

NOTICE:

Notice is hereby given that the 29th Annual General Meeting of Deccan Polypacks Limited will be held on Friday the 27th day of September, 2013 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, 2013, 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 Sri K. Gopal, Director, who retires by rotation and being eligible offers himself for re-appointment.
3. 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:

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

“RESOLVED THAT in supersession of the resolution passed at the First Annual General Meeting of the Company held on 30th December, 1985, consent of the company be and is hereby accorded, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the company to borrow monies for and on behalf of the company from time to time as and when required by the company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the company (apart from temporary loans obtained from the company's Bankers in the ordinary course of business) exceed the aggregate of the paid up share capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose

provided that such borrowings taken together shall not exceed Rs.25 Cr. at any point of time.”

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

“RESOLVED THAT the consent of the Company pursuant to the provisions of Section 293(1) (a) of the Companies Act, 1956, be and is hereby given to the Board of Directors to sell old plant and machinery on such terms and conditions and stipulations as the board may in its discretion deem fit and in the interest of the company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to execute agreements and to do all such things in the name and on behalf of the company as may be necessary for fully effecting the sales.”

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the applicable laws, Rules, Guidelines, Regulations, Notifications and Circulars, if any, issued by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), and other concerned and relevant authorities, and other applicable Indian laws, rules and regulations, if any, and relevant provisions of Memorandum and Articles of Association of the company and the Listing Agreement entered into by the Company with the Stock Exchange where the Shares of the Company are listed and subject to such approval(s), consent(s) permission(s) and / or sanction (s) as may be required from GOI, FIPB, RBI, SEBI and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval,

consent, permission or sanction which may be agreed by the Board of Directors of the Company ("the Board") (which term shall be deemed to include 'Offering Committee' or any other Committee constituted or hereafter be constituted for the time being exercising the powers conferred on the Board by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent and approval of the company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, Securities (as defined below) in the form of Equity or other Shares, Warrants, Bonds or Debentures, or any other debt instrument either convertible or non-convertible into Equity or any other shares whether optionally or otherwise, whether secured or unsecured, and further the Board be and is authorized, subject to applicable laws and regulations, to issue the Securities to investors (including but not limited to Foreign Banks, Financial Institutions, Foreign Institutional Investors, Qualified Institutional Buyers, Mutual Funds, Companies, other Corporate Bodies, Non-Resident Indians, Foreign Nationals and other eligible investors as may be decided by the Board (hereinafter referred to as "Investors") whether or not such Investors are members, promoters or directors of the company or their relatives or associates, by way of one or more private and / or public offerings and whether in any domestic and / or international market(s), through a public issue(s), private placement (s), preferential issue(s) or a combination thereof in such manner and on such terms and conditions as the Board deems appropriate at its absolute discretion provided that the issue size shall not exceed Rs. 4 Crores (Rupees Four Crores) inclusive of such premium as may be payable on the Equity Shares or any other Security, at such time or times and at such price or prices and in such tranche or tranches as the Board in its absolute discretion deem fit."

"RESOLVED FURTHER THAT in the event the Company proposes to issue Securities through Qualified Institutional Placement, the 'Relevant Date' in accordance with the Securities and Exchange Board of India (Issue of Capital and

Disclosures Requirement) Regulations, 2009 shall be August 29, 2013 being the date 30 days prior to the date of this Annual General Meeting or such other date as may be prescribed."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issuance of the Securities shall be subject to such terms or conditions as are in accordance with prevalent market practices and applicable Laws and Regulations, including but not limited to, the terms and conditions relating to payment of interest, dividend, premium on redemption, the terms for issue of additional shares or variations in the price or period of conversion of Securities into Equity Shares or terms pertaining to voting rights or options for redemption of securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to seek, at its absolute discretion, listing of Securities issued and allotted in pursuance of this resolution, on Bombay Stock Exchange."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred above as may be necessary in accordance with the terms of offering, and that the Equity Shares so allotted shall rank in all respects pari passu with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT subject to the approval(s), consent(s) permission(s) and / or sanctions(s) stated above, the Company be and is hereby authorized to retain oversubscription / green-shoe issue option up to 25% of the amount issued and the Board be authorised to decide the quantum of oversubscription to be retained as also any other matter relating to or arising therefrom."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including, if necessary creation of such mortgage and/or charges in respect of the Securities on the whole or any part of the undertaking of the Company under

Section 293(1)(a) of the Companies Act, 1956 or otherwise and to execute such documents or writings as it may consider necessary or proper and incidental to this Resolution.”

