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PANKAJ POLYPACK LIMITED
Board of Directors

Sri. Pankaj Goel	Chairman
Sri. Niraj Goel	Managing Director
Sri. Raja Goel	Director
Sri. Manoj Kumar Dugar	Additional Director
Sri. PVR Iyyengar	Additional Director
Sri. Sandeep Gupta	Additional Director

Audit Committee

Sri. PVR Iyyengar	Chairman
Sri. Manoj Kumar Dugar	Member
Sri. Sandeep Gupta	Member

Remuneration Committee

Sri. PVR Iyyengar	Chairman
Sri. Manoj Kumar Dugar	Member
Sri. Sandeep Gupta	Member

Share Transfer & Investors Grievance Committee

Sri. Manoj Kumar Dugar	Chairman
Sri. Pankaj Goel	Member
Sri. Niraj Goel	Member

Compliance Officer
Sri. Niraj Goel

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
IDBI Bank Limited
Kachlguda Branch
Kachlguda Station Road
Hyderabad-500027

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

Works
Plot No.14, CIE, Expansion
Programme,
Gandhinagar, Balanagar
Hyderabad 500 037
Andhra Pradesh.

NOTICE

Notice is hereby given that the **1st Annual General Meeting** of the members of M/s Pankaj Polypack Limited will be held on **Friday the 28th day of September 2012 at 11.00 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. Raja Goel who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in the place of Sri. Pankaj Goel 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. To appoint Shri Manoj Kumar Dugar as Director

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

"**RESOLVED THAT** Shri Manoj Kumar Dugar who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose office is liable to retire by rotation.

6. To appoint Shri P V R Iyyengar as Director

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

"**RESOLVED THAT** Shri P V R Iyyengar who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose office is liable to retire by rotation."

7. To appoint Shri Sandeep Gupta as Director

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

"**RESOLVED THAT** Shri Sandeep Gupta who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose office is liable to retire by rotation."

8. 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/-
(NIRAJ 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 Computershare 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 in the process of listing with Bombay 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 who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easier identification of attendance at the meeting.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. 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.

By Order of the Board

Sd/-
(NIRAJ GOEL)
Managing Director

Place : Secunderabad
Date : 14.08.2012

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

ITEM #5

Shri Manoj Kumar Dugar was appointed as an Additional Director by the Board with effect from 07.01.2012.

In terms of Section 260 of the Companies Act, 1956 and Articles of Association, Shri Manoj Kumar Dugar hold office as Director only till the date of the forthcoming Annual General Meeting, is eligible for appointment. Notice has been received from members as required by Section 257 of the Act, signifying his intention to propose the candidatures of Shri Manoj Kumar Dugar for the office of Director.

None of the Directors other than Shri Manoj Kumar Dugar is interested in the respective Resolution.

ITEM #6

Shri P V R Iyyengar was appointed as an Additional Director by the Board with effect from 07.01.2012.

In terms of Section 260 of the Companies Act, 1956 and Articles of Association, Shri P V R Iyyengar hold office as Director only till the date of the forthcoming Annual General Meeting, is eligible for appointment. Notice has been received from members as required by Section 257 of the Act, signifying his intention to propose the candidatures of Shri P V R Iyyengar for the office of Director.

None of the Directors other than Shri P V R Iyyengar is interested in the respective Resolution.

ITEM #7

Shri Sandeep Gupta was appointed as an Additional Director by the Board with effect from 07.01.2012.

In terms of Section 260 of the Companies Act, 1956 and Articles of Association, Shri Sandeep Gupta hold office as Director only till the date of the forthcoming Annual General Meeting, is eligible for appointment. Notice has been received from members as required by Section 257 of the Act, signifying his intention to propose the candidatures of Shri Sandeep Gupta for the office of Director.

None of the Directors other than Shri P V R Iyyengar is interested in the respective Resolution.

Item No # 8

M/s KARVY Computershare Private Limited were appointed as the Registrars and Share Transfer Agents of the company with effect from 1st February .

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/-
(NIRAJ GOEL)
Managing Director

Place : Secunderabad
Date : 14.08.2012

DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present herewith the 1st 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.

Rs. In Lakhs.

Sl. No.	Particulars	For the FY 2011-12
a.	Sales	297.57
b.	Profit before Interest, Depreciation & Tax	33.90
c.	Less: Interest	0.01
d.	Less: Depreciation	25.36
e.	Profit before Tax	8.53
f.	Less: Provision for Income Tax	7.20
g.	Add: Deferred Tax	4.56
h.	Net Profit	5.89

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. 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. 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 of Pankaj Polymers Limited into the company, the scheme has become effective on 01st February, 2012 with the appointed date as 01.04.2011. Accordingly the PP Disposable /Sheets Division of Pankaj Polymers Limited transferred to the company along with Assets, Liabilities, work Force, Orders etc.

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

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 Sri. Pankaj Goel and Sri. Raja Goel, Directors retire by rotation and being eligible offer themselves for re-appointment.

