



PANKAJ POLYMERS LIMITED

17th Annual Report
2008-2009

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PANKAJ POLYMERS LIMITED

Board of Directors

Sri. Baburam Goel	Chairman
Sri. Pankaj Goel	Managing Director
Sri. Paras Goel	Joint Managing Director
Sri. R.C. Sohni	Director
Sri. Ishoo Narang	Director
Sri. T. Prasad Reddy	Director

Audit Committee

Sri. R.C. Sohni	Chairman
Sri. Ishoo Narang	Member
Sri. T. Prasad Reddy	Member

Share Transfer & Investors Grievance Committee

Sri. Ishoo Narang	Chairman
Sri. Pankaj Goel	Member
Sri. Paras Goel	Member

Remuneration Committee

Sri. R.C. Sohni	Chairman
Sri. Ishoo Narang	Member
Sri. T. Prasad Reddy	Member

Company Secretary

Mr C.P. Narasimha Karthik

Registered Office

"E" Block, V Floor,
105, Surya Towers, Sardar Patel Road,
Secunderabad 500 003.

Auditors

M/s Luharuka & Associates
5-4-184/3 & 4, Soham Mansion
2nd Floor, M.G. Road
Secunderabad - 500 003.

Bankers

Industrial Development Bank of India Ltd.
Balaji Market, Badichowdi
Sultan Bazar, Hyderabad - 500 001.

Share Transfer Agents

M/s Sathguru Management Consultants Pvt. Ltd. Plot No. 15, Hindi Nagar,
Behind Saibaba Temple, Punjagutta, Hyderabad - 500 034.

Works

Unit -I

U-63, Electronic Zone
MIDC, Hingna Industrial Estate,
Nagpur - 440 016,
Maharashtra.

Unit-II

Plot No. D-46 & 47 Phase V,
I.D.A Jeedimetla,
Hyderabad 500 055
Andhra Pradesh.

Unit-III

Plot No. 14, CIE, Expansion
Programme Gandhi Nagar,
Balanagar, Hyderabad 500 037
Andhra Pradesh

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the members of M/s Pankaj Polymers Limited will be held on **Wednesday the 30th September 2009 at 11.00 A.M.** at Punjabi Welfare Society Community Hall, Ramnagar Colony, Alwal, Secunderabad- 500 015 to transact the following items of business:

Ordinary Business

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended 31st March 2009, together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Sri. Ishoo Narang who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri. Baburam Goel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Luharuka & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS**5. Revision in the Remuneration of Sri Pankaj Goel, Managing Director:**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in supression of the resolution passed by the members of the Company at their meeting held on 30th September 2008 and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to revise the salary of Shri Pankaj Goel, Managing Director of the Company with effect from 01.08.2009 and upto the expiry of his term of appointment i.e., 31.03.2011 on the following Remuneration, terms and conditions.

REMUNERATION

- I. **Salary :** Rs.80,000/- per month.

Commission : Commission will be allowed in addition to Salary and Perquisites, the amount of which, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Sections 198 and 309 of the Act.

II. Perquisites :

1. A) **Housing:** The expenditure incurred by the Company on hiring accommodation for the Managing Director shall be subject to a ceiling of 50% of Salary.
In case accommodation for Managing Director is provided by the Company, the expenditure incurred by the Company on hiring accommodation will be subject to a ceiling of 50% (fifty percent) of the salary of Managing Director.
B) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of Salary of the Managing Director.
2. **Medical Reimbursement:** Expenses incurred for the Managing Director and family, subject to a ceiling of one month's salary in a year or three month's salary in a block of three years.
3. **Leave Travel Concession:** For the Managing Director and his family consisting of spouse, dependent children and dependent parents once in a year incurred in accordance with the rules specified by the Company.
4. **Personal Accident Insurance:** Premium not exceeding Rs. 10,000/- per annum.
5. **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

III. Other Perquisites:

- i) Contribution towards Provident Fund and Superannuation Fund/Pension Fund to the extent either these singly or put together are not taxable under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on remuneration.
- ii) Gratuity payable in accordance with the rules of the Company will not be included in the computation of ceiling on remuneration.
- iii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
- iv) Earned/Privilege Leave on full pay and allowance as per rules of the Company. Leave accumulated but not availed of during his tenure may be allowed to be encashed as per the rules of the Company.

"RESOLVED FURTHER that in the event of no profits or the profits of the Company are inadequate the Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits as per Part ii of Schedule XIII specified above and he shall be entitled for Annual Increments as per the Rules and Policies of the Company".

6. Revision in the Remuneration of Sri Paras Goel, Jt Managing Director:

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in suppression of the resolution passed by the members of the Company at their meeting held on 29th September 2006 and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to revise the salary of Shri Paras Goel, Jt Managing Director of the Company with effect from 01.08.2009 and upto the expiry of his term of appointment i.e., 31.07.2011 on the following Remuneration, terms and conditions.

REMUNERATION

- I. Salary : Rs.75,000/- per month.

Commission : Commission will be allowed in addition to Salary and Perquisites, the amount of which, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Sections 198 and 309 of the Act.

- II. Perquisites

1. A) Housing: The expenditure incurred by the Company on hiring accommodation for the Joint Managing Director shall be subject to a ceiling of 50% of Salary.
In case accommodation for Jt Managing Director is provided by the Company, the expenditure incurred by the Company on hiring accommodation will be subject to a ceiling of 50% (fifty percent) of the salary of Jt Managing Director.
- B) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of Salary of the Jt. Managing Director.
2. Medical Reimbursement: Expenses incurred for the Jt. Managing Director and family, subject to a ceiling of one month's salary in a year or three month's salary in a block of three years.
3. Leave Travel Concession: For the Jt. Managing Director and his family consisting of spouse, dependent children and dependent parents once in a year incurred in accordance with the rules specified by the Company.
4. Personal Accident Insurance: Premium not exceeding Rs.10,000/- per annum.
5. Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

III. Other Perquisites:

- i) Contribution towards Provident Fund and Superannuation Fund/Pension Fund to the extent either these singly or put together are not taxable under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on remuneration.
- ii) Gratuity payable in accordance with the rules of the Company will not be included in the computation of ceiling on remuneration.
- iii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Jt. Managing Director.
- iv) Earned/Privilege Leave on full pay and allowance as per rules of the Company. Leave accumulated but not availed of during his tenure may be allowed to be encashed as per the rules of the Company.

"RESOLVED FURTHER that in the event of no profits or the profits of the Company are inadequate the Jt. Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above and he shall be entitled for Annual Increments as per the Rules and Policies of the Company".

By Order of the Board

Place : Secunderabad

Date : 29.07.2009

Sd/-

PANKAJ GOEL
Managing Director

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members holding shares in physical form are requested to lodge all valid transfers, transmission of shares, power of attorney and also notify change in address, if any to the Registrar and Transfer Agents (RTA), M/s Sathguru Management Consultants Private Limited, Plot No. 15, Hindi Nagar, Behind Saibaba Temple, Punjagutta, Hyderabad 500 034.
4. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc., to their Depository Participants (DP).
5. Register of members of the Company and Share Transfer Books will remain closed from Wednesday i.e from the 23rd September 2009 to Wednesday the 30th September 2009 (both days inclusive).
6. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
7. The shares of the Company are listed with Mumbai Stock Exchange. The Listing Fee for the year 2009-10 has been paid to Stock Exchange.
8. Information required under Listing Agreement entered into with the Stock Exchange(s) with respect to the *Directors retiring by rotation and Directors who are retiring at this Annual General Meeting* is given under the head "Corporate Governance"
9. Members are requested to bring their copy of Annual Report to the Meeting.
10. Explanatory Statement Pursuant to section 173(2) of Companies Act 1956 relating to special business to be transacted at the meeting is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956**ITEM NO 5**

The appointment and payment of remuneration to Shri Pankaj Goel, Managing Director of the Company, for a tenure of 3 years, i.e., from 01.04.2008 to 31.03.2011 was approved by the members at their meeting held on 30th September 2008.

Sri Pankaj Goel, Aged 42 years, B.Com Graduate, has an experience of over 23 years in the manufacture of PVC Pipes, HDPE / PP Woven Sacks. He is holding directorships in various other Companies.

Considering the efforts and time devoted by Shri Pankaj Goel in achieving growth and success of the Company and his long and rich experience in the PP Woven Sacks industry and also keeping in view the increase in responsibility of the Managing Director with increase in the complexities of business, approval of the Members is sought for the increase in salary of Shri Pankaj Goel, Managing Director as set out in the Resolution. The increase in remuneration and terms was approved by the remuneration committee. The Committee noted that the remuneration is well below the entitlement as per the applicable provisions of the Companies Act.

None of the Directors except Sri Pankaj Goel, Sri Paras Goel, and Sri Baburam Goel are deemed to be concerned or interested in the above resolution.

This may be treated as a notice as required under section 302 of the Companies Act, 1956.