“**RESOLVED FURHTER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and to decide upon, as it may at its discretion deem necessary, expedient or desirable in relation to all or any of aforesaid purpose including without limitation to the utilization of issue proceeds, finalizing the pricing, terms and conditions relating to the issue of aforesaid Securities including amendments or modifications thereto as may be deemed fit by them, to sign, execute and issue consolidated receipt/s for the Securities, listing application, various agreements such as Subscription Agreement, Depository Agreement, Trustee Agreement, undertakings, deeds, declarations, Letters and all other documents or papers and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid offering of securities or anything in relation thereto, including but not limited to the post issue formalities and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such creation, issuance, offer or allotment of

the Securities as it may in its absolute discretion deem fit.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to enter into and execute all such arrangements/agreements as may be required for appointing Managers (including lead managers), merchant bankers, underwriters, financial and/or legal advisors, tax advisors, consultants, depositories, custodians, principal paying / transfer/conversion agents, listing agents, registrars, trustees and / or all such agencies as may be involved or concerned in such offering of Securities, whether in India or abroad, and to remunerate all such agencies including the payment of commissions, brokerage, fees or the likes, and also to seek the listing of such Securities or Securities representing the same in one or more stock exchanges whether in India or outside India, as it may be deemed fit.”

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

Place : Hyderabad
Date: 30.05.2013

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 Karvy

Computershare Private Limited, Plot No :17 to 24,Vittal Rao Nagar, Near Image Hospital, Madhapur, Hyderabad – 500 081

4. The Register of members and share transfer books of the company will remain closed from 24.09.2013 to 27.09.2013 (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: 30.05.2013

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.4:

The Company is in the process of modernization of its plant and machinery to increase the installed capacity and production efficiency. To part finance the modernization plans the Company proposes to borrow additional funds from Bank / Financial Institutions. The Company propose to increase the borrowing limit from the existing limit of Rs. 15 crores to Rs. 25 Crores. In terms of section 293(1) (d) of the Companies Act, 1956 approval of the members is required for increase in borrowing beyond the paid share capital and free reserve. The Directors recommend the resolution. None of the Directors are interested in the resolution.

ITEM NO:5

The Company proposes to dispose off / sale plant and machinery which have become old and the expenses on account of repairs and maintenance has substantially increased. The Company proposes to replace these old machinery with latest and new machinery with higher efficiency and lower running and maintenance costs. Approval of the members is required for sale of assets of the company in terms of section 293(1) (a) of the Companies Act, 1956. The Board recommends the resolution for the approval of the membes. None of the Directors are interested in the resolution.

ITEM NO:6

Your company is considering modernization / expansion of its existing plant capacity to cater to the increasing demand for its products and also to further improve the production efficiency. To part finance the modernization / expansion project

the company proposes increase its share capital by issue of further equity shares not exceeding Rs 4 Crores. Approval of shareholders is required for further issue of shares as per the provisions of section 81(1A) of the Companies Act, 1956, Your Directors commend the resolution for approval of shareholders. Directors shall be deemed to be interested to the extent of the shares held by them.

INFORMATION REQUIRED UNDER CLAUSE 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 a 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 29.09.2011. Sri K. Gopal is member of the Audit Committee, Remuneration Committee and Shareholders Grievance Committee of Directors.

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

Place : Hyderabad
Date: 30.05.2013

D .R. S. P. RAJU
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 29th Annual Report together with the Audited Accounts and Cash Flow Statements for the year ended 31st March 2013.

The financial results for the year ended 31st March 2013 are summarized below.

Particulars	(Rs. in Lakhs)	
	2012-13	2011-12
Income from operations	2760.87	3208.05
Gross Profit	267.37	264.96
Interest	218.86	200.48
Depreciation	30.71	30.20
Profit/(Loss) before taxation	17.80	34.28
Deferred Tax(Liability)/Asset	5.42	9.02
Current tax	(3.39)	(6.53)
Net Profit/(Loss)After Taxation	19.83	36.77
Balance brought forward	161.02	124.25
Balance carried to		
Balance Sheet	180.85	161.02

Operations

The overall performance of the company in terms of sales and turnover has been lower than the previous year. During the year the company has recorded production of 2010 MTs (previous year 2638 MTs). The production has been low in the year under report due to frequent power cuts leading to loss of production for almost 3 months. This has also affected the capacity utilization. The Company has recorded capacity utilization of 65.62% in comparison with the previous year 86.12%. The Company has focused in local sales hence has not recorded any exports.