The three Non Executive directors namely; Sri Manoj Kumar Dugar, Sri P V R Iyyengar and Sri Sandeep Gupta were appointed as Additional Director on 07.01.2012 till the date of AGM. Special notice under section 257 of the Companies Act,1956 has been received from a member, in writing proposing their candidature for the office of the Director.

The information required under Clause 49 IV (G) of the Listing Agreement is given in the Corporate Governance Report.

7. Auditors

The Statutory Auditors of the company M/s Luharuka & Associates, Chartered Accountants, Hyderabad 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 with in 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

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.

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

Polypropylene has a wide range of application in packaging, home products, consumer goods, automotive products, industrial products, textile yarns, fibers and fabrics. Polypropylene can be processed into a wide variety of end products using commonly used plastic processing techniques such as injection molding, blow molding, extrusion, compression molding and thermoforming.

Polypropylene is the fourth most popularly consumed thermoplastic in India after LDPE/ LLDPE, HDPE and PVC. It was first produced in India by Indian Petrochemicals Corporation Limited (IPCL) at Baroda in 1978-79.There was a lag of 21 years between India and the first plant commissioned abroad. In spite of this, there has been a healthy growth in consumption of PP over the last decade.

PP is very popular in India in the packaging films and injection molding sectors. Together these two sectors account for more than 60 % of the total consumption. The share of various processing sectors in PP consumption is film (34%), woven sacks (16%), monofilament & ropes (4%) strapping & sutli (6%), injection moulding (28%) fibre/ filament (8%) and other (4%). Unlike the worldwide consumption pattern of polypropylene, the consumption of PP in India is low in the fibre and filament sectors.

b. Opportunities

The industry has many growth opportunities owing to the wide applicability of Plastic / disposable products. The Demand for companies Products has been constantly on an increase in the market.

c. Threats, Risks & Concerns

Investors should read the Risk Factors mentioned in this Information Memorandum.

The international oil Prices have been constantly increasing leading to fluctuations in raw material prices.

The threats/ risks for the industry relate to stiff competition throughout and lesser margins. The same can gradually overcome by the industry in view of the wide usage of the PP products and also growing of demand.

d. Segment wise performance

The segment wise performance is not applicable as the company has only one segment.

e. Outlook

The Company is expecting a growth rate as well as stabilization of production of PP Disposable wares and reach optimum capacity utilization. As it is the first year after the Company demerge, the Company is expecting a high growth in this area.

f. Discussion on financial performance with respect to operational performance

The management will focus on the single segment as core business and defiantly will achieve the better operational performance in the coming years. As the Company is incorporated in the year 2011 so the company will commence its operations from this 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.

Cautionary Statement

Statements in Management Discussion and Analysis describing the Company' objectives, projections, estimates and expectation may be "forward looking" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

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/-

NIRAJ GOEL

Managing Director

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
POWER & FUEL CONSUMPTION	
1. Electricity	
a) Purchased	
Units	768406
Total Amount (Rs.)	3829885
Rate Per Unit (Rs.)	4.98
b) Own Generation	
Through diesel generator	
Units (Litres)	
Total Cost (Rs.)	
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	15.09

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	NIL	NIL

By Order of the Board

Sd/-
NIRAJ 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 stakeowners. 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 Three Promoter Directors and Three Independent 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 since the incorporation of the company till 31st March, 2012 and at the EGM held since the incorporation of the company till 31st March, 2012 as also the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	No .of Board Meetings from the date of incorporation to 31.03.2012			EGM held from the date of incorporation to 31.03.2012		No. of Director ships in all other Companies	No. of Committee positions held in all other companies	
		Held	Directorship held in No. of BM	Attended	Held	Attended		Chairman	Member
Sri Pankaj Goel	Promoter Non Executive	18	18	18	3	3	7	NIL	1
Sri Raja Goel	Promoter Non Executive	18	18	18	3	3	4	NIL	NIL
*Sri Ishoo Narang	Non Executive Director	18	12	12	3	2	3	NIL	3
*Sri Niraj Goel	Promoter Managing Director	18	15	15	3	1	4	NIL	NIL
*Sri Manoj Kumar Dugar	Non Executive Independent	18	3	2	3	0	5	NIL	NIL
*Sri PVR Iyyengar	Non Executive Independent	18	3	2	3	0	NIL	NIL	NIL
*Sri Sandeep Gupta	Non Executive Independent	18	3	2	3	0	NIL	NIL	NIL

Since this is the First Year of the Company there was no previous AGM held.

* Shri Ishoo Narang appointed as Additional Director on 08th February 2011 and resigned on 07.01.2012.
* Shri Niraj Goel appointed as Additional Director on 20th May 2011; On 18th December, 2011 appointed Niraj Goel as Managing Director in Board meeting w.e.f. 1st January, 2012 for 3 years; regularized in the EGM on 7th January, 2012.
* Sri Manoj Kumar Dugar appointed as Additional Director on 07.01.2012 till the date of AGM.
* Sri P V R Iyyengar appointed as Additional Director on 07.01.2012 till the date of AGM.
* Sri Sandeep Gupta appointed as Additional Director on 07.01.2012 till the date of AGM.