

POLYSPIN EXPORTS LTD

RAJAPALAYAM



Annual Report
2015 - 2016



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 Thirtyfirst Annual General Meeting** of the members of the company will be held at 9.30 A.M. on **Thursday, the 15th September, 2016**, 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, 2016, 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, 2016."

3. Re-appointment of Director:-

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

Resolved that Smt. Durga Ramji, (DIN. 00109397), 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 third 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."

By order of the Board,

P.S. Ramanathan
Secretary

Place : Rajapalayam
Date : 29.07.2016

NOTES:

- The Register of members and the share transfer books of the Company will remain closed from 09.09.2016 to 15.09.2016 (both days inclusive) for annual closing for the purpose of determining the members eligible for dividend.**
- 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 15.09.2016 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 08.09.2016.
- 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
31.03.2009	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
31.03.2015	12%	29.09.2015	28.09.2022	27.10.2022

- 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.

5. Members are requested to kindly bring their copy of the Annual Report to the Annual General Meeting.
 6. 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.
 7. 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.
 8. **Electronic copy of the Notice of the 31st 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 31st 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.**
 9. **Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for 2015 – 16 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**
 10. 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, and Regulation 44 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Company is pleased to provide members facility to exercise their right to vote at the 31st 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 8th September, 2016.
- i. The e-voting period commence on **12th September, 2016 (9.00 A.M)** and ends on **14th September, 2016 (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 8th September, 2016 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 8th September, 2016.
- 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. In compliance with Regulation 44 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (LODR), 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.

DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Item No. 3

Name of Director	: Smt. Durga Ramji
DIN	: 00109397
Date of Birth	: 23.09.1972
Date of appointment on Board	: 28.05.2014
Qualification	: B.Sc.,
Share Holding	: 3,37,189
Directorship held in other company	: M/s. Polyspin Private Limited M/s. Lankaspin Private Limited, Srilanka. M/s. Energyspin Private Limited M/s. Ramji Investments Private Limited
Member of committee	: Nil
Expertise in specific functional area	: Corporate Management

By order of the Board,

Place : Rajapalayam
Date : 29.07.2016

P.S. Ramanathan
Secretary

DIRECTORS' REPORT**To the Members,**

Your Directors have pleasure in presenting the Thirtyfirst Annual Report on the working of the company and Audited Accounts for the year ended 31st March, 2016.

	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.	Rs.
Financial Results		
Sales and other Income =====	136,46,99,037	144,30,59,650
Operating Profit (Profit before interest, Depreciation and Tax)	10,27,38,217	11,39,40,528
Less : Interest	3,62,43,917	4,30,29,433
Profit before Depreciation and Tax	6,64,94,300	7,09,11,095
Less : Depreciation	2,15,67,705	1,96,53,803
Profit before Tax	4,49,26,595	5,12,57,292
Surplus Brought forward from previous year	23,40,423	28,97,727
Add : Provision for Tax 2009 - 10 (withdrawn)	-----	1,14,873
	4,72,67,018	5,42,69,892
Less: Provision for Taxation-Current	95,84,000	1,43,00,000
Provision for Deferred Tax	62,53,000	36,00,000
Provision for Taxation (earlier years)	-----	2,69,757
Provision for Dividend Tax (2014-15)	17,452	-----
Profit available for appropriation	3,14,12,566	3,61,00,135

Your directors propose to appropriate the same as follows

Proposed Dividend @ 12%	48,00,000	48,00,000
Tax on Proposed Dividend	9,77,167	9,59,712
Transfer to General Reserve	2,30,00,000	2,80,00,000
Balance carried over to Balance Sheet	26,35,399	23,40,423
	3,14,12,566	3,61,00,135

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. 9.77 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 decreased from Rs.144 Crores to Rs. 136 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 31.03.2016	Year ended 31.03.2015
	Quantity (Kgs.)	Quantity (Kgs.)
1. Production		
1) FIBC Bags & PP Woven Bags	62,20,520	59,81,687
2) PP Woven Fabrics	1,17,173	41,004
3) PP Yarn	12,13,348	9,07,742
4) Paper Bags	64,466	50,285
5) Cotton Yarn & Fabric	23,09,988	24,73,092
2. Sales		
1) FIBC Bags & PP Woven Bags	63,32,535	59,72,835
2) PP Woven Fabrics	1,17,173	41,004
3) PP Yarn	12,13,348	9,07,742
4) Paper Bags	57,197	51,425
5) Cotton Yarn & Fabric	23,34,830	24,49,668

Products exported from India increased 1.27% in June to \$ 22.57 billion after declining for 18 straight months. Imports were 7.33 lower narrowing the trade deficits. The outlook is not clear for the time being in view of Brexit. Some companies have declared benefits and some have expressed apprehension. However, our company is not likely to have any impact. Many Economic strategists have predicted increase in all fronts of development both Domestic and International.

The price of crude oil has fallen and correspondingly our raw material price has also fallen. But the profitability has not changed much though there has been a decrease. As against 6981 Tons exported during the year 2014 – 15, the exports of the company's product for the year 2015 – 16 is 7615 Tons. The increase is 634 Tons and 9.08%. The company has taken steps to maintain profitability. The company has implemented policies and actions to increase the quantum of exports. Consequently, constant up-gradation and expansion facilities both quantity and quality wise are in progress. Taking into account the specific requirement of customer, your company has constantly performed well and shall continue to do so.

The cotton yarn production and sales were severely affected due to the certain problems which are present in our country with respect to cotton and yarn. The total sales were 2449 Tons for the year 2014 – 15 as against 2334 Tons for the year 2015 – 16. It is expected that subject to favorable economic condition, the prospects for the current year is likely to be better.

BOARD OF DIRECTORS

Smt. Durga Ramji, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers herself 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.

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.

None of the Director is disqualified under Section 164 of the Companies Act, 2013.

BOARD EVALUATION

Pursuant to Section 134 (3) (p) of the Companies Act, 2013, and Regulation 25(4) of LODR, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, performance of the Board as a whole and its Members and other required matters. Pursuant to Schedule II Part D of LODR, 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, Five Board Meetings were held. The details of the Meetings of the Board and its various Committees are given in the Corporate Governance Report.

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.

INTERNAL AUDIT :

Sri. P.S. Ramanathan, the Internal Auditor, submits Quarterly reports to the audit committee which are reviewed periodically by Audit Committee as well as by the Board. Further, the Board annually reviews the effectiveness of the Company's internal control and audit system.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

REPORT ON CORPORATE GOVERNANCE:

The Company has complied with the requirements of Corporate Governance as stipulated in Listing obligations and Disclosure Requirements. A report on Corporate Governance is annexed herewith and it forms part of the Directors Report as per Annexure – I as required under Schedule V (C) of LODR. A certificate from the Secretarial Auditor confirming compliance is also attached as Annexure -II , as required under Schedule V (E) of LODR. The code of conduct as approved by the board is provided in the above annexure and website.

CORPORATE SOCIAL RESPONSIBILITY

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

The company has contributed Rs.1,30,000/- to healthcare projects. There are certain other projects which have been identified and depending upon their implementation and fulfillment, balance contribution will be made in due course. The material disclosure in made in Annexure – III.

AUDITORS :

M/s. Krishnan & Raman, Chartered Accountants, were appointed as Auditors of the company for a period of three years by the members of the company in the Annual General Meeting held on 03.09.2014. The appointment for the year 2016 – 2017 is to be ratified by the member at the ensuing Annual General Meeting. The Audit Committee considered their eligibility under provisions of Companies Act, 2013. The Auditors have confirmed their eligibility for their reappointment, under Section 141 of the 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 2015 – 16.

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, 2016.

The Secretarial Audit Report (in Form MR – 3) is attached as Annexure – IV 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 - V 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 - VI.

WOMEN AT WORK PLACE

The company has constituted an Anti-Sexual Harassment Policy in line with the requirements of the sexual harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. Internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. 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 Regulation 22 of the LODR, 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 Regulation 17(9) of LODR and Pursuant to Section 134(3)(n) of the Companies Act, 2013. 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 2015-16 and till the date of this report.

PERSONNEL

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 - VII and forms part of this Report.

RELATED PARTY TRANSACTIONS:

There were no materially significant related party transactions which could have potential conflict with the interests of the Company. Transactions with related parties are in the ordinary course of business 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- VIII. An omnibus approved by the Audit committee is granted with reference to each party and the ceiling amount. Since the transactions are at an arm's length basis, there is no significance.

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 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 29th September, 2015 with the Ministry of Corporate Affairs. An amount of Rs. 3,07,534.40 unclaimed dividend pertaining to the year 2009 will be transferred to the IEP Fund before 20.09.2016.

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 : 29.07.2016

S.V. RAVI
Director

R.RAMJI
Managing Director

ANNEXURE I TO DIRECTOR'S REPORT

REPORT ON CORPORATE GOVERNANCE

Your Company is generally complying with the requirements of the Corporate Governance Practices, Pursuant to the Listing Agreement read with Regulation 15(2) and Schedule V(C) of the SEBI (LODR) Regulations 2015. Certain Regulations are not mandatory for your company. However, for good corporate governance, disclosures are made as per the Regulations.

