

## NOTICE:

Notice is hereby given that the 27th Annual General Meeting of Deccan Polypacks Limited will be held on Thursday the 29th day of September 2011 at 11.00 AM at the Registered Office of the company situated at Sy. No : 142A, IDA Bollaram, (Via) Miyapur, Narsapur Taluk, Jinnaram Mandal, Medak District, Andhra Pradesh to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011, Audited Balance Sheet and the Cash Flow Statement as at that date and the Reports of the Director's and Auditor's thereon.
2. To appoint a Director in the place of Mr K. Gopal, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr N V S Rao, Director, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s M.Bhaskara Rao & Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. 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 Sections 198, 269, 309, 310, 314 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or enactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the said Act consent be and is hereby

accorded to the re-appointment of Sri D R S P Raju, as Managing Director for a period of Five Years with effect from 01.10.2011 and payment of remuneration on the following terms and conditions.

- I. Salary Rs 80,000/- per month in the grade Rs 80,000 - 15,000 - 1,40,000

- II. Perquisites and allowance :

- I. **Housing :**

- a) The expenditure incurred by the company on hiring accommodation for the Managing Director shall be subject to a ceiling of 60% salary over and above 10% payable by the Managing Director himself.

- b) Where accommodation is provided in a company owned house, the Managing Director shall pay to the company by way of rent 10% of the salary.

- c) Where the company does not provide accommodation to the Managing Director House Rent Allowance may be paid by the company in accordance with (a) above.

- d) The expenditure incurred by the company on gas, electricity, water and furnishing will be valued as per the Income-Tax Rules, 1962, This will however, be subject to a ceiling of 10% of salary of the Managing Director.

- II. **Medical Reimbursement :**

Expenses incurred for self and family subject to a ceiling of one month's salary per year.

- III. **Leave Travel Concession :**

For self and family once in year in accordance with rules specified by the company.

- IV. **Club Fees :**

Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed

**V. Personal Accident Insurance :**

For an amount the annual premium of which does not exceed Rs 4,000/-

**OTHER PERQUISITES:**

I. Company's contribution towards Provident Fund as per the rules of the Company.

II. Company's contribution towards Pension/ Superannuation Fund as per the rules of the company. Such contribution together with the contribution to the Provident Fund shall not exceed the limits prescribed in the Income-Tax Act, 1961.

III. Gratuity-payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service. Contribution to Provident Fund and Superannuation Fund to the extent they are exempted under the Income -Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites, Provision of car for use on company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Managing Director.

Earned/Privilege Leave - on full pay and allowances as per rules of the company. "Leave accumulated but not availed of during his tenure may be allowed to be en-cashed as per the rules of the company".

FURTHER RESOLVED THAT where in a financial year the company has no profits or its profits are inadequate the company may pay to Sri D R S P Raju, Managing Director remuneration by way of salary, perquisites and allowances as mentioned hereinabove subject to the provisions of Schedule XIII, Section II, Part II of the Companies Act, 1956".

6. 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 sections 198, 269, 309, 310, 314 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or enactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the said Act consent be and is hereby accorded to the re-appointment of Sri G V S Raju as Director (Commercial) for a period of Three Years with effect from 01.10.2011 and payment of remuneration on the following terms and conditions.

I. Salary Rs 50, 000/- per month in the grade Rs 50,000 - 3,000 - 56,000

II. Perquisites and allowances :

I. **Housing :**

a) The expenditure incurred by the company on hiring accommodation for the Director (Commercial) shall be subject to a ceiling of 60% salary over and above 10% payable by the Director (Commercial) himself.

b) Where accommodation is provided in a company owned house, the Director (Commercial) shall pay of the company by way of rent 10% of the salary.

c) Where the company does not provide accommodation to the Director (Commercial) House Rent Allowance may be paid by the company in accordance with (a) above.

d) The expenditure incurred by the company on gas, electricity, water and furnishing will be valued as per the Income -Tax Rules, 1962. This will however, be subject to a ceiling of 10% of salary of the Director (Commercial).

**II. Medical Reimbursement :**

Expenses incurred for self and family subject to a ceiling of one month's salary per year.

**III. Leave Travel Concession :**

For self and family once in year in accordance with rules specified by the company.

**IV. Club Fees :**

Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

**V. Personal Accident Insurance :**

For an amount the annual premium of which does not exceed Rs 2,000/-

Earned / Privilege Leave - on full pay and allowances as per rules of the company. "Leave accumulated but not availed of during his tenure may be allowed to be encashed as per the rules of the company.

"FURTHER RESOLVED THAT " Where in a financial year the company has no profits or its profits are inadequate the company may pay to Sri G V S Raju, Director (Commercial) remuneration by way of salary, perquisites and allowances as mentioned herein above subject to the provisions of Schedule XIII, Section II, Part II of the Companies Act, 1956" .

**OTHER PERQUISITES:**

- I. Company's contribution towards Provident Fund as per the rules of the company
- II. Company's contribution towards Pension/ Superannuation Fund as per the rules of the company. Such contribution together with the contribution to the Provident Fund shall not exceed the limits prescribed in the Income -Tax Act, 1961.
- III. Gratuity -payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service. Contribution to Provident Fund and Superannuation Fund to the extent they are exempted under the Income -Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites. Provision of car for use on company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Director (Commercial).

On behalf of the Board  
**for DECCAN POLYPACKS LIMITED**

Place : Hyderabad  
Date : 27-05-2011

**D.R.S.P. Raju**  
Managing Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. Proxy, in order to be effective must be deposited at the Company's Registered Office at Sy. No : 142A, IDA Bollaram, (Via) Miyapur, Jinnaram Mandal, Narsapur Tq., Medak Dist. AP not less than 48 hours before the time for holding the meeting.
3. The members are requested to please forward all the correspondence relating to transfers, change of address, requests for dematerialization of shares and all matters pertaining to shares to the Registrars and Transfer Agents M/s Sathguru Management Consultants Pvt. Ltd., Plot No :15, Hindi Nagar, Panjagutta, Hyderabad 500 034.
4. The Register of members and share transfer books of the company will remain closed from 23.09.2011 to 29.09.2011 (both days inclusive)
5. The explanatory statement for special business mentioned in the notice is annexed as per the provisions of Section 173(2) of the Companies Act, 1956

On behalf of the Board  
**for DECCAN POLYPACKS LIMITED**

Place : Hyderabad  
Date : 27-05-2011

**D.R.S.P. Raju**  
Managing Director

**ANNEXURE:**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business.

**ITEM NO : 5**

The existing term of Sri D R S P Raju, as Managing Director expires on 30.09.2011. The Board of Directors at their meeting held on 27.05.2011 have re-appointed Sri D R S P Raju as Managing Director for a period of five years w.e.f. 01.10.2011. The Director's Remuneration Committee at its meeting held on 27.05.2011 has passed resolution approving the remuneration payable to Sri D R S P Raju, Managing Director as per the terms mentioned in the notice subject to the approval of the shareholders. Your Directors are of the view that the re-appointment of Sri D R S P Raju as Managing Director will be in the interest of the company and its members and accordingly commend the resolution for your approval. None of the Directors except Sri D R S P Raju and D V R Raju (being relative of Sri D R S P Raju ) is concerned or interested in the said resolution. The explanation together with the accompanying notice may be treated as an abstract under section 302 of the Companies Act, 1956.

**ITEM NO : 6**

The existing term of Sri G V S Raju, as Director (Commercial) expires on 30.09.2011. The Board of Directors at their meeting held on 27.05.2011 have re-appointed Sri G V S Raju as Director (Commercial) for the period of three years w.e.f. 01.10.2011. The Director's Remuneration Committee at its meeting held on 27.05.2011 has passed resolution approving the remuneration payable to Sri G V S Raju, Director (Commercial)

as per the terms mentioned in the notice subject to the approval of the shareholders. Your Directors are of the view that the re-appointment of Sri G V S Raju as Director (Commercial) will be in the interest of the company and its members and accordingly commend the resolution for your approval. None of the Directors except Sri G V S Raju and Sri D R S P Raju (being relative of Sri G V S Raju) is concerned or interested in the said resolution. The explanation together with the accompanying notice may be treated as an abstract under section 302 of the Companies Act, 1956.

28.09.2007, Sri N V S Rao is a member of Audit Committee and Remuneration Committee.

On behalf of the Board  
**for DECCAN POLYPACKS LIMITED**

Place : Hyderabad  
Date : 27-05-2011

**D.R.S.P. Raju**  
Managing Director

#### **INFORMATION REQUIRED UNDER CLASUE 49 OF LISTING AGREEMENT**

As required under clause 49 of the listing agreement the particulars of the Directors who are proposed to be appointed at this Annual General Meeting is given below. .

1. Sri K Gopal is an Arts Graduate from Osmania University and Certified Associate of the Indian Institute of Bankers, Mumbai. He has worked in State Bank of India in various Departments in India and abroad and has rich experience of over 3 decades. Sri K Gopal was re-appointed as Director at the Annual General Meeting held on 30.09.2009 and was appointed as Chairman of the company at the Board Meeting held on 28.06.2008. Sri K Gopal is Chairman of the Audit Committee, Remuneration Committee and Shareholders Grievance Committee of Directors.
2. Sri N. V. S. Rao is Post Graduate in Economics from Osmania University. He has worked in State Bank of India for over three decades. He has held senior positions during his tenure of service in the Bank. Sri N.V. S. Rao was appointed as Director at the Annual General Meeting held



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 27<sup>th</sup> Annual Report together with the Audited Accounts and Cash Flow Statements for the year ended 31<sup>st</sup> March 2011.

The financial results for the year ended 31<sup>st</sup> March 2011 are summarized below.

| Particulars                         | (Rs. in Lacs)  |           |
|-------------------------------------|----------------|-----------|
|                                     | 2010-2011      | 2009-2010 |
| Income from operations              | <b>3078.49</b> | 3005.09   |
| Gross Profit                        | <b>156.74</b>  | 169.17    |
| Interest                            | <b>101.49</b>  | 118.73    |
| Depreciation                        | <b>30.09</b>   | 24.92     |
| Profit/(Loss) before taxation       | <b>25.15</b>   | 25.52     |
| Deferred Tax(Liability)/Asset       | <b>3.75</b>    | 27.32     |
| Current tax                         | <b>(4.66)</b>  | (3.94)    |
| Net Profit/(Loss) After Taxation    | <b>24.24</b>   | 48.90     |
| Balance brought forward             | <b>100.01</b>  | 51.11     |
| Balance carried to<br>Balance Sheet | <b>124.25</b>  | 100.01    |

### Operations

The overall performance of the company in terms of production, sales has been higher in the year under report in comparison with the previous year. During the year the company has recorded production of **2788** MTs ( Previous year 2652 MTs ), and has recorded increase in capacity utilization to 91.02% (previous year 86.58%), however the volume of export sales has been low compared to previous year.