The realization on sales during the year under report has marginally improved for woven sacks and fabric. The Company has recorded lower net profit of Rs. 19.83 lakhs as against Rs. 36.77 Lakhs in the previous. The company 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 provided there is no disturbance on account of power supply and other factors. The company has made alternate arrangements

to ensure continuous and uninterrupted power supply by installing DG sets and supply through private companies.

Future Outlook

The power situation has not shown any improvement during the current year and the power crises is expected to continue. The Company is exploring the possibilities of purchasing power from Private Companies to mitigate the shortfall in power availability and ensure continuous production. The raw material prices are expected to remain stable and continue at the same levels as previous year, 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 production of cement and its requirement for its packing. The company mainly caters to the packing requirements of the Cement and Fertilizer industries whose operations has been affected due to present recessionary market conditions. 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 2013-2014 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 :

- 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 Crisil B / Stable/ Crisil A4 rating to the Company for the facilities availed from the Bank.

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 K. Gopal Director of the

company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

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 : 30.05.2013

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 Year Rs.	Previous Year Rs.
1. Foreign Exchange earning	-	28,36,412
2. Foreign Exchange used for import of raw material	-	29,32,069

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

a) Composition of the Board

Name of the Director	Status
Sri K Gopal	Independent & Non-Executive - Chairman
Sri D R S P Raju	Managing Director & Executive
Sri G V S Raju	Director (Commercial) & Executive
Sri D V Prudvi Raju	Whole Time Director & Executive
Sri N S B Reddy	Independent & Non Executive
Sri N V S Rao	Independent & Non Executive

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Director from that date.

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

Sl.No.	Name of the Director	Nature of relationship to (Name of the Director)
1.	Mr D R S P Raju	Father of D V Prudvi Raju
2.	Mr K Gopal	Nil
3.	Mr N S B Reddy	Nil
4.	Sri G V S Raju	Sister's Husband (Sri D R S P Raju)
5.	Sri N V S Rao	Nil
6.	Sri D V Prudvi Raju	Son of Sri D R S P Raju

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 1st April 2012 to 31st March 2013 the Board met five times on the following dates.

Sl.No	Date	Board Strength	No. of Directors present
01	30.05.2012	7	7
02	10.08.2012	7	6
03	16.08.2012	6	4
04	14.11.2012	6	6
05	11.02.2013	6	6

e) **Attendance of Directors**

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting	No. of Directorships in other Board as on 31.03.2013	No. of memberships in other Board committees as on 31.03.2013
Mr K Gopal	5	5	Yes	1	Nil
* Mr D V R Raju	5	1	No	Nil	Nil
Mr D R S P Raju	5	4	Yes	5	Nil
Mr G V S Raju	5	5	Yes	1	Nil
Mr N S B Reddy	5	5	Yes	Nil	Nil
Mr N V S Rao	5	5	Yes	Nil	Nil
Mr D V Prudvi Raju	5	4	Yes	1	Nil

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Director from that date.

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 11.02.2013. The committee comprises of the following non-executive members of the Board.

- | | | |
|--|---|----------|
| 1. Sri K Gopal | - | Chairman |
| 2. Sri D V Prudvi Raju (W.e.f. 11.02.2013) | - | Member |
| 3. Sri N S B Reddy | - | Member |
| 4. Sri N V S Rao | - | Member |

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Member from that date.

During the year 1st April 2012 to 31st March 2013 the committee had four meetings.

Sl.No	Date
1	30.05.2012
2	10.08.2012
3	14.11.2012
4	11.02.2013

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

Name of the Director	No. of Meetings held	No. of meetings attended
Mr K Gopal	4	4
* Mr D V R Raju	4	1
Mr N S B Reddy	4	4
Mr N V S Rao	4	4

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Member from that date.

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. Mr D R S P Raju - Chairman
2. Mr D V Prudvi Raju - Member (wef 14.11.2012)

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Member from that date.

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 5 (Five) times during the year ended 31st March, 2013.

The attendance for the meetings are as stated below :

Name of the Director	No. of meetings held	No. of meetings attended
Mr D R S P Raju	05	05
Mr. D V R Raju *	05	01
Mr D V Prudvi Raju	05	04

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Member from that date.

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, (ceased to be member wef 13.08.2012 consequent upon his death), Sri K Gopal, Chairman and Mr. D.V. Prudvi Raju (Wef 11.02.2013). 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 31st March, 2013.

