

CONTENTS

	Page No.
NOTICE TO THE MEMBERS.....	3
DIRECTORS' REPORT.....	5
REPORT ON CORPORATE GOVERNANCE.....	10
AUDITORS' REPORT.....	20
BALANCE SHEET.....	23
PROFIT & LOSS ACCOUNT.....	24
SCHEDULES.....	25
CASH FLOW STATEMENT.....	37
BALANCE SHEET ABSTRACT.....	38
E-COMMUNICATION REGISTRATION FORM	39



PANKAJ POLYMERS LIMITED

Board of Directors

Sri. Baburam Goel	Chairman
Sri. Pankaj Goel	Managing Director
Sri. Paras Goel	Joint Managing Director
Sri. Ishoo Narang	Director
Sri. T. Prasad Reddy	Director
Sri. Manohar Ramavat	Director

Audit Committee

Sri. T. Prasad Reddy	Chairman
Sri. Ishoo Narang	Member
Sri. Manohar Ramavat	Member

Remuneration Committee

Sri. Manohar Ramavat	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

Compliance Officer

Mr. Ravi Venkata Kiran

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.
H.No.3-3-54/A, Kachiguda Station Road,
Hyderabad - 500 027.

Share Transfer Agents

M/s Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081. Andhra Pradesh

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.

NOTICE

Notice is hereby given that the **20th Annual General Meeting** of the members of M/s Pankaj Polymers Limited will be held on **Friday the 28th day of September 2012 at 11.30 A.M.** at Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad - 500 003 to transact the following items of business:

Ordinary Business

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended 31st March 2012, together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Sri. T. Prasad Reddy who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri. Manohar Ramavat who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Luharuka & Associates, Chartered Accountants, Hyderabad (Reg. No.01882S) as Auditors of the Company to hold office from 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. APPROVAL FOR KEEPING THE REGISTER OF MEMBERS ETC AT A PLACE OTHER THAN REGISTERED OFFICE

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution.

"RESOLVED THAT Pursuant to the provisions of Section 163 and other applicable provisions of the companies Act 1956, the company hereby approves that the Registrar of Members, index of members, Register of Transfer of shares and copies of all Annual Returns prepared under section 159 of the Act, together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act, or any one or more them kept at the premises of the Company's Registrar and Transfer Agents i.e KARVY Computer Share Private Limited, Plot No 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500081 and at such other places with in Hyderabad where the Registrar and Transfer Agents may shift its office from time to time instead of the Registered office of the company.

By Order of the Board

Sd/-

(PANKAJ GOEL)

Managing Director

Place : Secunderabad

Date : 14.08.2012

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. Karvy Computer share Private Limited, Plot No 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081.

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 Monday, the 24th day of September 2012 to Friday, the 28th day of September, 2012 (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 2012-2013 has been paid to Stock Exchange.
8. Information required under Listing Agreement entered into with the Stock Exchange(s) with respect to the Directors proposed to be appointed or re-appointed is given under the head "Corporate Governance".
9. Register of Directors shareholding under Section 307 of the Companies Act, 1956 will be open for inspection to the members at the registered office of the company during the period beginning fourteen days before the date of Annual General Meeting and ending three days after the date of its conclusion, during office hours.
10. SEBI, vide circular dated 20th May 2009, has made it mandatory for transactions involving transfer/transmission of shares in physical form for the transferee/s to furnish copy of PAN card to the STA/Company for registration of such transfer/transmission of shares.
11. Members are requested to notify immediately any change in their address to the share transfer agents and in case their shares are held in dematerialized form, this information should be passed on to their respective depository participants without delay.
12. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report.
13. Register of Contracts with Companies and Firms in which Directors are interested under section 301 of the Companies Act, 1956 is open for inspection to the members at the registered office of the company on all working days at working hours ie, 10.00A.M to 1.00 P.M except on holidays.
14. Members who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easier identification of attendance at the meeting.
15. Members are requested to bring their copy of Annual Report to the Meeting.
16. **Explanatory statement, Pursuant to section 173 (2) of the companies Act 1956, Annexed**

It was informed to the Members that M/s. KARVY Computershare Private Limited were appointed as the Registrars and Share Transfer Agents of the company with effect from 1st February 2012 in place of M/s. Sathguru management Consultants Private Limited.

As per the provisions of Section 163 of the Companies Act approval of shareholders by way of special resolution is required for keeping the Register of Members index of members, Register of Transfer of shares and copies of all Annual Returns etc at a place other than the Registered office of the company. Hence the Board of Directors recommends the aforesaid resolution for your approval.

None of the Directors is concerned or interested in the aforesaid resolution.

By Order of the Board

Sd/-
(PANKAJ GOEL)
Managing Director

Place : Secunderabad

Date : 14.08.2012

DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present herewith the 20th Annual Report on the business and operations of the Company and the Audited Accounts for the year ended 31st March 2012.

1. Financial Results and Operations

The summarized financial results for the year ended 31st March 2012 as compared with the previous year are as under:

Rs. In Lakhs.

Sl. No.	Particulars	For the Year 2011-12	For the Year 2010-11
a.	Sales	2956.78	2647.33
b.	Profit before Interest, Depreciation & Tax	168.61	186.64
c.	Less: Interest	74.08	59.62
d.	Less: Depreciation	75.02	95.96
e.	Profit before Tax	19.52	31.06
f.	Less: Provision for Income Tax	3.85	15.29
g.	Add: Deferred Tax	3.93	5.68
h.	Less: MAT Credit Entitlement	3.84	0.00
i.	Net Profit	15.57	21.45

The Operational performance of the Company is discussed in detail 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. Demerger of PP Sheets / PP Disposable Wares Division

Pursuant to the scheme of arrangement approved by Honorable High Court of Andhra Pradesh as per section 391 to 394 of the Companies Act, 1956 for De Merger of PP Sheets / Disposable Division into Pankaj Polypack Limited, the scheme has become effective on 01st February, 2012 with the appointed date as 01.04.2011. Accordingly the PP Disposable /Sheets Division is transferred to Pankaj Polypack Limited along with Assets, Liabilities, work Force, Orders etc.

As per the terms of scheme the share holders of our company are allotted shares of Pankaj Polypack Limited in the ratio of 5 equity shares of face value of Rs.10/- fully paid up in Pankaj Polypack for every 12 equity share of the face value of Rs.10/- each fully paid up held by the share holders of the Pankaj Polymers Limited and 717540 Equity Shares to the company. The Shares allotted by Pankaj Polypack Limited is in Frozen Status for the pending SEBI approval on listing.

4. Fixed Deposits

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

5. 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.

