- 2.3. Depreciation:

Assets are depreciated / amortized on straight line basis over their estimated useful life as below:-
Useful life of Tangible and Intangible Assets:-

| Assets | Year |
|------------------------|---------|
| Building | 30 |
| Plant and Machinery | 15 - 20 |
| Furniture and fittings | 10 |
| Office Equipment | 5 |
| Motor Vehicle | 8 - 10 |
| Computers | 6 |

2.4. Depreciation is provided on a pro rata basis from the month the assets put to use during the financial year. In respect of assets sold / disposed off during the year, depreciation is not provided for the same.

3. 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.

4. 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.

5. Inventories:

- 5.1. Inventories are valued at lower of cost or net realizable value except for scrap and by products which are valued at net realizable value.
- 5.2. Cost of inventories of finished goods and work – in – process includes material cost, cost of conversion and other cost.
- 5.3. Stores and spares is valued at weighted average cost.

6. Foreign Currency Transaction:

- 6.1. Export sales are accounted at exchange rates prevailing on the date of negotiation of bills by the bankers.
- 6.2. Purchase of imported raw materials and components are accounted at amounts paid to discharge the related liabilities.
- 6.3. 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.
- 6.4. Current Assets and Current Liabilities are translated at the rate prevailing on the date of Balance Sheet. The gain or loss if any, arising there from are recognized in the Profit and Loss Account.

7. Employee Benefits:

7.1. Employee benefit expenses include salary, wages, performance incentive and other perquisites. It also

includes post – employment benefits such as provident fund, gratuity, pensionary benefits, etc.,

- 7.2. Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- 7.3. Contribution payable by the Company under defined contribution schemes towards Provident Fund for the year are charged to Profit and Loss Account.
- 7.4. The Company has its own approved Gratuity Fund and the contributions to that fund are being made to LIC.
- 7.5. 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.

8. Revenue Recognition:

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

- 8.1. Export Sales is stated at C&F/CIF/FOB basis.
- 8.2. Domestic Sales excludes Excise duty, Education cess, VAT and CST.
- 8.3. Dividend income is recognized when right to receive the payment is established by the Balance Sheet date.
- 8.4. Interest income is recognized on accrual basis.
- 8.5. 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.

9. 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.

10. Research and Development :

No such expenditure incurred during the current year.

11. TAXES ON INCOME :

Tax expense comprises current tax and deferred tax.

11.1 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.

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

12. Government SUBSIDY/ GRANT :

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

12.2 Export incentives and incentives in the nature of subsidies / duty scrip / rebates given by the government are reckoned in revenue in the year of eligibility.

13. 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.

14. 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.

15. EARNINGS PER SHARE :

| | Year Ended 31-03-2015 | Year Ended 31-03-2014 |
|--|----------------------------------|--------------------------|
| a) Net Profit after Tax (Rs. in Lakhs) | 333.57 | 315.30 |
| 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) | 8.34 | 7.88 |

16. 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 and CEO
- ii) Sri P.S. RAMANATHAN
Secretary and Compliance Officer
- iii) Sri. S. SEENIVASA VARATHAN
Chief Financial Officer

POLYSPIN EXPORTS LIMITED

C) Transaction during the year with Related Parties :

| Sl. No. | Particulars | Year Ended 31-03-2015 | | Year Ended 31-03-2014 | |
|---------|---|----------------------------------|--------------------------|----------------------------------|--------------------------|
| | | (Rs. in Lakhs) | | | |
| | | Associate / Subsidiary Companies | Key Management Personnel | Associate / Subsidiary Companies | Key Management Personnel |
| 1. | Sale of Raw Materials (on High Sea Sales) | 106.04 | --- | 84.47 | --- |
| 2. | Processing charges paid | 782.53 | --- | 136.81 | --- |
| 3. | Remuneration to Directors | --- | 49.43 | --- | 31.02 |
| 4. | Purchase of Strips | --- | --- | 3.16 | --- |
| 5. | Sale of Yarn, Sack & Fabric | 1027.83 | --- | 1344.00 | --- |
| 6. | Assets sold during the year | 35.64 | --- | 5.23 | --- |
| 7. | Assets purchases during the year | 4.73 | --- | 70.76 | --- |
| 8. | Purchase of Paper Bags, Kraft Paper | 11.34 | --- | 55.13 | --- |
| 9. | Purchase of Fabric & Stitching Yarn | 495.61 | --- | 397.41 | --- |
| 10. | Purchase of Raw materials | 37.73 | --- | --- | --- |
| 11. | Factory Rent | 2.45 | --- | --- | --- |
| 12. | Windmill Energy captive consumption | 15.97 | --- | 20.96 | --- |