The company recorded marginal increase in income from operations Rs 3078.49 lakhs as against Rs 3005.09 lakhs in the previous year. The company has exported quantity of 63.38 MTs of its products valued at Rs.64.48 lakhs during the year under report as against 150.54MTs valued Rs.144.30 lakhs in the previous year. The company has focused mainly on the domestic market sales during the year hence recorded lower volumes of exports. The realization on sales has been low during the year under report due to recession and price under cutting due to steep competition. This

is mainly due to slow down in the construction and infrastructure activities and general recession in the economy. In spite of increase in sales turnover the net profits have been low. The company has recorded net profit of Rs 24.24 lakhs as against Rs.48.90 lakhs in the previous year. The company has continued its efforts to reduce costs wherever possible to improve its overall performance. The company is hopeful of achieving improved performance in the coming years.

### Future Outlook

The Economy is showing improvement especially in the infrastructure and construction activities. The Government is making efforts to boost the construction activity by taking up various infrastructure projects and announcing various schemes to provide for housing to the economically weaker sections. Such actions would boost the construction activity and thereby the demand for packing would also increase. The company mainly caters to the packing requirements of the cement and fertilizer industries whose growth has been affected due to present recessionary market conditions. The company would focus on the export front once the economies in Europe and America stabilize and show improvement. The company has drawn strategic plans to strike balance between the domestic and export market to ensure improvement in performance in future.

### Disclosure as per Listing Agreement :

#### Clause 43 :

The company's shares are listed on the Bombay Stock Exchange Ltd., P.J. Towers, Dalal Street, Fort, Mumbai. It is further informed that the listing fees for the year 2011-2012 has been paid to the exchange.

### Corporate Governance

The company has implemented the Corporate Governance Code during the year under report. A detailed report is enclosed.

### Directors Responsibility Statement

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956 it is stated that :



- (a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period.
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts on a going concern basis.

**CRISIL RATING:**

Your company has been accredited with B/ Stable rating for Cash Credit Limits and P4 Rating for Non Fund Based Borrowing by CRISIL. The Rating P4 denotes the degree of safety regarding timely payment on the instrument is minimal and is likely to be adversely affected by short-term adversity or less favourable conditions.

**Energy, Technology and Foreign Exchange**

Additional information on conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed in terms of section 217(1)(e) of the Companies Act, 1956 as amended by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

**Particulars of Employees**

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

**Auditors**

M/s Bhaskara Rao & Co. Chartered Accountants, the Statutory Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**Directors**

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956 Sri Gopal and Sri N V S Rao Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The term of Sri D R S P Raju as Managing Director expires on 30.09.2011. It is proposed to re-appoint Sri D R S P Raju as Managing Director for further period of five years on the terms mentioned in the notice.

The term of Sri G V S Raju as Director (Commercial) expires on 30.09.2011. It is proposed to re-appoint Sri G V S Raju as Director (Commercial) for further period of three years on the terms mentioned in the notice.

Mr K Srikrishna Raju ceased to be Director w.e.f 10.07.2010 consequent upon his resignation.

**Secretarial Compliance Certificate**

Secretarial Compliance Certificate in terms of section 383A of the Companies Act, 1956 is attached and forms part of the report.

**Acknowledgements**

The Board expresses its grateful thanks to the State Bank of India, State Bank of Hyderabad, various departments of the State and Central Government, customers, vendors and shareholders for their valuable support to the company, staff and employees.

For and on behalf of the Board

**G V S Raju**  
Director (Commercial)

**D R S P Raju**  
Managing Director

Place : Hyderabad  
Date : 27.05.2011

## Annexure-I

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and out go as required under Companies (Disclosure of particulars in the Board of Directors Report ) Rules, 1988.

### A. Conservation of Energy

Conservation of energy continues to be accorded high priority. The company conducts in-house study at regular intervals in respect of energy consumption and formulates operational systems to minimize power consumption.

### B. Technology Absorption

The company has not obtained any imported technology. The company has trained its personnel in the equipment suppliers works to absorb the technology.

### C. Foreign Exchange Earnings and Outgo:

|   | Current<br>Year<br>Rs. | Previous<br>Year<br>Rs. |
|---|------------------------|-------------------------|
| 1. Foreign Exchange earned                          | 62,98,912              | 1,38,77,398             |
| 2. Foreign Exchange used for import of raw material | 1,69,46,399            | 11,95,342               |

**Form A**  
(see rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy.

Plastic industry is not covered under the list of industries required to furnish information in Form A hence information not disclosed.

## CORPORATE GOVERNANCE REPORT

### I. The Corporate Governance Code

The company is implementing the Corporate Governance Code as per the guidelines issued by the Stock Exchange. The company has consistently practiced good corporate governance. The company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, customers, employees and the community in which the company operates.

### II. Board of Directors (“Board”)

The Board comprises of Six Directors of whom two are executive, and four are non-executive Directors. Out of the four non-executive Directors three are Independent Directors. The Chairman of the Board is a Non-Executive Director.

#### a) Composition of the Board:

| Name of the Director                       | Status                                 |
|--|--|
| Shri K Gopal                               | Independent & Non Executive - Chairman |
| Shri D V R Raju                            | Promoter & Non Executive               |
| Shri D R S P Raju                          | Managing Director & Executive          |
| Shri G V S Raju                            | Director (Commercial) & Executive      |
| Shri N S B Reddy                           | Independent & Non Executive            |
| Shri N V S Rao                             | Independent & Non Executive            |
| Shri K Srikrishna Raju*                    | Independent & Non Executive            |
| (*Ceased to be Director w.e.f. 10.07.2010) |  |



**b) Disclosure of relationships between Directors Inter se:**

| Sl.No. | Name of the Director   | Nature of relationship to (Name of the Director) |
|--------|------------------------|--|
| 1.     | Shri D V R Raju        | Father (Sri D R S P Raju)                        |
| 2.     | Shri D R S P Raju      | Son (Sri D V R Raju)                             |
| 3.     | Shri K Gopal           | Nil  |
| 4.     | Shri N S B Reddy       | Nil  |
| 5.     | Shri G V S Raju        | Sister's Husband (D R S P Raju)                  |
| 6.     | Shri N V S Rao         | Nil  |
| 7.     | Shri K Srikrishna Raju | Nil (Ceased to be Director w.e.f. 10.07.2010)    |

**c) Board Meetings:**

The meetings of the Board of Directors are held at the City Office / Registered Office of the company at Hyderabad / Bollaram (factory site) and agenda for which is circulated at least 7 days in advance. Senior Management of the company is invited to attend the Board Meetings, to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and financial results.

**d) Number of Board Meetings**

During the year from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011 the Board met four times on the following dates.

| Sl.No. | Date       | Board Strength | No. of Directors present |
|--------|------------|----------------|--------------------------|
| 1.     | 31.05.2010 | 7              | 5                        |
| 2.     | 11.08.2010 | 6              | 5                        |
| 3.     | 13.11.2010 | 6              | 5                        |
| 4.     | 08.02.2011 | 6              | 5                        |



**e) Attendance of Directors:**

| Name of the Director   | No.of Board Meetings held | No.of Board Meetings attended | Attendance at the last Annual General Meetings | No.of Directorships in other Board as on 31.03.2011 | No.of Memberships in other Board Committees as on 31.03. 2011 |
|------------------------|---------------------------|-------------------------------|--|---|---|
| Sri K Gopal            | 4                         | 4                             | Yes  | Nil   | Nil   |
| Sri D V R Raju         | 4                         | -                             | Yes  | Nil   | Nil   |
| Sri D R S P Raju       | 4                         | 4                             | Yes  | 4   | Nil   |
| Sri G V S Raju         | 4                         | 4                             | Yes  | Nil   | Nil   |
| Sri N S B Reddy        | 4                         | 4                             | Yes  | Nil   | Nil   |
| Sri N V S Rao          | 4                         | 4                             | Yes  | Nil   | Nil   |
| Sri K Srikrishna Raju* | 4                         | Nil                           | No   | Nil   | Nil   |

(\*Ceased to be Director w.e.f 10.07.2010)

**III. Committees of Directors:**

The Board has constituted Committees which comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange.

a : Audit Committee:

i) The Audit Committee was reconstituted at Board Meeting held on 25.06.2007. The committee comprises of the following non-executive members of the Board.

1. Sri K Gopal - Chairman
2. Sri D V R Raju - Member
3. Sri N S B Reddy - Member
4. Sri N V S Rao - Member
5. Sri K Srikrishna Raju - Member

(Ceased to be Member w.e.f.10.7.2010)

During the year 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011 the committee had four meetings.

| Sl.No. | Date       |
|--------|------------|
| 1.     | 31-05-2010 |
| 2.     | 11-08-2010 |
| 3.     | 13-11-2010 |
| 4.     | 08-02-2011 |



ii) Attendance of the Directors in the Audit Committee Meeting:

| Name of the Director  | No.of Meetings held | No.of Meetings attended |
|---|---------------------|-------------------------|
| Sri. K Gopal  | 4                   | 4                       |
| Sri D V R Raju  | -                   | -                       |
| Sri N S B Reddy   | 4                   | 4                       |
| Sri N V S Rao   | 4                   | 4                       |
| Sri K Srikrishna Raju<br>(Ceased to be Member<br>w.e.f.10.7.2010) | -                   | -                       |

iii) Terms of reference:

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The terms of reference of the Audit Committee also include the following :-

- 1) Overseeing of the company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other service.
- 3) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
  - a) Any changes in accounting policies and practices
  - b) Major accounting entries based on exercise of judgment to management.
  - c) Qualifications in draft audit report
  - d) Significant adjustments arising out of audit
  - e) The going concern assumption
  - f) Compliance with accounting standards
  - g) Compliance with stock exchanges and legal requirement concerning financial statements
  - h) Any related party transactions.
- 4) Reviewing with the management, external and internal auditors, the adequacy of internal control system.
- 5) Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.

- 6) Discussion with internal auditors on significant findings and follow up thereon.
- 7) 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.
- 8) Discussions with external auditors before the audit commences, nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- 9) Reviewing the company's financial and risk management policies.
- 10) To look into the reasons for substantial defaults in the payment to the depositors, debenture holder, shareholders ( in case of non-payment of declared dividends ) and creditors.
- 11) Such other matters as may be entrusted to the committee from time to time.

b) Share Transfer Committee :

The committee comprises of the following members of the Board.

1. Sri D R S P Raju - Chairman
2. Sri D V R Raju - Member

Terms of Reference :

The Share Transfer Committee ratifies transfer of shares, deals with split and consolidation of shares, issue of duplicate shares etc.

Attendance of Directors in the Share Transfer Committee Meetings :

The Share Transfer Committee met 19(Nineteen) times during the year ended 31<sup>st</sup> March, 2011.

The attendance for the meetings are as stated below :

| Name of the Director | No.of Meetings held | No.of Meetings attended |
|----------------------|---------------------|-------------------------|
| Sri. D V R Raju      | 19                  | 19                      |
| Sri. D R S P Raju    | 19                  | 19                      |

Number of shares pending for transfer: Nil

c) **Shareholders Grievances Committee:**

The Committee comprises of following members Sri D R S P Raju, Sri D V R Raju and Sri K Gopal. The terms of reference to the Committee to look into investor complaints such as non-receipt of Balance Sheet, transfer of shares, non-receipt of declared dividend etc.