6. Directors

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company Shri. T. Prasad Reddy and Shri. Manohar Ramavat, Directors retire by rotation and being eligible offer themselves for re-appointment.

7. Auditors

The Statutory Auditors of the company M/s Luharuka & Associates, Chartered Accountants, Hyderabad (Firm No. 01882S) retire at the ensuing Annual General Meeting and are eligible for re-appointment. Your company has received intimation to the effect that, Proposed re-appointment, if made would be within the Prescribed limit under Section 224(1B) of the Companies Act 1956 and also in compliance with the requirements of the Listing Agreement regarding Peer Review. They have confirmed their willingness to accept office, if re-appointed.

The Board and Audit Committee recommend the re-appointment of M/s Luharuka & Associates, Chartered Accountants as Statutory Auditors to hold office till conclusion of Next Annual General Meeting.

8. Particulars of Employees

No employee in the organization was in receipt of remuneration, which requires disclosure under section 217(2A) of the Companies Act, 1956.

9. 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 2012, 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 2012 on a 'going concern basis'.

10. Corporate Governance

A detailed report on Corporate Governance along with Auditors Certificate on Compliance with Corporate Governance forms part of this Annual Report.

11. Management Discussion and Analysis Report

a. Industry Structure & Development

Pankaj Polymers Limited is a polymer manufacturing company primarily operating in the following segments

- HDPE/PP Woven Sacks/Fabrics
- Plastic Moulded Industrial Accessories

Polymers are essentially used in the manufacture of various plastic products. In the consumption of the basic petrochemical, polymers form the bulk of demand as a packing material in Cement Industries, and also find its usage in Sugar and Fertilizer Industries as a primary packing material and also in packing rice bags for export purposes. The company's PP bags manufacturing unit is one of the latest and modern plants and is on its constant endeavor to further modernize the plant from time to time.

Injection moulded products manufacture and market the industrial consumer injection Blow Moulded articles of PBT/PP/PET. The products have multiple usages and presently the products manufactured relate to "holders for CFL bulbs/lights and also pet bottles/jars of different ranges /designs meant for variety of usages both by corporate as well as consumer sector.

During the year the performance of Plastic Moulded Industrial Accessories segment manufacturing of Plastic Injection Moulded Articles contributed significant performance.

During the year company has commenced the production and marketing of pet bottles, the turnover and performance of the pet bottles included in the Plastic Moulded Industrial Accessories segment.

b. Opportunities

The industry has many growth opportunities owing to the wide applicability of polymer products in various fields and increasing demand for Plastic Moulded Industrial Accessories. The demand for company products has been constantly on an increase and its usage as a primary packing material for industrial use, increasing the focus on usage of CFL Lights for energy conservation has been extending to many new areas.

c. Threats, Risks & Concerns

Global trade balance and inventories will have impact on polymer prices. At present the threats, risks and concerns being felt and forecasted 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. Innovation, rationalization of costs and effective downstream industry management will offer a competitive advantage to polymer manufacturers across the globe.

d. Segment wise performance

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

Particulars	Year Ended 31-03-12	Year Ended 31-03-11
1. Segment Revenue/Income		
a. HDPE/PP Woven Sacks/Fabrics	2360.19	2371.25
b. PP Sheets/ PP Disposable Wares*	0.00	170.02
c. Plastic Moulded Industrial Accessories	596.58	106.06
Total	2956.77	2647.33
Less: Inter Segment Revenue	0.00	0.00
Net Sales/Income from Operations	2956.77	2647.33
2. Segment Results		
(Profit) (+)/ Loss (-) before tax and Interest from each Segment:		
a. HDPE/PP Woven Sacks/Fabrics	81.86	180.40
b. PP Sheets/ PP Disposable Wares*	0.00	(87.96)
c. Plastic Moulded Industrial Accessories	92.35	25.27
Total	174.21	117.71
Less:		
a. Interest	74.08	59.62
b. Other un-allocable expenditure	80.61	27.03
Net off un-allocable income(+/-)		
Total Profit before tax	19.52	31.06
3. Capital Employed		
(Segment Assets – Segment Liabilities)		
a. HDPE/PP Woven Sacks/Fabrics	1018.69	972.81
b. PP Sheets/ PP Disposable Wares*	0.00	193.05
c. Plastic Moulded Industrial Accessories	335.74	372.82
Total	1354.43	1538.68

* PP Sheets/PP Disposable Wares - This segment is de-merged into Pankaj Polypack Limited, pursuant to the scheme of arrangement approved by Honorable high Court of Andhra Pradesh as per section 391 to 394 of the Companies Act,1956.

e. Outlook

As the demand for polymers continues to show a healthy growth in emerging markets like India the growth potential is significant. With the constant growth in the polymer industry, the Company is expecting a growth rate and achieving the optimum capacity utilization. The Plastic Moulded Industrial Accessories division achieved significant performance. The adverse impact on cement industry may likely to have negative impact on the revenues/ realizations of HDPE unit.

f. Discussion on financial performance with respect to operational performance

During the year under review the Company has achieved a turnover of Rs.2956.78 lakhs as against Rs.2647.33 lakhs in the previous year. The current year production of HDPE / PP Woven Sacks was 1850.405 MT as against 2038.653 MT in the previous year. Company has produced 267.121 MTS in Plastic Moulded Industrial Accessories against 58.275 MT in the previous year.

During the year the Company has earned a Net Profit before tax of Rs. 19.52 lakhs as against Rs.31.06 lakhs in the previous year. The Company has made a provision of Rs 3.85 lakhs for income 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 31.03.2012 was Rs 0.28 as against Rs.0.39 in the previous year.

g. Internal control system and their adequacy

The Company has an internal control 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 2012, the Company has about 75. Employees working at its various factories and offices.

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.