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 evaluates the performance of Non-executive and Independent Directors.

The Board of Directors periodically review Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review.

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of LODR have been adequately complied with.

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	---	4
2) Sri. K. LAKSHMINARAYANAN	Non-Executive / Independent	---	---
3) Sri. S.R. SUBRAMANIAN	Non-Executive	1	1
4) Sri. S. RENGANATHAN	Non-Executive / Independent	---	2
5) Sri. A. THIRUPPATHY RAJA	- do -	---	---
6) Sri. S. SANKAR	- do -	---	7
7) Sri. S.V. RAVI	Non-Executive	---	3
8) Smt. DURGA RAMJI	Non-Executive - Women Directorship	---	4

Five Meetings of the Board of Directors of the Company was held during the year 2015-2016 on 29.05.2015, 30.07.2015, 29.09.2015 and 30.10.2015 and 27.01.2016

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

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Smt. Durga Ramji	
Age (Years)	43	
Date of Appointment	28.05.2014	
Expertise in specific functional area	Corporate Management	
Qualification	B.Sc.,	
List of outside Directorship held	PUBLIC	PRIVATE
	---	4
Chairman / Member of the Committee of the Board of Directors of the Company	NIL	
Chairman / Member of the Committee of Directors of other Companies	NIL	

III. INDEPENDENT DIRECTORS

The Company has complied with provisions of Listing Agreement read with SEBI (LODR) Regulations, 2015 and the Provisions of Section 149(6) Companies Act, 2013 with respect to the appointment of Independent Directors. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013.

The Independent Directors held a meeting on 27th January, 2016, without the attendance of Non-Independent Directors and members of Management. All Independent Directors were present at the meeting and they have reviewed the performance of non-independent directors and the Board, performance of the Chairman and information flow structure of the Company.

The familiarization programmes imparted to independent directors is disclosed in the Company's website: www.polyspin.org. The appointment letters of Independent Directors has been placed on the Company's website.

IV. AUDIT COMMITTEE :

Terms of Reference:

The Terms of Reference of the Audit Committee pertains to the areas referred to in Companies Act, 2013 and Pursuant to Regulation 18 of LODR. 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 29.05.2015, 30.07.2015, 29.09.2015, 30.10.2015 and 27.01.2016

V. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

The Committee met five times during the financial year on 29.05.2015, 30.07.2015, 29.09.2015, 30.10.2015 and 27.01.2016

No. of shareholders queries / complaints received during 2015-16 - 46
 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.

VI. NOMINATION AND REMUNERATION COMMITTEE:

Under the provisions of the Companies Act, 2013, and LODR Regulations, a Remuneration Committee has been constituted with the three Non-executive / Independent Directors, namely Sri K.Lakshminarayanan, Sri S.Renganathan and Sri A. Thiruppathy Raja as members. Sri P.S. Ramanathan is the Secretary of the committee. Based on the approval accorded by the Remuneration Committee, the Board of Directors determine the Remuneration payable to the Managing Director which is subject to the approval of the shareholders.

VII. REMUNERATION OF DIRECTORS

Details of Remuneration paid to the Managing Director during the year 2015-16 are given below :

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

Sri. R. Ramji, Managing Director	73.03
----------------------------------	-------

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.

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

VIII. Disclosure of Shareholding of Non-Executive Directors

Name of the Non-Executive Directors	No. of Shares
1) Sri. K. LAKSHMINARAYANAN	7,500
2) Sri. S.R. SUBRAMANIAN	68,500
3) Sri. S. RENGANATHAN	1,600
4) Sri. A. THIRUPPATHY RAJA	500
5) Sri. S. SANKAR	1,500
6) Sri. S.V. RAVI	6,300
7) Smt. DURGA RAMJI	3,37,189

IX. 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.

X. 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.

XI. 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.

XII. DISCLOSURES :

1. 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
2. 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. 23 Point No.3, Notes forming part of the accounts.
3. 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

4. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
5. As required under Regulation 46(2) of LODR, the following information have been duly disseminated in the Company's website.
 - Terms and conditions of appointment of Independent Directors
 - Composition of various committees of Board of Directors
 - Details of establishment of Vigil Mechanism/Whistle Blower Policy
 - Policy on dealing with Related Party Transactions
 - Details of familiarization Programmes imparted to Independent Directors
 - The e-mail address for grievance redressal and other relevant details.
6. Senior Management Personnel disclosed to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
7. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of LODR, although many are not applicable to your company.
8. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.
9. The Company has also constituted the following Committee of Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEMBERS

S. No.	Name of Directors
1	Sri A. Thiruppathy Raja, Chairman - Independent Director
2	Sri R. Ramji, Managing Director
3	Sri S.V. Ravi, Director

Date of Meeting : 27th January, 2016.

10. Credit Rating:

CARE, the companies Credit rating agency, have rated our borrowing programme as follows

Security	Rating
Long Term Bank facilities	CARE BB+
Short Term Bank facilities	CARE A4+

XIII. GENERAL BODY MEETING:

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

Date	Venue	Time
23.09.2013	Sri Arjuna Manthiram, Rajapalayam	9.30 A.M
03.09.2014	- do -	9.30 A.M
29.09.2015	- 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 / Section 110 of the Companies Act, 2013 Rules 22 of Companies (Management and Administrator) 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 regulation 44 of (Listing obligations and Disclosure Requirements) Regulations, 2015 (LODR). This has been more clearly explained in the notice to Annual General Meeting.

XIV. MEANS OF COMMUNICATION:

The Unaudited Quarterly results and Half yearly results are generally published in Business Line (English) and Dinamalar (Tamil). The results were also displayed on the company's website www.polyspin.org. All the financial results are provided to the Stock Exchange.

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.

XV. 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.

XVI. SHAREHOLDERS INFORMATION :

1. FINANCIAL CALENDER : **Year ended March 31, 2016**
2. ANNUAL GENERAL MEETING : **THIRTY FIRST**
3. DATE & TIME : **15TH September, 2016 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 : **09.09.2016 to 15.09.2016 (Both days inclusive)**
6. E-VOTING DATE : **12th to 14th September, 2016**
(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 : **13.09.2016 - 9.30 A.M.**
8. DIVIDEND PAYMENT DATE : **Date of AGM**
9. LISTED STOCK EXCHANGE : Bombay Stock Exchange

The Company has paid Annual Listing fee to the above Stock Exchange for the financial year 2016 - 2017
10. STOCK CODE : BSE - 539354

11. STOCK PRICE PERFORMANCE

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

Month	High (Rs.)	Low (Rs.)
October 2015	46.25	40.00
November 2015	50.40	39.60
December 2015	52.40	40.85
January 2016	45.20	40.65
February 2016	46.30	42.75
March 2016	44.90	42.65

Source : BSE website

12. SHARE TRANSFER SYSTEM :

The Board has delegated the authority for approving transfer, transmission, etc; of the Company's securities to the Share Transfer Committee of the Board of Directors constituted for this purpose. Presently, the shares are transferred both in physical and dematerialised form and request for rematerialisation and / or transfer of shares in physical mode is also attended within the stipulated time.

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 29.07.2016.

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.

Company obtains half yearly certificate of compliance with the share transfer formalities as required under Clause 47(C) of the Listing Agreement/ Regulation 40(9) of the SEBI (LODR) Regulations, 2015 from a Company Secretary in practice and files a copy of the certificate with the Stock Exchanges within the prescribed time limit.

13. **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

14. **NAME OF THE DEPOSITORY** : National Securities Depository Ltd. Central Depository Services (India) Ltd.

15. **ISIN No.** : I N E 9 1 4 G 0 1 0 1 1

16. **INVESTOR CORRESPONDENCE FOR TRANSFER, PAYMENT OF DIVIDEND ON SHARES OR ANY OTHER QUERY RELATING TO THE SHARES OF THE COMPANY** : Registered Office: No.351, P.A.C.R.Salai, Rajapalayam 626 117. Ph : 04563 - 221554

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

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

21. RANGEWISE HOLDINGS

RANGE	2015 - 2016 No. of Shareholders	2015 - 2016 (%)	2014 - 2015 (%)
1 - 500	3517	19.13	19.53
501 - 1000	437	9.10	9.50
1001 - 2000	155	5.93	6.11
2001 - 3000	75	4.83	4.94
3001 - 4000	18	1.55	1.65
4001 - 5000	15	1.74	1.29
5001 - 10000	17	3.12	3.61
10001 - and above	24	54.60	53.37
	4258	100.00	100.00

22. DEMATERIALIZATION OF SHARES AS ON 31.03.2016

	No. of Shareholders	(%)	No. of Shares	(%)
CDSL	287	6.74	1,71,709	4.29
NSDL	868	20.39	26,11,751	65.29
Physical Form	3103	72.87	12,16,540	30.42
TOTAL	4258	100.00	40,00,000	100.00

23. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

Not Applicable

24. SECRETARIAL CERTIFICATIONS

As stipulated by SEBI, a qualified Company Secretary in practice conducts the Audit for the purpose of reconciliation of total admitted capital with the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital of the Company. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

25. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

26. CODE OF CONDUCT :

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

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

Declaration from the Managing Director and Chief Executive Officer.