The Directors recommend the above resolution for your approval.

Item No. 7

The appointment and payment of remuneration to Shri Paras Goel, Jt Managing Director of the Company, for a tenure of 5 years, i.e., from 01.08.2006 to 31.07.2011 was approved by the members at their meeting held on 29th September 2006.

Sri Paras Goel, Aged 39 years, B.Com Graduate, has an experience of over 20 years in the manufacture of PVC Pipes, HDPE / PP Woven Sacks.

Considering the efforts and time devoted by Shri Paras Goel in achieving growth and success of the Company and his long and rich experience in the PP Woven Sacks industry and also keeping in view the increase in responsibility of the Jt Managing Director with increase in the complexities of business, approval of the Members is sought for the increase in salary of Shri Paras Goel Jt Managing Director as set out in the Resolution. The remuneration and terms of above appointment was approved by the remuneration committee. The Committee noted that the remuneration is well below the entitlement as per the applicable provisions of the Companies Act.

Members are requested to accord their approval for reappointment and payment of remuneration to Sri Paras Goel as Joint Managing Director.

None of the Directors except Sri Paras Goel, Sri Pankaj Goel and Sri Baburam Goel are deemed to be concerned or interested in the above resolution.

By Order of the Board

Sd/-

PANKAJ GOEL
Managing Director

Place : Secunderabad
Date : 29.07.2009

DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present herewith the 17th Annual Report on the business and operations of the Company and the Audited Accounts for the year ended 31st March 2009.

1. Financial Results and Operations

The summarized financial results for the year ended 31st March 2009 as compared with the previous year are as under:

Rs. In Lakhs.

Sl No.	PARTICULARS	For the Year 2008-09	For the Year 2007-08
a.	Sales	2552.52	2847.08
b.	Profit before Interest, Depreciation & Tax	189.75	174.98
c.	Less: Interest	75.57	62.57
d.	Less: Depreciation	86.03	85.53
e.	Add (Less): Prior period Adjustments	-	-
f.	Net Profit before Tax	28.15	26.88
g.	Less: Provision for Tax (Incl. Deferred Tax & Fringe Benefit Tax)	(9.8)	(9.9)
h.	Net Profit	18.31	16.95

The Operational performance of the Company is discussed under Management Analysis and Discussion Report.

2. Dividend

Your Directors considered it prudent to conserve the resources of the Company to sustain its future growth and as such have not recommended any dividend for the year.

3. Fixed Deposits

The Company has not accepted any fixed deposits from the public within the meaning of section 58A of the Companies Act, 1956.

4. Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Particulars pursuant to the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure – A.

5. Directors

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Sri. Ishoo Narang and Sri Baburam Goel, Directors retire by rotation and being eligible offer themselves for re-appointment.

6. Auditors

M/s Luharuka & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

7. Particulars of Employees

There are no employees in the organization coming under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

8. Director's Responsibility Statement

In accordance with sub-section (2AA) of section 217 of the Companies Act, 1956, the Directors of the Company state:



- a. That in the preparation of the accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review.
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the accounts for the financial year ended 31st March 2009 on a 'going concern basis'.

11. Corporate Governance

A separate report on corporate governance along with Auditor's Certificate on its compliance is attached to this report.

12. Management Discussion and Analysis Report

a. Industry Structure & Development

Polymers account for around 70% of petrochemicals and that is the reason that they are the most important constituents of the Indian chemical industry. Pankaj Polymers Limited is a polymer manufacturing Company, which provides vital inputs to all key sectors of the economy like agriculture, infrastructure, healthcare and consumer goods primarily operating in the following segments:

- HDPE/PP Woven Sacks/Fabrics
- PP Sheets/ PP Disposable Wares

Plastic woven sacks are made from High Density Poly Ethylene (HDPE) or Polypropylene (PP). These sacks are used for packaging commodities like cement, fertilizers, food grains, sugar, salt, chemicals, textile cones, bulk drugs etc. The Cement and Fertilizer Industries consume about 70% of total production of plastic woven sacks. It is estimated that by 2010, Jute production will not be enough to meet food-packaging requirement. The only replacement is Plastic Woven Sacks (PWS).

PP disposable wares comprise of a variety of plastic disposable containers like ice-cream cups, tea/ coffee glasses, fruit juice - soft drink glasses, tumblers, plates, lids, trays, etc. The major users of these containers are Fast food manufacturers, Dairy industries, Processed food industries, self-vending/dispensing machines, Mineral water industries, Pharmaceutical industries, Detergent industries, etc.

The Company has 2 units for the manufacture of HDPE/PP woven sacks/fabrics, one located at Nagpur in the State of Maharashtra and the other at Jeedimetla, Hyderabad in Andhra Pradesh.

As informed earlier, the manufacturing operations at the Nagpur unit are still under suspension, as the same were found increasingly unviable. The Company has already applied for closure/shifting of the unit with the appropriate authorities, the approval for which is yet to be received.

The unit for manufacture of PP Disposable wares/containers is located at Gandhinagar, Hyderabad in the state of Andhra Pradesh.

b. Opportunities

The growth of the Indian polymer industry has been constant and impressive over the last decade and is expected to continue grow further in the future. The said growth reveals that, India is expected to become the world's 3rd largest polymer consuming market after the U.S. and China within this decade. The growth rate in polymer consumption is expected to go up by around 30% - 35% in the next two years. Plastic Industry plays a major role in wealth creation and it's a major contributory to GDP, revenue in excess of Rs 65000 Crores. The share of polymers in the product mix in India for various crackers ranges from 60% to 90%. The segment of polymers have registered a growth of 18% while there have been an increase of 26% in the capacities CAGR.

The per capita consumption of polymers in India is only 6 kgs as compared to about 65 kg per person in the US and 30 kg per person in China. But India's consumption of plastics is increasing and its plastics market is witnessing rapid growth in demand. This rapid shift to plastic packaging is creating immense increase in opportunities for the industry including your Company.

c. Threats, Risks & Concerns

At present the threats, risks and concerns being felt and forecasted also, are, stiff competition in the market, consolidation of manufacturers, who have branded products and fluctuations in prices as well as availability of the raw material.

d. Segment wise performance

The segment wise revenue, results and capital employed is given below:

	Year Ended 31-03-09	Year Ended 31-03-08
1. Segment Revenue/Income		
a. HDPE/PP Woven Sacks/Fabrics	1970.45	2259.79
b. PP Sheets/ PP Disposable Wares	582.07	587.29
Total	2552.52	2847.08
Less: Inter Segment Revenue	0.00	0.00
Net Sales/Income from Operations	2552.52	2847.08
2. Segment Results		
(Profit (+)/ Loss (-) before tax and Interest from each Segment:		
a. HDPE/PP Woven Sacks/Fabrics	(48.02)	(57.09)
b. PP Sheets/ PP Disposable Wares	7.59	(60.44)
Total	(40.43)	(117.53)
Less:		
a. Interest	75.58	62.57
b. Other un-allocable expenditure	(144.15)	206.97
Net off un-allocable income(+/-)		
Total Profit before tax	28.15	26.88
3. Capital Employed		
(Segment Assets – Segment Liabilities)		
a. HDPE/PP Woven Sacks/Fabrics	936.63	1013.63
b. PP Sheets/ PP Disposable Wares	277.10	284.70
Total	1213.73	1298.33

e. Outlook

In the present competitive market also the Company enjoys a brand image for its products. With the constant growth in the polymer industry, the Company is expecting a major increase in demand for its products. The Company also expects to stabilize its production of PP Disposable wares and reach optimum capacity utilization.

f. Discussion on financial performance with respect to operational performance

During the year under review the Company has achieved a turnover of Rs.2552.52 lakhs as against Rs. 2847.08 lakhs in the previous year. The current year production of HDPE / PP Woven Sacks was 1691.988 MT as against 2293.351 MT in the previous year. The production of PP Disposable wares and containers was 613.650 MT as against 728.768 MT in the previous year. The marginal fall in overall turnover and also in production of PP

Woven Sacks was mainly due to frequent interruption in power supply and the power cuts imposed; as well on account of general recessionary trend in the industry for some part of the year coupled with upward fluctuations in raw-material prices. On account of these extraneous factors, there has been some reduction in turnover. Nevertheless, the company with all the efforts and concentration thereon could maintain the overall performance.

During the year the Company has earned a Net Profit of Rs.28.15 lakhs as against Rs. 26.88 lakhs in the previous year. The Company has made a provision of Rs.16.98 lakhs for income tax, Rs.1.92 lakhs for fringe benefit tax. No transfers from the profits were made to the General Reserve. The entire net profit is carried over in the Profit & Loss Account.