12. 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 : 14.08.2012

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

Particulars	2011-12	2010-11
POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units	1667233	2125980
Total Amount (Rs.)	8417669	10067587
Rate Per Unit (Rs.)	5.05	4.74
b) Own Generation		
Through diesel generator		
Units (Litres)	58131	43445
Total Cost (Rs.)	2599733	1743997
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	4.54	4.50

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:	Amount in Rs.	Amount in Rs.
Earnings	NIL	NIL
Outgo	91665	677025

By Order of the Board

Sd/-
Baburam Goel
Chairman

Place : Secunderabad
Date : 14-08-2012

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 Corporate 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) **Composition of Board:** 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) **Board and Committee Meetings:** 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 companies as at 31st March 2012 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 2011-12		Whether attended last AGM held on 28 th September 2011	No. of Directorships in other Public companies	No. of Committee positions held in other public companies	
		Held	Attended			Chairman	Member
Sri Baburam Goel	Promoter Non Executive	7	5	No	2	NIL	NIL
Sri Pankaj Goel	Chairman, Promoter Executive	7	7	Yes	7	NIL	1
Sri Paras Goel	Promoter Executive	7	6	Yes	4	NIL	NIL
Sri Ishoo Narang	Non Executive Independent	7	7	No	5	NIL	NIL
Sri T Prasad Reddy	Non Executive Independent	7	6	Yes	2	NIL	NIL
Sri R.C.Sohni*	Non Executive Independent	3	2	No	-	NIL	NIL
Sri Manohar Ramavat**	Non Executive Independent	3	3	Yes	1	NIL	NIL

* Sri R.C.Sohni, Independent Director and Chairman of Audit Committee, ceased to be the director of the company on account of his sudden demise on 13th July, 2011.

** Sri Manohar Ramavat was appointed in the Board Meeting of 8th August 2011, as an Additional Director in Independent Capacity and was later regularized in the AGM. And there on he became the member of Audit committee and Remuneration committee also.

- (iv) Seven (7) Board Meetings were held during the year 2011-12 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 20th May, 2011, 01st June, 2011, 02nd July, 2011, 08th August 2011, 07th October, 2011, 11th November, 2011 and 10th February, 2012.
- (v) Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

3. Code of Conduct

The Code of Conduct has been adopted by the Board of Directors, which is applicable to all the Directors, both executive and non-executive and Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

A declaration by Managing Director affirming the compliance of the Code of Conduct for Board Members and senior management executives is also annexed separately at the end of this report.

4. 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 292A 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 T.Prasad Reddy – Chairman
 - 2. Sri Ishoo Narang – Member
 - 3. Sri Manohar Ramavat – 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 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.
- Reviewing, with the management, performance of statutory auditors, adequacy of the internal control systems.
- 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. Shri. R.C. Sohni, Independent Director was heading the Audit Committee as Chairman; he expired in the month of July, 2011. In order to replace him Mr. Prasad Reddy was elected as the chairman. The Chairman of the Audit Committee was present at the previous Annual General Meeting.

- (iv) During the year 2011-12 the Audit Committee met four(4) times on 20th May 2011, 08th August, 2011, 11th November 2011, 10th February, 2012. Statutory auditors, Managing Director and Joint Managing Director were invited for the meetings. The Company Secretary acts as the secretary of the Audit Committee. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2011-12	
		Held	Attended
Sri. R.C. Sohni* - (Chairman for only one Meeting)	Independent, Non Executive	1	1
Sri. Ishoo Narang – Member	Independent, Non Executive	4	4
Sri. T. Prasad Reddy - (Member / Chairman)	Independent, Non Executive	4	3
Sri. Manohar Ramavat - Member	Independent, Non Executive	2	1

* Sri. R.C.Sohni, Chairman of the Audit Committee expired in the month of July, 2011. Hence he acted as Chairman only in one meeting of the Audit Committee. And thereon, Sri. T.Prasad Reddy, Member of the Audit Committee was appointed as the Chairman of the Audit Committee.

5. 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. Manohar Ramavat, Sri. Ishoo Narang and Sri. T. Prasad Reddy, all are 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.

- a) During the year 2011-12 the Committee did not meet as there were no changes in the remuneration of Managing Director and the Joint Managing Director.

6. Remuneration of Directors

- Details of remuneration/sitting fees paid to the Directors for the year 2011-12 are given below.
- No pecuniary relationship exists between the Company and its Non - Executive Directors except for the sitting Fees.
- Notice period, severance fees and stock option/performance incentives - Not applicable.
- The Managing Director and Jt. Managing Director are appointed for a period of 3 years, the remuneration paid in FY 2011-12 is as follows :-

Sri Pankaj Goel, Managing Director - Rs.12,05,856/- including P.F.

Sri Paras Goel, Joint Managing Director - Rs.11,30,508/- including P.F.

(v) Details of Shares of the Company held by the Directors as on March 31, 2012 are as below:

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

7. 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 Mr. Ravi Venkata Kiran, Company Secretary as the Compliance Officer of the Company.

The committee met twice during the year 2011-12 on 15th September, 2011 and 15th December, 2011. Attendance at the committee meetings was as under:

Name of the Member	No. of Meetings attended
Sri. Ishoo Narang	2
Sri. Pankaj Goel	2
Sri. Paras Goel	2

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was Nil. There was no outstanding complaints as on 31st March 2012.

The Committee received 2100 shares for transfer/transmission/duplicate certificates and the same were approved and there were no rejections. The Committee also received and approved 3200 shares for conversion of physical shares into Dematerialization during the year under review. There were no transfers or transmissions or demat/remat requests pending as on 31st March 2012.

8. General Body Meetings

a) Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date	Time	Special Resolutions passed in AGMs
2010-2011	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad – 500 003.	28.09.2011	11.00 A.M	2
2009-2010	Panjabi Welfare Society Community Hall, Ramnagar Colony, Alwal, Secunderabad – 500 015.	29.09.2010	11.00 A.M	0
2008-2009	Panjabi Welfare Society Community Hall, Ramnagar Colony, Alwal, Secunderabad – 500 015.	30.09.2009	11.00 A.M	0

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

9. Disclosures

A. Related Party Transactions

During the year 2011-12 the Company had no materially significant related party transactions, which are considered to have potential conflict with the interest of the Company at large. The disclosures as to related party transaction is disclosed in Point no. 2 of the notes to accounts.

B. Compliances made by the Company

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.

10. 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 Financial results and other important information to shareholders placed at companies' website www.pankajpolymers.com. Official news releases are sent to the stock exchanges at Mumbai where the shares of the Company are listed.

11. General Shareholders information

- a. Date and Time : Friday the 28th September, 2012 at 11.30 A.M.
 Venue : Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad- 500 003.
- b. Financial Calendar (tentative)
 Financial Year : 1st April 2011 to 31st March 2012
- c. Dates of Book closure : Monday the 24th September 2012 to
 Friday the 28th September 2012
- d. Dividend payment date : Not applicable
- e. Listing on Stock Exchanges : The Bombay Stock Exchange Limited (BSE)
 Stock Code : 531280

The Company has paid its annual listing fees to the stock exchange for the financial year 2012-13

- f. Market Price Data : High/Low price quotation in each month of the last financial year 2011-12 on the Stock Exchange, Mumbai is given below.