Details of Investors letters / complaints received during the year ended 31<sup>st</sup> March, 2011

| Sl.No. | Nature of letter/<br>Complaints  | Recd. | Disposed | Pending |
|--------|--|-------|----------|---------|
| 1.     | Non - receipt of share certificates after transfer/<br>exchange/sub-dividend/<br>consolidated/duplicate transfer<br>and transmission | 19    | 19       | Nil     |
| 2.     | Miscellaneous and others<br>change of address, old<br>share certificates & mandate etc.  | 22    | 22       | 22      |

All the complaints / letters received during the financial year were replied / resolved to the satisfaction of the shareholders and there are no complaints pending as on 31<sup>st</sup> March, 2011.

d) **Remuneration Committee :**

The Remuneration Committee was re-constituted on 25.06.2007 comprising of following members all independent Directors.

- a) Sri K Gopal – Chairman
- b) Sri N S B Reddy – Member
- c) Sri N V S Rao – Member
- d) Sri K Srikrishna Raju – Member (Ceased to be member w.e.f. 10.07.2010)

During the year 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011 no meeting of the Directors Remuneration Committee was held

**Terms of Reference :**

To fix the remuneration payable to Managerial Personnel and such other matters as may be entrusted from time to time.

**Details of remuneration paid to the Directors during the Financial Year from 1st April, 2010 to 31st March, 2011**

| Executive Directors |          |                  |       |                        |                   |
|---------------------|----------|------------------|-------|------------------------|-------------------|
| Name                | Salary   | Per-<br>quisites | Comm. | Date of<br>appointment | Date of<br>expiry |
| Sri D R S P Raju    | 6,00,000 | 3,60,000         | —     | 01.10.2006             | 30.09.2011        |
| Sri G V S Raju      | 3,84,000 | 2,30,400         | —     | 01.10.2009             | 30.09.2011        |

Non-Executive Directors:

| Name                   | Sitting Fees (Rs.) | No. of shares |
|------------------------|--------------------|---------------|
| Sri D V R Raju         | Nil                | 1,17,600      |
| Sri K Gopal            | 10,000             | Nil           |
| Sri N S B Reddy        | 10,000             | Nil           |
| Sri N V S Rao          | 10,000             | Nil           |
| Sri K Srikrishna Raju* | Nil                | Nil           |

(\*Ceased to be Director w.e.f 10.07.2010)

No remuneration is paid to the non-executive Directors except sitting fees.

**IV. Subsidiary Company**

There is no Subsidiary Company.

**V. Code of Conduct**

- The company has evolved a code of conduct for the Directors and Senior Management Personnel of the company which has been affirmed for adherence.
- Steps have been taken to post the same on the company website.

**VI. Risk Management**

The Company has initiated procedure for risk assessment and its minimization. The company has identified the areas and steps have been taken to minimize risk wherever possible.

**General Body Meetings:**

- The last three Annual General Meetings of the company were held as under :

| FINANCIAL YEAR | Date       | Time     | Place   |
|----------------|------------|----------|---|
| 2007-2008      | 30.09.2008 | 11.00 AM | Registered Office IDA Bollaram<br>Sy.No : 142A, Via Miyapur<br>Jinnaram (M) Medak Dist.AP   |
| 2008-2009      | 30.09.2009 | 11.00 AM | Registered Office IDA Bollaram<br>Sy.No : 142A, Via Miyapur<br>Jinnaram (M) Medak Dist.AP   |
| 2009-2010      | 29.09.2010 | 11.00 AM | Registered Office IDA Bollaram<br>Sy. No. 142A, Via Miyapur,<br>Jinnaram (M) Medak Dist. AP |



- i) All the resolutions as set out in the respective notices were passed by the shareholders.
- ii) Special resolution for appointment of Managing Director was passed at the Annual General Meeting held on 29.09.2006 and Director (Commercial) at the Annual General Meeting held on 30.09.2009.
- iii) No special resolutions were passed through postal ballot.

**Disclosures:**

The pecuniary disclosure with regard to interested Directors

- a) Disclosures on materially significant related party transactions of the company of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the company at large.

None of the transactions with any of the related parties were in conflict with interests of the company.

- b) Details of non-compliance by the company, penalties, structures imposed on the company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

There were no instances of non-compliance of any matter related to capital market during the last three years.

**c) Whistle Blower Policy**

The Company has made known to all its employees about the policy. It is affirmed that no personnel has been denied access to the Audit Committee.

- d) The Managing Director has given a certificate to the Board as per Clause 49 of the Listing Agreement.

**e) Compliance of Non- Mandatory Clause.**

- i) constituted a Remuneration Committee
- ii) Board has noted the other non-mandatory requirements and is taking steps for its implementation.

**Means of Communications**

- a) Quarterly/half yearly financial results of the company is forwarded to Bombay Stock Exchange, Mumbai and published in Business Line and Andhra Prabha. Half Yearly report is not sent to each household of shareholders as the results are published in the newspapers.
- b) The results or official news were not displayed in any website.
- c) Company has not made any presentations to any institutional investors/analysts during the year.



- d) All terms required to be covered in the Management Discussions & Analysis have been included in the Directors Report to the members.
- e) Company e-mail ID : hyd2\_dpl@sancharnet.in

**General Shareholders Information :**

- a) Annual General Meeting
- Date : 29th September, 2011
- Time : 11.00 A.M
- Venue : Sy.No.142A, IDA Bollaram Via  
Miyapur Jinnaram Mandal Medak District AP
- b) Financial Calendar : 1st April 2010 to 31st March 2011
- c) Date of Book Closure : 23.09.2011 to 29.09.2011 (both days incl)
- d) Registered Office & works : Sy.No.142A, IDA Bollaram, Via Miyapur  
Jinnaram Mandal, Narsapur Taluk  
Medak District AP.
- e) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.,  
Corporate Relationship Dept.,  
1st Floor, New Trading Ring,  
PJ Towers, Dalal Street,  
Fort, Mumbai - 400 001.
- f) Code : BSE -531989
- g) Market Price data : April 2010 to March 2011  
on Bombay Stock Exchange

| Month      | High  | Low   | Month        | High  | Low   |
|------------|-------|-------|--------------|-------|-------|
| April 2010 | 9.15  | 7.07  | October      | 18.90 | 15.25 |
| May        | 9.09  | 6.41  | November     | 24.50 | 17.45 |
| June       | 10.99 | 6.45  | December     | 24.30 | 20.05 |
| July       | 19.24 | 10.50 | January 2011 | 26.75 | 20.85 |
| August     | 21.45 | 13.75 | February     | 25.25 | 24.05 |
| September  | 17.75 | 15.80 | March        | 24.00 | 16.20 |

**h) Share transfer System :**

The company has appointed M/s Sathguru Management Consultants Pvt Ltd as the Registrar and Share Transfer Agents and the shareholders are requested to correspond with the Registrar and Share Transfer Agents at their address mentioned hereunder :

Sathguru Management Consultants (P) Ltd  
Plot No. 15 Hindi Nagar Panjagutta  
Hyderabad - 500 034 email. sta@sathguru.com

**i) Distribution of shareholding as on 31.03.2011**

| Sl. No.       | Category   | No.of shares held | Percentage of shareholding |
|---------------|--|-------------------|----------------------------|
| 1.            | Promoters  | 1169691           | 55.30                      |
| 2.            | Mutual Funds   | –                 | –                          |
| 3.            | Banks, Fin.Inst, Ins.Co,<br>(central/state govt inst.<br>Non Govt. Int. (IDBI) | –                 | –                          |
| 4.            | Private Corp. Bodies   | 39490             | 1.87                       |
| 5.            | NRI/OCBs   | 4311              | 0.20                       |
| 6.            | Indian Public  | 901508            | 42.63                      |
| <b>Total:</b> |  | <b>2115000</b>    | <b>100.00</b>              |

j) The company has not issued any of the instruments like GDA's / ADR's / warrants or any convertible instruments.

**k) Dematerialization of shares**

As on 31.03.2011 the company has dematerialized **11,24,135** shares representing 53% of total paid up share capital.

|  |   |                  |
|--|---|------------------|
| National Securities Depositories Limited | – | 10,00,132 shares |
| Central Depository Services Limited      | – | 1,24,003 shares  |

**l) Address for correspondence**

Shareholders are requested to correspond at the Registered Office of the company at Sy. No : 142A, IDA Bollaram, (via) Miyapur, Jinnaram Mandal, Narsapur Tq., Medak Dist. AP. Also the shareholders may correspond to Mr D V Prudvi Raju, General Manager at the following **email ID : [prudvi22@gmail.com](mailto:prudvi22@gmail.com)**.

**Management discussion and Analysis Report**

Management Discussion and analysis report on the business of the company as applicable and to the extent relevant is given below :

The Company is engaged in the manufacture of HDPE/PP Woven sacks/fabric, film covers, HMHDPE/LDPE bags, which is alternate packing medium in comparison with jute or paper bags. These bags are mainly preferred by cement and fertilizer companies due to low cost, good external appearance, long shelf life, easy to handle, moisture resistance etc., In addition, the woven sacks are used for packing composite manure, food grains, chemicals and poultry products in the domestic markets. The company markets its products in the domestic market directly to the end user customers. The company has established its presence in the exports market also. Polypropylene and Polyethylene the main raw materials are available indigenously as well as through imports. The prices of the raw materials are announced, by indigenous suppliers at the beginning of the month depending upon the international prevailing prices. These prices at times are also revised during the month by the suppliers. The company does not have control on the prices of the raw material. The raw material market is controlled by few players and the company at times is not in a position to pass on the increase in price of raw materials to the buyers.

#### **Opportunities and Challenges**

The woven sacks industry is highly competitive due to presence of many players. The growth and demand for packing is dependent on the growth of cement and fertilizer industries who account for major consumption of bags in turn whose growth depends on the Real Estate and construction activities and Government Policies, and spending on development of infrastructure activities. Any major variation in the fortunes of these industries has direct impact on the prospectus of the woven sack industry. There is tremendous potential for the woven sacks in the domestic as well as export market, however the contributions are very much dependent upon prices of raw materials which undergo revision frequently. Price of the raw material is a major factor which decides the profitability and performance of the company. In addition, the costs of other inputs also influence the bottom line.

#### **Segment wise performance**

The company is engaged in a single line of activity hence no disclosure of segment wise performance is made.

#### **Risk and Concerns**

Indian Economy is not insulated any more from the global economy. Any adverse factor in the international market also affects the domestic Indian market. Frequent changes in price of raw materials, highly competitive market, leading to price war is building pressure on the existing thin margins in the woven sack industry.

#### **Internal Control Systems & their Adequacy**

The company has adequate internal control systems and an external firm of Chartered Accountants have been appointed as the Internal Auditors and the Audit Committee reviews the Internal Auditor's Report and suggests remedial action where required.