Transaction during the year with Related parties (Continued)

| Rs. in Lakhs | | |
|---|----------|----------|
| d) Significant Related Party Transactions | 2015 | 2014 |
| 1. Sale of Raw materials (on High Sea Sales) | | |
| Polyspin Limited | 106.04 | 84.47 |
| 2. Processing Charges Paid | | |
| Polyspin Limited | 759.75 | 134.82 |
| Ganesh Agro Pack (P) Ltd., | 8.65 | 1.93 |
| Energyspin (P) Ltd | 0.03 | 0.06 |
| Chola packaging Limited | 14.10 | --- |
| 3. Remuneration to Directors | | |
| Sri. R. Ramji | 49.43 | 31.02 |
| 4. Purchase of Strips | | |
| Polyspin Limited | --- | 3.16 |
| 5. Sale of Fabric, Sack and Yarn | | |
| Lankaspin Private Limited, Sri Lanka | 1,027.83 | 1,116.33 |
| Polyspin Limited | --- | 227.67 |
| 6. Assets Sold during the year | | |
| Polyspin Limited | 35.64 | 5.23 |
| 7. Assets purchases during the Year | | |
| Polyspin Limited | 4.73 | 70.76 |
| 8. Purchase of Paper Bags, Kraft Paper | | |
| Polyspin Limited | 11.34 | 55.13 |
| 9. Purchase of Fabric & Stitching yarn | | |
| Polyspin Limited | 483.81 | 396.56 |
| Ganesh Agro Pack (P) Ltd., | 11.75 | --- |
| Chola Packaging Limited | 0.05 | 0.85 |
| 10. Purchase of Raw Materials | | |
| Polyspin Limited | 37.73 | --- |
| 11. Factory Rent | | |
| Polyspin Limited | 2.45 | --- |
| 12. Windmill Energy captive consumption | | |
| Ganesh Agro Pack (P) Ltd | 15.97 | 20.96 |

17. SEGMENTWISE REPORTING

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

| Sl. No. | Particulars | (Rs. in Lakhs) | |
|---------|---|-----------------|-----------------|
| | | Year ended | |
| | | 31.03.2015 | 31.03.2014 |
| 1. | Segment Revenue (Net Sales / Income from operation) | | |
| | a) FIBC Bags, Fabric, Yarn | 11298.78 | 8869.34 |
| | b) Cotton Yarn | 2728.87 | 2741.43 |
| | Total | 14027.65 | 11610.77 |
| 2. | Segment Results (Profit (+) / Loss (-) before tax and interest from each segment) | | |
| | a) FIBC Bags, Fabric, Yarn | 794.72 | 653.52 |
| | b) Cotton Yarn | 148.14 | 154.14 |
| | Total | 942.86 | 807.66 |
| | Less : Financial Charges | 430.29 | 348.05 |
| | Profit Before Tax | 512.57 | 459.61 |
| 3. | Capital Employed (Segment assets - Segment Liabilities) | | |
| | a) FIBC Bags, Fabric, Yarn | 1087.04 | 846.72 |
| | b) Cotton Yarn | 437.36 | 403.26 |
| | Total | 1524.40 | 1249.98 |

18. Derivatives:

The company uses derivative financial instruments such as forward contracts (both Exports and Imports) to hedge currency exposures, present and anticipated, denominated mostly in US Dollars and Euro. Generally such contracts are taken for exposures materializing in the next twelve month. The company actively manages its currency exposures and uses derivatives to mitigate the risk from such exposures.

The use of derivative instruments is subject to limits and monitoring systems are periodically reviewed by management and the board.

A. Derivative Instruments outstanding:

| Particulars | Details | Currency | Amount (Foreign Currency in Millions) | | Amount Rs. in Lakhs | |
|----------------------------|---------|----------|---------------------------------------|------|---------------------|---------|
| | | | 2015 | 2014 | 2015 | 2014 |
| Foreign Exchange Contracts | | | | | | |
| - USD / INR | Sold | USD | 8.08 | 3.34 | 5253.60 | 2175.40 |
| - USD / INR | Bought | USD | 0.06 | 0.54 | 39.37 | 348.37 |

B. Foreign Currency exposures not hedged by a derivative instrument including firm commitments and highly probable

| Particulars | Currency | Amount (Foreign Currency in Millions) | | Amount Rs. in Lakhs | |
|---|----------|---------------------------------------|-------|---------------------|--------|
| | | 2015 | 2014 | 2015 | 2014 |
| Amount Payable on account of loans, etc., | Euro | 0.154 | 0.248 | 112.80 | 157.32 |

POLYSPIN EXPORTS LIMITED

| | For the year ended | |
|---|---------------------|------------|
| | 31-03-2015 | 31-03-2014 |
| | <u>Rs. in Lakhs</u> | |
| 19. 1) Value of Imports on CIF Basis | | |
| a) Raw Materials & Consumable stores | 5081.34 | 3817.43 |
| b) Capital Goods | 131.15 | --- |
| 2) Expenditure in Foreign Currency | | |
| i) Commission to Foreign Agents | 68.58 | 78.57 |
| ii) Foreign Travel Expenses | 7.02 | 3.20 |
| iii) Bags Testing Fees | 12.61 | 4.62 |
| iv) Seminar & Association Fee | --- | 0.32 |
| 3) Earnings in foreign exchange on FOB Value of exports | 10952.50 | 8149.51 |

