

REPORT ON CORPORATE GOVERNANCE

The Company is firmly and sincerely committed to the principles of good Corporate Governance and has taken all possible steps to enhance the interest of Shareholders, Employees, Customers and the Nation. Your Company believes in conducting the business in the most ethical way and that is the way in which it has conducted itself all these years and would continue to do so.

I. BOARD OF DIRECTORS

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

The Board consists of Eight Directors:

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

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

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

II. BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT:

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

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

III. AUDIT COMMITTEE:

Terms of Reference:

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

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

IV. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE: (RENAMED AS STAKEHOLDERS RELATIONSHIP COMMITTEE ON 28.05.2014)

The Company has formed an Investors / Shareholders Grievance Committee consisting of Sri.S.R.Subramanian (Chairman of the Committee), Sri. A. Thiruppathy Raja, and Sri.R.Ramji. Sri.P.S.Ramanathan is the Compliance Officer.

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

No. of shareholders queries / complaints received during 2013-14 - 61

No. of Complaints / queries not solved to the satisfaction of Shareholders	-	Nil
No. of Pending Share Transfer	-	Nil
No. of Pending Change of Address	-	Nil

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

**V. REMUNERATION COMMITTEE:
(RENAMED AS NOMINATION AND REMUNERATION COMMITTEE ON 28.05.2014)**

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

VI. REMUNERATION OF DIRECTORS :

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

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

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

No Stock option is provided.

The Non-Executive Directors do not draw any remuneration and no sitting fee has been paid for attending the meeting of the Board and Committee.

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

VII. Disclosure of Shareholding of Non-Executive Directors

Name of the Non-Executive Directors	No. of Shares
1) Sri. K.LAKSHMINARAYANAN	7,500
2) Sri. S.R.SUBRAMANIAN	68,500
3) Sri. S. RENGANATHAN	1,000
4) Sri. A.THIRUPPATHY RAJA	500
5) Sri. S.SANKAR	1,500
6) Sri. S.V.RAVI	6,300
7) Smt. Durga Ramji	325,538

VIII. Disclosure of Relationship of the Directors:

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

IX. WHISTLE BLOWER POLICY:

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

X. RISK MANAGEMENT

The Company has laid down a Risk Management Policy and Procedure to inform the Board Members about the Risk assessment and minimization process, which is a vigorous and active process for identification and mitigation of risks. Necessary inputs are provided to the Audit Committee on a monthly basis. The production and sales are monitored and any deviation from the projected is identified, solution found and necessary rectifications are done periodically.

Audit Committee as well as the Board of Directors have adopted the Risk Management Policy and the Audit Committee reviews the risk management and mitigation plan from time to time.

XI. DISCLOSURES :

Disclosures on materially significant, related party transactions i.e., transaction of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of Company at large : **NIL**

The companies in which the Non-executive Directors are holding the Directorship are considered Related parties as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India and the transaction with such companies are disclosed in Schedule No. 22 Point No. 4, Notes forming part of the accounts.

Details of non compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : **NIL**

XII. GENERAL BODY MEETING :

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

Date	Venue	Time
05.09.2011	Sri Arjuna Manthiram, Rajapalayam	9.30 A.M
17.09.2012	- do -	9.30 A.M
23.09.2013	- do -	9.30 A.M

Postal Ballot

No special Resolution requiring Postal Ballot as required by the Companies (passing of the resolutions by postal ballot) Rules, 2001 / Clause 49 of the Listing Agreement has been placed for Shareholders approval at the last Annual General Meeting and the company is not proposing any special resolution to be taken up at the ensuing Annual General Meeting through postal ballot.

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

XIII. MEANS OF COMMUNICATION :

Quarterly results and Half yearly results are generally published in Business Line (English) and Dinamalar (Tamil).

Tentative Schedule for Publication of Financial Results of the Company

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

XIV. MANAGEMENT DISCUSSION AND ANALYSIS

The matters that are required to be discussed as per the Listing Agreement in respect of Management Discussion and Analysis has been stated in the Directors Report.