(Regulation 17(5) read with Schedule V(D) of SEBI (LODR) Regulations, 2015)

As provided under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Member and the senior management personnel have affirmed Compliance with the Company's code of conduct for the year ending 31st March 2016.

For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 29.07.2016

R. RAMJI
Managing Director

**CERTIFICATION BY MANAGING DIRECTOR
TO THE BOARD**

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

Certification under Regulation 17(8) of SEBI (LODR)
Regulations

We hereby certify to the Board that:

1. We have reviewed the financial statements and the Cash flow statements for the year ended 31.03.2016 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 : 29.07.2016

**ANNEXURE II TO DIRECTOR'S REPORT
CERTIFICATE REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

(Pursuant to Schedule V (E) of SEBI (LODR)
Regulations, 2015)

To

The Members

Polyspin Exports Limited

CIN : L51909TN1985PLC011683

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

Rajapalayam - 626 117.

1. I have examined the compliance of the conditions of Corporate Governance by Polyspin Exports Limited ("the Company") for the financial year ended 31st March 2016, as stipulated under Clause 49 of the Company's Listing Agreements of the said company and BSE and Regulation numbers 17 to 27, 46(2)(b) to (i), Schedule II and Schedule V (paragraphs C, D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. 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, I certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

B. SUBRAMANIAN

Practicing Company Secretary

Membership No: 2152

Certificate of Practice: 2275

Flat No: 1, Prithvi Apartments,
7/4, Seetha Nagar Second Street,

Nungambakkam,

Chennai – 600 034.

Place : Rajapalayam

Date : 29.07.2016

**ANNEXURE III TO DIRECTOR'S REPORT
CORPORATE SOCIAL RESPONSIBILITY**

1. A brief outline of the Company's CSR Policy is that: 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 proposed 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.
2. The composition of the CSR Committee:-
1. Sri. A. Thiruppathy Raja, Chairman - Independent Director
 2. Sri. R. Ramji, Managing Director
 3. Sri. S.V. Ravi, Director
3. Average net profit of the company for last three financial Years Rs.473.82 Lakhs
4. Prescribed CSR Expenditure– Rs. 9.48 Lakhs (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial Year:-
- a. Total amount to be spent for the financial year : Rs. 9.48 Lakhs
 - b. Amount unspent, if any (Previous Financial year: Rs. 7.50 Lakhs
.....
Total : Rs. 16.98 Lakhs
.....

c. Manner in which the amount spent during the financial year is detailed below:-

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was under taken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs sub-heads 1) Direct expenditure on project or programs 2) over heads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency
1.	Eradicating Hunger, Poverty and Malnutrition, Promoting health care including preventive health care and Sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation	Health Care, Poverty and Sanitation	In & around factory area	1,30,000	1,30,000	1,30,000	Direct
	Total			1,30,000	1,30,000	1,30,000	

1. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.
2. Balance unspent amount:- There are other projects which have been identified and depending upon their implementation and fulfillment, balance contribution will be made in due course.

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam **S.V. RAVI** **R. RAMJI**
Date : 29.07.2016 Director Managing Director

**ANNEXURE IV TO DIRECTOR'S REPORT
Form MR – 3**

**SECRETARIAL AUDIT REPORT FOR THE
FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[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") during the financial year from 1st April, 2015 to 31st March, 2016 (the year / audit period / period under review). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the financial year ended 31st March, 2016 and also after 31st March, 2016 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.

1. I hereby report that,
- 1.1 In my opinion, during the audit period covering the financial year ended on 31st March, 2016 (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.

- 1.2 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;
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable from 15th May, 2015)
 - (d) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (applicable from 1st December, 2015)
- v. 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).
- 1.3 I have also examined compliance with the applicable clauses of the following:-
- i. I have examined compliance with the Secretarial Standards (SS-1) on "Meeting of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India as they become applicable from 1st July, 2015.
 - ii. The listing Agreement entered into with Bombay Stock Exchange Limited.
- 1.4 During the period under review and also considering the compliance related action taken by the Company after 31st March, 2016 but before the issue of this report, the Company has, to the best my knowledge and belief and based on the records, information and explanations furnished to me, complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
- 1.5 I am informed that, during the year the Company was not required to comply with the following laws/guidelines /regulations, consequently was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of:
- 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; and
 - 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
- iii. I am also informed that for the year, there were no other laws specifically applicable to the company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
2. I further report that:
- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors.
 - 2.2 Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda of Board meetings were sent atleast seven days in advance. A system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
 - 2.3 Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
3. I further report that,
- 3.1. There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

B. SUBRAMANIAN

Practicing Company Secretary

Membership No: 2152

Certificate of Practice: 2275

Flat No: 1, Prithvi Apartments,

7/4, Seetha Nagar Second Street,

Nungambakkam,

Chennai – 600 034.

Place : Rajapalayam

Date : 29.07.2016

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, 2016 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, 2016**, 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

Practicing Company Secretary
 Membership No: 2152
 Certificate of Practice: 2275
 Flat No: 1, Prithvi Apartments,
 7/4, Seetha Nagar Second Street,

Place : Rajapalayam
 Date : 29.07.2016

Nungambakkam,
 Chennai – 600 034.

ANNEXURE V TO DIRECTOR'S REPORT

In terms of Section 217 (i) (e) of the Companies Act (as amended) and the disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31.03.2016.

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		2015-16	2014-15
a) Purchased from Electricity Board			
Unit	KWH	35,41,948	40,79,029
Total Amount	Rs.	3,13,13,063	3,25,10,890
Rate / Unit	Rs.	8.84	7.97
b) Own Generation			
Through Diesel Generator Units	KWH	5,70,289	6,81,461
Unit per Litre of Diesel	KWH	2.85	3.05
Diesel Cost per Unit	Rs.	8.45	15.41
c) Consumed from generation / Windmill - own			
Unit	KWH	1,88,408	3,33,822
Total Amount	Rs.	11,96,690	21,19,770
Rate / Unit	Rs.	6.35	6.35
d) Purchase from Third Party			
Unit	KWH	20,75,581	3,42,422
Total Amount	Rs.	1,24,53,486	14,55,294
Rate / Unit	Rs.	6.00	4.25

B. CONSUMPTION PER UNIT OF PRODUCTION

Product - FIBC bags, Fabrics & Yarn	75,51,041 Kgs.	69,30,433 Kgs.
Electricity per Kg of Production	0.84 Unit / Kg.	0.78 Unit / Kg.

II. TEXTILE DIVISION

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

Electricity		2015-16	2014-15
a) Purchased from Electricity Board			
Unit	KWH	17,49,215	30,58,551
Total Amount	Rs.	1,64,41,603	2,31,35,523
Rate / Unit	Rs.	9.40	7.56
b) Own Generation			
Through Diesel Generator Units	KWH	70,164	2,45,261
Unit per Litre of Diesel	KWH	3.41	3.51
Diesel Cost per Unit	Rs.	14.50	15.68
c) Purchased from Third Party			
Unit	KWH	15,23,920	1,77,320
Total Amount	Rs.	91,43,520	10,70,041
Rate / Unit	Rs.	6.00	6.03
d) Consumed from generation / Windmill			
Unit	KWH	2,51,397	69,836
Total Amount	Rs.	10,68,437	2,96,803
Rate / Unit	Rs.	4.25	4.25

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

Product (with Details)	OE COTTON YARN	
100% Cotton Yarn (40s converted) Kgs.	6,82,356 Kgs	6,68,400 Kgs
Electricity per Kg of Production of Yarn [Based on 40s Converted (in units)]	5.27 Unit / Kg	5.31 Unit / Kg

On Behalf of the Board,
 For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
 Date : 29.07.2016

S.V. RAVI
 Director

R. RAMJI
 Managing Director

ANNEXURE VI TO DIRECTOR'S REPORT

Form No: MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2016

[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	82.32
2.	Cotton Yarn	13111	17.68

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	1291959	101550	1393509	34.84	1405168	2700	1407868	35.20	0.36
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	583300	30000	613300	15.33	613300	-	613300	15.33	-
e) Financial Institutions / Bank	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	1875259	131550	2006809	50.17	2018468	2700	2021168	50.53	0.36