Sl.No.	Nature of Letter / Complaints	Recd.	Disposed	Pending
1	Non - receipt of share certificates after transfer/ exchange/sub-dividend/ consolidated/duplicate transfer and transmission	5	5	---
2.	Miscellaneous and others change of address, old share certificates and mandate etc.	---	---	---

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 31st March, 2013.

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

During the year 1st April 2012 to 31st March 2013, 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, 2012 to 31st March, 2013.

Executive Directors

Name	Salary	Perquisites	Commn.	Date of appointment	Date of expiry
Mr D R S P Raju	9,60,000	5,76,000	-	01.10.2011	2016
Sri G V S Raju	6,00,000	3,60,000	-	01.10.2011	2014
Sri D V Prudvi Raju	6,00,000	3,60,000	-	08.02.2012	2015

Non-Executive Directors:

Name	Sitting Fee (Rs.)	No. of shares
* Mr D V R Raju	2,500	1,17,600
Mr K Gopal	11,250	Nil
Mr N S B Reddy	11,250	Nil
Mr N V S Rao	11,250	Nil

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Director from that date.

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 :

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

FINANCIAL YEAR	Date	Time	Place
2009-2010	29.09.2010	11.00 AM	Registered Office : Sy No: 142A, IDA Bollaram (Village Road) (Via) Miyapur, Jinnaram Mandal, Medak Dist. AP
2010-2011	29.09.2011	11.00 AM	Registered Office : Sy No : 142A, IDA Bollaram (Village Road) , Via Miyapur, Jinnaram Mandal, Medak Dist. AP.
2011-2012	28.09.2012	11.00 AM	Registered Office : Sy No : 142A, IDA Bollaram (Village Road) Via Miyapur, Jinnaram Mandal, 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 Whole Time Director was passed at the Annual General Meeting held on 28.09.2012.
- 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 : 27th September 2013
 - Time : 11.00 AM
 - Venue : Sy.No: 142A, IDA Bollaram (Via) Miyapur, Jinnaram (M) Medak Dist. AP
- b) Financial Calendar : 1st April 2012 to 31st March 2013
- c) Date of Book Closure : 24.09.2013 to 27.09.2013
- d) Registered Office & Works : Sy No: 142A, IDA Bollaram (Via) Miyapur, Jinnaram (M) Medak Dist. AP.
- e) Listing on Stock Exchanges : Bombay Stock Exchange Ltd P J Towers, Dalal Street, Fort, Mumbai
- f) Code : BSE-531989

g) Market Price Data
on Bombay Stock Exchange :

Month	High	Low	Month	High	Low
April 2012	7.01	6.67	October	5.11	4.42
May	7.35	5.91	November	5.09	4.48
June	5.65	5.00	December	4.33	3.96
July	5.26	5.00	January 2013	8.02	4.14
August	5.01	4.72	February	9.43	8.15
September	5.12	4.30	March	10.25	8.83

h) Share transfer System :

The company has appointed M/s Karvy Computershare Private Limited as the Registrar and Share Transfer Agents w.e. f 16.07.2011. The shareholders are requested to correspond with the Registrar and Share Transfer Agents at their address mentioned hereunder :

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar
Near Image Hospital, Madhapur,
Hyderabad - 500081.

i) Distribution of shareholding as on 31.03.2013

Sl.No	Category	No. of shares held	Percentage of Shareholding
1	Promoters	1169691	55.30
2	Mutual Funds	-	-
3	Banks, Fin. Inst. Co, (Central/State Govt. Inst. Non Govt Int. (IDBI)	-	-
4	Private Corp. Bodies	78944	3.73
5	NRI/OCBs	4854	0.23
6	Indian Public	861511	40.74
	Total	2115000	100.00

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

k) **Dematerialized of shares**

As on 31.03.2013 the company has dematerialized 11,27,215 shares representing 53.30% of total paid up share capital.

National Securities Depositories Limited - 991626 shares

Central Depository Services Limited - 135589 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, Whole Time Director at the following email ID 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 but in recent times has reduced its presence in the export market and mainly focused in the domestic market. 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. The performance of the Company is also dependent on the power supply position which has direct impact on the production and capacity utilization.

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. Cement Industry's 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 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 system 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 overall performance of the company in terms of production, sales and turnover has been lower than the previous year. During the year the company has recorded production of 2010 MTs (previous years 2638 MT. In view of the low production and sales during the year the profit is Rs. 19.83 Lakhs as against previous year reported Rs. 36.77 Lakhs.

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 and power supply situation.

