PANKAJ
POLYMERS LIMITED
Regd. Office : Vth Floor, Surya Towers, S.P. Road,
Secunderabad - 500 003. A.P. INDIA
Phone : +91-40-27897743, 27897744, 27815895
Fax : +91-40-27842127
E-mail : hyd1_pankaj@sancharnet.in

FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

NOTE ON COST OF ACQUISITION OF EQUITY SHARES

The Hon'ble High Court of A.P. vide its order dated 26-12-2011 has approved the Scheme of Arrangement between Pankaj Polymers Limited (PPL) and Pankaj Polypack Limited (PPPL) and their respective shareholders and creditors Under Section 391 to 394 of the Companies Act, 1956 for the Demerger of Disposable Glass division of (PPL) and transfer and vesting of the said undertaking in favour of (PPPL) w.e.f. 01-04-2011 (appointed date). The said schemebecame effective upon filing of the order of court with ROC, Hyderabad on 1st February, 2012 .

The company had announced 01-03-2012 as the record date to determine its Shareholders who would be entitled to issuance of Shares by PPPL pursuant to the scheme .

PPPL shall allot its Equity shares to the shareholders of PPL in the ratio of 5 (five) equity shares of Rs. 10/-each for every 12 (twelve) equity shares held in PPL as on record date .

The notice is issued to inform the shareholders of the PPL the method of calculation and apportionment of cost of acquisition of PPL shares between PPL and PPPL as per the provisions of Income Tax Act, 1961 .

For the purpose of determining the Post Demerger Cost of Acquisition of Equity Shares of PPL under Income Tax Act, 1961 , the shareholders are advised to apportion their pre-demerger cost of acquisition of Company's shares in the following manner :-

Name of the company	% of Cost of Acquisition of PPL shares
Pankaj Polymers Limited	**80.98%**
Pankaj Polypack Limited	**19.02%**
Total	**100.00%**

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For PANKAJ POLYMERS LTD.,

Managing Director.

Factory : Plot No. D-46 & 47, Phase - V, I.D.A., Jeedimetla, Hyderabad - 500 055.
Phones : +91-40-23096041, 23097118

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The company has been advised that as per Section 47(vi) (d) of the Income Tax Act, 1961 in a Scheme of Demerger , the issue of Shares by the Transferee Company to the Shareholders of the transferor company in consideration of demerger of the undertaking will not be regarded as transfer . Accordingly date of acquisition of shares of the transferee company will be deemed to be the date when the equity shares of the company were actually acquired.

The communication is for the benefit of the shareholders and Company takes no express or implied liability in providing this guidance.

For **PANKAJ POLYMERS LIMITED**

(Pankaj Goel)
Managing Director

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