#### **Discussion on financial performance with respect to operations**

The Company has reported marginal increase in gross sales and other income of Rs 3078.49 Lacs as against Rs3005.09 Lakhs in the previous year. The operations of the company has resulted in net profit of Rs24.24 lakhs as against net profit of Rs. 48.90 Lakhs recorded in the previous year. With the combined efforts of management and staff the company could bring down expenses. There has been no change in the paid up share capital during the year 2010-2011.



### **Material Development in Human Resources / Industrial Relations**

Human resources is an invaluable asset. The company has cordial relationship with the employees and staff.

### **Cautionary Statement**

Statement in this “Management Discussion Analysis” may be considered to be “forward looking statements” within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include global and Indian demand-supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the company’s markets, changes in Government regulations, tax regimes, besides other factors, such as litigations and labour negotiations.

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### **Declaration on Code of Conduct**

This is to confirm that the Board has laid down the code of conduct for all the Directors and Senior Management Personnel of the Company. It is further confirmed that all Directors and Senior Management Personnel of the company have affirmed compliance of the code of conduct of the company for the financial year ended 31.03.2011, as envisaged in clause 49 of the listing agreement with Stock Exchanges.

Date : 27.05.2011  
Place : Hyderabad

D R S P RAJU  
MANAGING DIRECTOR

### AUDITOR'S CERTIFICATE

To  
The Members of  
Deccan Polypacks Limited

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by DECCAN POLYPACKS LIMITED for the year ended 31<sup>st</sup> March 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been in the manner described in the "Guidance Note on Certificate of Corporate Governance" issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with 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 according to the explanations given to us, and based on our reliance upon the representations made by the Directors and the management, we certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 M. BHASKARA RAO & CO.,  
CHARTERED ACCOUNTANTS**

Place: Hyderabad  
Date : 27.05.2011

**V Raghunandan**  
Partner  
Membership No. 26255  
Firm Regn. No. 000459S

**FORM**  
**(See Rule 3)**  
**COMPLIANCE CERTIFICATE**

Registration Number of the Company : L24134AP1984PLC005215  
Authorized Capital : Rs 5,00,00,000/-  
Paid-up Capital : Rs 2,11,50,000/-

To  
The Members,  
M/s. Deccan Polypacks Limited.

I have examined the registers, records, books and papers of M/s DECCAN POLYPACKS LIMITED ( the Company ) as required to be maintained under the Companies Act, 1956 (the act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31<sup>st</sup> March 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents. I certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure “A” to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded;
2. The company has duly filed the forms and returns as stated in Annexure “B” to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 (Four) times on 31.05.2010, 11.08.2010, 13.11.2010 and 08.02.2011 (dates) in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 24.09.2010 to 29.09.2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 29.09.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary Meeting was held during the Financial Year under review.
8. The company has not advanced any loans or given any guarantees or provided any securities to its Directors or persons or firms or companies referred to under Section 295 of the Act during the financial year.

9. The company has not entered into any contracts falling within the purview of Sec. 297 of the Act.
10. The company has made necessary entries in the register maintained under Sec. 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has issued duplicate share certificates for 80 shares during the financial year after obtaining the approval of Board of Directors.
13. The company has ;
  - i) delivered all the certificates on lodgment thereof for transfer/transmission of shares in accordance with the provisions of the Act.
  - ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
  - iv) The company was not required to transfer as no such amounts were held in unpaid dividend account and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of Addl. Director, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/ Whole time Director/ Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any Shares, Debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has not issued any preference shares/debentures and hence the question of redemption of preference shares debentures does not arise during the financial year under review.



22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits falling within the purview of Section 58A during the financial year ended 31.03.2011.
24. The amounts borrowed by the company from directors, members, financial institutions, banks and others during the financial year ended 31.03.2011 are within the borrowing limits of the company.
25. The company has made loans or advances or given guarantees or provided securities to other bodies corporate during the year and entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to situation or the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the Memorandum of Association with respect to share capital of the company during the year under scrutiny.
30. As the company has not altered the Articles of Association the approval of members in general meeting is not necessary.
31. There was no prosecution initiated against or show-cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place : Hyderabad  
Date : 23.05.2011

**For VBSS Prasad**  
Company Secretary

**VBSS Prasad**  
Proprietor  
C.P.No.: 4605

**Annexure 'A' - COMPLIANCE CERTIFICATE**

Name of the Company : M/s. Deccan Polypacks Limited  
Registration Number : L24134AP1984PLC005215  
Authorised Capital : Rs 5,00,00,000/-

Registers as maintained by the Company :

| Sl. No. | Section Number | Name of the Register                      |
|---------|----------------|---|
| 1.      | 108            | Share Transfer Register                   |
| 2.      | 143            | Register of Charges                       |
| 3.      | 150            | Register of Members                       |
| 4.      | 193            | Minutes of meetings of Board of Directors |
| 5.      | 193(1)         | Minutes of General Meetings               |
| 6.      | 303            | Register of Directors                     |
| 7.      | 307            | Register of Directors' shareholding       |
| 8.      | 301            | Register of Contracts                     |

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Place : Hyderabad  
Date : 23.05.2011

**VBSS PRASAD**  
COMPANY SECRETARY  
C.P.No. : 4605

### Annexure 'B' – COMPLIANCE CERTIFICATE

Name of the Company : M/s. Deccan Polypacks Limited  
 Registration Number : L24134AP1984PLC005215  
 Authorized Capital : 5,00,00,000/-

Returns / Documents / Forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31<sup>st</sup> March, 2011.

#### REGISTER OF COMPANIES

| Sl.No | Form No | Description                                     | Date of Filing | Whether filed within prescribed | If delay in filing whether requisite addl. Fee paid Yes/No |
|-------|---------|---|----------------|---------------------------------|--|
| 01    | 23AC    | Balance Sheet 2009-2010                         | 26.10.2010     | Yes                             | No   |
| 02    | 23ACA   | Profit and Loss Account 2009-2010               | 26.10.2010     | Yes                             | No   |
| 03    | 66      | Compliance Certificate 2009-2010                | 26.10.2010     | Yes                             | No   |
| 04    | 20B     | Annual Return 2009 -2010                        | 18.11.2010     | Yes                             | No   |
| 05    | 32      | Resignation of Mr. K. Srikrishna Raju, Director | 05.08.2010     | Yes                             | No   |
| 06    | 23B     | SRN : S03478005                                 | 20.10.2010     | Yes                             | No   |
| 07    | Form8   | Modification of Charges                         | 11.03.2011     | Yes                             | No   |

Place : Hyderabad  
 Date : 23.05.2011

**VBSS PRASAD**  
 COMPANY SECRETARY  
 C.P. No. : 4605

## AUDITORS' REPORT

To  
The Members of  
**DECCAN POLYPACKS LIMITED**

We have audited the attached Balance Sheet of Deccan Polypacks Limited, as at 31st March, 2011 the Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 the management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government 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.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that :
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as 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 account;
- d) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement comply with the accounting standards referred to in Sub-section (3C) of Section 211 of Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as Directors 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 our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account, and Cash Flow Statement read with notes thereon and the significant accounting policies give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;



DECCAN  
POLYPACKS  
LIMITED

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- ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

for **M. BHASKARA RAO & CO.,**  
CHARTERED ACCOUNTANTS

Place : Hyderabad  
Date : 27.05.2011

**V RAGHUNANDAN**  
Partner  
Membership No. 26255  
Firm Regn. No. 000459S

**Annexure to the Auditors' Report  
(Statement Referred To in Paragraph (1) Of Our Report Of Even Date)**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) These fixed assets were physically verified by the Management during the year. We have been informed that no material discrepancies were noticed on such physical verification.
- (c) In our opinion, the company has not disposed off a substantial part of fixed assets during the year and the going concern status of the company is not affected.
- ii) (a) The inventories have been physically verified during the year by the management at reasonable intervals. 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 inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the inventory records, the company is maintaining proper records. The discrepancies noticed on physical verification of inventory as compared to book records were not material in relation to the operations of the company and the same have been properly dealt within the books of account.
- iii) (a) According to the information and explanations given to us, the company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.121.50 lakhs and the year end balance of such loan was Rs.16.00 Lakhs.
- The Company has taken interest free unsecured loans from eight parties covered in register maintained under Section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 32.51 Lakhs and the year end balance was Rs.32.51 Lakhs.
- (b) The rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.
- (c) Since the loans taken are repayable on demand, question of overdue amounts does not arise.
- (d) In the absence of amounts becoming overdue, commenting under this clause does not arise.
- iv) In our opinion and according to the information and explanations given to us, there is adequate

internal control system commensurate with the size of the Company and nature of its business, with regard to the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion according to the information and explanation given to us, there has been no continuing failure to correct major weaknesses in internal control system during the year.

- v) (a) In our opinion and according to the information and explanations given to us, and based on the representations by the management, there are no transactions (except loans mentioned under clause (iii) above) that needs to be entered into the register in pursuance of Section 301 of the Companies Act, 1956. Accordingly clause (v) (b) of this order is not applicable to the Company for the current year.
- vi) In our opinion and according to information and explanation given to us, the company has not accepted Deposits from public and as such the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the company.
- vii) The Internal Audit of the Company has been conducted by a Firm of Chartered Accountants. The scope and coverage of Internal Audit needs to be enlarged and strengthened keeping in view the size of the Company and nature of its business.
- viii) In our opinion and as per the information and explanations given to us, and as informed by the company, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the company.
- ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as applicable, have been regularly deposited during the year with the appropriate authorities in India. There are no arrears of Statutory dues as at 31<sup>st</sup> March 2011 which are outstanding for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues on account of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess as at 31<sup>st</sup> March 2011 which have not been deposited on account of any dispute except stated below.
- | Name of the Status | Nature of Due                               | Amount (Rs. In Lakhs) | Forum Where Dispute is Pending     |
|--------------------|---|-----------------------|------------------------------------|
| Sales Tax          | Restriction of set off tax on prorata basis | 5.41                  | Appellate Tribunal, Andhra Pradesh |
- x) The Company has no accumulated losses as on 31<sup>st</sup> March 2011. Further it has not incurred cash losses in the financial year under report and in the immediately preceding financial year.
- xi) Based on our Audit procedures and as per the information and explanation given by the



- management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions or bank or debenture holders during the financial year under report.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society and hence commenting under this clause does not arise.
- xiv) In our opinion and according to information and explanation given to us, the company does not deal or trade in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from bank or financial institutions.
- xvi) The Company has not obtained any term loans from banks / financial institutions during the year. Hence commenting under this clause does not arise.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, funds raised on short-term basis have not been used for long-term purposes.
- xviii) During the year under report 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
- xix) The Company has not issued any debentures during the year and hence commenting under this clause does not arise.
- xx) The Company has not raised any money by public issue during the year and hence commenting under this clause does not arise.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **M. BHASKARA RAO & CO.,**  
CHARTERED ACCOUNTANTS