The Earning per share (EPS) of the Company as on 31.03.2009 was Rs.0.33 as against Rs.0.31 in the previous year.

g. Internal control system and their adequacy

The Company has an internal audit system commensurate with the size and nature of its business. There is a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against unauthorized use or disposition of assets. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

h. Material developments in Human Resources/Industrial Relations front, including number of people employed

The Company recognizes the importance and contribution of its employees to the growth and development of the Company. The Company continued to maintain cordial relations with employees and staff. As at 31st March 2009, the Company has about 65 employees working at its various factories and offices. During the year under review, the Company has recruited further man power of 2 to meet the production & operational needs.

Cautionary Statement

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be considered to be forward looking statements and actual results could differ materially from those expressed or implied. Factors which could make a significant difference to the Company's operations include demand supply conditions, market prices, input component costs and availability, changes in government regulations and tax laws besides other factors such as litigation, over which the Company may not have any control.

13. Acknowledgements:

Your Directors wish to express their appreciation for the cooperation and continued support received from the Industrial Development Bank of India, the Company's Bankers. Your Director's also take this opportunity to place on record their appreciation for the dedicated services rendered by the executives, managers, officers, employees and workers for the dedication and sense of commitment shown by the employees at all levels and their contribution towards the performance of the Company.

By Order of the Board

Sd/-

Baburam Goel

Chairman

Place : Secunderabad

Date : 29.07.2009



ANNEXURE 'A' TO THE DIRECTOR'S REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 and forming a part of Directors' Report.

Conservation of Energy

The Company is striving to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. The adoption of the above helps to control the proportionate increase in total energy usage consequent to overall increase in production. The total energy consumption is given as per form-A below:

FORM - A (See rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

	2008-09	2007-08
POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units	3049978	3549182
Total Amount (Rs.)	11383395	12851209
Rate Per Unit (Rs.)	3.73	3.62
b) Own Generation		
Through diesel generator		
Units (Litres)	13482	20200
Total Cost (Rs.)	500030	669449
2. Coal (specify quality and where used)		
Quantity	—	—
Total Cost (Rs.)	—	—
Average Rate (Rs.)	—	—
3. Furnace Oil		
Quantity (Litres)	—	—
Total Amount (Rs.)	—	—
Average rate (Rs.)	—	—
4. Natural gas		
Quantity	—	—
Total Amount (Rs.)	—	—
Average rate (Rs.)	—	—
CONSUMPTION PER UNIT OF PRODUCTION:		
The consumption of raw material per Kg. is	4.52	3.90

FORM B (See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption (R&D)

A. Research and Developed (R&D)	—	Not Applicable
B. Technology absorption, adoption and innovation	—	Not Applicable
C. Foreign Exchange Earnings and Outgo:		
Earnings	NIL	NIL
Outgo	NIL	258110

By Order of the Board
Pankaj Polymers Limited

Sd/-

Baburam Goel
Chairman

Place : Secunderabad
Date : 29-07-2009

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement with the Stock Exchange)

1. A brief statement on Company's philosophy on code of Governance

The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of affairs of the Company and help the Company to achieve goal of maximizing value for all its stakeholders. Your Company's business objective is to manufacture and market the Company's product in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees & business partners. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

2. Board of Directors

- (i) The Company has a Non-Executive Chairman and the number of independent Directors is more than one-third of total number of Directors. The composition of the Board is in compliance with the Clause 49 of the Listing Agreement entered with the Stock Exchange.
- (ii) None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as at 31st March 2009 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	No. of Board Meetings during the Year 2008-09		Whether attended last AGM held on 30 th September 2008	No. of Directorships in other Public companies	No. of Committee positions held in other public companies	
		Held	Attended			Chairman	Member
Sri Pankaj Goel	Promoter Executive	5	5	No	1	NIL	NIL
Sri Paras Goel	Promoter Executive	5	5	Yes	Nil	NIL	NIL
Sri Baburam Goel	Promoter						
Sri R.C.Sohni	Non Executive	5	5	No	NIL	NIL	NIL
	Non Executive Independent	5	4	Yes	1	NIL	Nil
Sri Ishoo Narang	Non Executive Independent	5	4	Yes	5	Nil	Nil
Sri T Prasad Reddy	Non Executive Independent	5	4	Yes	1	Nil	Nil

- (iv) Five (5) Board Meetings were held during the year 2008-09 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 27th June 2008, 30th July 2008, 10th September 2008, 31st October 2008 and 30th January 2009.
- (v) Apart from receiving the sitting fees, Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of the Director.
- (vi) Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

3. Audit Committee

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292 A of the Companies Act 1956.
- (ii) The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive Independent Directors:
1. Sri R.C.Sohni - Chairman
 2. Sri Ishoo Narang - Member
 3. Sri T.Prasad Reddy - Member
- (iii) The terms of reference stipulated by the Board to the Audit Committee includes review of the following:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
 - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
 - Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising three Non-Executive and independent Directors. Sri. R.C. Sohn, who is heading the Audit Committee as Chairman is a highly qualified (B.Com, M.A. (Economics), LLB., CAIIB, Diploma in Public Administration and a Fellow in Development Banking of Economic Development Institute (EDI), World Bank with vast experience in Banking,

Industrial Finance, Project Implementation & Management. The Chairman of the Audit Committee was present at the previous Annual General Meeting.

(iv) During the year 2008-09 the Audit Committee met 4 times on 27th June 2008, 30th July 2008, 31st October 2008 and 30th January 2009. The statutory auditors and whole-time directors were invited for the meetings. The Company Secretary acts as the secretary of the Audit Committee. The attendance of the members of the committee are given below:

Name	Category	No. of Meetings during the Year 2008-09	
		Held	Attended
Sri. R.C. Sohni - Chairman	Independent, Non Executive	4	4
Sri. Ishoo Narang – Member	Independent, Non Executive	4	3
Sri. T. Prasad Reddy - Member	Independent, Non Executive	4	3

4. Remuneration Committee

The Company had constituted a Remuneration Committee on 30th January 2003 in terms of Schedule XIII of the Companies Act, 1956 read with clause 49 of the listing agreement. The committee comprises of Sri. R.C. Sohni, Sri. Ishoo Narang and Sri. T. Prasad Reddy, all non- executive Independent Directors. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the salary (including annual increments) perquisites and commission including pension rights & any compensation payment to be paid to the Company’s Managing / Whole-Time-Director’s.

Remuneration policy: The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the Company and talents of the appointee. The Executive Directors and Non- Independent Directors of the Company are not entitled to sitting fees. The Non Executive Independent Directors are not paid any remuneration except sitting fees for attending Board/ Committee meetings.

a) During the year 2008-09 there were no changes in the remuneration policies of the Managerial personnel and hence no meeting was conducted during the year, however the details of the committee members are as follows:

Name	Category	No. of Meetings during the Year 2008-09	
		Held	Attended
Sri. R.C. Sohni - Chairman	Independent, Non Executive	Nil	Nil
Sri. Ishoo Narang – Member	Independent, Non Executive	Nil	Nil
Sri. T. Prasad Reddy - Member	Independent, Non Executive	Nil	Nil

5. Remuneration of Directors

Details of remuneration/sitting fees paid to the Directors for the year 2008-09 are given below.

Name	Sitting Fee Rs.	Salary, perquisites and allowances Rs.
Sri Pankaj Goel- M.D	N.A	600000
Sri Paras Goel- Jt M.D	N.A	480000
Sri R.C.Sohni	11500	N.A
Sri Ishoo Narang	11500	N.A
Sri Baburam Goel	Nil	N.A
Sri T.Prasad Reddy	Nil	N.A



No pecuniary relationship exists between the Company and its Non – Executive Directors except for the sitting Fees as mentioned above.

The period of appointment of Managing Director and Jt. Managing Director is for 3 and 5 years, there is no notice period or severance fees prescribed. The Company does not have any stock option plan or performance incentives.

Details of Shares of the Company held by the Directors as on March 31, 2009 are as below:

Name	No.of Shares
Sri Pankaj Goel- M.D	236520
Sri Paras Goel- Jt M.D	235660
Sri R.C.Sohni	Nil
Sri Ishoo Narang	2300
Sri Baburam Goel	278540
Sri T.Prasad Reddy	Nil

6. Share Transfer & Investor’s Grievance Committee

This committee comprises of 3 members Sri. Ishoo Narang, Sri. Pankaj Goel and Sri. Paras Goel. The Chairman of the Committee Sri. Ishoo Narang is a Non-Executive Independent Director. The committee looks into transfer and transmission, issue of duplicate share certificate, consolidation and sub-division of shares and investors grievance. The committee oversees the performance of the Registrars and Transfer agents and recommends measures for overall improvement in the quality of investor services.

The Board has designated B. Sreenivasulu as the Compliance Officer.

The committee met 4 times during the year 2008-09. Attendance at the committee meetings was as under:

Name of the Member	No.of Meetings attended
Sri. Ishoo Narang	4
Sri. Pankaj Goel	4
Sri. Paras Goel	4

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 4. There was no outstanding complaints as on 31st March 2009

The Committee received 4100 shares for transfer/transmission/duplicate certificates and the same were approved and there were no rejections. The committee also received and approved 3000 shares for conversion of physical shares into Dematerialisation during the year under review. There were no transfers or transmissions or demat/remat requests pending as on 31st March 2009.