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 31.03.2013, as envisaged in clause 49 of the listing agreement with Stock Exchanges.

Place : Hyderabad
Date : 30-05-2013

D R S P RAJU
MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Deccan Polypacks Limited

We have examined the compliance of conditions of Corporate Governance by Deccan Polypacks Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

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 Certification 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 explanation given to us, and based on our reliance upon the representations made by the directors and management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the company at large.

The Share Transfer Agent of the company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and that there are no complaints pending as at the year end as stated under serial no.III of the Company's Report on Corporate Governance.

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 : 30.05.2013

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 31st March, 2013. 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 5 (Five) times on 30.05.2012, 10.08.2012, 16.08.2012, 14.11.2012 and 11.02.2013 (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 25.09.2012 to 28.09.2012 (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 31.03.2012 was held on 28.09.2012 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 not issued duplicate share certificates during the financial year.
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 additional director , alternate directors, and Directors to fill casual vacancy during the financial year.
15. The company has appointed Whole Time Director during the financial year w.e.f 08.02.2012 confirmed in the Annual general meeting held on 28.09.2012 and complied with the provisions of the Act.
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 31.03.2013.
- 24 The amounts borrowed by the company from directors, members, financial institutions, banks and others during the financial year ended 31.03.2013 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: 17.05.2013

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

Place : Hyderabad
Date : 17.05.2013

VBSS PRASAD
COMPANY SECRETARY
C.P. NO : 4605

ANNEXURE "B" – COMPLIANCE CERTIFICATE

Name of the Company : M/s Deccan Polypacks Limited
 Registration Number : L24134AP1984PLC005215
 Authorised 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 31st March, 2013.

REGISTER OF COMPANIES

S.No.	Form No.	Description	Date of Filing	Whether filed within prescribed	If delay in filing Whether requisite addl. Fee paid Yes/No.
1.	17	Satisfaction of Charge	08.06.2012	Yes	No
2.	17	Satisfaction of Charge	08.06.2012	Yes	No
3.	17	Satisfaction of Charges	08.06.2012	Yes	No
4.	23B	SRN S14528319	10.10.2012	Yes	No
5.	23	Registration Resolution	25.10.2012	Yes	No
6.	66	Compliance Certificate 2011 - 2012	25.10.2012	Yes	No
7.	20B	Annual Return 2011-2012	15.11.2012	Yes	No
8.	32	Cessation - D V R Raju	16.11.2012	No	Yes
9.	23AC, ACA	Financial Year ending on 31.03.2012	23.11.2012	Yes	No
10.	17	Satisfaction of charge	21.12.2012	Yes	No

Place : Hyderabad
 Date : 17.05.2013

VBSS PRASAD
 COMPANY SECRETARY

VBSS PRASAD
 Proprietor
 C.P. No. 4605

INDEPENDENT AUDITOR'S REPORT

To
The Members
DECCANPOLYPACKSLIMITED

Report on Financial Statements :

We have audited the accompanying financial statements of Deccan Polypacks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in

the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013.
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure

-
- a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement
- comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No. 000459S
- V. RAGHUNANDAN
Partner
Membership No. 26255
- Place : Hyderabad
Date : 30.05.2013
-

Annexure
Re : Deccan Polypacks Limited
Referred to in paragraph 3 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 not granted any loans, secured or unsecured to parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, clause (iii) (b) to (d) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended is not applicable to the Company for the current year.
- e) According to the information and explanations given to us, the Company has taken interest free unsecured loan from six parties covered in Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 153.50 lakhs and year end balance was Rs. 32.50 Lakhs
- f) Since the loans taken are repayable on demand, question of overdue amounts does not arise. Therefore commenting under Clause 4 (iii) (g) of Companies (Auditor's Report) Order, 2003 as amended 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 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, Custom 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 31st March 2013 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 31st March 2013 which have not been deposited on account of any dispute except stated below.