Month	High (Rs.)	Low (Rs.)
Apr' 11	17.95	11.90
May' 11	12.90	10.00
Jun' 11	13.75	11.15
Jul' 11	14.10	11.05
Aug'11	14.07	11.30
Sep' 11	14.38	9.78
Oct' 11	14.00	8.91
Nov' 11	15.40	8.90
Dec' 11	10.95	7.32
Jan' 12	9.90	7.00
Feb' 12	12.35	8.56
Mar'12	10.79	5.72

Source: www.bseindia.com

Registrars and Transfer Agents (RTA) : M/s Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081.
www.karvycomputershare.com

12. Share Transfer System

In pursuance of SEBI notification No.D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company had appointed Karvy Computershare Private Limited 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.

13. Shareholding Pattern as on 31st March 2012

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	1312372	23.67
5.	Indian Public	1501958	27.10
6.	NRIs/OCBs	10230	0.18
	Total	5543900	100.00

14. Distribution of Shareholding as on 31st March 2012

Share or debenture holding of nominal value of		Share / Debenture Holders		Shares / Debenture Amount	% of
Rs.	Rs.	Number	% to	in Rs.	
(1)		(2)	(3)	(4)	(5)
1 to	5000	1004	63.67	2128050	3.84
5001 to	10000	298	18.90	2526990	4.56
10001 to	20000	111	7.04	1812590	3.27
20001 to	30000	43	2.72	1125570	2.03
30001 to	40000	29	1.84	1034190	1.86
40001 to	50000	21	1.33	995650	1.80
50001 to	100000	20	1.27	1583680	2.85
100001 to	Above	51	3.23	44232280	79.79
TOTAL		1577	100.00	55439000	100.00

15. 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. 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 and the company's ID is INE698B01011.

Dematerialization of shares are done through M/s Karvy Computershare Private Limited., 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. Around 94.16% of the paid up capital has been dematerialized as on 31.03.2012.

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

17. Plant Locations :

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, A.P.

18. 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. Karvy Computershare Private Limited Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081. Phone No:040-23420818, Fax No.040-23420814 E-mail: einward.ris@karvy.com www.karvycomputershare.com
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 or cs@pankajpolymers.com

19. The Reconciliation of Share capital Audit

The Company gets the Reconciliation of Share capital 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 Reconciliation of Share capital Audit Report is placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are Listed.

20. 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.

21. 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. Ravi Venkata Kiran, 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 : 14.08.2012

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	List of the Companies in which Directorships is held as on 31st march 2012
Sri. T.Prasad Reddy	Sri. T.Prasad Reddy aged 57 years, M.Com .Having vast experience in general business Administration	a) Dhanalakshmi Plastics Private Limited. b) Sri Pavitra Pack Private Limited
Sri. Manohar Ramavat	Sri Manohar Ramavat aged 49 years is a BE(Electrical) having 20 years of experience in Electrical installation and Turnkey Projects for Electrical Installation and Real Estate Business in Andhra Pradesh and other States	a)New Tek Power Electro Engineers Private Limited b) Sanskriti Polymers Private Ltd

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, 2012, 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.

Place : Secunderabad
Date : 14.08.2012

RAVI VENKATA KIRAN
COMPANY SECRETARY

Sd/-

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members
M/s Pankaj Polymers Limited

We have examined the compliance of conditions of Corporate Governance by Pankaj Polymers Limited for the year ended 31st March 2012 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 Agreement.

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 Shareholder/Investors grievance committee, we state that during the year ended 31st March, 2012 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
F.R.No.01882 S

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

Place : Secunderabad
Date : 28.05.2012

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

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 ended 31st March, 2012 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.

Place: Secunderabad
Date : 14.08.2012

Sd/-
(PANKAJ GOEL)
Managing Director

Sd/-
(P. BUCHA REDDY)
Sr. Manager,
Finance & Accounts

AUDITOR'S REPORT

To
The Members of
M/s. PANKAJ POLYMERS LIMITED

1. We have audited the attached Balance Sheet of PANKAJ POLYMERS LIMITED as at March 31, 2012, the Statement of Profit and Loss and 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 the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the 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 in paragraph 3 above, we report that:
 - a) 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.
 - b) 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.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) 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.
 - e) On the basis of written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors. We report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of information and according to the explanations given to us, the said accounts read together with the Significant accounting Policies and notes thereon give the information required by the Companies, Act, 1956 in the manner so required and true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii) In the case of the Profit and Loss Account of the Profit for the year ended on that date.

and
 - iii) In the case of Cash Flow Statement of the Cash Flows of the Company for the year ended on that date

For LUHARUKA & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R. No. 01882 S

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

Place : Secunderabad
Date : 28-05-2012

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 on the basis of available information.
 - b) As explained to us all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected. The transfer of substantial assets as per the scheme of arrangement of demerger Under Section 391 & 394 of the Act doesn't effect the going concern concept of the company.
2. In respect of Inventories :-
 - a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties in the register maintained Under Section 301 of the Companies Act, 1956:
 - a. The Company has given loans to 3 parties in respect of the said loans; the maximum amount outstanding at any time during the year was Rs.1 Crore and the year-end balance is Rs. 52.25 Lacs .
 - b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie the interest of the Company.
 - c. In respect of the said loans there are no overdue amounts.
 - d. The Company has taken loan from 2 parties during the year listed in the Register maintained under Section 301 of the Companies Act, 1956. The maximum balance was Rs. 2 Crores and year end balance is Nil.
 - e. In our opinion the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained U/s. 301 of the Companies Act, 1956 are not prima facie prejudicial in the interest of the company.
 - f. The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us , the transactions made in pursuance of contractors / arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained Under Section 301 of the Companies Act, 1956 and exceeding the value of in Rs.5, 00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, The Company has an internal audit system commensurate with the size and nature of its business,

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (l) (d) of the Companies Act, 1956 and made the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income -Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than 6 months from the date of becoming payable.
 - b) The disputed statutory dues aggregating that have not been deposited on account of disputed matters pending before appropriate authorities are as under:
 - c) According to the information and explanations given to us the details of disputed Sales tax, Excise Duty, which have not been deposited as at 31st March, 2011 on account of any dispute are as under :-

Statute and Nature of fees	Financial year	Forum where disputes	Amount Rs.
Sales Tax Act :			
1) Sales Tax and Interest	2002-2003	Jt. Commissioner Sales Tax (Appeals)	8,43,346/-

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from bank or financial institutions.
16. The Company has raised new term loans during the year, and have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. 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, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For LUHARUKA & ASSOCIATES
 CHARTERED ACCOUNTANTS
 F.R. No. 01882 S

Sd/-
(RAMESH CHAND JAIN)