General Body Meetings

Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date	Time
2007-2008	Panjabi Welfare Society Community Hall, Ramnagar Colony, Alwal, Secunderabad – 500 015.	30.09.2008	11.00 A.M
2006-2007	Panjabi Welfare Society Community Hall, Ramnagar Colony, Alwal, Secunderabad – 500 015.	28.09.2007	11.00 A.M
2005-2006	Panjabi Welfare Society Community Hall, Ramnagar Colony, Alwal, Secunderabad – 500 015.	29.09.2006	11.00 A.M



b) During the year None of the resolutions had been passed through postal ballot.

8. Disclosures

During the year 2008-09 the Company had no materially significant related party transactions, which is considered to have potential conflict with the interest of the Company at large. The disclosures as to related party transaction is disclosed in the notes to accounts.

There were no instances of non-compliance, penalties, strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last 3 years.

9. Means of Communication

The quarterly/half yearly/annual results, notices of Board Meetings/ General Meetings and all other material information are normally published by the Company in Business Standard and Andhra Bhoomi OR Financial Express and Andhra Prabha. The half-yearly results are not sent to the shareholders. The Company currently does not have a website. Official news releases are sent to the stock exchanges at Mumbai where the shares of the Company are listed. The Company files the quarterly results, annual report and other information pursuant to clause 51 of the listing agreement on the Electronic Data Information and Filing Retrieval (EDIFAR) website maintained by National Information Center (NIC).

10. Management Discussion and Analysis Report

Information on management discussion and analysis is given in the Directors' Report.

11. Non-Mandatory requirements :

As regards adoption of Non-Mandatory requirement of Corporate Governance. It is submitted that the Company does not send the half yearly results to each of the shareholders.

12. General Shareholders information

a. 17th Annual General Meeting

Date and Time : 30th September 2009 at 11.00 A.M.
Venue : Punjabi Welfare Society Community Hall,
Ramnagar Colony, Alwal, Secunderabad – 500 015.

b. Financial Calendar (tentative)

Financial Year : 1st April to 31st March
First Quarter Results : July 2009
Second Quarter and
Half yearly results : October 2009
Third Quarter Results : January 2010

Last Quarter Results /

Audited Results : April 2010/June 2010

- c. Dates of Book closure : Wednesday the 23rd September 2009 to
Wednesday the 30th September 2009
- d. Dividend payment date : Not applicable
- e. Listing on Stock Exchanges : The Bombay Stock Exchange Limited, Mumbai
Stock Code : 531280
ISIN Numbers in NSDL &
CDSL for Equity Shares : INE698B01011

The Company has paid its annual listing fees to the stock exchange for the financial year 2008-09



f. Market Price Data : High/Low price quotation in each month of the last financial year 2008-09 on the Stock Exchange, Mumbai is given below.

Month	High (Rs.)	Low (Rs.)
Apr' 08	8.45	5.59
May' 08	8.10	6.21
Jun' 08	6.30	5.45
Jul' 08	6.61	5.45
Aug'08	6.35	5.71
Sep' 08	6.30	5.50
Oct' 08	6.50	6.00
Nov' 08	5.79	5.25
Dec' 08	5.35	5.10
Jan' 09	5.30	5.30
Feb' 09	5.04	4.00
Mar' 09	3.81	2.57

Source: www.bseindia.com

Registrars and Transfer Agents (RTA):

M/s Sathguru Management Consultants Pvt. Ltd. Plot No. 15, Hindi Nagar, Behind Saibaba Temple, Punjagutta, Hyderabad 500 034.

13. Share Transfer System

In pursuance of SEBI notification No.D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company had appointed Sathguru Management Consultants Pvt Ltd as single agency for share registry work. Share transfers and communications regarding share certificates, change of address, etc., must be forwarded to the RTA.

The R & T Agent process the physical Share Transfers and the Shares sent for physical transfers are generally registered within a period of 15 days from the date of receipt, if all the documents are clear in all respects. All Share Transfers are approved by the Share Transfer Committee, which meets every fortnight.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt.

14. Shareholding Pattern as on 31st March 2009

Sl.No	Category	No.of Shares	% of Shareholding
1.	Promoters	2719340	49.05
2.	Mutual Funds and UTI	Nil	Nil
3.	Banks, Financial Institution, Insurance Companies	Nil	Nil
4.	Private Corporate Bodies	435065	7.85
5.	Indian Public	2387045	43.06
6.	NRIs/OCBs	2450	0.04
	Total	5543900	100.00

15. Distribution of Shareholding as on 31st March 2009

Share or debenture holding of nominal value of Rs. Rs.		Share / Debenture Holders		Shares / Debenture Amount	
		Number	% to	in Rs.	% of
(1)		(2)	(3)	(4)	(5)
1 to 5000		1042	63.30	2598210	4.69
5001 to 10000		313	19.02	2705960	4.88
10001 to 20000		132	8.02	2156940	3.89
20001 to 30000		37	2.25	992300	1.79
30001 to 40000		26	1.58	936320	1.69
40001 to 50000		27	1.64	1326880	2.39
50001 to 100000		29	1.76	2353560	4.25
100001 to Above		40	2.43	42368830	76.42
TOTAL		1646	100.00	55439000	100.00

16. De-materialization of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Dematerialization of shares are done through Sathguru Management Consultants Pvt. Ltd., and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents. 94% of the paid up capital has been dematerialized as on 31.03.2009.

17. Outstanding ADRs/GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity : Not Applicable

18. Secretarial Audit

The Company gets the Secretarial Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Secretarial Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are Listed.

19. Plant Locations :

Unit -I

U-63, Electronic Zone, MIDC, Hingna Industrial Estate, Nagpur - 440016, Maharashtra.

Unit -II

Plot No. D-46 & 47 Phase V, I.D.A Jeedimetla, Hyderabad 500055, A.P.

Unit -III

Plot No. 14, CIE, Expansion Programme, Gandhi Nagar, Balanagar, Hyderabad 500037, A.P.

20. Address for Correspondence

Sl.No.	Shareholders Correspondence for	Address to
1.	Transfer/ Dematerialization/ consolidation/split of shares, issue of Duplicate share certificates, change of address of members and beneficial owners and any other query relating to the shares of the Company.	M/s.Sathguru Management Consultants Pvt. Ltd Plot No. 15, Hindi Nagar, Behind Saibaba Temple Punjabgutta, Hyderabad - 34.
2.	Investor Correspondence/queries on Annual Report etc.	COMPANY SECRETARY Pankaj Polymers Limited "E" Block, V Floor, 105 Surya Towers, S.P. Road, Secunderabad - 500 003 Tel : 040-27897743, 27897744,27815895 Email: hyd1_pankaj@sancharnet.in

21. Depository Services

For guidance on Depository services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd

Trade World, 4th Floor,

Kamala Mills Compound,

Senapati Bapat Marg, Lower Parel,

Mumbai - 400 013

Tel : 091-022-24972964-70

Fax : 091-022-24972993 / 24976351

Email : info@nsdl.co.in.

Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers,

28th Floor, Dalal Street

Mumbai - 400 023

Tel : 091-022-22723333

Fax : 091-022-22723199

Email : investors@cdslindia.com

22. Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

23. Company's Policy on prevention of insider trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Mr. C P Narasimha Karthik, Company Secretary, had been appointed as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

By Order of the Board

Pace : Secunderabad

Date : 29.07.2009

Sd/-

BABURAM GOEL

CHAIRMAN

Particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement

Name of the Director	Qualification, Age & Expertise in Specific Functional Areas	Date of Birth	Qualification on	List of the Companies in which Directorships is held as on 31st march 2009	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2009
Sri. Baburam Goel	B A	05.04.1946	B A	1) Pankaj Capfin Pvt Ltd 2) Aman Tubes Pvt Ltd	Nil
Sri. Ishoo Narang	Sri. Ishoo Narang aged 38 years, B E (Computer Science) having 13 years of experience in general business administration	20.09.1970	B E (Computer Science)	1) Kyori Oremin Ltd 2) VSN Management Services Pvt Ltd 3) Dhanush Cement Ltd 4) Dhanush Exim Ltd 5) Jumbo India Ltd	Nil

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

Pursuant to Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October 2004, it is hereby declared that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. I hereby confirm that the Company has in respect of the financial year ended March 31, 2009, received from the senior management personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Sd/-

C P Narasimha Karthik
COMPANY SECRETARY

Place : Secunderabad

Date : 29.07.2009

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members
Pankaj Polymers Limited

We have examined the compliance of the conditions of Corporate Governance by Pankaj Polymers Limited for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreements of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.