Place : Hyderabad  
Date : 27. 05. 2011

**V RAGHUNANDAN**  
Partner  
Membership No. 26255  
Firm Regn. No. 000459S

## BALANCE SHEET AS AT 31ST MARCH, 2011

| Particulars  | Schedule | As at 31st March, 2011 |                  | As at 31st March, 2010 |                  |
|--|----------|------------------------|------------------|------------------------|------------------|
|  |          | Rupees                 | Rupees           | Rupees                 | Rupees           |
| <b>SHARE HOLDERS' FUNDS</b>  |          |                        |                  |                        |                  |
| Share Capital  | I        | <b>21150000</b>        |                  | 21150000               |                  |
| Reserves & Surplus   | II       | <b>18418854</b>        |                  | 15994651               |                  |
|  |          |                        | <b>39568854</b>  |                        | 37144651         |
| <b>LOAN FUNDS</b>  |          |                        |                  |                        |                  |
| Secured Loans  | III      | <b>51944433</b>        |                  | 53851066               |                  |
| Unsecured Loans  | IV       | <b>31096387</b>        |                  | 28878061               |                  |
|  |          |                        | <b>83040820</b>  |                        | 82729127         |
| DEFERRED TAX LIABILITY VIII  |          |                        | <b>4452365</b>   |                        | 4827687          |
| <b>Total</b>   |          |                        | <b>127062039</b> |                        | 124701465        |
| <b>APPLICATION OF FUNDS :</b>  |          |                        |                  |                        |                  |
| <b>FIXED ASSETS</b>  |          |                        |                  |                        |                  |
| Gross Block  | V        | <b>71269109</b>        |                  | 67058380               |                  |
| Less: Depreciation   |          | <b>45073687</b>        |                  | 42064173               |                  |
| Net Block  |          |                        | <b>26195422</b>  |                        | 24994207         |
| <b>CURRENT ASSETS, LOANS AND ADVANCES</b>                              |          |                        |                  |                        |                  |
| VI   |          |                        |                  |                        |                  |
| A. Current Assets  |          |                        |                  |                        |                  |
| Inventories  |          | <b>104909839</b>       |                  | 81464342               |                  |
| Sundry Debtors   |          | <b>63314878</b>        |                  | 63131979               |                  |
| Cash & Bank balances   |          | <b>7853055</b>         |                  | 6718477                |                  |
| Other Current Assets   |          | <b>103222</b>          |                  | 203682                 |                  |
| B. Loans and Advances  |          | <b>12113634</b>        |                  | 15118353               |                  |
|  |          | <b>188294628</b>       |                  | <b>166636833</b>       |                  |
| Less: Current Liabilities and Provisions                               |          |                        |                  |                        |                  |
| VII  |          |                        |                  |                        |                  |
| Current Liabilities  |          | <b>84332675</b>        |                  | 64227886               |                  |
| Provisions   |          | <b>3095336</b>         |                  | 2701689                |                  |
| Net Current Assets   |          |                        | <b>100866617</b> |                        | 99707258         |
| <b>Total</b>   |          |                        | <b>127062039</b> |                        | <b>124701465</b> |
| STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS |          |                        |                  |                        |                  |
| VIII   |          |                        |                  |                        |                  |

As per our Report attached

For **M.BHASKARA RAO & CO.,**  
Chartered Accountants

**V.RAGHUNANDAN**  
Partner

Place : Hyderabad  
Date : 27.05.2011

For and on behalf of the Board

**G V S RAJU**  
Director (Commercial)

**D R S P RAJU**  
Managing Director

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| Particulars  | Schedule | Year ended<br>31st March, 2011 |                   |                  | Year ended<br>31st March, 2010 |           |           |
|--|----------|--------------------------------|-------------------|------------------|--------------------------------|-----------|-----------|
|  |          | Rupees                         | Rupees            | Rupees           | Rupees                         | Rupees    | Rupees    |
| <b>INCOME</b>  |          |                                |                   |                  |                                |           |           |
| Sale of Product - Domestic                                   |          | <b>300570741</b>               |                   |                  | 283949674                      |           |           |
| Less : Cenvat, Vat and CST                                   |          | <b>38400608</b>                |                   |                  | 32097991                       |           |           |
|  |          |                                | <b>262170133</b>  |                  |                                | 251851683 |           |
| Sale of Product - Export                                     |          |                                | <b>6448369</b>    |                  |                                | 14430082  |           |
| Processing Charges   |          |                                | <b>0</b>          |                  |                                | 197218    |           |
| Other Income   | 1        |                                | <b>829847</b>     |                  |                                | 1932186   |           |
|  |          |                                |                   | <b>269448349</b> |                                |           | 268411169 |
| <b>EXPENDITURE</b>   |          |                                |                   |                  |                                |           |           |
| Manufacturing, Administrative,<br>selling and other expenses | 2        |                                | <b>271561648</b>  |                  |                                | 260507580 |           |
| Interest   |          |                                | <b>10148970</b>   |                  |                                | 11873039  |           |
| Stock Variation  | 3        |                                | <b>(17786982)</b> |                  |                                | (9013392) |           |
| Depreciation   | V        |                                | <b>3009514</b>    |                  |                                | 2492260   |           |
|  |          |                                |                   | <b>266933150</b> |                                |           | 265859487 |
| Profit / Loss (-) for the year                               |          |                                |                   | <b>2515199</b>   |                                |           | 2551682   |
| Net Profit / Loss (-) for the year                           |          |                                |                   | <b>2515199</b>   |                                |           | 2551682   |
| Current Tax (MAT)  |          |                                |                   | <b>(466318)</b>  |                                |           | (394235)  |
| Deferred Tax Liability (-)/ Asset                            |          |                                |                   | <b>375322</b>    |                                |           | 2732235   |
| Net Profit / Loss(-) after taxation                          |          |                                |                   | <b>2424203</b>   |                                |           | 4889682   |
| Balance brought forward                                      |          |                                |                   | <b>10000551</b>  |                                |           | 5110869   |
| Balance carried to balance sheet                             |          |                                |                   | <b>12424754</b>  |                                |           | 10000551  |
| Earning per share - Basic                                    |          |                                |                   | <b>1.15</b>      |                                |           | 2.31      |
| - diluted  |          |                                |                   | <b>1.15</b>      |                                |           | 2.31      |
| Notes to the accounts  | VIII     |                                |                   |                  |                                |           |           |

As per our Report attached

For **M.BHASKARA RAO & CO.,**  
Chartered Accountants

**V.RAGHUNANDAN**  
Partner

Place : Hyderabad  
Date : 27.05.2011

For and on behalf of the Board

**G V S RAJU**  
Director (Commercial)

**D R S P RAJU**  
Managing Director

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

**SCHEDULE I : SHARE CAPITAL**

| Particulars                                   | As at 31st March, 2011 |          | As at 31st March, 2010 |          |
|---|------------------------|----------|------------------------|----------|
|   | Rupees                 | Rupees   | Rupees                 | Rupees   |
| AUTHORISED                                    |                        |          |                        |          |
| 50,00,000 Equity share of Rs. 10/- each       |                        | 50000000 |                        | 50000000 |
| ISSUED AND SUBSCRIBED                         |                        |          |                        |          |
| 21,15,000 Equity Shares of Rs.10/- fully paid |                        | 21150000 |                        | 21150000 |
| Total   |                        | 21150000 |                        | 21150000 |

**SCHEDULE II : RESERVES & SURPLUS**

|                           |          |          |         |          |
|---------------------------|----------|----------|---------|----------|
| Capital Reserve           |          |          |         |          |
| As per last balance sheet |          | 1464100  |         | 1464100  |
| SECURITIES PREMIUM        |          | 830000   |         | 830000   |
| Profit and Loss Account   | 10000551 |          | 5110869 |          |
| Current Year Profit       | 2424203  |          | 4889682 |          |
| General Reserve           |          | 12424754 |         | 10000551 |
| Total                     |          | 3700000  |         | 3700000  |
|                           |          | 18418854 |         | 15994651 |

**SCHEDULE III : SECURED LOANS**

|   |  |          |  |          |
|---|--|----------|--|----------|
| Working Capital Loans - State Bank of India |  |          |  |          |
| - Cash Credit                               |  | 51944433 |  | 53851066 |
| Total                                       |  | 51944433 |  | 53851066 |

**SCHEDULE IV : UNSECURED LOANS**

|  |  |          |  |          |
|--|--|----------|--|----------|
| - interest free Loan under Sales Tax       |  |          |  |          |
| Deferral Scheme of Govt. of Andhra Pradesh |  | 27410681 |  | 24283614 |
| - Directors (interest free)                |  | 1300000  |  | 1300000  |
| - Kotak Mahindra Bank Loan                 |  | 434861   |  | 1343602  |
| - Others (Interest free)                   |  | 1950845  |  | 1950845  |
| Total                                      |  | 31096387 |  | 28878061 |



DECCAN POLYPACKS LIMITED  
SCHEDULE V : FIXED ASSETS

| Description          | GROSS BLOCK (AT COST) |                                 |   | DEPRECIATION        |                    |                 | NET BLOCK                                     |                     |                     |
|----------------------|-----------------------|---------------------------------|---|---------------------|--------------------|-----------------|---|---------------------|---------------------|
|                      | As at<br>31.03.2010   | Additions<br>during<br>the year | Deductions/<br>adjustments<br>during the year | As at<br>31.03.2011 | Upto<br>31.03.2010 | For the<br>year | Deductions/<br>adjustments<br>during the year | As at<br>31.03.2011 | As at<br>31.03.2010 |
| Freehold Land        | 290357                |                                 |   | 290357              |                    |                 |   | 290357              | 290357              |
| Buildings            | 8146168               | 1219121                         |   | 9365289             | 3202968            | 281292          |   | 5681029             | 4943200             |
| Plant & Machinery    | 54236334              |                                 |   | 54236334            | 36737672           | 2154521         |   | 15344141            | 17498662            |
| Other Equipments     | 206107                | 33000                           |   | 239107              | 144096             | 8674            |   | 86337               | 62011               |
| Furniture & Fixtures | 399328                |                                 |   | 399328              | 305083             | 27166           |   | 67079               | 94245               |
| Office Equipments    | 1124008               | 635618                          |   | 1759626             | 749874             | 124947          |   | 884805              | 374134              |
| Vehicles             | 2656078               | 2322990                         |   | 4979068             | 924480             | 412914          |   | 3641674             | 1731598             |
| <b>Total</b>         | <b>67056380</b>       | <b>4210729</b>                  |   | <b>71269109</b>     | <b>42064173</b>    | <b>3009514</b>  | <b>0</b>                                      | <b>45073687</b>     | <b>24994207</b>     |
| Previous Period      | 66108996              | 984371                          | 34987   | 67058380            | 39571912           | 2721642         | 229381  | 24994207            | 26537084            |

