

POLYSPIN EXPORTS LTD

(100% EXPORT ORIENTED UNIT)

RAJAPALAYAM



Annual Report
2012 - 2013



Founder

Sri. A.RAMMOHAN RAJA

MANAGING DIRECTOR'S MESSAGE



R.Ramji

Respected Shareholders,

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

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

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

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

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

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

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

With Regards,

R. RAMJI

Managing Director

POLYSPIN EXPORTS LIMITED

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

POLYSPIN EXPORTS LIMITED

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

NOTICE

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

Ordinary Business :

1. To receive and adopt the Balance Sheet as at 31st March, 2013, Profit and Loss Account for the period ended on that date and the reports of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Sri A. Thiruppathy Raja who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in place of Sri S. Sankar who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors and fix their remuneration. M/s. Krishnan & Raman, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS :

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

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

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

By order of the Board,

Place : Rajapalayam

Date : 29.07.2013

P.S. Ramanathan
Secretary

Notes :

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- (b) The instrument appointing a proxy should however be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from 14.09.2013 to 23.09.2013 (both days inclusive).
- (d) The dividend on the Equity shares as recommended by the Board will be paid on the approval of the members of the company to the eligible shareholders whose name appear in the company's register of members as on 23.09.2013 and to the eligible beneficial owners whose name appear in the list provided by the Depositories- National Securities Depository Ltd and Central Depository Services (India) Ltd as on 13.09.2013.
- (e) Under the provisions of Section 205C of the Companies Act, 1956, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are given below :

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

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

- (f) Members holding shares in physical form are requested to notify immediately change in their address, if any, to the Company quoting their folio numbers and members holding shares in Electronic form to their respective depository participant.
- (g) Members are requested to kindly bring their copy of the Annual Report to the Annual General Meeting.
- (h) As part of the Green Initiative the Ministry of Corporate Affairs has vide Circular No. 17/2011 dt. 21.04.2011 & No. 18/2011 dt. 29.04.2011 allows the service of documents on members of the Company through electronic mode.

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

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

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

Item No. 6

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

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

Hence, the above resolution.

None of the Directors except Sri. S.V. Ravi and Sri R. Ramji, are concerned or interested in this item of the business.

Information required to be provided as per the provisions of para (IV), (B) under section II, Part II, of Schedule XIII of Companies Act, 1956.

I. GENERAL INFORMATION :

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

4. Financial Performance :

Rupees in Lakhs

Particulars	2010-11	2011-12	2012-13
Sales :	4497.69	5797.10	8277.75
Profit before Interest & Depreciation :	527.92	603.89	658.43
Profit after Interest & Depreciation :	250.91	238.08	152.72
Profit after Tax :	146.41	159.12	101.29
Dividend (10%) :	40.00	40.00	40.00
Net worth :	824.09	936.72	991.52
EPS :	3.66	3.98	2.53

5. Export performance and net foreign exchange earning :

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

II. INFORMATION ABOUT THE APPOINTEE :

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

4. Job profile and his suitability :

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

5. Remuneration proposed :

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

III. OTHER INFORMATION :

1. Inadequate profits :

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

2. Steps Taken :

The Company is implementing an expansion programme involving an outlay of Rs. One Crore which will pave way for increased production and profitability.

3. Expected increase in productivity and profit :

It is expected that the sale volume will increase by 20% per annum and the profit substantially subject to the market - conditions.

IV. DISCLOSURES :

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

By order of the Board,

Place : Rajapalayam

Date : 29.07.2013

P.S. Ramanathan
Secretary

DIRECTORS' REPORT**To the Members,**

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

Financial Results

	Year ended 31.03.2013 Rs.	Year ended 31.03.2012 Rs.
Sales and other Income =====	82,77,74,724	57,97,10,007
Operating Profit (Profit before interest, Depreciation and Tax)	6,58,43,330	6,03,89,287
LESS : Interest	3,12,06,693	2,10,58,821
Profit before Depreciation and Tax	3,46,36,637	3,93,30,466
LESS : Depreciation	1,93,65,013	1,55,22,777
Profit before Tax	1,52,71,624	2,38,07,689
Surplus Brought forward from previous year	35,72,448	23,08,873
	1,88,44,072	2,61,16,562
Less: Provision for Taxation-Current (MAT)	30,56,000	48,25,214
Provision for Deferred Tax	20,87,000	30,70,000
Profit available for appropriation	1,37,01,072	1,82,21,348
	40,00,000	40,00,000
Proposed Dividend @ 10%	6,48,900	6,48,900
Tax on Proposed Dividend	80,00,000	1,00,00,000
Transfer to General Reserve	10,52,172	35,72,448
Balance carried over to Balance Sheet	1,37,01,072	1,82,21,348

DIVIDEND

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

This Dividend is not taxable in the hands of the Members. However Tax on the Dividend amounting to Rs. 6.48 Lakhs would be paid by the Company.