On the basis of representation received from Registrars and Share Transfer Agents and as per the records maintained by the Company which are presented to the Shareholders/Investors grievance committee, we state that during the year ended 31st March, 2009 no investor grievance were pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Luharuka & Associates
Chartered Accountants

Sd/-
(Rameshchand Jain)
Partner
M.No.023019

Place : Secunderabad
Date : 29.07.2009

**CERTIFICATE BY MANAGING DIRECTOR AND SENIOR MANAGER
FINANCE & ACCOUNTS OF THE COMPANY**

We, Pankaj Goel, Managing Director and P. Bucha Reddy Senior Manager, Finance & Accounts of M/s.Pankaj Polymers Limited, hereby certify to the Board that:

- a) We, have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement for the year or omit any material fact or contain statements that might be misleading:
 - ii) These statements together present a true and Fair view of the company's Affairs are in the compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered in to by the company during the year which are fraudulent, illegal or violate of the company's code of conduct
- c) We are responsible for establishing and maintaining internal controls in the company and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors, audit committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or proposed to take rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee:
 - i) Significant changes in internal control during the year:
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.
- e) We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct)
- f) We further declare that all board members and designated senior management have performed compliance with the code of conduct for the current year.

Date 29.07.2009

Sd/-
(PANKAJ GOEL)

Sd/-
(P. BUCHA REDDY)



AUDITOR'S REPORT

To
The Members of
M/s. PANKAJ POLYMERS LIMITED

1. We have audited the attached Balance Sheet of M/S. PANKAJ POLYMERS LIMITED as at 31st March, 2009 and Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those statements require that we plan and perform the audit to obtain reasonable assurance about whether these Financial Statements are free of material mis-statement. An Audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management. As well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the statements on Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956. We enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:-
 - I) We have obtained all the information and explanations, which to the best of our knowledge and belief where necessary for the purpose of our audit.
 - II) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - III) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - IV) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2009.
 - b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.
 - c) In the case of Cash Flow Statement of the Cash Flows for the year ended on that date

For LUHARUKA & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(RAMESH CHAND JAIN)
Partner
Membership No. 023019

Place: Secunderabad
Date : 29-06-2009

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS'
REPORT ON THE ACCOUNTS OF M/S. PANKAJ POLYMERS LIMITED**

1. In respect of its fixed Assets :-
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - c. During the year in our opinion, a substantial part of Fixed Assets have not been disposed off by the company.
2. In respect of Inventories :-
 - a. As explained to us, the inventories were physically verified by the management at reasonable intervals during the year and in our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - b. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no discrepancies are noticed on such physical verification between physical stock and book records.
3.
 - a. In our opinion and according to the information and explanations given to us the company has taken unsecured loans aggregating to Rs. 25.00 Lakhs (maximum balance) from a company listed in the register maintained under section 301 of the Companies Act, 1956.
 - b. The Company has not granted any Unsecured Loan to Parties listed in the register maintained Under Section 301 of the Companies Act, 1956.
 - c. In our opinion the rate of interest and other terms and conditions on loans taken from companies listed in the register maintained Under Section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the Company.
 - d. The Company has been regular in paying the principal Amounts as stipulated and have been regular in payment of interest if any in respect of loans referred to in 'a' above.
 - e. There are no overdue amount of loans taken as referred to in 'a' above.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and nature of the Business with regard to Purchase of Inventory, Fixed Assets and Sale of Goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.
5. Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered register maintained Under Section 301 of Companies Act, 1956 have been so entered.
6. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance & Deposits) Rules, 1975.
7. In our opinion the company has an internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the company.
9. According to the information and explanations given to us in respect of Statutory and Other Dues.



- a) The Company has been regular in Depositing Statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other Statutory Dues with the appropriate authorities during the year.
- b) According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any disputes.
10. The company does not have any accumulated losses as at the end of the financial year and has not incurred cash losses during the Current Financial Year and the immediately preceding financial year.
11. In our opinion and according to the information and explanations, given to us the company has not defaulted in repayment of dues to Banks / Financial Institutions.
12. Based on our examinations of the records and the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares and debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
14. The Company has not obtained any Term Loan during the year.
15. According to other records examined by us and the information and explanations given to us on an overall basis funds raised on short term basis, prima facie has not been used during the year for long term investment and Vice Versa.
16. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.
17. According to the information and explanation given to us no fraud on or by the company was noticed or reported during the year.
18. Other Clauses of the Order are not applicable to the Company.

For LUHARUKA & ASSOCIATES
CHARTERED ACCOUNTANTS
Sd/-
(RAMESH CHAND JAIN)
Partner
Membership No. 023019

Place: Secunderabad
Date : 29-06-2009

PANKAJ POLYMERS LIMITED
Balance Sheet as at 31st March 2009.

PARTICULARS	Schedule No.	As at 31st.March.2009		As at 31st March, 2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHARE HOLDERS FUNDS					
Share Capital	A	55439000		55439000	
Reserves & Surplus	B	41042821		39211315	
			96481821		94650315
LOAN FUNDS					
Secured Loans	C	47729209		50481795	
Unsecured Loans	D	6798356		5035827	
			54527565		55517622
TOTAL			151009386		150167937
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	E	157093038		149927157	
Less: Depreciation		90826002		82342134	
Net Block			66267036		67585023
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	F	31729577		39120061	
Sundry Debtors	G	48660499		49978287	
Cash & Bank Balances	H	1019622		1240849	
Loans & Advances	I	17751386		12534933	
			99161084		102874130
Less: Current Liabilities & Provisions					
Current Liabilities	J	3030782		8448014	
Provisions	K	4035786		3734193	
			7066568		12182207
Net Current Assets			92094516		90691923
Deferred Tax Liabilities (Net)	L		7682347		8590205
MISCELLANEOUS EXPENDITURE	M		330180		481196
(To the Extend not Written off or adjusted)					
TOTAL			151009386		150167937

Notes To Accounts — Schedule 'V'

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants
Sd/-

(RAMESHCHAND JAIN)
Partner
M.No.23019

Place: Secunderabad
Date : 29/06/2009
26

Sd/- for PANKAJ POLYMERS LIMITED,
Sd/-

PANKAJ GOEL
Managing Director

R.C.SOHNI
Director

Sd/-

Sd/-

PARAS GOEL
Jt.Managing Director

C.P.NARASIMHA KARTHIK
Company Secretary
17th Annual Report 2008 - 2009

PANKAJ POLYMERS LIMITED

Profit & Loss Account for the year ended 31st March, 2009

PARTICULARS	Schedule No.	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales (Less Returns) & Others	N	255251849		284708300	
Other Income	O	23185786		28981758	
Increase/(Decrease) in stocks	P	(13135309)		(430830)	
Total Income			265302326		313259228
EXPENDITURE					
Raw Materials Consumed	Q	199871033		249172604	
Personnel Expenses	R	4082029		3781758	
Other Expenses	S	42373888		42806801	
Finance Charges	T	7557674		6257058	
Depreciation	E	8603054		8553313	
Total Expenditure			262487678		310571533
Profit before Tax			2814648		2687695
			2814648		2687695
Provision for Income Tax			1698500		1700000
Provision for Fringe Benefit Tax			192500		188500
Provision for Deferred Tax			(907858)		(896082)
Profit after Taxation			1831506		1695277
(+) Balance brought forward			26964315		25269038
Balance Carried forward to Balance Sheet.			28795821		26964315
Earning per Share(Basic)			0.33		0.31
Nominal value of the Share			10.00		10.00
No. of Shares			5543900		5543900

Notes on Significant Accounting Policies — Schedule 'V'

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants

for PANKAJ POLYMERS LIMITED,

Sd/-
(RAMESHCHAND JAIN)
Partner
M.No.23019

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
R.C.SOHNI
Director

Place: Secunderabad
Date : 29/06/2009

Sd/-
PARAS GOEL
Jt. Managing Director

Sd/-
C.P. NARASIMHA KARTHIK
Company Secretary

M/S.PANKAJ POLYMERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

• (Rs. 000's)

DETAILS	2008-09	2007-08
<u>A) Cash Flow From Operation</u>		
Net Profit Before tax and extraordinary items	2814.65	2687.70
<u>Adjustments for :</u>		
Profit/Loss on Sale of Assets	(36.19)	62.84
Depriciation	8603.05	8553.31
Interest Paid	7557.67	6257.06
Deferred Revenue expenses Written off	151.02	151.02
Interest Received	(186.52)	(195.30)
Operating Profit before Working Capital	18903.69	17516.62
<u>Adjustments for :</u>		
Trade and Other Receivables	(4441.12)	3486.25
Inventories	(7390.48)	4706.42
Trade Payables Including Cash Credit from Bank	7870.73	(8129.53)
<u>Cash Generated from Operation</u>	14942.81	17579.75
Interest Paid	7557.67	6257.06
Direct Taxes Paid (Net of Refund)	2306.53	3572.28
<u>Net Cash Flow From Operating Activities (A)</u>	5078.61	7750.41