Partner
 Membership No. 023019

Place : Secunderabad
 Date : 28-05-2012

PANKAJ POLYMERS LIMITED
Balance Sheet as at 31st March 2012

PARTICULARS	Note	As at 31st March, 2012		As at 31st March, 2011	
		Rs.	Rs.	Rs.	Rs.
<u>EQUITY AND LIABILITIES</u>					
Share Holders Fund					
Share Capital	1	55439000		55439000	
Reserves and Surplus	2	<u>35339387</u>	90778387	<u>45865541</u>	101304541
Non Current Liabilities					
Long Term Borrowings	3	0		7478080	
Deferred Tax Liabilities	4	<u>6795335</u>	6795335	6402132	13880212
Current Liabilities					
Short Term Borrowings	5	57605224		62942000	
Trade Payables	6	7877586		5182817	
Other Current Liabilities	7	918724		2068783	
Short Term Provisions	8	<u>2688492</u>		<u>4017869</u>	
			69090026		74211469
TOTAL		<u>166663747</u>		<u>189396222</u>	
<u>ASSETS</u>					
Non Current Assets					
Fixed Assets					
Tangible Assets	9	69550700		73453877	
Non-Current Investments	10	7175400		0	
Long Term Loans and Advances	11	<u>3816658</u>		<u>4219195</u>	
			80542758		77673072
Current Assets					
Inventories	12	17004499		30698225	
Trade Receivables	13	48835762		70782038	
Cash and Bank Balances	14	3561831		2523458	
Short Term Loans and Advances	15	16559629		7514134	
Other Current Assets	16	<u>159268</u>		<u>205295</u>	
			86120989		111723150
Significant Accounting Policies					
Notes on Financial Statements	1 to 23				
TOTAL		<u>166663747</u>		<u>189396222</u>	

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants
FR NO.01882 S
Sd/-
(RAMESHCHAND JAIN)
Partner
M.No.23019

Place: Secunderabad
Date : 28.05.2012

for PANKAJ POLYMERS LIMITED,

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
PARAS GOEL
Jt.Managing Director

Sd/-
RAVI VENKATA KIRAN
Company Secretary

PANKAJ POLYMERS LIMITED
Profit & Loss Account for the Year Ended 31st March, 2012

PARTICULARS	Note	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
INCOME			
Revenue From Operations	17	295677539	264732547
Other Income	18	3615724	9549740
TOTAL REVENUE		299293263	274282287
EXPENDITURE			
Cost of Material Consumed	19	226306104	213586377
Changes in Inventories of finished goods stock-in-process and stock-in-trade	20	7481782	(7408709)
Employee Benefit Expenses	21	5286260	5325923
Finance Cost	22	7408220	5961852
Depreciation Expenses	9	7500677	9595606
Other Expenses	23	43358283	44114775
TOTAL EXPENSES		297341326	271175824
Profit Before Tax		1951939	3106465
Tax Expenses			
Current Tax		384913	1529200
Deferred Tax		393203	568064
MAT Credit Entitlement		383613	0
Profit for the Year		1557437	2145329
Earning Per Equity Share of Face Value of Rs.10/- each			
Basic and Diluted in Rs		0.28	0.39
Significant Accounting Policies Notes on Financial Statements	1 to 23		

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants
FR NO.01882 S

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

Place: Secunderabad
Date : 28.05.2012

for PANKAJ POLYMERS LIMITED,

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
PARAS GOEL
Jt.Managing Director

Sd/-
RAVI VENKATA KIRAN
Company Secretary

PANKAJ POLYMERS LIMITED

Schedules annexed to and forming part of the accounts for the year ended 31st March, 2012

1. SHARE CAPITAL

Particulars	As at 31.03.2012	As at 31.03.11
AUTHORISED SHARE CAPITAL 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

The Details of Share Holders holding more than 5% shares:

Name of the Share Holder	As at 31-03-12		As at 31-03-11	
	No. of Shares	% Held	No of Shares	% Held
Pankaj Capfin (P) Ltd	657617	11.86	657617	11.86
Pankaj Strips (P) Ltd	295000	5.32	295000	5.32
Manju Goel	283700	5.12	283700	5.12
Baburam Goel	278540	5.02	278540	5.02
Garnet International Ltd	616733	11.12	616733	11.12

2. RESERVES AND SURPLUS

Particulars	As at 31.03.2012	As at 31.03.2011
General Reserve		
As per the Last Balance Sheet	100000	100000
Add: Transferred from Profit and Loss Account	13000000	0
Less: Excess of Assets over Liabilities transferred to Pankaj Polypack Ltd on a/c of demerger	12083591	0
	1016409	100000
Profit and Loss Account		
As per the Last Balance Sheet	33618541	31473212
Add Profit for the year	1557437	2145329
Less Appropriations Transferred to General Reserve	13000000	0
	22175978	33618541
Share Premium		
As per the Last Balance Sheet	6841900	6841900
Special Capital Incentive		
As per the Last Balance Sheet	5305100	5305100
	35339387	45865541

3. LONG TERM BORROWINGS

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured		
Sales/VAT Tax Deferment	0	7478080

4. DEFERRED TAX LIABILITY

Particulars	As at 31.03.2012	As at 31.03.2011
Related to fixed assets	6795335	6402132

5 SHORT TERM BORROWINGS

Particulars	As at 31.03.2012	As at 31.03.2011
Secured (a)		
Working Capital Loan From Banks	53307721	62942000
Term Loan (b)		
from Banks	4297503	
	57605224	62942000

a) Working capital loan is secured by hypothecation inventories, books debts and charge on fixed assets of the company and personal guarantee by the two directors of the company

b) Term loan are secured by charge on both movable and immovable assets of the company (present and future) personal guarantee by three directors of the company

6 TRADE PAYABLES

Particulars	As at 31.03.2012	As at 31.03.2011
Micro, Small and Medium Enterprises	11373	82824
Others	7866213	5099993
	7877586	5182817

7 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2012	As at 31.03.2011
Lease Rent Deposits	180000	180000
Other Liabilities	38724	1188783
Other Payables	700000	700000
	918724	2068783

8 SHORT TERM PROVISIONS

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for Gratuity	560781	499531
Other Provisions	1742798	1989138
Provision for Income Tax	384913	1529200
	2688492	4017869

10 NON-CURRENT INVESTMENTS (Long Term Investments)

Particulars	As at 31.03.2012	As at 31.03.2011
In Equity Shares in Associates Company Unquoted Fully Paid up		
717540 Equity shares of Rs 10/- each of M/s Pankaj Polypack Ltd	7175400	0

11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured and Considered Good		
Security Deposits	2733045	3519195
Capital Advances	700000	700000
MAT Credit Entitlement	383613	0
	3816658	4219195