**SCHEDULE VI : CURRENT ASSETS, LOANS AND ADVANCES**

|   | <u>As at 31st March, 2011</u> |                  | <u>As at 31st March, 2010</u> |                  |
|---|-------------------------------|------------------|-------------------------------|------------------|
|   | Rupees                        | Rupees           | Rupees                        | Rupees           |
| <b>CURRENT ASSETS</b>   |                               |                  |                               |                  |
| Interest Accrued on Deposits  |                               | 103222           |                               | 203682           |
| Inventories   |                               |                  |                               |                  |
| Finished Goods  | 2155817                       |                  | 468103                        |                  |
| Work-in-process   | 66191726                      |                  | 50092458                      |                  |
| Raw Materials   | 28648917                      |                  | 22840637                      |                  |
| Stores & Spares   | <u>7913379</u>                |                  | <u>8063144</u>                |                  |
|   |                               | <b>104909839</b> |                               | 81464342         |
| <b>Sundry Debtors</b>   |                               |                  |                               |                  |
| (Unsecured considered good)   |                               |                  |                               |                  |
| Debts outstanding for a period exceeding 6 months                   | 0                             |                  | 0                             |                  |
| Other debts   | <u>63314878</u>               |                  | <u>63131979</u>               |                  |
|   |                               | <b>63314878</b>  |                               | 63131979         |
| <b>CASH AND BANK BALANCES</b>                                       |                               |                  |                               |                  |
| Cash on Hand  | 17635                         |                  | 47711                         |                  |
| Bank balances with Scheduled Banks in                               |                               |                  |                               |                  |
| Current Account   | 252222                        |                  | 259553                        |                  |
| Deposit Account   | <u>7583198</u>                |                  | <u>6411213</u>                |                  |
|   |                               | <u>7853055</u>   |                               | <u>6718477</u>   |
|   |                               | <b>176180994</b> |                               | <b>151518480</b> |
| <b>LOANS AND ADVANCES</b>   |                               |                  |                               |                  |
| (Unsecured, Considered good)  |                               |                  |                               |                  |
| Advances recoverable in cash or in kind or for value to be received |                               |                  |                               |                  |
| Advance tax for MAT   | 1860078                       |                  | 1542855                       |                  |
| Tax Deducted at Source  | 708465                        |                  | 616979                        |                  |
| Advances - Others   | 5008743                       |                  | 8457958                       |                  |
| Deposits - Government and Public Bodies                             | 1946923                       |                  | 2239020                       |                  |
| - Excise Duty & VAT   | <u>2589425</u>                |                  | <u>2261541</u>                |                  |
|   |                               | <u>12113634</u>  |                               | <u>15118353</u>  |
|   |                               | <u>188294628</u> |                               | <u>166636833</u> |

**SCHEDULE VII : CURRENT LIABILITIES AND PROVISIONS**

|                                     | As at 31st March, 2011 |                 | As at 31st March, 2010 |                 |
|-------------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                     | Rupees                 | Rupees          | Rupees                 | Rupees          |
| <b>A. CURRENT LIABILITIES</b>       |                        |                 |                        |                 |
| Sundry Creditors for :              |                        |                 |                        |                 |
| Micro, Small and Medium Enterprises | -                      | -               | -                      | -               |
| Others                              |                        | 79315288        |                        | 60970674        |
| Other Liabilities                   |                        | 5017387         |                        | 3257212         |
| <b>B. Provisions</b>                |                        |                 |                        |                 |
| For Taxation                        | 2617112                |                 | 2150794                |                 |
| For Leave Encashment                | 478224                 |                 | 550895                 |                 |
| For Gratuity                        | <u>0</u>               |                 | <u>0</u>               |                 |
|                                     |                        | 3095336         |                        | 2701689         |
| Total                               |                        | <u>87428011</u> |                        | <u>66929575</u> |

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

**SCHEDULE 1: OTHER INCOME**

| Particulars                      | Year ended<br>31st March 2011<br>Rupees | Year ended<br>31st March 2010<br>Rupees |
|----------------------------------|---|---|
| Interest on deposits             | <b>814565</b>                           | 954508                                  |
| Advance License Income - Exports | <b>0</b>                                | 939295                                  |
| Miscellaneous Income             | <b>15282</b>                            | 38383                                   |
| <b>TOTAL</b>                     | <b>829847</b>                           | 1932186                                 |

**SCHEDULE 2 : MANUFACTURING, ADMINISTRATION, SELLING & OTHER EXPENSES**

| Particulars                               | Year ended<br>31st March, 2011 |                  | Year ended<br>31st March, 2010 |           |
|---|--------------------------------|------------------|--------------------------------|-----------|
|   | Rupees                         | Rupees           | Rupees                         | Rupees    |
| Consumption of Raw Material               |                                | <b>226748315</b> |                                | 217708882 |
| Consumption of Stores & Spares            |                                | <b>3372095</b>   |                                | 3597327   |
| Power & Fuel                              |                                | <b>13042361</b>  |                                | 10622503  |
| Other Manufacturing Expenses              |                                | <b>3430510</b>   |                                | 4938836   |
| Salaries & Wages                          |                                |                  |                                |           |
| Salaries , Wages & Benefits               | <b>11030103</b>                |                  | 10364856                       |           |
| Contribution to Provident Fund and Others | <b>1182676</b>                 |                  | 1172248                        |           |
| Staff welfare expenses                    | <b>610216</b>                  |                  | 351232                         |           |
|   |                                | <b>12822995</b>  |                                | 11888336  |
| Repairs & Maintenance                     |                                |                  |                                |           |
| Plant & Machinery                         | <b>922311</b>                  |                  | 943712                         |           |
| Vehicles                                  | <b>354274</b>                  |                  | 404731                         |           |
| Others                                    | <b>328581</b>                  |                  | 337296                         |           |
|   |                                | <b>1605166</b>   |                                | 1685739   |
| Administrative Expenses                   |                                |                  |                                |           |
| Travelling & Conveyance                   | <b>39944</b>                   |                  | 69297                          |           |
| Directors Travelling & Conveyance         | <b>132517</b>                  |                  | 148207                         |           |
| Directors Sitting Fees                    | <b>30000</b>                   |                  | 38750                          |           |
| Printing & Stationery                     | <b>147082</b>                  |                  | 130245                         |           |
| Postage, Telegrams & Telephones           | <b>305793</b>                  |                  | 275774                         |           |
| Insurance                                 | <b>219919</b>                  |                  | 170480                         |           |
| Legal & Professional Charges              | <b>223128</b>                  |                  | 227113                         |           |
|   |                                | <b>1098383</b>   |                                | 1059866   |
| Auditors Remuneration                     |                                |                  |                                |           |
| Audit fee                                 |                                | <b>40000</b>     |                                | 40000     |
| Tax matters                               | <b>15000</b>                   |                  | 15000                          |           |
| Certified Fee                             | <b>15000</b>                   |                  | 15000                          |           |
| Out of Pocket Expenses                    | <b>5000</b>                    |                  | 5000                           |           |
|   |                                | <b>75000</b>     |                                | 75000     |
| Rent                                      | <b>120000</b>                  |                  | 120000                         |           |
| Security Service Charges                  | <b>313123</b>                  |                  | 383149                         |           |
| Bank Charges & Commission                 | <b>2993033</b>                 |                  | 3037295                        |           |
| Miscellaneous expenses                    | <b>330925</b>                  |                  | 1229787                        |           |
| Rates & Taxes                             | <b>414879</b>                  |                  | 268014                         |           |
|   |                                | <b>4171960</b>   |                                | 5038245   |
| Selling Expenses & Other Expenses         |                                |                  |                                |           |
| Advertisement & Publicity                 | <b>63208</b>                   |                  | 77720                          |           |
| Freight & Handling (Out Ward)             | <b>2851168</b>                 |                  | 2429595                        |           |
| Foreign Exchange Fluctuation expenses     | <b>1480714</b>                 |                  | 947268                         |           |
| Other Expenses                            | <b>799772</b>                  |                  | 438263                         |           |
|   |                                | <b>5194862</b>   |                                | 3892846   |
| Total                                     |                                | <b>271561647</b> |                                | 260507580 |



**SCHEDULE 3: STOCK VARIATION**

|                           | Year ended<br>31st March, 2011 |                   | Year ended<br>31st March, 2010 |                   |
|---------------------------|--------------------------------|-------------------|--------------------------------|-------------------|
|                           | Rupees                         | Rupees            | Rupees                         | Rupees            |
| <b>WORK - IN- PROCESS</b> |                                |                   |                                |                   |
| Opening Stock             | <b>50092458</b>                |                   | 39509476                       |                   |
| Closing Stock             | <b>66191726</b>                |                   | 50092458                       |                   |
|                           |                                | <b>(16099268)</b> |                                | <b>(10582982)</b> |
| <b>FINISHED GOODS</b>     |                                |                   |                                |                   |
| Opening Stock             | <b>468103</b>                  |                   | 2037706                        |                   |
| Closing Stock             | <b>2155817</b>                 |                   | 468103                         |                   |
|                           |                                | <b>(1687714)</b>  |                                | <b>1569603</b>    |
| <b>TOTAL</b>              |                                | <b>(17786982)</b> |                                | <b>(9013380)</b>  |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| Particulars   | Year ended<br>31st March, 2011 |                | Year ended<br>31st March, 2010 |                |
|---|--------------------------------|----------------|--------------------------------|----------------|
|   | Rupees                         | Rupees         | Rupees                         | Rupees         |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                   |                                |                |                                |                |
| Net profit / (Loss) before tax and extraordinary items        | <b>2515199</b>                 |                | <b>2551682</b>                 |                |
| Add :Adjustment for   |                                |                |                                |                |
| Depreciation  | 3009514                        |                | 2492260                        |                |
| Interest Income   | (814565)                       |                | (954508)                       |                |
| Interest Expenses   | 10148970                       |                | 11873039                       |                |
| (Profit) / Loss on sale of assets                             | 0                              |                | 0                              |                |
| Operating profit before working capital changes               | <u>14859118</u>                |                | <u>15962473</u>                |                |
| Changes in Working Capital                                    |                                |                |                                |                |
| ( Increase)/ Decrease in Trade and other receivables          | (182899)                       |                | 10429873                       |                |
| (Increase)/ Decrease in Inventories                           | (23445497)                     |                | (19946450)                     |                |
| (Increase )/ Decrease in Loans and Advances                   | 3004719                        |                | (3234773)                      |                |
| Increase / (Decrease) in Trade Payables and Other Liabilities | 20498436                       |                | 6612992                        |                |
| <b>Cash Generated from Operations</b>                         | <b>14733877</b>                |                | <b>9824115</b>                 |                |
| Provision for taxation (MAT)                                  | (466318)                       |                | (394235)                       |                |
| Cash flow before extra ordinary items                         | <u>14267559</u>                |                | <u>9429880</u>                 |                |
| Net Cash flow from Operating Activities                       |                                | 14267559       |                                | 9429880        |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                                |                |                                |                |
| Purchase of fixed assets                                      | (4210729)                      |                | (984371)                       |                |
| Sale of Fixed Assets  | 0                              |                | 34987                          |                |
| Interest received   | 915025                         |                | 817251                         |                |
| Net cash used in investing activities                         | <u>(4210729)</u>               | (3295704)      | <u>(984371)</u>                | (132133)       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                                |                |                                |                |
| Proceeds from Long-term Borrowings                            | 2218326                        |                | 1248503                        |                |
| Increase / (Decrease) in Cash Credit Utilisation              | (1906633)                      |                | 1409204                        |                |
| Interest paid   | (10148970)                     |                | (11873039)                     |                |
| Net cash used in financing activities                         |                                | (9837277)      |                                | (9215332)      |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>              |                                | 1134578        |                                | 82415          |
| <b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>           |                                | 6718477        |                                | 6636062        |
| <b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>           |                                | <b>7853055</b> |                                | <b>6718477</b> |