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)	1875259	131550	2006809	50.17	2018468	2700	2021168	50.53	0.36
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	10430	13700	24130	0.60	5590	13700	19290	0.48	(0.12)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal Share capital upto Rs. 1 Lakh	548486	1151790	1700276	42.50	572087	1200140	1772227	44.31	1.81
ii) Individual Shareholders holding nominal Share capital exceeding Rs.1 Lakh	254840	-	254840	6.37	181370	-	181370	4.53	(1.84)
c) Others									
i) Clearing Member	1434	-	1434	0.04	----	-	----	---	(0.04)
ii) Corporate Body - Limited Liability Partner	3000	-	3000	0.08	3000	-	3000	0.08	---
iii) Corporate CM / TM -Client Margin A/c	4700	-	4700	0.12	1200	-	1200	0.03	(0.09)
Client Beneficiary A/c	4811	-	4811	0.12	1745	-	1745	0.04	(0.08)
Sub Total (B)(2)	827701	1165490	1993191	49.83	764992	1213840	1978832	49.47	(0.36)
B. Total Public Shareholding (B) = (B)(1) + (B)(2)	827701	1165490	1993191	49.83	764992	1213840	1978832	49.47	(0.36)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A) + (B) + (C)	2702960	1297040	4000000	100.00	2783460	1216540	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	618557	15.46	-	637257	15.93	-	0.47
2	Durga Ramji	334859	8.37	-	337189	8.43	-	0.06
3	Polyspin Private 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	Chola Packaging Pvt. Ltd.	80500	2.01	-	80500	2.01	-	-
7	S.R. Subramanian	68500	1.71	-	68500	1.71	-	-
8	P.S. Ramanathan	51400	1.29	-	52000	1.30	-	0.01
9	R. Vijayalakshmi	50100	1.25	-	50100	1.25	-	-
10	R. Varun	-	-	-	37042	0.93	-	0.93
11	Ganesh Agro Pack Private Ltd.	30000	0.75	-	30000	0.75	-	-
12	Meena Subramanian	-	-	-	22000	0.55	-	0.55
13	V.S. Basker Raja	20000	0.50	-	20000	0.50	-	-
14	S. Sowmiya	-	-	-	15999	0.40	-	0.40
15	R. Lakshmi	-	-	-	12696	0.32	-	0.32
16	R. Sakthikumar	-	-	-	11624	0.29	-	0.29
17	K. Lakshminarayanan	7500	0.19	-	-	-	-	(0.19)
18	V. Roshaiyah	7000	0.18	-	-	-	-	(0.18)
19	S.V. Ravi	6300	0.16	-	6300	0.16	-	-
20	S. Ramakrishnan	5000	0.13	-	-	-	-	(0.13)
21	Pushpa Ramakrishnan	5000	0.13	-	-	-	-	(0.13)
22	M. Vijayakumar	5000	0.13	-	-	-	-	(0.13)
23	P.K. Sharmila	5000	0.13	-	-	-	-	(0.13)
24	R. Subbulakshmi	-	-	-	4161	0.10	-	0.10
25	A.J. Prakasam	2393	0.06	-	-	-	-	(0.06)
26	V. Meenakshi	3500	0.09	-	-	-	-	(0.09)
27	T.N. Swaminathan	3000	0.08	-	-	-	-	(0.08)
28	Sanjai Murali	3000	0.08	-	-	-	-	(0.08)
29	Bhavna S Lilladhar	3000	0.08	-	3000	0.08	-	-
30	P. Murugan	2900	0.07	-	-	-	-	(0.07)
31	B. Sulochana	2500	0.06	-	2500	0.06	-	-
32	M. Dakshayani	2500	0.06	-	-	-	-	(0.06)
33	M. Saikiran	2500	0.06	-	-	-	-	(0.06)
34	Uma Muthuraman	2500	0.06	-	-	-	-	(0.06)
35	M. Alagappan	2500	0.06	-	-	-	-	(0.06)
36	P.R. Vasudevan	2500	0.06	-	-	-	-	(0.06)
37	R.R. Ramanathan	2500	0.06	-	-	-	-	(0.06)
38	S.A. Kumarasamy Raja	2500	0.06	-	-	-	-	(0.06)
39	S.K. Janaki	2500	0.06	-	-	-	-	(0.06)
40	P. Periatambi	2500	0.06	-	-	-	-	(0.06)
41	K.S. Jayalakshmi Ammal	2500	0.06	-	-	-	-	(0.06)
42	Nimish Lilladhar	2500	0.06	-	-	-	-	(0.06)
43	R. Parasakthi	2500	0.06	-	-	-	-	(0.06)
44	R. Vadiveswari	2500	0.06	-	-	-	-	(0.06)
45	R. Rathi Malar	2500	0.06	-	-	-	-	(0.06)
46	V. Ramapriya	2500	0.06	-	-	-	-	(0.06)
47	V. Gnaneswari	2500	0.06	-	-	-	-	(0.06)
48	R. Sumithra	2500	0.06	-	-	-	-	(0.06)
49	B. Prema	2500	0.06	-	-	-	-	(0.06)
50	Arjunker M. Soni	2500	0.06	-	-	-	-	(0.06)
51	K. Janaki	2500	0.06	-	-	-	-	(0.06)
52	Rajendra K Singhal	2500	0.06	-	-	-	-	(0.06)
53	M. Ramanathan	2500	0.06	-	-	-	-	(0.06)
54	Sunanda Datta Kulkarni	2500	0.06	-	-	-	-	(0.06)
55	V.S.M. Rajalinga Raja	2500	0.06	-	-	-	-	(0.06)
56	K. Jawahar	1500	0.04	-	-	-	-	(0.04)
		2006809	50.17	-	2021168	50.53	-	0.36

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 (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company	Date			No. of Shares	% of total shares of the company
2006809	50.17	01.04.2015				
		31.03.2016	125152	---	2131961	53.30
		31.03.2016	(110793)	---	2021168	50.53
2021168	50.53	31.03.2016		---	2021168	50.53

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 (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)	% of Shares of the Company			No. of Shares	% of Shares of the Company
1.	Mr. Raghvendra	105295	2.63	5	Purchase	105300	2.63
2.	Mr. Arunaben Manherlal Vakil	21391	0.53	---	---	21391	0.53
3.	Rekha	21247	0.53	453	Purchase	21700	0.54
4.	T. Udyappan	12061	0.30	---	---	12061	0.30
5.	Swati Maheswari	10700	0.27	---	---	10700	0.27
6.	S. Kalyanam	10000	0.25	---	---	10000	0.25
7.	S. Maheswari	9900	0.25	---	---	9900	0.25
8.	M. Meenakshi	9600	0.24	---	---	9600	0.24
9.	Shivalika Leasing & Finance Ltd	9100	0.23	---	---	9100	0.23
10.	P. Mukesh	7800	0.19	---	---	7800	0.19

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)	% of Shares of the Company			No. of Shares	% of Shares of the Company
1.	Sri. R. Ramji	618557	15.46	18700	Purchase	637257	15.93
2.	Sri. K. Lakshminarayan	7500	0.19	---	---	7500	0.19
3.	Sri. S.R. Subramanian	68500	1.71	---	---	68500	1.71
4.	Sri. S. Renganathan	1600	0.04	---	---	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	334859	8.37	2330	Purchase	337189	8.43
9.	Sri. P.S. Ramanathan	51400	1.29	600	"	52000	1.30
10.	Sri. S. Seenivasa Varathan	1020	0.03	1000	"	2020	0.05

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	3063	-	293	3356
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	3063	-	293	3356
Change in Indebtedness during the financial year				
Addition	1806	-	-	1806
Reduction	(305)	-	(293)	(598)
Net Change	1501	-	(293)	1208
Indebtedness at the end of the financial year				
i) Principal Amount	4564	-	-	4564
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	4564	-	-	4564

vii) 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	72.00	72.00
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)	73.03	73.03
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.Renganathan	Sri. A.Thirupathy Raja	Sri. S.Sankar	Sri. S.V.Ravi	Smt. Durga Ramji	
Fee for attending board meetings	20000	20000	25000	25000	25000	25000	20000	160000
Commission	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total (B)	20000	20000	25000	25000	25000	25000	20000	160000

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	6.18	10.40	16.58
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 (C)	6.18	10.40	16.58

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			NIL		
Punishment			NIL		
Compounding			NIL		
B. Directors					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. Other Officers in Default					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 29.07.2016

S.V. RAVI
Director

R. RAMJI
Managing Director

ANNEXURE VII 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 2015-16 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. 2015 - 16 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2015 - 16	Ratio of remuneration of each Director / to median remuneration of employees
Shri. R. Ramji Managing Director	73.03	47.74	121.19

Name of KMP & Designation	Remuneration of KMP for the F.Y. 2015 - 16 (Rs. in Lakhs)	% increase in remuneration in the F.Y. 2015 - 16	Comparison of the remuneration of KMP against performance of the company
1. Shri. P.S. Ramanathan Company Secretary & CCO	6.18	30.65	10.25
2. Shri. S. Seenivasa Varathan CFO	10.40	24.25	17.25