XV. SHAREHOLDERS INFORMATION :

- FINANCIAL CALENDER** : **Year ended March 31, 2014**
- ANNUAL GENERAL MEETING** : **TWENTY NINTH**
- DATE & TIME** : **3rd September. 2014 - 9.30 A.M**
- VENUE** : **Sri. Arjuna Manthiram,
No.21/595, Sri Krishna Colony,
P.A.C.R. Salai, Rajapalayam – 626 117.**
- DATE OF BOOK CLOSURE** : **25.08.2014 to 03.09.2014
(Both Days inclusive)**

6. **E-voting Date** : **28th, 29th & 30th August, 2014**
 (For Details refer the Notice to Annual General Meeting) **Time: 9.00 A.M To 6.00 P.M.**
Under NSDL Platform
7. **LAST DATE FOR RECEIPT OF PROXY FORM** : **01.09.2014 – 9.30 A.M.**
8. **DIVIDEND PAYMENT DATE** : **Date of AGM**
9. **LISTED STOCK EXCHANGE** : The Madras Stock Exchange, Chennai,
 The Company has paid Annual Listing fee to the above Stock Exchange for the financial year 2014-2015
- 10 The company's Shares are permitted for trading in Bombay Stock Exchange under INDONEXT Plat form with effect from 15.05.2006.
- 11 **STOCK CODE :** 1. BSE - 590055 2. MSE - PSK
 (INDONEXT)

12 **STOCK PRICE PERFORMANCE :**

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

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

Source : BSE website

Note : There is no trading in Madras Stock Exchange.

13 **SHARE TRANSFER SYSTEM :**

The Transfers are normally processed within 30 Days from the date of receipt, if the documents are complete in all respects. The Committee consisting of Two Directors Sri R.Ramji, Sri S.V.Ravi & Company Secretary Sri P.S.Ramanathan are empowered to approve the share transfer.

There are no pending Share Transfer as on 16.07.2014.

The physical share transfer work has been entrusted with M/s.Integrated Enterprises (India) Ltd., who are the Depository Registrar.

The transfer of shares in Electronic form are processed and approved by NSDL / CDSL through their Depository Participants.

14 **DEPOSITORY REGISTRAR :**

M/s. Integrated Enterprises (India) Ltd.,
2 nd Floor, Kences Tower, No.1, Ramakrishna Street, North Usman Road, T.Nagar,
Chennai – 600 017. Phone No: 044 – 28140801

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

16 **ISIN NO.** : I N E 9 1 4 G 0 1 0 1 1

17 **DEMATERIALISATION OF SHARES AS ON 31.03.2014** : A total number of 25,56,060 shares, the face value of which is Rs.2,55,60,600 have been dematerialised. This forms 63.90% of the total paid up share capital.

18 **INVESTOR CORRESPONDENCE FOR TRANSFER, PAYMENT OF DIVIDEND ON SHARES OR ANY OTHER QUERY RELATING TO THE SHARES OF THE COMPANY :** : REGISTERED OFFICE:
No.351, P.A.C.R.Salai,
Rajapalayam – 626 117.
Phone No. 04563 – 221554

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

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

21 **PLANT LOCATION :** :
i) 100% EOU - FIBC Bags & Woven Bags Division : No.1, Railway Feeder Road,
Cholapuram South. Rajapalayam (via),
Tamilnadu.
ii) OE Yarn Unit - Division : PEL Textiles,
206 B/1, Sankarankovil Road,
Cholapuram South,
Rajapalayam (via).

22 RANGEWISE HOLDINGS

RANGE	2013-2014 No. of Shareholders	2013-2014 (%)	2012-2013 (%)
1-500	3672	20.30	20.79
501-1000	492	10.28	10.53
1001-2000	169	6.39	6.79
2001-3000	79	5.04	5.25
3001-4000	22	1.92	1.75
4001-5000	12	1.40	1.53
5001-10000	22	4.13	3.89
10001-and above	23	50.54	49.47
	4491	100	100