DETAILS	2008-09	2007-08
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	7659.88	4992.18
Sale of Fixed Assets	411.00	240.00
Interest Income	186.52	195.30
Net Cash Flow From Investing Activities (B)	(7062.36)	(4556.88)
c) Cash Flow from Financing Activities		
Proceeds/Repayments from Long Term	1762.53	3431.78
Net Cash used in Financing Activities (C)	1762.53	(3431.78)
Net Increase in Cash and Cash Equivalent (A+B+C)	(221.23)	(238.25)
Cash and Cash Equivalent As at 01.04.2008	1240.85	1479.10
Cash and Cash Equivalent As at 31.03.2009	1019.62	1240.85

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants

for PANKAJ POLYMERS LIMITED,

Sd/-
(RAMESHCHAND JAIN)
Partner
M.No.23019

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
R.C.SOHNI
Director

Sd/-
PARAS GOEL
Jt.Managing Director

Sd/-
C.P.NARASIMHA KARTHIK
Company Secretary

Place: Secunderabad
Date : 29/06/2009



PANKAJ POLYMERS LIMITED

Schedules annexed to and forming part of the accounts for the year ended 31st March, 2009

SCHEDULE - A : SHARE CAPITAL

Particulars	As at 31.03.2009	As at 31.03.08
AUTHORISED		
1,50,00,000 equity share of Rs. 10/- each	150000000	150000000
ISSUED SUBSCRIBED AND PAID UP		
55,43,900 Equity Shares of Rs. 10/- each	55439000	55439000
TOTAL	55439000	55439000

SCHEDULE - B : RESERVES AND SURPLUS

Particulars	As at 31.03.2009	As at 31.03.2008
General Reserve	100000	100000
Special Capital Incentive	5305100	5305100
Share Premium Account	6841900	6841900
Surplus in P & L Account	28795821	26964315
TOTAL	41042821	39211315

SCHEDULE - C : SECURED LOANS

Particulars	As at 31.03.2009	As at 31.03.2008
Cash Credit	47729209	50481795
Indian/Foreign Letter of Credit (Cash credit, Letter of Credit) from IDBI Bank Ltd are secured Exclusive charge on borrower' current assets, both present and future viz., entire inventories and receivables, whole of the movable properties of the borrowers including movable plant and machinery, spares, tools, accessories in borrower's factories, premises, godowns etc. and personally guaranteed by two Directors of the Company.		
TOTAL	47729209	50481795

SCHEDULE - D : UNSECURED LOANS

Particulars	As at 31.03.2009	As at 31.03.2008
UNSECURED LOANS		
Sales/Vat Tax Deferment	6798356	5035827
TOTAL	6798356	5035827

SCHEDULE - E : FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at	Additions	Deletions	As at	As at	For the	Deletions	Upto	As at	As at
	01.04.2008	During	During	31.03.2009	01.04.2008	Year	for the yr	31.03.2009	31.03.2009	31.03.2008
	Rs.	the year	the year	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land-Freehold (*)	5575116	2413638	0	7988754	0	0	0	0	7988754	5575116
Building	6719739	0	0	6719739	1907876	118658	0	2026534	4693205	4811863
(Factory)										
Building	7333385	1622100	0	8955485	497201	117517	0	614718	8340767	6836184
(Office)										
Plant & Machinery	103343645	2045768	494000	104895413	66143400	6008061	119186	72032275	32863138	37200245
Electrical	4207472	0	0	4207472	3077149	381624	0	3458773	748699	1130323
Installation										
Furniture & Fixtures	695513	1071725	0	1767238	432761	83599	0	516360	1250878	262752
Vehicles	15902420	0	0	15902420	5738632	1510730	0	7249362	8653058	10163788
Office Equipment	1491551	424000	0	1915551	592441	88360	0	680801	1234750	899110
Generators	1990625	0	0	1990625	1496958	205831	0	1702789	287836	493667
Computers/Softwares	1841291	82650	0	1923941	1671953	87357	0	1759310	164631	169338
Moulds	826400	0	0	826400	783763	1317	0	785080	41320	42637
TOTAL	149927157	7659881	494000	157093038	82342134	8603054	119186	90826002	66267036	67585023
Previous Year	145818094	4992183	883120	149927157	74369102	8553313	580281	82342134	67585023	

(*) TITLE DEEDS IN THE NAME OF THE COMPANY IS YET TO BE REGISTERED

SCHEDULE - F : INVENTORIES

Particulars	As at 31.03.2009	As at 31.03.2008
As taken, valued & certified by the Management		
Raw Material	17482750	14997925
Raw Material in Transit	3360000	0
Stores	225000	325000
Work-in-progress / at jobwork	4428095	18395430
Finished Goods	6128072	5195996
Scrap	105660	205710
TOTAL	31729577	39120061

SCHEDULE - G : SUNDRY DEBTORS

Particulars	As at 31.03.2009	As at 31.03.2008
Unsecured & Considered Good Exceeding 6 months	1696902	1765065
<u>Others</u>	46963597	48213222
TOTAL	48660499	49978287

SCHEDULE - H : CASH AND BANK BALANCES

Particulars	As at 31.03.2009	As at 31.03.2008
Cash in hand	999622	1240849
Balance with Scheduled banks:		
In F.D.Account (Pledged with Bank)	20000	0
TOTAL	1019622	1240849

SCHEDULE - I : LOANS AND ADVANCES

Particulars	As at 31.03.2009	As at 31.03.2008
Unsecured & Considered Goods Unless Stated Otherwise.		
(i) Advance recoverable in cash or for value to be received	10681663	5395963
(ii) Sundry deposits	3921375	3559775
(iii) Balance with Central Excise	194781	83177
(iv) Tax Deducted at Source	2853567	3326018
(v) Advance Fringe Benefit tax	100000	170000
TOTAL	17751386	12534933

SCHEDULE - J : CURRENT LIABILITIES

Particulars	As at 31.03.2009	As at 31.03.2008
Sundry Creditors for Goods		
i) Due to Small Scale Industries	43655	180641
ii) Due to Others	1686853	2235298
iii) Sundry Creditors for Capital Goods	32421	9331
iv) Other Liabilities	1267853	6022744
TOTAL	3030782	8448014

SCHEDULE - K : PROVISIONS

Particulars	As at 31.03.2009	As at 31.03.2008
For Expenses	2144786	1845693
For Income Tax	1698500	1700000
For Fringe Benefit Tax	192500	188500
TOTAL	4035786	3734193

SCHEDULE - L : DEFERRED TAX LIABILITIES

Particulars	As at 31.03.2009	As at 31.03.2008
Deferred Tax Liabilities as on 01.04.08	8590205	9486287
Less: Adjustment of Deferred Tax Liability for reversing timing difference arising on account of Depreciation	861194	849418
Less: Deferred Revenue Expenditure	46664	46664
Net Deferred Tax Liabilities	7682347	8590205

SCHEDULE-M: MISCELLANEOUS EXPENDITURE
(To the Extend not Written off or adjusted)

Particulars	As at 31.03.2009	As at 31.03.2008
Deferred Revenue Expenses	330180	481196
TOTAL	330180	481196

SCHEDULE - N : SALES (Gross inclusive of Excise)

Particulars	As at 31.03.2009	As at 31.03.08
HDPE/PP Woven Sacks & Fabric	192959919	220495980
Wastage	4085304	5148014
Disposable Wares	58206626	58729306
Job Work Receipts(TDS.Rs. NIL) (Prev.Year. Rs.53351)	0	335000
TOTAL	255251849	284708300

SCHEDULE - O : OTHER INCOME

Particulars	As at 31.03.2009	As at 31.03.08
Commission (TDS Rs.2654464) (Prev.Year.Rs.2507742)	21958587	26701409
Interest (TDS Rs.38423) (Prev.Year.Rs.42265)	186518	344969
Profit/Loss on sale of Assets	36186	(62839)
Sundry Balance written back	54304	1132663
Rent (TDS Rs.160680) (Prev.Year.Rs.93730)	780000	787630
Miscellaneous Income	170191	77926
TOTAL	23185786	28981758

SCHEDULE - P : INCREASE/DECREASE IN STOCK

Particulars	As at 31.03.2009	As at 31.03.08
Increase/Decrease in stock of finished goods & Semi-finished goods		
Closing Stock		
Finished goods	6128072	5195996
Work-in-Progress/at jobwork	4428095	18395430
Scrap	105660	205710
TOTAL (A)	10661827	23797136
Less: Opening Stocks		
Finished goods	5195996	3165856
Work-in-Progress/at jobwork	18395430	20934720
Scrap	205710	127390
TOTAL (B)	23797136	24227966
TOTAL (A-B)	(13135309)	(430830)

SCHEDULE - Q : RAW MATERIAL CONSUMED

Particulars	As at 31.03.2009	As at 31.03.08
Opening Stock	14997925	19348510
Add: Purchases	223498073	250269310
	238495998	269617820
Less: Closing Stock	20842750	14997925
: Sale of Raw-Material	17782215	5447291
Raw Material consumed	199871033	249172604

SCHEDULE - R : PERSONNEL EXPENSES.