- ii. In the financial year, there was an increase of 13.09% in the median remuneration of employees.
- iii. There were 1623 permanent employees on the rolls of Company as on 31st March, 2016.
- iv. Relationship between average increase in remuneration and Company performance : Even though the PBIDT of the Company has decreased by 10.41%, Profit before tax decreased 12.07% and the Profit after tax decreased by 17.32%, whereas the increase in median remuneration was 13.09%. 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 (%)
Shri. R. Ramji, Managing Director	48.00	(12.07)
Shri. P.S. Ramanathan, Company Secretary	30.65	(12.07)
Shri. S. Seenivasa Varathan, CFO	24.25	(12.07)

- 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 31.03.2015	As on 31.03.2016		As on 31.03.2015	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016
40.00	44.10	10.25	4.80	6.06	1608.00	1764.00

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 2015-16 was 21.47%, whereas the increase in the managerial remuneration for the same financial year was 47.74%. 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 2015-16.
- 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 2015-16 is as per the Remuneration Policy of the Company:

On Behalf of the Board,
For POLYSPIN EXPORTS LIMITED,

Place : Rajapalayam
Date : 29.07.2016

S.V. RAVI
Director

R. RAMJI
Managing Director

ANNEXURE VIII 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 : 29.07.2016

S.V. RAVI
Director

R. RAMJI
Managing Director

INDEPENDENT AUDITOR'S REPORT

The Members of M/s. Polyspin Exports Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Polyspin Exports Limited, which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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

considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with Accounting Standards specified under

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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No. 23 (11) to the financial statements
 - ii) the company does not have any long-term contracts requiring a provision for material foreseeable losses.
 - iii) the company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

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

V. SRIKRISHNAN
PARTNER

Membership No. 206115

Place : Rajapalayam
Date : 30.05.2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF POLYSPIN EXPORTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls over financial reporting of Polyspin Exports Limited as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

V. SRIKRISHNAN
PARTNER

Place : Rajapalayam
Date : 30.05.2016

Membership No. 206115

Annexure referred to in paragraph 1 of our Report of even date to the members of Polyspin Exports Limited on the accounts of the Company for the year ended 31st March, 2016

In terms of Companies (Auditor's Report) Order 2016, issued by Central Government of India, in terms of Section 143(11) of the Companies Act, 2013, we further report, on the matters specified in paragraphs 3 and 4 of the said Order, that: -

1. FIXED ASSETS

- i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii) The Company has instituted a programme of physically verifying its fixed assets in a phased manner over a period of three years. In accordance with this programme, scheduled fixed assets were verified during the year and no material discrepancies were noticed during such verification.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

2. INVENTORIES

The management has conducted physical verification of its inventories at reasonable intervals during the year. No material discrepancies were noticed during such verification; the discrepancies wherever noticed were accounted for appropriately in the books of account.

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

The Company has not granted any loans, secured or unsecured, to parties covered in register maintained under Section 189 of the Companies Act, 2013.

4. COMPLIANCE WITH SECTIONS 185 & 186 OF THE ACT

- i) In connection with matters specified u/s 185 of the act, the Company has not advanced any loans, directly or indirectly, to any of its directors or to any other person in whom the directors are interested or has given any guarantee or provided security in connection with any loan taken by any other person.
 - ii) The company has not made any investments in any other companies within the meaning of section 186(1) of the act.
 - iii) In connection with matters specified under section 186(2) of the act, the company has not advanced any loans, directly or indirectly to any person or body corporate, or has given any guarantee or provided security in connection with any loan taken by any other body corporate or any other person or acquired any securities of companies in excess of limits stipulated
5. The Company has not accepted any deposits from the public.
 6. The Central Government has not stipulated the maintenance of Cost Records, under section 148(1) of the act, for the industry within which the company operates.

7. STATUTORY DUES

- i) According to the records maintained by the company and the information and explanations given to us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income tax, Sales tax, Value added tax, Duty of customs, Service tax, Cess.
- ii) According to the records maintained by the company and the information and explanations given to us, there were no arrears of undisputed statutory dues, in respect of Provident fund, Income tax, Sales tax, Value added tax, duty of customs, Service tax, Cess which remained outstanding as at 31st March 2016, for a period of more than six months from the date they became payable.
- iii) According to the records of the company and the information and explanations given to us, the disputed statutory dues relating to Central excise duty under the Central Excise Act, 1944, pertaining to earlier years aggregating to Rs. 360.11 Lakhs on account of matters pending before appropriate authorities is as under and for which no provision had been made in the accounts.

S.No.	Name of the Statue	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	71.70
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	70.11
5.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2014 To September, 2014	30.04
6.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	October, 2014 To March, 2015	30.23
7.	Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise, Rajapalayam.	April, 2015 To September, 2015	25.24
TOTAL					360.11

- 8. The Company has not defaulted in the repayment of any dues to a financial institution, bank or government or debenture holders.
- 9. Term loans were utilised for the purposes for which they were obtained.
- 10. Based upon the audit procedures performed and information and explanations given to us by the management, no fraud by the company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
- 11. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12. The provisions of section 406(1) of the act do not apply to the company.
- 13. The transactions entered into with related parties are in compliance with requirements of sections 177 & 188 of the act and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- 14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15. The Company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
- 16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

V. SRIKRISHNAN
PARTNER
 Membership No. 206115

Place : Rajapalayam
 Date : 30.05.2016

POLYSPIN EXPORTS LIMITED

BALANCE SHEET as at March 31, 2016

Particulars	Notes No.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders funds			
a) Share Capital	2	4,00,00,000	4,00,00,000
b) Reserves and Surplus	3	<u>13,57,35,399</u>	<u>11,24,40,423</u>
		17,57,35,399	15,24,40,423
2. Non-current liabilities			
a) Long-term borrowings	4	14,06,51,282	6,59,45,763
b) Deferred Tax liabilities	5	<u>2,48,33,000</u>	<u>1,85,80,000</u>
		16,54,84,282	8,45,25,763
3. Current Liabilities			
a) Short term borrowings	6	31,58,14,247	26,96,99,744
b) Trade payables	7	10,66,14,682	5,93,95,808
c) Other Current liabilities	8	8,06,62,285	5,65,61,449
d) Short term provisions	9	<u>4,06,61,167</u>	<u>3,89,15,712</u>
		54,37,52,381	42,45,72,713
TOTAL		<u>88,49,72,062</u>	<u>66,15,38,899</u>
II. ASSETS			
1. Non-current assets			
a) Fixed assets			
i) Tangible assets	10	37,75,57,536	26,64,21,369
ii) Intangible assets		1,16,369	1,51,247
iii) Capital work-in-progress		<u>2,30,11,916</u>	---
		40,06,85,821	26,65,72,616
b) Non-current investments	11	<u>63,49,390</u>	63,49,390
2. Current assets			
a) Inventories	12	17,81,68,494	13,54,49,335
b) Trade receivables	13	13,97,74,548	13,69,22,614
c) Cash and Bank Balances	14	3,92,93,842	4,67,70,966
d) Short-term loans and advances	15	<u>12,06,99,967</u>	<u>6,94,73,978</u>
		47,79,36,851	38,86,16,893
TOTAL		<u>88,49,72,062</u>	<u>66,15,38,899</u>

Notes on accounts 23

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

R. RAMJI
Managing Director & CEO

S.R. SUBRAMANIAN
Director

V. SRIKRISHNAN
Partner,
Membership No. 206115

S.V. RAVI
Director

A. THIRUPATHY RAJA
Director

Rajapalayam
30.05.2016

P.S. RAMANATHAN
Secretary

S. SEENIVASA VARATHAN
CFO

POLYSPIN EXPORTS LIMITED**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2016**

Particulars	Notes No.	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
INCOME			
Sales / Revenue from Operations	16	135,73,53,292	143,78,73,722
Other Income	17	73,45,745	51,85,928
		<u>136,46,99,037</u>	<u>144,30,59,650</u>
EXPENDITURE			
Cost of Raw Material consumed	18	82,31,37,790	89,94,96,266
Changes in / Inventories of Finished Goods, stock-in-Process	19	(4,79,27,107)	(1,82,89,519)
Employee Benefit Expenses	20	16,74,17,798	13,41,07,010
Finance Costs	21	3,62,43,917	4,30,29,433
Depreciation & Amortisation Expenses		2,15,67,705	1,96,53,803
Other Expenses	22	31,93,32,339	31,38,05,365
		<u>131,97,72,442</u>	<u>139,18,02,358</u>
Profit Before Tax		<u>4,49,26,595</u>	<u>5,12,57,292</u>
Provision for Taxation - Current		95,84,000	1,43,00,000
Provision for Tax - Deferred		62,53,000	36,00,000
		<u>2,90,89,595</u>	<u>3,33,57,292</u>
Earnings per share (Basic)			8.34
Face value of Rs 10 each (Rs.)		7.27	