12. INVENTORIES

Particulars	As at 31.03.2012	As at 31.03.2011
Raw Materials	8733255	10979900
Raw Materials in Transit	2099341	1297194
Stock-in-Process	4021842	10334888
Finished Goods	1889031	7711833
Consumables and Stores	165000	302000
Wastage	96030	72410
	17004499	30698225

13 TRADE RECEIVABLES

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured and Considered Good		
Over Six Months	2563777	5049269
Others	46271985	65732769
	48835762	70782038

14 CASH AND BANK BALANCES

Particulars	As at 31.03.2012	As at 31.03.2011
Balance with Banks	172200	119009
Cash on Hand	3389631	2384449
Fixed deposit with Banks(Pledged with Bank)	0	20000
	3561831	2523458

9. FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2011 Rs.	Additions During the year	Deletions/Tr. adjustment in the year	As at 31.03.2012 Rs.	As at 01.04.2011 Rs.	For the Year Rs.	Deletions/Tr. adjustment in the year	Upto 31.03.2012 Rs.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
	Land-Freehold	9849354	0	1592591	8256763	0	0	0	0	8256763
Building (Factory)	9982706	0	1759382	8223324	2371232	274659	568045	2077846	6145476	7611472
Building (Office)	8955485	0	0	8955485	890421	145974	0	1036395	7919090	8065064
Plant & Machinery	115325572	10757606	34499804	91583374	84136149	4540899	28526199	60150849	31432525	31189423
Electrical Installation	5664477	0	1760518	3903959	4212979	241360	1600146	2854193	1049766	1451498
Furniture & Fixtures	1791588	0	64808	1726780	741765	109305	39655	811415	915365	1049823
Vehicles	13598346	3520668	4133305	12985709	6475705	985318	1975908	5485115	7500594	7122641
Office Equipmmt	2034375	47143	26277	2055241	870460	96131	12064	954527	1100714	1163915
Generators Computers/	3195625	273000	0	3468625	707686	332780	0	1040466	2428159	2487939
Software	2886741	95071	0	2981812	2503772	240788	0	2744560	237252	382969
Moulds	4067352	60000	826400	3300952	987575	533463	785080	735958	2564994	3079777
TOTAL	177351621	14753488	43836685	147442024	103897744	7500677	33507097	77891324	69550698	73453875
Previous Year	164128092	19133488	5909959	177351621	97302205	9595606	3000065	103897746	73483875	

MODVAT CREDIT ON P&M:Rs.1636731

1.5 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured and Considered Good		
Loans and Advances to Related Parties (a)	5225915	0
Advances to Suppliers	9585035	4727892
Balance with Central Excise	853780	1113826
Advance Income Tax	894899	1644268
Misc Expenses to the Extent not written off	0	28148
	<u>16559629</u>	<u>7514134</u>
a) It includes	Name of the Company	Amount Rs
	Pankaj Polypack Ltd	5225915

1.6 OTHER CURRENT ASSETS

Particulars	As at 31.03.2012	As at 31.03.2011
Interest and Rent Receivable	159268	205295

NOTES TO PROFIT AND LOSS ACCOUNT

1.7 REVENUE FROM OPERATIONS

Particulars	As at 31.03.2012	As at 31.03.2011
HDPE/PP Woven Sacks and fabrics	232540699	233194629
Plastic Moulded Industrial Accessories	59658227	10605516
Wastage	3478613	3929918
Diposable Wares	0	17002484
	<u>295677539</u>	<u>264732547</u>

1.8 OTHER INCOME

Particulars	As at 31.03.2012	As at 31.03.2011
Commission (TDS Nil) PY TDS 847003	0	7679084
Interest Income (TDS Rs 10618) PY TDS Rs 16193	129010	254640
Profit on Sale of Assets	2644544	290106
Rental Income (TDS Rs 82525) PY TDS Rs 81072	825239	810705
Misc Income	16931	515205
	<u>3615724</u>	<u>9549740</u>

1.9 COST OF MATERIAL CONSUMED

Particulars	As at 31.03.2012	As at 31.03.2011
Opening Stock	12277094	5125565
Add Purchases of Raw Material and Semi Finished Goods	229807267	222647538
Less Closing Stock	10832596	12277094
Less Sale of Raw Material	3363261	1909632
Less Transferred to Pankaj Polypack Limited on account of Demerger	1582400	0
	<u>226306104</u>	<u>213586377</u>

20 CHANGES IN FINISHED GOODS, STOCK-IN-PROCESS AND STOCK IN TRADE

Particulars	As at 31.03.2012	As at 31.03.2011
Inventories (at close)		
Finished Goods	1889031	7711833
Work-in-progress	4021842	10334888
Scrap	96030	72410
Transferred to Pankaj Polypack Limited on account of Demerger	4630446	0
	<u>10637349</u>	<u>18119131</u>
Inventories (at commencement)		
Finished Goods	7711833	9420042
Work-in-progress	10334888	1169840
Scrap	72410	120540
	<u>18119131</u>	<u>10710422</u>
	<u>7481782</u>	<u>-7408709</u>

21 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31.03.2012	As at 31.03.2011
Salaries and Wages	4764330	4809579
Contribution to Provident Funds and Other Funds	460680	403969
Employees Other Benefits	0	80000
Graduity	61250	32375
	<u>5286260</u>	<u>5325923</u>

22 FINANCE COST

Particulars	As at 31.03.2012	As at 31.03.2011
Interst Expenses	7017702	5892739
Finance Charges	390518	69113
	<u>7408220</u>	<u>5961852</u>

23 OTHER EXPENSES

Particulars	As at 31.03.2012	As at 31.03.2011
Consumables Stores and Spares Consumed	1432418	1552631
Electricity and Fuel	11691278	12645841
Inward cartage	4244519	4470838
Jobwork Charges	2990767	3457893
Repairs to Machinery	561109	767878
Repairs to Others	1021038	1308722
Factory Shed rent	216000	406800
Rebate and Discount	1385569	1534247
Printing and Stationary	206623	106924
Postage and telephone	480657	632527
Misc expenses	880359	1091424
Travelling and Conveyance	486739	2010569
Insurance	358466	394898
Rates, Taxes and Duties	12484415	9861140
Outward Cartage	2608332	1655540
Business Sales Promotion and Advertisement	1105344	1379403
Security Charges	282638	319444
Director Sitting Fees	31000	25500
Secretarial, Professional and Legal expenses	824832	426376
	<u>43292103</u>	<u>44048595</u>