| | For the year ended | | | |
|--|--------------------|--------------|------------|--------------|
| | 31-03-2015 | | 31-03-2014 | |
| | % | Rs. in Lakhs | % | Rs. in Lakhs |
| 20. Value of raw materials, stores & Spares consumed | | | | |
| i) Raw Material | | | | |
| Imported | 59.23 | 5327.69 | 47.26 | 3923.49 |
| Indigenous | 40.77 | 3667.27 | 52.74 | 4378.75 |
| ii) Stores Indigenous | 100.00 | 370.89 | 100.00 | 279.87 |

| | <u>2014 - 2015</u> | <u>2013 - 2014</u> |
|--------------------------------|--------------------|--------------------|
| 21. Auditors' Remuneration : | | |
| A. Statutory Auditors | Rs. | Rs. |
| Audit Fees | 25,000 | 25,000 |
| Tax Audit Fees /Appeal Fees | 7,500 | 7,500 |
| Travelling Expenses reimbursed | 5,000 | 5,000 |
| B. Cost Auditor - Fees | 30,000 | 30,000 |

22. Sales tax assessment for the year ended 31.03.2007 has been completed. Income tax assessment for the Assessment year 2012-13 has been completed.

| | <u>2014 - 2015</u> | <u>2013 - 2014</u> |
|--|--------------------|--------------------|
| 23. Managing Director's Remuneration : | Rs. | Rs. |
| Salary | 40,00,000 | 30,00,000 |
| Perquisites | 1,03,147 | 1,02,082 |
| Contribution to PF, etc. | 8,40,000 | 3,60,000 |

24. As at 31.03.2015, 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.

25. The Company has generated power out of Windmill installed at Pazhavor Taluk, Tirunelveli District, and the generated power was captively consumed by the Company by drawing the power from TNEB Grid. The Power and Fuel consumed is net of Rs. 21.20 Lakhs being the credit given by TNEB for the transfer of power to the Grid.

| | For the year ended | |
|--------------------------|--------------------------------|----------------|
| | 31.03.2015 | 31.03.2014 |
| Licensed Capacity | Not Applicable | Not Applicable |
| Installed Capacity | 250 KW | 250 KW |
| Units Generated | 3,33,822 KWH | 3,64,566 KWH |
| Units Captively Consumed | 3,33,822 KWH | 3,64,566 KWH |
| | (included under Power & Fuel) | |

26. The Company's shares, listed in Madras Stock Exchange were admitted in "Permitted to Trade" category in Bombay Stock Exchange for trading. Since, the Madras Stock Exchange has been closed under the directions of SEBI, trading of our company shares were discontinued with effect from 22.05.2015 in BSE (INDONEXT). Please note, we have already filed with BSE, the application and the fee of Rs. 5 Lakhs for direct listing of our company shares in BSE and the same is under process.

27. Deferred Tax (AS 22):

Deferred Tax Liability (Net) for Rs.36.00 Lakhs as on 31.03.2015 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.

| 28. Contingent Liabilities not Provided For : | 31.03.2015 | 31.03.2014 |
|---|-----------------|------------|
| | (Rs. in Lakhs) | |
| | ===== | |
| i) Unexpired Letter of Credit | 31.74 | --- |
| ii) Bank Guarantee | 10.00 | 10.00 |

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

Signature to Schedules 1 to 29

| | | |
|---|---|---------------------------------------|
| As per our report of even date M/s.KRISHNAN AND RAMAN Chartered Accountants Firm Registration No. 001515S | R. RAMJI Managing Director & CEO | A. THIRUPATHY RAJA Director |
| V. SRIKRISHNAN Partner, Membership No. 206115 | S.V. RAVI Director | S. SANKAR Director |
| Rajapalayam 29.05.2015 | P.S. RAMANATHAN Secretary & CCO | S. SEENIVASA VARATHAN CFO |

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PROXY FORM

POLYSPIN EXPORTS LIMITED

CIN : L51909TN1985PLC011683
 Regd. Office : 351, PACR Salai, Rajapalayam - 626 117.

Name of the member(s) :

Registered address :

E-mail ID :

Folio No. / DP ID - Client ID:

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

1. Name : Address :

E-mail ID : Signature : or failing him

2. Name : Address :

E-mail ID : Signature : or failing him

3. Name : Address :

E-mail ID : Signature : or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual general meeting of the company, to be held on Tuesday, the 29th September 2015 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 below:

| No. | Resolution | Optional | |
|----------------------------|---|----------|---------|
| | | For | Against |
| ORDINARY RESOLUTION | | | |
| 1. | Adoption of Financial Statements for the year ended 31 st March, 2015 | | |
| 2. | Declaration of Dividend for the year 2014 – 15 | | |
| 3. | Appointment of Sri. S.R. Subramanian as Director, who retires by rotation | | |
| 4. | Ratification of appointment of M/s. Krishnan & Raman, Chartered Accountants, as Auditors of the Company | | |
| SPECIAL BUSINESS | | | |
| 5. | Reappointment of Sri. R. Ramji, Managing Director. | | |

Signed day of 2015

Signature of Shareholder(s)

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.



BOOK-POST

POLYSPIN

If undelivered, please return to :

POLYSPIN EXPORTS LIMITED

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

Rajapalayam - 626 117.

Tamil Nadu.