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

R. RAMJI
Managing Director & CEO

S.R. SUBRAMANIAN
Director

V. SRIKRISHNAN
Partner,
Membership No. 206115

S.V. RAVI
Director

A. THIRUPATHY RAJA
Director

Rajapalayam
30.05.2016

P.S. RAMANATHAN
Secretary

S. SEENIVASA VARATHAN
CFO

POLYSPIN EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2016

	2015 - 2016	2014 - 2015
	(Rupees in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Extraordinary items	449.27	512.57
Depreciation	215.68	196.54
Interest & Finance Charges	362.44	430.29
Loss on Sale of Assets	1.92	16.49
(Profit) on Sale of Assets	(0.76)	---
Income Tax Paid	120.45	101.97
Operating Profit before working Capital Changes	1149.00	1257.86
ADJUSTMENTS FOR		
- Trade and other Receivables	177.99	(7.50)
- Inventories	(427.19)	20.60
- Trade Payables	712.77	205.44
	463.57	218.54
Cash Generated from Operations	685.43	1476.40
Less : Interest & Finance Charges	362.44	430.29
Net Cash from Operating Activities	(A) 322.99	(A) 1046.11
NET CASH USED IN INVESTING ACTIVITIES		
Investments in Fixed Assets	(1564.45)	(330.29)
Proceeds from Sale of Assets	6.49	29.65
Investments	---	---
	(B) (1557.96)	(B) (300.64)
NET CASH USED IN FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Repayments)	747.05	(490.39)
Proceeds from Short Term Borrowings (Net of Repayments)	461.14	(127.32)
Payment of Dividend and Tax thereon	(47.99)	(48.19)
Net Increase in Cash & Cash Equivalents	(C) 1160.20	(C) (665.90)
	(A+B+C) (74.77)	(A+B+C) 79.57
Cash & Cash Equivalents as at 31 st March, 2015	467.71	388.14
Cash & Cash Equivalents as at 31 st March, 2016	392.94	467.71
Net Change in Cash & Cash Equivalents	74.77	(79.57)

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

R. RAMJI
Managing Director & CEO

S.R. SUBRAMANIAN
Director

V. SRIKRISHNAN
Partner,
Membership No. 206115

S.V. RAVI
Director

A. THIRUPPATHY RAJA
Director

Rajapalayam
30.05.2016

P.S. RAMANATHAN
Secretary

S. SEENIVASA VARATHAN
CFO

NOTES FORMING PART OF ACCOUNTS**1. SIGNIFICANT ACCOUNTING POLICIES:****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.

Use of Estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, 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.

Fixed Assets – Tangible & Intangible and Depreciation

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.

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.

Depreciation:

Assets are depreciated / amortized on straight line basis over their estimated useful life as below:-

Useful life of Tangible and Intangible Assets:-

Assets	Years
Building	30
Plant and Machinery	15
Furniture and fittings	10
Office Equipment	5
Motor Vehicle	8 - 10
Power Generation Equipment	22
Computers	3
Computer Software	6

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.

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.

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.

Inventories:

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

Foreign Currency Transaction:

- Export sales are accounted at exchange rates prevailing on the date of negotiation of bills by the bankers.
- Purchase of imported raw materials and components are accounted at amounts paid to discharge the related liabilities.
- 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.
- 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.

NOTES FORMING PART OF ACCOUNTS (CONTINUED)**Employee Benefits :**

- a) 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.,
- b) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- c) Contribution payable by the Company under defined contribution schemes towards Provident Fund for the year are charged to Profit and Loss Account.
- d) The Company has its own approved Gratuity Fund and the contributions to that fund are being made to LIC.
- e) 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 15.3

Revenue Recognition :

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

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

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.

Research and Development :

No such expenditure incurred during the current year.

Taxes on Income:

Tax expense comprises current tax and deferred tax.

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.

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

Government SUBSIDY / GRANT :

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

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.

IMPAIRMENT OF ASSETS : AS-28

The company makes an assessment on the balance sheet date to determine whether there is any indication of impairment in the carrying amount of its fixed assets and on any such indication, the recoverable amounts are estimated and an impairment loss is recognized in the statement of Profit & Loss, whenever the carrying amount of an assets exceeds its recoverable amount.

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.		
2. 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>		
2.1 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>		
2.2 The Details of share holders holding more than 5% shows :				
	As at 31.03.2016		As at 31.03.2015	
Particulars	No. of Shares	%	No. of Shares	%
i) Sri. R. Ramji	6,37,257	15.93	6,18,557	15.46
ii) Smt. Durga Ramji	3,37,189	8.43	3,34,859	8.37
iii) M/s. Polyspin Private 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
2.3 There is no stock option was granted to the employees.				
3. RESERVES AND SURPLUS				
General Reserve				
Opening Balance	11,01,00,000		8,21,00,000	
Add : Transferred from Profit and Loss Account	2,30,00,000		2,80,00,000	
	(A) 13,31,00,000		<u>11,01,00,000</u>	
Profit and Loss Account				
Opening Balance	23,40,423		28,97,727	
Add : Profit for the Year	4,49,26,595		5,12,57,292	
Provision for Tax 2009-10 (Withdrawn)	----		1,14,873	
Less : Provision for Tax / Current	95,84,000		1,43,00,000	
Provision for Deferred Tax	62,53,000		36,00,000	
Provision for Tax 2011-12	----		2,69,757	
Provision for Dividend Tax (2014-15)	17,452		---	
Proposed Dividend	48,00,000		48,00,000	
Tax on Dividend	9,77,167		9,59,712	
Transferred to General Reserve	2,30,00,000		2,80,00,000	
	(B) 26,35,399		<u>23,40,423</u>	
TOTAL (A) + (B)	<u>13,57,35,399</u>		<u>11,24,40,423</u>	
4. LONG TERM BORROWINGS				
-Secured				
Term Loan from City Union Bank	16,80,94,164		4,92,15,240	
- From Others				
Hire Purchase Loan	26,81,971		25,83,073	
Buyer's Credit - Capital Goods	95,34,348		1,17,27,450	

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.																								
- Unsecured																										
Deposits																										
Fixed Deposits	----	2,92,94,000																								
Advance Against Term Deposit	<u>37,79,935</u>	<u>34,00,000</u>																								
	18,40,90,418	9,62,19,763																								
Less : Current liability for long term debt	<u>4,34,39,136</u>	<u>3,02,74,000</u>																								
	14,06,51,282	6,59,45,763																								
<p>4.1 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.</p> <p>4.2 Hire Purchase Loan is secured by hypothecation of Specified Vehicle purchased under the Scheme.</p> <p>4.3 The Loans are additionally secured by Personal Guarantee of two Directors of the Company.</p> <p>4.4 The Term Loan from Bank are repayable in equated monthly installments.</p> <p>4.5 The yearwise repayment to Term Loan are as follows :</p>																										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Amount (Rs. In Lakhs)</th> <th style="text-align: center;">Amount (Rs. In Lakhs)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2015 - 2016</td> <td style="text-align: center;">---</td> <td style="text-align: center;">302.74</td> </tr> <tr> <td style="text-align: center;">2016 - 2017</td> <td style="text-align: center;">434.39</td> <td style="text-align: center;">136.32</td> </tr> <tr> <td style="text-align: center;">2017 - 2018</td> <td style="text-align: center;">361.15</td> <td style="text-align: center;">43.82</td> </tr> <tr> <td style="text-align: center;">2018 - 2019</td> <td style="text-align: center;">309.40</td> <td style="text-align: center;">9.27</td> </tr> <tr> <td style="text-align: center;">2019 - 2020</td> <td style="text-align: center;">288.00</td> <td style="text-align: center;">---</td> </tr> <tr> <td style="text-align: center;">2020 - 2021</td> <td style="text-align: center;">288.00</td> <td style="text-align: center;">---</td> </tr> <tr> <td></td> <td style="text-align: center;">1680.94</td> <td style="text-align: center;">492.15</td> </tr> </tbody> </table>			Year	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	2015 - 2016	---	302.74	2016 - 2017	434.39	136.32	2017 - 2018	361.15	43.82	2018 - 2019	309.40	9.27	2019 - 2020	288.00	---	2020 - 2021	288.00	---		1680.94	492.15
Year	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)																								
2015 - 2016	---	302.74																								
2016 - 2017	434.39	136.32																								
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2018 - 2019	309.40	9.27																								
2019 - 2020	288.00	---																								
2020 - 2021	288.00	---																								
	1680.94	492.15																								
5. DEFERRED TAX LIABILITIES																										
Deferred Tax Liabilities	<u>2,48,33,000</u>	<u>1,85,80,000</u>																								
6. SHORT TERM BORROWINGS																										
-Secured																										
From City Union Bank																										
- Buyers Credit / Foreign Currency loan on Raw Material	4,97,42,420	5,04,15,789																								
- Foreign Bills Discounted	8,29,52,728	7,28,68,315																								
- Packing Credit in Foreign Currency	10,60,38,552	6,95,50,544																								
- Cash Credit on Raw Material and Book debts	7,70,80,547	7,68,65,096																								
	<u>31,58,14,247</u>	<u>26,96,99,744</u>																								
<p>6.1 Working Capital Finance from Bank is further secured by hypothecation of all Current Assets of the Company.</p> <p>6.2 The Loans are additionally secured by Personal Guarantee of two Directors of the Company.</p>																										
7. TRADE PAYABLES																										
For Goods	<u>10,66,14,682</u>	<u>5,93,95,808</u>																								
8. OTHER CURRENT LIABILITIES																										
Current Liability for Long Term Debt	4,34,39,136	3,02,74,000																								
For Expenses	1,49,17,762	1,55,25,365																								
For Other Finance	1,84,56,223	76,95,091																								
Unpaid Dividend	38,49,163	30,66,993																								
	<u>8,06,62,285</u>	<u>5,65,61,449</u>																								
9. SHORT TERM PROVISIONS																										
Provision for Taxation	3,48,84,000	3,31,56,000																								
Proposed Dividend	48,00,000	48,00,000																								
Tax on Proposed Dividend	9,77,167	9,59,712																								
	<u>4,06,61,167</u>	<u>3,89,15,712</u>																								