As per our Report of even date

For and on behalf of the Board

For **M.BHASKARA RAO & CO.,**  
Chartered Accountants

**G V S RAJU**  
Director (Commercial)

**D R S P RAJU**  
Managing Director

**V.RAGHUNANDAN**  
Partner

Place : Hyderabad  
Date : 27.05.2011

## SCHEDULE VIII : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

### 1. Significant Accounting Policies :

- a) Accounting Convention : The financial statements have been prepared on the basis of going concern, under the historical cost convention. The company follows accrual system of accounting and recognizes income and expenditure on accrual basis unless otherwise stated.
- b) Fixed Assets :
  - (i) Fixed Assets are stated at cost. Cost includes all costs incidental to acquisition, installation and commissioning of the assets until they are ready for intended use.
  - (ii) Fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss, being the excess of carrying value over the recoverable value of the assets, is charged to Profit & Loss account, in the respective financial years. The impairment loss recognized in earlier years is reversed in cases where the recoverable value exceeds the carrying value, upon the reassessment in subsequent years.
- c) Depreciation : Depreciation on Fixed Assets is provided on straight line method in accordance with the provisions of Schedule XIV of the companies Act, 1956 as amended from time to time.
- d) Foreign Currency Translation : Foreign currency transactions have been translated at the Exchange Rate Prevalent on the date of transaction. Gain/Loss arising out of fluctuation in the exchange rates on realization is treated as income/expenditure.
- e) Inventories : The method of valuation of inventories is as under :
  - (i) Raw Materials, Stores and Spares,  
Work-in-process and Finished Goods : At lower of cost and net Realisable value.  
Cost includes manufacturing expenses and factory overheads.  
“ Cost for the purpose of valuation of raw materials (except additives valued at weighted average) is calculated on FIFO basis and for stores and spares and work- in-process on the basis of weighted average method”.
- f) Retirement Benefits : Provident Fund is administered through Regional Provident Fund Commissioner Group Gratuity Scheme is administered through a scheme with Life Insurance Corporation of India. The contributions to the above said funds are charged against revenue. Leave encashment payable at the time of retirement is charged to profit and loss account based on the assumption that such benefits are payable to all the employees at the end of the accounting year.
- g) Customs Duty Drawback, Export incentives, Insurance Claims etc., are recognized only when it is reasonably certain that the ultimate collection will be made.

- h) Government Grants : Capital investment subsidy received by the company is treated as Capital Reserve.
- i) Borrowing costs : Borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing cost incurred for acquiring , construction or production of assets are capitalized as part of the cost of such assets.
- j) Income taxes :
  - i) Deferred income tax is provided , using the liability method, on all timing differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.
  - ii) Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted at the balance sheet date.
- k) Contingent Liabilities : Contingent Liabilities arising from claims, litigation, assessment, fines, penalties etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

## 2. NOTES TO THE ACCOUNTS

### 1. Contingent Liabilities not provided for :

- a) Irrevocable Documentary Letters of Credit Rs. 1,00,19, 016/- (Previous year Rs. 9,00,000/-)
- b) Guarantees issued by banks Rs.10,00,000/- ( Previous year Rs. 10,00,000/-)
- c) Sales tax appeal for the year 2002-03 is pending at APPELLATE TRIBUNAL, Andhra Pradesh for a liability of Rs.7,20,875/-, Out of that we have paid Rs.1,80,220/- at the time of appeal

### 2. SECURED LOANS :

#### Working Capital :

The Working Capital limits from State Bank of India is secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, finished goods, stores, spares and book-debts and first charge on Fixed Assets of the Company viz. Land, Buildings, Plant & Machinery and other Misc. assets and by personal guarantees of Promoter Directors Shri DVR Raju, Shri DRSP Raju, Shri D Rama Raju, Smt D Sakuntala, Smt D Subhadra and Smt Radha Mani.

- 3. The Govt. of Andhra Pradesh vide G. O. NOs 108 & 134 1 & C(IP) Department, dated 20.06.1996 and 01.07.1996 has allowed the company to defer the sales tax payments for a period of Fourteen years from 01.07.1997 on expanded capacity (i.e. beyond base production of 898.40 MTPA) subject to a maximum exemption of Rs. 3, 79, 55, 720/-. The Company has availed sales tax deferment Rs 31,27,067/ - during the year 2010-11 (Previous year Rs.32,89, 855/- and such deferment is cumulatively Rs.2, 74, 10,681/- for 2010-11 (upto previous year Rs 2,42,83,614/-) as per VAT returns filed by company.

**4. Particulars of remuneration to Managing Director, and Director (Commercial) :**

| Particulars                | Current Year (Rs.) |                       | Previous Year (Rs.) |                       |
|----------------------------|--------------------|-----------------------|---------------------|-----------------------|
|                            | Managing Director  | Director (Commercial) | Managing Director   | Director (Commercial) |
| 1. Salary                  | 600000             | 384000                | 600000              | 384000                |
| Perquisites                | 360000             | 230400                | 360000              | 230400                |
| 2. Provident & other funds | 72000              | 46080                 | 72000               | 46080                 |
| <b>TOTAL</b>               | <b>1032000</b>     | <b>660480</b>         | <b>1032000</b>      | <b>660480</b>         |

5. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

**a) Details of Capacity and Production :**

| Particulars                | Current Year                              |                              | Previous Year                             |                              |
|----------------------------|---|------------------------------|---|------------------------------|
|                            | Licensed & * Installed Capacity Qty.(MTs) | Actual Production Qty. (MTs) | Licensed & * Installed Capacity Qty.(MTs) | Actual Production Qty. (MTs) |
| HDPE/PP Woven Fabric/Sacks | 3063                                      | 2788                         | 3063                                      | 2652                         |
| HMHDPE/LDPE Bags           | 180                                       | -                            | 180                                       | -                            |

\* As Certified by the Management being a technical matter and relied upon by the auditors.

**b) Turnover and Stocks :**

| Particulars              | Current Year |              | Previous Year |              |
|--------------------------|--------------|--------------|---------------|--------------|
|                          | Quantity     | Value Rupees | Quantity      | Value Rupees |
| <b>Opening Stocks :</b>  |              |              |               |              |
| HDPE/PP Woven Sacks(Nos) | 39500        | 468054       | 170500        | 2087528      |
| <b>Turnover :</b>        |              |              |               |              |
| PE/PP-Sacks(Nos)         | 27288400     | 291147948    | 28595100      | 280862996    |
| PE/PP-Fabric(Kgs)        | 94128        | 9422793      | 27132         | 3086678      |
| PE/PP-Sacks-Direct       |              |              |               |              |
| Export (Nos)             | 520000       | 5502618      | 1430000       | 14430082     |
| PE/PP-Fabric-Export(kgs) | 10830        | 945751       | -             | -            |
| Processing Charges       | -            | -            | -             | 197218       |
| <b>Closing Stocks :</b>  |              |              |               |              |
| HDPE/PP Woven Sacks(Nos) | 169400       | 2033991      | 39500         | 468054       |

**c) Details of Raw Materials Consumed :**

|                                 |         |                  |         |                  |
|---------------------------------|---------|------------------|---------|------------------|
| i) HDPE/PP (Kgs.)               | 2564225 | 176292690        | 2440000 | 159245813        |
| ii) PP/LDPE LAM. Grade (Kgs.)   | 201925  | 16825196         | 175000  | 12454158         |
| iii) LLDPE Liner (Kgs.)         | 146225  | 10391294         | 123700  | 8576929          |
| iv) HDPE/PP Fabric/Sacks (Kgs.) | 5327    | 468776           | 206073  | 17115265         |
| v) HDPE/PP Fabric/Sacks (Nos.)  | -       | -                | -       | -                |
| vi) Master Batches (Kgs.)       | 48004   | 6197881          | 42901   | 5462178          |
| vii) FMBA (Kgs.)                | 330119  | 11804423         | 317696  | 10451679         |
| viii) PPMF Yarn (Kgs.)          | 11614   | 1240376          | 12688   | 1353017          |
| ix) Ink/Reducer (Kgs./Ltrs.)    | 39678   | 3527679          | 37261   | 3049843          |
| Total                           |         | <u>226748315</u> |         | <u>217708882</u> |

**d) Value of Imports (CIF)**

|               |          |         |
|---------------|----------|---------|
| Raw Materials | 16946399 | 1195452 |
|---------------|----------|---------|

**e) Expenditure in Foreign Currency:**

|                     |   |       |
|---------------------|---|-------|
| Travelling Expenses | - | 27320 |
|---------------------|---|-------|

**f) Earnings in Foreign Currency :**

|                      |         |          |
|----------------------|---------|----------|
| FOB value of Exports | 6298912 | 13877398 |
|----------------------|---------|----------|

**g) Value of Imported, Indigeneous Raw Materials, Components, Spare parts and other materials consumed :**

|            | Current Year  |        |                               |     | Previous Year |        |                               |     |
|------------|---------------|--------|-------------------------------|-----|---------------|--------|-------------------------------|-----|
|            | Raw Materials |        | Spare Parts & other materials |     | Raw Materials |        | Spare parts & other materials |     |
|            | Value(Rs)     | %      | Value(Rs)                     | %   | Value(Rs)     | %      | Value(Rs)                     | %   |
| Imports    | 16946399      | 7.47   | -                             | -   | 1195452       | 0.54   | -                             | -   |
| Indigenous | 209801916     | 92.53  | 3372095                       | 100 | 216513430     | 99.46  | 3597327                       | 100 |
| Total      | 226748315     | 100.00 | 3372095                       |     | 217708882     | 100.00 | 3597327                       | 100 |

6) Accounting standard 15 - Employee benefits:

The following table sets out the status of the retirement and other benefit plans as required under the Accounting Standard - 15 issued by ICAI.