Particulars	As at 31.03.2009	As at 31.03.08
Salaries, Wages & Bonus	2333782	2270060
Contribution to P.F. & E.S.I.	405934	370189
Employees other benefits	27313	16509
Gratuity	85000	45000
Directors' Remuneration	1230000	1080000
TOTAL	4082029	3781758

SCHEDULE - S : OTHERS EXPENSES

Particulars	As at 31.03.2009	As at 31.03.08
<i>Rebate & Discount</i>	1788013	1508518
<i>Electricity & Fuel</i>	12361453	13964949
<i>Consumable stores & Spares Consumed</i>	1379360	1548522
<i>Inward cartage</i>	4550865	2747156
<i>Jobwork Charges</i>	3811784	3928296
<i>Printing & Stationery</i>	97414	105970
<i>Postage & Telephone</i>	562622	686233
<i>Miscellaneous Expenses</i>	740888	914565
<i>Travelling & Conveyance</i>	226644	628261
<i>Insurance</i>	350295	342466
<i>Rates, Taxes & Duties</i>	13027741	13185843
<i>Outward Cartage</i>	907016	816155
<i>Business, Sales Promotion & Advertisement & Deferred Revenue Expenditure written off</i>	954885	720191
<i>Audit Fee</i> Rs. 27575	151016	151016
<i>Tax Audit Fee</i> Rs. 5515	33090	28060
<i>Security Charges</i>	272135	393324
<i>Directors' Sitting fees</i>	12500	16750
<i>Secretarial & Legal Expenses</i>	129042	170509
<u>Repairs & Maintenance:</u>		
<i>Machinery</i>	557496	539350
<i>Buildings</i>	0	9748
<i>Others</i>	459629	400918
TOTAL	42373888	42806800

SCHEDULE - T : INTEREST & FINANCIAL CHARGES

Particulars	As at 31.03.2009	As at 31.03.08
<i>Interest on Term Loan</i>	0	186066
<i>Interest on CC Limits</i>	6885357	5170500
<i>Others (incl. Bill Disc. & Bank Charges, Renewal Fee)</i>	672317	900492
TOTAL	7557674	6257058

SCHEDULE - V : NOTES FORMING PART OF ACCOUNTS
1. SIGNIFICANT ACCOUNTING POLICIES :**a) Basis of Accounting**

The Financial Statements have been prepared under the historical cost convention on accrual basis in conformity in all material aspects with the generally accepted accounting principles in India and comply with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

b) Revenue Recognition

Sale of goods is recognized on dispatches to customers, and is inclusive of excise duty and sales tax (wherever applicable).

c) Use of Estimates

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

d) Fixed Assets

Fixed Assets are stated at historical cost of acquisition less accumulated depreciation and net of Excise Duty eligible for Cenvat. Pre-operative expenses and Attributable interest stand Capitalized as part of asset cost.

e) Depreciation

Depreciation on Fixed Assets have been provided on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 and prorata on additions during the year. Individual low cost assets acquired at less than Rs.5,000/- are depreciated within the year of acquisition.

f) Investments

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in the opinion of the management.

g) Impairment:

The carrying amounts of assets are revised at each balance sheet date if there is any indication of Impairment based on internal and external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount.

h) Inventories

Raw Materials, Stores, Spares and work in progress are valued at cost including Cenvat credit wherever applicable on first in first out basis. Finished goods are valued at lower of cost and or estimated net realisable value. Finished goods and work in progress includes cost of conversion and other costs including Excise Duty incurred in bringing the inventories to their present location and condition. Material in transit are stated at actual cost. Scrap is valued at net realisable value.

i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate, prevailing on the date of transaction or at the exchange rates under the related forward exchange contracts. Profit/Loss on outstanding Foreign Currency contracts have been accounted for at the exchange rates, prevailing at the year end rates as per FEDAI/RBI.

j) Employee Retirement Benefits

Company's contribution to Provident Fund and Superannuation Fund are charged to Profit and Loss Account. Gratuity is charged to Profit and Loss Account.

k) Deferred Revenue Expenditure is amortised over a period of ten years.**l) Provision for Current and Deferred Tax:**

i) Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

ii) Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

m) 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 event and it is probable that there will be an outflow of resources. Contingent

Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

n) Turnover

Turnover includes sale price of goods, sales tax, excise duty. Inter-segment sales are excluded in the Main Profit and Loss account.

o) Segment Reporting

Company's operating Business, organized & Managed unit wise, according to the nature of the products and services provided, are recognized in segments representing one or more strategic business units, that offer products or services of different nature and to different Markets.

p) Prior Period Expenses / Income

Prior period items, if material are separately disclosed in Profit & Loss Account together with the nature and amount. Extraordinary items & changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

q) Sundry Debtors, Loans and Advances

Doubtful Debts/Advances are written off in the year in which those are considered to be irrecoverable.

r) Earning per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) issued by the Institute of Chartered Accounts of India. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

s) Cash Flow Statement:

Cash Flow Statement has been prepared in accordance with requirement of Accounting Standard – 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

2. NOTES TO THE ACCOUNTS:

1. Contingent Liabilities:

- 1) Estimated amount of contracts remaining to be executed on capital accounts net of advance Rs. NIL (Previous Year Rs.1,76,560/-)
- 2) Bill Discounting of Rs. NIL (Previous Year Rs.72,60,357/-)

2. Related Party Disclosures: Related party disclosures as required under Accounting Standards AS18 on Related Party Disclosures:

a) Relationship:

I) **Associates:** Pankaj Capfin Private Limited, Pankaj Tubes (P) Ltd., Jaya Polywear Private Limited., Pankaj Stripes (P) Limited., Aman Tubes Private Limited, Welset Polypack (P) Limited.,

II) **Key Management Personnel:** Mr. Pankaj Goel and Mr. Paras Goel

b) The following transactions were carried out with related parties in the ordinary course of business.

I) Associates: Loans taken – Op. Balance as on 1.4.08	-	Rs. – NIL -
Add: Transactions during the year (Loans taken)	-	Rs.77,32,000

TOTAL:	Rs.77,32,000
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Less: Transactions during the year (Loans repaid)	-	Rs.77,32,000
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Balance as on 31.03.2009	Rs. NIL
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II) **Job-work Charges:**

1) Jaya Polywear (P) Limited	Rs. 8,41,800.00
2) Rent paid to Shweta Goel	Rs. 1,87,200.00

III) Purchases from M/s. Welset Polypack (P) Ltd Rs.11,89,202.00.

III) **Key Management Personnel:** Mr. Pankaj Goel - Managerial Remuneration, of Rs.7,50,000/- including HRA and Mr. Paras Goel- Managerial Remuneration of Rs.4,80,000/- .

3. In accordance with the provisions of the accounting standards, AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized tax effect of the timing differences, representing the difference between Taxable Income and Accounting Income.
4. In the absence of necessary information with the company relating to the registration status of suppliers under the MSMED Act 2006, the information required under the said Act could not be compiled and disclosed.
5. As the working at Nagpur Unit was unviable, the operation at the unit have been suspended. The company has applied for closure of the unit with the appropriate authorities, the approval for which is yet to be received.
6. Sundry Debtors, Sundry Creditors, Loans and Advances are subject to confirmation from the parties.
7. **Managerial Remuneration:**

Salary:

Managing Director	Rs.6,00,000.00
Joint Managing Director	<u>Rs.4,80,000.00</u>

Total : Rs. 10,80,000.00

H.R.A:

Managing Director : Rs. 1,50,000.00

Total : **Rs.12,30,000.00**

8. The segment wise revenue, results and capital employed is for the year ended 31.03.2009 is given below:-

Rs. in lakhs			
Sl No	Particulars	Year ended 31-03-09	Year ended 31-03-08
1.	Segment Revenue/Income		
	a. HDPE/PP Woven Sacks/Fabrics	1970.45	2259.79
	b. PP Sheets/ PP Disposable Wares	582.07	587.29
	Total	2552.52	2847.08
	Less: Inter Segment Revenue	0.00	0.00
	Net Sales/Income from Operations	2552.52	2847.08
2.	Segment Results (Profit) (+)/ Loss (-) before tax and Interest from each Segment:		
	a. HDPE/PP Woven Sacks/Fabrics	(48.02)	(57.09)
	b. PP Sheets/ PP Disposable Wares	7.59	(60.44)
	Total		
	Less: a) Interest	75.58	62.57
	b) Other un-allocable expenditure net of un-allocable income(+)/(-)	(144.15)	(206.58)
	Total Profit before tax	28.15	26.48
3.	Capital Employed (Segment Assets – Segment Liabilities)		
	a. HDPE/PP Woven Sacks/Fabrics	936.63	1013.63
	b. PP Sheets/ PP Disposable Wares	277.10	284.70
	Total	1213.73	1298.33