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

10. SCHEDULE OF FIXED ASSETS AS AT 31.03.2016

Description	Gross Block			Depreciation			Net Block				
	Cost as at 01.04.2015	Addition	Deduction	Cost as at 31.03.2016	Up to 01.04.2015	For the Year	Deduction on Impairment	Withdrawal	Up to 31.03.2016	As at 31.03.2016	As at 01.04.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS											
Land	51,08,948	-----	-----	51,08,948	-----	-----	-----	-----	-----	51,08,948	51,08,948
Building	8,90,65,313	2,05,67,111	-----	10,96,32,424	1,72,84,792	27,97,651	-----	-----	2,00,82,443	8,95,49,981	7,17,80,521
Plant & Machinery	27,72,11,357	11,04,58,659	3,63,960	38,73,06,056	9,53,11,952	1,70,47,269	2,22,993	3,33,845	11,22,48,369	27,50,57,687	18,18,99,405
Power Generation Equipment	57,87,276	-----	-----	57,87,276	42,77,384	1,57,209	-----	-----	44,34,593	13,52,683	15,09,892
Furnitures & Fittings	4,03,761	-----	-----	4,03,761	3,15,496	15,914	-----	-----	3,31,410	72,351	88,265
Vehicles	1,00,82,573	21,73,117	9,93,581	1,12,62,109	45,78,673	9,61,237	-----	3,08,207	52,31,703	60,30,406	55,03,900
Office Equipment	23,73,359	2,35,670	94,500	25,14,529	18,42,921	2,39,185	91,369	44,426	21,29,049	3,85,480	5,30,438
Library	12,435	-----	-----	12,435	12,435	-----	-----	-----	12,435	-----	-----
Total-Tangible Assets	39,00,45,022	13,34,34,557	14,52,041	52,20,27,538	12,36,23,653	2,12,18,465	3,14,362	6,86,478	14,44,70,002	37,75,57,536	26,64,21,369
Total-Tangible Assets for Previous Year	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
INTANGIBLE ASSETS											
Computer Software	2,50,000	-----	-----	2,50,000	98,753	34,878	-----	-----	1,33,631	1,16,369	1,51,247

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
11. 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
12. INVENTORIES		
Raw Material	1,60,33,984	2,31,09,129
Stores and Spares	1,42,76,972	1,24,09,775
Work In Process	11,62,98,699	7,60,49,596
Finished Goods	3,11,62,201	2,29,72,492
Process Waste	3,96,638	9,08,343
	17,81,68,494	13,54,49,335
13. TRADE RECEIVABLES		
Over Six Months		
Good	68,66,789	79,53,377
Below Six Months		
Good	13,29,07,759	12,89,69,237
	13,97,74,548	13,69,22,614
14. CASH AND BANK BALANCES		
Cash on Hand	16,10,050	12,12,473
Balance with Banks		
- In Current Accounts	1,65,26,228	1,45,27,145
- In Fixed Deposit Accounts	2,11,57,565	3,10,31,348
	3,92,93,843	4,67,70,966
14.1 Balance with banks includes unclaimed dividend of Rs. 38,75,267 (Previous year Rs. 30,84,062)		
15. SHORT TERM LOANS AND ADVANCES		
Income Tax Paid / Tax Deducted at Source	2,69,58,075	2,21,98,424
Prepaid Expenses	21,42,324	19,09,134
Deposits with Govt. Departments	1,13,22,228	73,56,283
Interest Accrued on Deposits	49,48,590	28,91,155
Claim Receivable	1,63,38,579	21,42,934
Others	5,89,90,171	3,29,76,048
	12,06,99,967	6,94,73,978
Others includes advance to sundry creditors, Advance to staff		

POLYSPIN EXPORTS LIMITED

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
16. SALES / REVENUE FROM OPERATIONS		
Export Sales	118,32,26,197	111,21,82,264
Domestic Sales		
- FIBC Bags / Fabric / Yarn	3,13,91,988	2,41,19,286
- Cotton Yarn	12,07,26,818	26,73,00,408
	<u>133,53,45,003</u>	<u>140,36,01,958</u>
Less : Sales Return	10,99,584	8,36,521
	<u>133,42,45,419</u>	<u>140,27,65,437</u>
OTHER OPERATING INCOME		
Sale of Plastic scrap	1,25,40,708	1,19,72,000
Sale of Cotton Waste	5,26,340	4,44,530
FMS / FPS / MEIS Duty Credit Scrip - Sales	79,37,000	2,09,71,177
Rebate on Service Tax	21,03,825	17,20,578
	<u>135,73,53,292</u>	<u>143,78,73,722</u>
17. OTHER INCOME		
Interest Receipts	62,38,408	32,78,074
Dividend Receipts	9,22,555	8,34,555
Profit on Sale of Machinery	75,705	----
Export Incentive	1,09,077	1,23,119
Profit on Sale of High Sea Sales	----	3,87,882
Profit on Forex Exchange Fluctuation	----	5,62,298
	<u>73,45,745</u>	<u>51,85,928</u>
18. COST OF RAW MATERIAL CONSUMED		
Polypropylene Granules and Master Batch	59,43,58,064	63,28,93,100
Printing Materials	77,54,826	41,52,803
Yarn / Hank yarn purchases	3,99,22,298	1,57,18,984
Cotton & Cotton Waste	16,57,68,093	19,43,18,053
BOPP Film Purchases	20,11,095	8,68,652
Bags & Paper Bags purchases	6,06,600	13,90,880
LLDPE Liner Purchases	2,31,046	7,03,715
Kraft Paper Purchases	50,42,676	21,83,526
Fabric Purchases	74,43,092	4,72,66,553
	<u>82,31,37,790</u>	<u>89,94,96,266</u>
19. CHANGES IN / INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE		
Opening Stock	9,99,30,431	8,16,40,912
Closing Stock	14,78,57,538	9,99,30,431
	<u>(4,79,27,107)</u>	<u>(1,82,89,519)</u>
20. EMPLOYEE BENEFITS EXPENSE		
Remuneration to Managing Director	61,03,649	41,03,147
Salaries & Wages	11,55,21,209	9,42,95,742
P.F. & E.S.I. Contribution	1,83,70,817	1,58,62,878
Labour Welfare Expenses	1,02,48,174	83,27,968
LIC Group Gratuity	58,51,024	47,18,834
Bonus / Ex-gratia	1,13,22,925	67,98,441
	<u>16,74,17,798</u>	<u>13,41,07,010</u>

NOTES FORMING PART OF ACCOUNTS (CONTINUED)

Particulars	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
21. FINANCE COSTS		
Interest on		
- Fixed Loans	89,56,416	91,57,943
- Others	2,70,45,285	3,36,68,162
H.P. Finance Charges	2,42,216	2,03,328
	3,62,43,917	4,30,29,433
22. OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Repairs & Maintenance		
- Building	5,40,516	30,73,390
- Machinery	33,98,360	31,67,509
- General	8,00,988	8,96,328
Processing Charges paid	10,22,37,650	9,74,73,729
Stores & Spares Consumed	4,42,14,985	3,70,89,186
Power & Fuel	7,74,97,915	7,40,75,316
	22,86,90,414	21,57,75,458
Postage & Telephone	24,85,294	27,74,064
Printing & Stationery	11,40,880	10,07,206
Travelling Expenses	44,12,694	59,56,946
Director's sitting fees	1,60,000	70,000
Bank Charges	77,09,605	74,22,512
Corporate Social Responsibility (CSR)	1,30,000	----
Professional Charges	15,57,468	16,99,022
Licence, Taxes & Fees	12,29,710	10,94,701
Insurance Charges	29,07,602	28,11,189
Subscription & Periodicals	5,38,254	1,80,987
Filing Fees	18,000	2,060
Audit Fees	43,213	62,500
Vehicle Maintenance	30,68,733	33,30,037
Miscellaneous Expenses	7,07,595	7,20,151
Commission paid	66,27,312	1,16,75,439
Donation	----	1,75,000
Rent	5,64,000	3,89,000
Quality Claim Charges	6,42,197	17,63,049
Testing Charges	11,10,473	14,51,342
Service Tax	20,92,664	7,10,053
Forex Fluctuation A/C.	1,92,30,137	1,96,22,406
Sales Promotion Expenses	5,41,800	3,00,000
Ocean Freight	3,01,46,311	3,00,64,154
Lorry Freight	33,54,027	30,48,974
Sales Discount	31,365	49,950
Loss on Sale of Assets	1,92,591	16,49,165
	31,93,32,339	31,38,05,365

23. Notes forming part of Accounts:-

1. The Company has fulfilled export obligations, net foreign exchange earnings and other conditions, as applicable till date, in terms of schemes of Government of India, for 100% EOU.