23 PAYMENT TO AUDITORS AS

Particulars	As at 31.03.2012	As at 31.03.2011
Statutory Audit Fees	55150	55150
Tax Audit Fees	11030	11030
	<u>66180</u>	<u>66180</u>

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 fully 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. 85,57,450/-)
- 2) Bank Guarantee given : NIL Previous Year Rs.194933/-
- 3) Disputed Sales Tax Rs. : 843346/- Previous Year Rs.843346/-

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 Strips (P) Limited., Aman Tubes Private Limited, Pankaj Polytec Private Limited., Pankaj Polypack 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:

Advances given

(a)Pankaj Capfin (P) Limited	-	Rs. 50,00,000
(b)Pankaj Strips (P) Limited	-	Rs.1,00,00,000
(c) Pankaj Polypack Ltd	-	Rs. 52,25,915

Advances Received back

(a)Pankaj Capfin (P) Limited	-	Rs. 50,00,000
(b)Pankaj Strips (P) Limited	-	Rs.1,00,00,000

Advances taken

(a)Pankaj Capfin (P) Limited	-	Rs.2,00,00,000
(b)Pankaj Strips (P) Limited	-	Rs.1,00,00,000

Advances paid back

(a)Pankaj Capfin (P) Limited	-	Rs.2,00,00,000
(b)Pankaj Strips (P) Limited	-	Rs.1,00,00,000

III) Rent

a) Jaya Polywear (P) Limited	Rs. 2,16,000
------------------------------	--------------

IV) a) Purchase of Goods from M/s. Pankaj Polytec (P) Ltd	Rs. 28,65,183
---	---------------

b) Sale of Goods to M/s.Pankaj Polytec (P) Ltd	Rs. 49,12,387
--	---------------

c) Sale of Goods to Pankaj Polypack Ltd	Rs. 21,47,896
---	---------------

V) Rent deposit paid back to Jaya Polywear (P) Ltd	Rs. 50,000
--	------------

VI) Key Management Personnel: Mr. Pankaj Goel - Managerial Remuneration, of Rs.12,05,856/- including P.F and Mr. Paras Goel- Managerial Remuneration of Rs.11,30,508/- including P.F.

Earnings per Share:The numerator and denominator used to calculate basic/diluted earning per share:

	<u>2011-12</u>	<u>2010-11</u>
Profit after tax (Numerator)	Rs.15.58 lacs	Rs.21.62 lacs
Basic/weight in average No. of Equity Shares (Denominator)	55439000	55439000
Basic/Diluted earning per share	0.28	0.39
Nominal value of shares.	10/-	10/-

3. In accordance with the provisions of the accounting standards, AS-22 "Accounting for Taxes on Income" the deferred tax liability of Rs.3,93,203/- has been recognised in the profit & loss account for the year 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. The information relating to the registration status of suppliers under the Micro, Small & Medium Enterprises Development Act 2006 is complied & disclosed to the extent of information available with the Company.

5. Managerial Remuneration:

	<u>Salary:</u>	<u>Contribution to PF</u>	<u>Total Remuneration</u>
Managing Director	Rs.9,60,000	245856	1205856
Joint Managing Director	Rs.9,00,000	230506	1130506

6. The segment wise revenue, results and capital employed is for the year ended 31.03.2012 is given below:-

Rs. in lakhs

Sl No.	Particulars	Year ended 31-03-12	Year ended 31-03-11
1.	Segment Revenue/Income		
	a. HDPE/PP Woven Sacks/Fabrics	2360.19	2371.25
	b. PP Sheets/ PP Disposable Wares	0.00	170.02
	c. Plastic Moulded Industrial Accessories	596.58	106.06
	Total	2956.77	2647.33
	Less: Inter Segment Revenue	0.00	0.00
	Net Sales/Income from Operations	2956.77	2647.33
2.	Segment Results (Profit) (+)/ Loss (-) before tax and Interest from each Segment:		
	a. HDPE/PP Woven Sacks/Fabrics	81.86	180.40
	b. PP Sheets/ PP Disposable Wares	0.00	(87.96)
	c. Plastic Moulded Industrial Accessories	92.35	25.27
	Total	174.21	117.71
	Less: a) Interest	74.08	59.62
	b) Other un-allocable expenditure net of un-allocable income(+)/(-)	80.61	27.03
	Total Profit before tax	19.52	31.06
3.	Capital Employed (Segment Assets – Segment Liabilities)		
	a. HDPE/PP Woven Sacks/Fabrics	1018.69	972.81
	b. PP Sheets/ PP Disposable Wares	0.00	193.05
	c. Plastic Moulded Industrial Accessories	335.74	372.82
	Total	1354.43	1538.68

7. De-merger of PP Disposable with Pankaj Polypack Limited

- The scheme of arrangement under section 391 to 394 of the Companies Act, 1956 (the Scheme) to transfer PP Disposable Business on going concern basis to its Associate Company M/s Pankaj Polypack Limited with effect from 01-04-2011, the appointed date has become effective on 01.02.2012 on getting requisite approval completion of necessary formalities.
- In terms of the scheme the share holders of the company will receive 5 no's of Equity Shares of Pankaj Polypack Limited of the face value of Rs 10/- each credited as fully paid up, for every 12 fully paid up equity share held by the company on the record date which is fixed for .
- Consequent to vesting of the P.P. Disposable business of the company in terms of the scheme, the financial statements of the company for the year ended 31-03-2012, do not include the operation of PP Disposable business for the period from 01-04-2011 to 31-03-2012 and therefore strictly not comparable with figures of the previous year ended 31-03-2011.
- All the assets and liabilities of P.P.Disposable business of the company, on the appointed date, have been transferred to Pankaj Polypack Limited. The excess of assets over liabilities amounting to Rs 1,20,83,591/- relating to the P.P. Disposable business transferred as on 01-04-2011 has been adjusted in terms of the scheme against the General Reserve of the company.