9. Previous years figures have been regrouped and reclassified wherever necessary to make them comparable.

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants

Sd/-
(RAMESHCHAND JAIN)
Partner

M.No.23019
Place: Secunderabad
Date : 29/06/2009

for PANKAJ POLYMERS LIMITED,

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
R.C.SOJNI
Director

Sd/-
PARAS GOEL
Jt.Managing Director

Sd/-
C.P. NARASIMHA KARTHIK
Company Secretary

ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PART II
OF SCHEDULE VI OF THE COMPANIES ACT 1956

Sl. No.	Details	For the year ended 31.03.2009		For the year ended 31.03.2008	
		Qty.(MT)	Value.(Rs)	Qty.(MT)	Value.(Rs)
a)	SALES OPENING AND CLOSING STOCK OF GOODS PRODUCED				
i)	HDPE/PP SACKS & FABRIC				
	Opening Stock	17.870	1588120	23.063	1793778
	Sales	1691.479	192959919	2298.544	220495980
	Closing Stock	18.379	1563462	17.870	1588120
ii)	PP DISPOSABLE WARES/ CONTAINERS				
	Opening Stock	44.010	3607876	11.644	879520
	Sales	614.775	58206626	696.402	58729306
	Closing Stock	42.885	4074075	44.010	3607876
b)	DETAILS OF RAW MATERIAL CONSUMED				
	HDPE/PP Granules	2630.800	199871033	3462.718	249172604
c)	LICENCED AND INSTALLED CAPACITY AND PRODUCTION FOR THE YEAR				
i)	HDPE/PP SACKS				
	Installed Capacity	6695.000		6695.000	
	Production	1691.988		2293.351	
ii)	PP DISPOSABLE WARES/CON.				
	Installed Capacity	1901.000		1901.000	
	Production	613.650		728.768	
d)	VALUE OF IMPORTS (CIF) BASIS				
	Raw-Materials		NIL	NIL	
e)	EXPENDITURE IN FOREIGN CURRENCIES				
	Travelling Expenses		0		258110
f)	VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL STORES SPARE PARTS & COMPONENTS CONSUMED DURING THE YEAR				
	Raw-Materials				
	Imported	NIL	NIL	NIL	NIL
	Indigenous	2630.800	199871033	3462.718	249172604
	Stores Spareparts & Components				
	Imported	NIL	NIL		
	Indigenous	0	1379360	NIL	1548522
g)	EARNING IN FOREIGN CURRENCY	NIL	NIL	NIL	NIL

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants

for PANKAJ POLYMERS LIMITED,

Sd/-
(RAMESHCHAND JAIN)
Partner
M.No.23019

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
R.C.SOHNI
Director

Place: Secunderabad
Date : 29/06/2009

Sd/-
PARAS GOEL
Jt.Managing Director

Sd/-
C.P.NARASIMHA KARTHIK
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(a)	Registration Details	Registration No. : 01-14419	State Code : 1				
		Balance Sheet Date : 31/03/2009					
(b)	Capital Raised during the year (Amount in Rs. Thousands)	Public Issue : NIL	Rights Issue : NIL				
		Bonus Issue : NIL	Private Placement/Others : NIL				
(c)	Position of Mobilisation & Development of Funds: (Amount in Rs. Thousands)	Total Liabilities : 151009	Total Assets : 151009				
		SOURCES OF FUNDS					
		Paid-up Capital : 55439	Reserves & Surplus : 41042				
		Secured Loans : 47729	Unsecured Loans : 6798				
		APPLICATION OF FUNDS					
		Net Fixed Assets : 66267	Investments : ---				
		Net Current Assets : 92095	Misc. Expenditure : 330				
		Accumulated Losses : ---					
(d)	Performance of Company (Amount in Rs. Thousands)	Turnover (Incl. other income) : 265302	Total Expenditure : 262488				
		Profit before Tax : 2815	Profit After Tax : 1832				
		Earning per Share in Rs. : 0.33	Dividend Rate (%) : ---				
(e)	Generic Names of Principal products of Company: (As per monetary terms)	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Item Code No.(ITC Code) : 3923</td> <td>HDPE/PP WOVEN SACKS/FABRICS</td> </tr> <tr> <td style="padding-left: 100px;">: 3924</td> <td>PP SHEETS AND PP DISPOSABLE WARES AND CONTAINERS</td> </tr> </table>		Item Code No.(ITC Code) : 3923	HDPE/PP WOVEN SACKS/FABRICS	: 3924	PP SHEETS AND PP DISPOSABLE WARES AND CONTAINERS
Item Code No.(ITC Code) : 3923	HDPE/PP WOVEN SACKS/FABRICS						
: 3924	PP SHEETS AND PP DISPOSABLE WARES AND CONTAINERS						



PANKAJ POLYMERS LIMITED

Regd. Office: "E" Block, V th Floor, 105, Surya Towers
Sardar Patel Road, Secunderabad-500 003

NOMINATION FORM

(To be filled in by individual applying singly or jointly. If jointly, only up to two persons)

FORM 2B
(see rules 4CCC and 5D)

Folio No.:

I/Weand.....the holders of Shares bearing numbers(s).....of PANKAJ POLYMERS LIMITED wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of shares shall vest in the event of my/our death.

Name and Address of Nominee

***Name and Address of Guardian**

Name : _____

Name : _____

Address: _____

Address: _____

Date of Birth* : _____

(*To be furnished in case the nominee is a minor)

Details of Shareholders:

Signature: _____

Signature : _____

Name : _____

Name : _____

Address: _____

Address: _____

Date : _____

Date : _____

Details of two Witnesses:

Name and Address

Signature with date

1.

2.

FOR OFFICE USE ONLY

Nomination Registration Number : _____

Date of Registration : _____

Checked by : _____

Please see instructions overleaf

(MEMBERS, HOLDING SHARES IN PHYSICAL FORM, MAY USE THIS FORM. MEMBERS, HOLDING SHARES IN ELECTRONIC FORM, MAY CONTACT THEIR CONCERNED DEPOSITORY PARTICIPANTS FOR NOMINATION.)

Instructions:

1. The nomination will be registered only when it is complete in all respects including the signatures of :
 - (a) all registered holders (as per the specimen lodged with the Company) and
 - (b) the nominee.
2. The Nomination can be made by individuals only holding shares on their own behalf, singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder.
5. A non-resident Indian can be a nominee on repatriable basis.
6. Transfer of shares in favour of a nominee shall be valid discharge by the Company against the legal heir. Whenever the Shares in the given folio are entirely transferred or transposed with some other folio, then this nomination will stand rescinded.
7. Only one person can be nominated for a given folio.
8. Details of all holders relating to a single folio should be filled; else the request will be rejected.
9. Upon the receipt of a duly executed nomination form the company will register it and allot a registration number. The registration number and folio number should be quoted by the nominee in all future correspondence.
10. The nomination can be varied or cancelled by executing a fresh nomination form
11. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.



PANKAJ POLYMERS LIMITED
Regd. Office: "E" Block, V th Floor,105, Surya Towers
Sardar Patel Road, Secunderabad-500 003

Folio No.:
CLIENT ID*:
DP ID*:

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/Members of PANKAJ POLYMERS LIMITED, hereby appoint, _____ of _____ in the district of _____ or failing him, _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Wednesday the 30th September, 2009 at 11.00 a.m. at Punjabi Welfare Society Community Hall, Ramnagar Colony, Alwal, Secunderabad – 500 015 and at any adjournment thereof.

Signed this _____ day of _____ 2009



*Applicable to Members holding shares in electronic form.

Signature _____

- Note :
1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy and vote instead of himself. A proxy need not be a Member.
 2. This form duly completed should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of Meeting.



PANKAJ POLYMERS LIMITED
SEVENTEENTH ANNUAL GENERAL MEETING

Folio No.:
CLIENT ID*:
DP ID*:

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall. Only Member or his proxy is entitled to be present at the Meeting.

Name and Address

I hereby record my presence at the 17th Annual General Meeting being held on Wednesday, the 30th September, 2009 at 11.00 A.M. at Punjabi Welfare Community Hall, Ramnagar, Alwal, Secunderabad – 500 015.

Signature of the Shareholder / Proxy
(Strike out whichever is not applicable)

* Applicable to Members holding shares in electronic form.

NOTE : PLEASE BRING THE ANNUAL REPORT ALONG WITH THE PROXY / ATTENDANCE SLIP. THE SAME WILL NOT BE GIVEN AT ANNUAL GENERAL MEETING.

**PRINTED MATTER
BOOK - POST**

If Undelivered, please return to :



PANKAJ POLYMERS LIMITED

Regd. Office. "E" Block, V Floor, 105, Surya Towers,
Sardar Patel Road, Secunderabad - 500 003.

Phones : 040 - 27897743, 27897744, 27815895

Fax : 040 - 27842127

email : hyd1_pankaj@sancharnet.in