|  | Gratuity      |               |
|--|---------------|---------------|
|  | 31.03.2011    | 31.03.2010    |
|  | Rupees        | Rupees        |
| <b>Projected benefit obligation at the beginning of the year</b> | <b>913923</b> | <b>854564</b> |
| Current Service Cost   | 88687         | 88956         |
| Interest Cost  | 73114         | 68365         |
| Actuarial (Gain) / Loss  | (941)         | 53081         |
| Less: Benefits Paid  | (121706)      | (151043)      |
| <b>Projected Benefit Obligation at the end of the year</b>       | <b>953077</b> | <b>913923</b> |
| <b>Amounts recognized in the Balance Sheet</b>                   |               |               |
| Projected benefit obligation at the end of the year              | 953077        | 913923        |
| Fair value of plan assets at end of the year                     | (1128852)     | (1074959)     |
| Asset recognized in the Balance Sheet                            | 175775        | 161036        |
| <b>Cost of Retirement and Other Benefits for the year</b>        |               |               |
| Current Service Cost   | 88687         | 88956         |
| Interest Cost  | 73114         | 68365         |
| Expected return on plan assets                                   | (88978)       | (72349)       |
| Net actuarial (Gain) / Loss recognised in the year               | (941)         | 53081         |
| Net cost recognised in the profit and loss account               | 71882         | 138053        |
| <b>Assumptions</b>   |               |               |
| Discount Rate (%)  | 8.00          | 8.00          |
| Long term rate of compensation increase (%)<br>- workmen         | 4.00          | 4.00          |

7) Accounting Standard 18 - Related Parties:

i) List of related parties with whom transactions have taken place and relationships :

| Sl. No. | Name of the related party      | Relationship                                 |
|---------|--------------------------------|--|
| 1.      | Shri D V R Raju                | Key Management Personnel (KMP)               |
| 2.      | Shri D R S P Raju              | -do-   |
| 3.      | Smt. D Subhadra                | Relatives of Key Management Personnel (RKMP) |
| 4.      | D. Ravi Varma                  | -do-   |
| 5.      | M/s. Kanhan Packages Pvt. Ltd. | Others                                       |
| 6.      | M/s. Vayhan Coffee Ltd.        | Others                                       |
| 7.      | Sri VRM Raju Penumacha         | Others                                       |

|                                       |        |
|---------------------------------------|--------|
| 8. M/s. DSL Finance                   | Others |
| 9. Sri Ch Kasi Viswananha Raju        | Others |
| 10. M/s. Vayhan Air Controls Pvt. Ltd | Others |
| 11. M/s. PGM Infrastructure Pvt.Ltd   | Others |
| 12. M/s. Adpro Blends Pvt Ltd         | Others |
| 13. M/s. Balaji Coffee Company        | Others |

ii) Transactions during the year with related parties: (Rs.in lacs)

| Sl. No. | Name of transaction     | Current year |      |        | Previous year |      |        |
|---------|-------------------------|--------------|------|--------|---------------|------|--------|
|         |                         | KMP          | RKMP | Others | KMP           | RKMP | Others |
| 1.      | Rent                    | 0.60         | 0.60 | Nil    | 0.60          | 0.60 | Nil    |
| 2.      | Loans - Opening balance | 13.00        | 2.00 | 17.51  | 13.00         | 2.00 | 25.51  |
|         | - Receipts              | 0.00         | 0.00 | 0.00   | 0.00          | Nil  | 0.00   |
|         | - Payments              | 0.00         | 0.00 | 0.00   | 0.00          | Nil  | 8.00   |
|         | - Closing balance       | 13.00        | 2.00 | 17.51  | 13.00         | 2.00 | 17.51  |
| 3.      | Loans - Opening balance | 0.00         | 0.00 | 35.00  | 0.00          | 0.00 | 35.00  |
|         | - Given                 | 0.00         | 1.00 | 86.50  | 0.00          | Nil  | 0.00   |
|         | - Receipts              | 0.00         | Nil  | 106.50 | 0.00          | Nil  | 0.00   |
|         | - Closing balance       | 0.00         | 1.00 | 15.00  | 0.00          | Nil  | 35.00  |

Remuneration paid to directors has been disclosed in note No.4.

**8) Earnings per share :**

| Particulars                      | Year ended<br>31.03.2011 | Year ended<br>31.03.2010 |
|----------------------------------|--------------------------|--------------------------|
| a) Profit/(Loss) after tax       | Rs. 2424203              | Rs.4889682               |
| b) Weighted average No.of shares | 2115000                  | 2115000                  |
| c) Earnings per share - Basic    | Rs. 1.15                 | Rs. 2.31                 |
| - Diluted                        | Rs. 1.15                 | Rs. 2.31                 |

i) In accordance with accounting standard "ACCOUNTING FOR TAXES ON INCOME" issued by the Institute of Chartered Accountants of India, the company has recognized an amount of Rs.3,75,322/- as a deferred tax Asset on unabsorbed depreciation and difference between book and tax depreciation during the year.



ii) **Deferred tax Asset / (Liability) :**

| <b>Particulars</b>                       | <b>Deferred Tax Asset/ (Liability ) As at 31.03.2011 (Rs.)</b> | <b>For the Year (Charge) / Credit (Rs.)</b> | <b>Deferred Tax Asset/ (Liability ) As at 31.03.2010 (Rs.)</b> |
|--|--|---|--|
| Differential Depreciation                | (47,29,902)  | 4,88,887                                    | (52,18,789)  |
| Provision for Bonus and Leave encashment | 2,77,538   | (1,13,565)                                  | 3,91,103   |
| Net Deferred Tax Asset/ (Liability)      | (44,52,364)  | 3,75,322                                    | (48,27,686)  |

- iii) In view of the uncertainty of the company making profits under the head "Income from Business" (Section 28 to 43) to enable the company to avail the credit within the prescribed time of Minimum Alternative Tax paid on the books profits, no credit is accounted with respect to MAT credit entitlement.
9. The Company has not received any intimation from 'Suppliers' regarding their status under the micro, small and medium enterprises development act, 2006. Hence it has not been possible to disclose amounts remain unpaid as at the year end together with interest paid/ payable thereon as required under the said act.
10. Previous years figures have been regrouped wherever necessary to confirm with current year's classification.
11. Balance of debtors, loans and advances and creditors are subject to reconciliation and confirmation.

**SIGNATURES TO SCHEDULES I to VIII**

As per our Report attached to the Balance Sheet  
For M.BHASKARA RAO & CO.,  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**V.RAGHUNANDAN**  
Partner

**D R S P RAJU**  
Managing Director

Place: Hyderabad.  
Date : 27.05.2011

**G V S RAJU**  
Director (Commercial)

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31.3.2011**

|                          |   |                     |  |   |        |                           |   |        |                          |   |        |  |   |                     |  |   |                     |
|--------------------------|---|---------------------|--|---|--------|---------------------------|---|--------|--------------------------|---|--------|--|---|---------------------|--|---|---------------------|
| I                        | Registration Details  | :                   | Registration No.   | : | 5215   | State Code                | : | 01     |                          |   |        |  |   |                     |  |   |                     |
| II                       | Capital raised during the year :<br>(Amount in Rs. Thousands)                       | :                   | Public Issue   | : | Nil    | Rights Issue              | : | Nil    |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Bonus Issue  | : | Nil    | Private Placement/Others: | : | Nil    |                          |   |        |  |   |                     |  |   |                     |
| III                      | Position of Mobilisation &<br>Deployment of Funds<br>(Amount in Rs. Thousands)      | :                   | Total Liabilities  | : | 127062 | Total Assets              | : | 127062 |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Source of Funds  |   |        |                           |   |        |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Paid-up Capital  | : | 21150  | Reserves & Surplus        | : | 18419  |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Secured Loans  | : | 51944  | Unsecured Loans           | : | 31096  |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Application of Funds   |   |        |                           |   |        |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Net Fixed Assets   | : | 26195  | Investments               | : | Nil    |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Net Current Assets   | : | 96414  | Misc. Expenditure         | : | Nil    |                          |   |        |  |   |                     |  |   |                     |
| IV                       | Performance of Company<br>(Amount in Rs. Thousands)                                 | :                   | Turnover   | : | 307849 | Total Expenditure         | : | 266933 |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Profit/(Loss) Before Tax   | : | 2515   | Profit/(Loss) After Tax   | : | 2424   |                          |   |        |  |   |                     |  |   |                     |
|                          |   |                     | Earnings Per Share in Rs.  | : | 1.15   | Dividend Rate (%)         | : | Nil    |                          |   |        |  |   |                     |  |   |                     |
| V                        | Generic Names of two<br>Principal Products<br>of Company<br>(As per monetary terms) | :                   | <table border="1"> <tbody> <tr> <td>Item Code No. (ITC Code)</td> <td>:</td> <td>392690</td> </tr> <tr> <td></td> <td>:</td> <td>HDPE/PP Woven Sacks</td> </tr> <tr> <td></td> <td>:</td> <td>HMHD/LDPE Film Bags</td> </tr> </tbody> </table> |   |        |                           |   |        | Item Code No. (ITC Code) | : | 392690 |  | : | HDPE/PP Woven Sacks |  | : | HMHD/LDPE Film Bags |
| Item Code No. (ITC Code) | :   | 392690              |  |   |        |                           |   |        |                          |   |        |  |   |                     |  |   |                     |
|                          | :   | HDPE/PP Woven Sacks |  |   |        |                           |   |        |                          |   |        |  |   |                     |  |   |                     |
|                          | :   | HMHD/LDPE Film Bags |  |   |        |                           |   |        |                          |   |        |  |   |                     |  |   |                     |



**DECCAN POLYPACKS LIMITED**

Regd. Office : Sy.No. 142A, IDA Bollaram, Via Miyapur, Jinnaram Mandal,  
Medak District, Andhra Pradesh – Pin 502 325.

**PROXY FORM**

I/We .....  
(address) .....  
being a member/members of Deccan Polypacks Limited, hereby appoint .....  
..... (address) .....  
as my/our proxy to vote for me/our behalf at the 27th Annual General Meeting of the Company to be held on Thursday  
the 29th September, 2011 at 11.00 A.M. and at any adjournment thereof.

Signed this ..... day of ..... 2011

Regd. Folio No. ....

Signature

Affix  
Rs. 1/-  
Revenue  
Stamp

Note : The proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours  
before the time for holding the meeting. A proxy need not be a member.



**DECCAN POLYPACKS LIMITED**

Regd. Office : Sy.No. 142A, IDA Bollaram, Via Miyapur, Jinnaram Mandal,  
Medak District, Andhra Pradesh – Pin 502 325

**ATTENDANCE SLIP**

I hereby record my presence at the 27th Annual General Meeting of Deccan Polypacks Limited at Sy.No.142A, IDA  
Bollaram, Via Miyapur, Jinnaram Mandal, Narsapur Tq., Medak District, Andhra Pradesh on Thursday the 29th September,  
2011 at 11.00 A.M.

- 1. Full Name of the Member .....
- 2. Full Name of the Proxy\* .....
- 3. Ledger Folio No. ....
- 4. No. of Shares held .....
- 5. Signature of the member/proxy attending #.....

\* To be filled if the Proxy attends instead of the Member(s)  
# To be used only when Member, first named is not attending  
Please give full name of the First holder .....

- Note :
- 1. Members attending must fill in this attendance slip and hand it over at the entrance of the venue of the meeting.
  - 2. Members are requested to bring their copy of the Notice for reference at the meeting.