The Details of fixed assets transferred to Pankaj Polypack Limited consequent to vesting of PP Disposable business of the company are as under:

Particulars	Gross Block	Accumulated Depreciation
Land	1592591	0
Building	1759382	568045
Plant and Machinery	20112892	15634972
Electrical Installation	1760518	1600416
Furniture and Fixture	64808	39655
Vehicles	2900345	1033156
Office Equipment	26277	12064
Moulds	826400	785080

8. Previous year figures have been regrouped and reclassified wherever necessary to make them comparable.

AS PER OUR REPORT OF EVEN DATE ATTACHED for PANKAJ POLYMERS LIMITED,
for LUHARUKA & ASSOCIATES,
Chartered Accountants
FR No.01882 S

Sd/-
(RAMESHCHAND JAIN)
Partner
M.No.23019
Place: Secunderabad
Date : 28/05/2012

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
PARAS GOEL
Jt.Managing Director

Sd/-
RAVI VENKATA KIRAN
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 31.03.2012			For the year ended 31.03.2011		
		Qty.(MT)	Value.(Rs)	%	Qty.(MT)	Value.(Rs)	%
a)	VALUE OF IMPORTS (CIF) BASIS						
	Raw-Materials		NIL		NIL		
b)	EXPENDITURE IN FOREIGN CURRENCIES						
	Travelling Expenses		91665		677025		
c)	VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL STORES SPARE PARTS & COMPONENTS CONSUMED DURING THE YEAR						
	Raw-Materials						
	Imported	NIL	NIL		NIL	NIL	
	Indigenous	2432.365	226306104	100	2625.177	213586377	100
	Stores Spareparts & Components						
	Imported	NIL	NIL				
	Indigenous	0	1432418	100	NIL	1552631	100
d)	EARNING IN FOREIGN CURRENCY	NIL	NIL		NIL	NIL	

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants
FR.No. 01882 S

(RAMESHCHAND JAIN)
Partner
M.No.23019
Place: Secunderabad
Date : 28/05/2012

for PANKAJ POLYMERS LIMITED,

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
PARAS GOEL
Jt.Managing Director

Sd/-
RAVI VENKATA KIRAN
Company Secretary

M/S.PANKAJ POLYMERS LIMITED

CASH FLOW STATEMENT AS ON 31ST MARCH 2012

PARTICULARS	Amount Rs.(000) 2011-12	Amount Rs.(000) 2010-11
A) Cash Flow From Operating		
Net Profit Before tax and extraordinary items	1951.94	3106.46
Adjustments for:		
Profit on Sale of Assets	-2644.54	-290.11
Depreciation	7500.68	9595.60
Interest Paid	7408.22	5961.85
Deferred Revenue expenses Written off	28.15	151.02
Interest Received	-129.01	-254.64
Operating Profit before Working Capital	14115.43	18270.18
Adjustments for:		
Trade and Other Receivables	10259.73	-5750.27
Inventories	7355.89	-14662.23
Trade Payables Including Cash Credit from Bank	-2542.46	25709.56
Other CA	-9374.21	
Cash Generated from Operation	19814.37	23567.24
Interest Paid	-7408.22	-5961.85
Direct Taxes Paid (Net of Refund)	-1168.73	-1734.58
Net Cash Flow From Operating Activities (A)	11237.41	15870.81
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	14753.49	-19133.49
Sale of Fixed Assets	4425.44	3200.00
Interest Income	129.01	254.64
Net Cash Flow From Investing Activities (B)	-10199.04	-15678.85
c) Cash Flow from Financing Activities		
Investments Made	0	
Proceeds from Long Term	0	59.42
Net Cash used in Financing Activities (C)	0	59.42
Net Increase in Cash and Cash Equivalent (A+B+C)	1038.37	59.42
Cash and Cash Equivalent As at 01.04.2011 (Opening Balance)	2523.46	2272.08
Cash and Cash Equivalent As at 31.03.2012 (Closing Balance)	3561.83	2523.46

AS PER OUR REPORT OF EVEN DATE ATTACHED
for LUHARUKA & ASSOCIATES,
Chartered Accountants
F R No.01882 S

for PANKAJ POLYMERS LIMITED,

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

Sd/-
PANKAJ GOEL
Managing Director

Sd/-
PARAS GOEL
Jt.Managing Director

Place: Secunderabad
Date : 28/05/2012

Sd/-
RAVI VENKATA KIRAN
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(a) Registration Details	Registration No. : 01-14419	State Code : 1	
	Balance Sheet Date : 31/03/2012		
(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 : 166664	Total Assets : 166664	
	SOURCES OF FUNDS		
	Paid-up Capital : 55439	Reserves & Surplus : 35339	
	Secured Loans : 57605	Unsecured Loans : 0	
	APPLICATION OF FUNDS		
	Net Fixed Assets : 69550	Investments : 7175	
	Net Current Assets : 78453	Misc. Expenditure : 0	
	Accumulated Losses : ---		
	(d) Performance of Company (Amount in Rs. Thousands)	Turnover (Incl.other income) : 299293	Total Expenditure : 297341
		Profit before Tax : 1952	Profit After Tax : 1557
Earning per Share in Rs. : 0.28		Dividend Rate (%) : NIL	
(e) Generic Names of Principal products of Company: (As per monetary terms)	Item Code No.(ITC Code) : 3923	HDPE/PP WOVEN SACKS/FABRICS	
	: 8539	PLASTIC MOULDED INDUSTRIAL ACCESSORIES (CFL)	

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic made. In accordance with the recent circular no.17/2011 dated 21.04.2011 and circular No 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic made to the registered e-mail addresses of shareholders. It is a welcome move for the society at large, as this will reduce paper consumption to great extent and allow share holders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Pankaj Polymers Limited to contribute to the corporate Social Responsibility initiative of the Company.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below and send it back to us in the attached postage prepaid envelope.

Let's be part of this 'Green Initiative'

Please note that as a member of the company you will be entitled to receive all such communication in physical form, upon request.

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no. 17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./Dp ID& Client ID :

Name of 1st Registered Holder :

Name of joint Holder(s) :

.....

Registered Address :

E-mail ID(to be registered) :

I/we shareholder(s) of Pankaj Polymers Limited agree to receive Communication from the Company in electronic mode. Please Register my above e-mail id in your for sending communication through e-mail.

Date

Signature.....

Note:

Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.



PANKAJ POLYMERS LIMITED

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

ATTENDANCE SLIP

Registered Folio / DPID No:

Name of the Shareholder:

No. of Shares:

I/We hereby record my/our presence at the **TWENTIETH ANNUAL GENERAL MEETING** of the Company, at Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad - 500 003 at 11.30 A.M. on Friday, the 28th day of September, 2012 and at any adjournment thereof.

Signature of the Shareholder(s): _____

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/Proxy from as the case may be meeting and handover at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



PANKAJ POLYMERS LIMITED

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

PROXY FORM

I/We _____ being a Member/Members of PANKAJ POLYMERS LIMITED hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the **TWENTIETH ANNUAL GENERAL MEETING** of the Company at Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad- 500 003 at 11.30 A.M. on Friday, the 28th day of September, 2012 and at any adjournment thereof.

Registered Folio / DPID No. :

No. of Shares:

AS WITNESS my hand/our hands this _____ day of _____ 2012



Signature(s) _____

Note: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.