	Year Ended 31-03-2016	Year Ended 31-03-2015
2. EARNINGS PER SHARE :		
a) Net Profit after Tax (Rs. in Lakhs)	290.90	333.57
b) Number of Equity Shares	40,00,000	40,00,000
c) Basic and diluted Earnings per share (Face Value Rs.10/- per Equity Shares)	7.27	8.34

3. 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 Private Limited
2. Lankaspin (P) Ltd., Srilanka.
3. Energyspin (P) Ltd.
4. Chola Packaging (P) Ltd.
5. Ganesh Agro Pack (P) Ltd.
6. Ramji Investments (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

C) Transaction during the year with Related Parties :

Sl. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
(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
2.	Processing charges paid	893.20	782.53
3.	Remuneration to Directors	---	61.03
4.	Sale of PP Strips	33.78	---
5.	Sale of PP Yarn	1181.83	---
6.	Sale of Fabric	1.05	---
7.	Sale of Yarn, Sack & Fabric	---	1027.83
8.	Assets sold during the year	---	35.64
9.	Assets purchases during the year	7.48	4.73
10.	Purchase of Paper Cut bits	6.37	---
11.	Purchase of Paper Bags, Kraft Paper	---	11.34
12.	Purchase of Fabric & Stitching Yarn	72.35	495.61
13.	Purchase of Raw materials	1.51	37.73
14.	Purchase of Packing Materials	9.93	---
15.	Factory Rent	4.68	2.45
16.	Windmill Energy captive consumption	10.61	15.97

Transaction during the year with Related parties (Continued)

	Rs. in Lakhs	
d) Significant Related Party Transactions	2016	2015
1. Sale of Raw materials (on High Sea Sales)		
Polyspin Private Limited	----	106.04
2. Processing Charges Paid		
Polyspin Private Limited	839.71	759.75
Ganesh Agro Pack (P) Ltd.,	2.31	8.65
Energyspin (P) Ltd	0.11	0.03
Chola packaging (P) Limited	51.07	14.10
3. Remuneration to Directors		
Sri. R. Ramji	61.03	41.03
4. Sale of Strips		
Energyspin (P) Ltd.,	33.78	----
5. Sale of PP Yarn		
Energyspin (P) Ltd.,	38.98	----
Lankaspin Private Limited, Sri Lanka	1142.85	1027.83
6. Assets Sold during the year		
Polyspin Private Limited	----	35.64
7. Assets purchases during the Year		
Polyspin Private Limited	7.48	4.73
8. Sale of PP Fabric		
Lankaspin Private Limited, Sri Lanka	1.05	----
9. Purchase of Paper Cutbits, Paper Bags, Kraft Paper		
Polyspin Private Limited	6.37	11.34
10. Purchase of Fabric & Stitching Yarn		
Polyspin Private Limited	----	483.81
Ganesh Agro Pack (P) Ltd.,	72.35	11.75
Chola Packaging (P) Limited	----	0.05
11. Purchase of Raw Materials		
Polyspin Private Limited	1.51	37.73
12. Purchase of Packing Materials		
Ganesh Agro Pack (P) Ltd	9.93	----
13. Factory Rent		
Polyspin Private Limited	4.20	2.45
Ramji Investments Private Ltd.,	0.48	---
14. Windmill Energy captive consumption		
Ganesh Agro Pack (P) Ltd.,	10.61	15.97

4. SEGMENTWISE REPORTING

As required under Accounting Standard (AS-17), the Segment Revenue, Results and Capital employed are furnished below :-

(Rs. in Lakhs)

Sl. No.	Particulars	Year ended	
		31.03.2016	31.03.2015
1.	Segment Revenue (Net Sales / Income from operation)		
	a) FIBC Bags, Fabric, Yarn	10983.47	11298.78
	b) Cotton Yarn	2358.98	2728.87
	Total	13342.45	14027.65
2.	Segment Results (Profit (+) / Loss (-) before tax and interest from each segment)		
	a) FIBC Bags, Fabric, Yarn	679.33	794.72
	b) Cotton Yarn	132.37	148.14
	Total	811.70	942.86
	Less : Financial Charges	362.44	430.29
	Profit Before Tax	449.26	512.57
3.	Capital Employed (Segment assets - Segment Liabilities)		
	a) FIBC Bags, Fabric, Yarn	1172.57	1087.04
	b) Cotton Yarn	584.78	437.36
	Total	1757.35	1524.40

5. 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)	
			2016	2015	2016	2015
Foreign Exchange Contracts						
- USD / INR	Sold	USD	1.611	8.08	1136.55	5253.60
- USD / INR	Bought	USD	0.986	0.06	668.03	39.37
- Euro / INR	Sold	EURO	0.028	---	22.18	---
- Euro / INR	Bought	EURO	0.024	---	17.93	---

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)	
		2016	2015	2016	2015
Amount Payable on account of loans, etc.,	Euro	0.122	0.154	95.34	112.80

For the year ended
31-03-2016 31-03-2015
Rs. in Lakhs

6. 1) Value of Imports on CIF Basis				
a) Raw Materials & Consumable stores	3102.58		5081.34	
b) Capital Goods	38.00		131.15	
2) Expenditure in Foreign Currency				
i) Commission to Foreign Agents	38.67		68.58	
ii) Foreign Travel Expenses	10.83		7.02	
iii) Bags Testing Fees	8.91		12.61	
3) Earnings in foreign exchange on FOB Value of exports	10563.63		10952.50	

7. Value of raw materials, stores & Spares consumed	For the year ended			
	31-03-2016		31-03-2015	
	%	Rs. in Lakhs	%	Rs. in Lakhs
i) Raw Material				
Imported	38.02	3129.76	59.23	5327.69
Indigenous	61.98	5101.62	40.77	3667.27
ii) Stores Indigenous	100.00	442.15	100.00	279.87

8. Auditors' Remuneration :	2015 - 2016	2014 - 2015
A. Statutory Auditors	Rs.	Rs.
Audit Fees	28,625	25,000
Tax Audit Fees /Appeal Fees	8,588	7,500
Certification Fees	1,000	9,500
Travelling Expenses reimbursed	5,000	5,000
B. Cost Auditor - Fees	----	15,000

9. Sales tax assessment for the year ended 31.03.2007 has been completed. Income tax assessment for the Assessment year 2013-14 has been completed.

10. Managing Director's Remuneration :	2015 - 2016	2014 - 2015
	Rs.	Rs.
Salary	60,00,000	40,00,000
Perquisites	1,03,649	1,03,147
Contribution to PF, etc.	12,00,000	8,40,000

11. Contingent Liabilities not Provided For :
31.03.2016 31.03.2015
(Rs. Lakhs)

i) Unexpired Letter of Credit	354.18	31.74
ii) Bank Guarantee	105.00	10.00
iii) The Company has challenged the levy of duty of excise and customs on wrong calculation of SION Norms for the consumption of UV Master batches (Imported) for production of FIBC Bags meant for export (100% E.O.U) and the same is pending before the appropriate jurisdictional authorities.		

12. As at 31.03.2016, 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.

13. 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. 16.37 Lakhs being the credit given by TNEB for the transfer of power to the Grid.

	For the year ended	
	31.03.2016	31.03.2015
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	250 KW	250 KW
Units Generated	2,57,736 KWH	3,33,822 KWH
Units Captively Consumed	2,57,736 KWH	3,33,822 KWH
	(included under Power & Fuel)	

14. Our Company's shares are listed at Bombay Stock Exchange with stock code of 539354.

15. Deferred Tax (AS- 22):

Deferred Tax Liability (Net) for Rs.62.53 Lakhs as on 31.03.2016 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.

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

Signature to Notes 1 to 23

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
30.05.2016

R. RAMJI
Managing Director & CEO

S.V. RAVI
Director

P.S. RAMANATHAN
Secretary

S.R. SUBRAMANIAN
Director

A. THIRUPATHY RAJA
Director

S. SEENIVASA VARATHAN
CFO

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 31st Annual general meeting of the company, to be held on Thursday, the 15th September 2016 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, 2016		
2.	Declaration of Dividend for the year 2015 – 16		
3.	Appointment of Smt. Durga Ramji, as Director, who retires by rotation		
4.	Ratification of appointment of M/s. Krishnan & Raman, Chartered Accountants, as Auditors of the Company		

Signed day of 2016

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.