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Forum Where Dispute is Pending
Sales Tax	Restriction of Set off tax on prorata basis	3.60	Appellate Tribunal Andhra Pradesh

- x) The Company has no accumulated losses as on 31st March 2013. 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 the 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 purpose.
- 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. BHASKAR RAO & CO.,**
CHARTERED ACCOUNTANTS

Place : Hyderabad
Date : 30.05.2013

VRAGHUNANDAN
Partner
Membership No. 26255
Firm Regn. No. 000459S

BALANCE SHEET AS AT 31ST MARCH, 2013

	Particulars	Note No.	As at 31st March, 2013 Rupees		As at 31st March, 2012 Rupees	
I.	EQUITY AND LIABILITIES					
1.	Shareholders' Funds					
	a) Share Capital	3	21150000		21150000	
	b) Reserves and Surplus	4	24078777	45228777	22096189	43246189
2.	Non - Current Liabilities					
	a) Long-Term Borrowings	5	30393926		30557041	
	b) Deferred Tax Liabilities (Net)	6	3007833		3550000	
	c) Long-Term Provisions	7	930968	34332727	1334093	35441134
3.	Current Liabilities					
	a) Short-term Borrowings	8	65740356		56869072	
	b) Trade payables	9	84210338		85785615	
	c) Other Current Liabilities	10	7605445		6073511	
	d) Short-Term Provisions	11	3609444		3281226	
	Total			161165583		152009424
				240727087		230696747
II.	ASSETS					
1.	Non - Current Assets					
	a) Fixed Assets	12				
	i) Tangible Assets		20486934		23273772	
	ii) Intangible Assets		16787	20503721	23110	23296882
	b) Long - Term Loans and Advances	13	3057883	3057883	7558283	7558283
2.	Current Assets					
	a) Inventories	14	142936824		112936513	
	b) Trade Receivables	15	52365801		68837743	
	c) Cash and Bank Balances	16	11195587		10717073	
	d) Short Term Loans and Advances	17	6461393		2334488	
	e) Other Current Assets	18	4205878		5015765	
	Total			217165483		199841582
				240727087		230696747
	Significant Accounting Policies	2				
<p>Accompanying Notes form an integral part of Financial Statements</p> <p>As per our report of even date attached for M. BHASKARA RAO & CO CHARTERED ACCOUNTANTS</p> <p>V. RAGHUNANDAN Partner</p> <p>Place : Hyderabad Date : 30th May, 2013</p>						
<p>For and on behalf of the Board</p> <p>G.V.S. RAJU DIRECTOR (COMMERCIAL)</p> <p>D.R.S.P RAJU MANAGING DIRECTOR</p>						

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Particulars	Note No.	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
I	Revenue from operations	19	261004728	305121631
	Less : Excise Duty		28625220	28364221
II.	Other Income	20	232379508	276757410
III.	Total Revenue (I+II)		2031846	1941445
IV.	Expenses		234411354	278698855
	Cost of materials consumed	21	192393544	230909161
	Changes in Inventories of finished goods work-in-progress and Stock-in-Trade	22	(32187054)	(25450973)
	Employee benefits expense	23	19635128	17853701
	Finance Costs	24	24741202	23435323
	Depreciation and amortization expense	12	3071313	3020399
	Other expenses	25	24977714	25503026
	Total expenses		232631847	275270637
V.	Profit before exceptional and extraordinary items and tax (III-IV)		1779507	3428218
VI.	Exceptional items		0	0
VII.	Profit before extraordinary items tax (V-VI)		1779507	3428218
VIII.	Extraordinary Items		0	0
IX .	Profit before tax (VII-VIII)		1779507	3428218
X.	Tax expense :			
	- Current Tax		(339085)	(653247)
	- Deferred Tax		542166	902364
XI.	Profit/(Loss) for the period from continuing operations		1982588	3677335
XII.	Profit/(Loss) for the period		1982588	3677335
XIII	Earnings per equity share :			
	(1) Basic		0.94	1.74
	(2) Diluted		0.94	1.74

Significant Accounting policies

2

Accompanying Notes form an integral part of Financial Statements

As per our report of even date attached for M. BHASKARA RAO & CO
CHARTERED ACCOUNTANTS

For and on behalf of the Board

V. RAGHUNANDAN
Partner

G.V.S. RAJU
DIRECTOR (COMMERCIAL)

D.R.S.P RAJU
MANAGING DIRECTOR

Place Hyderabad

Date : 30th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year ended 31st March, 2013 Rupees	Year ended 31st March, 2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES	1779507	3428218
Net profit /(Loss) before tax and extraordinary items		
Adjustment for		
Depreciation	3071313	3020399
Interest Income	(2027410)	(1885583)
Interest Expenses	21886823	20048044
Operating profit before working capital changes	24710233	24611078
Changes in Working Capital		
(Increase) / Decrease in Trade and other receivables	16471942	(5522865)
(Increase)/Decrease in Inventories	(30000311)	(8026674)
(Increase)/Decrease in Long Term Loans and Advances	4500400	(2810300)
(Increase)/Decrease in Short Term Loans and Advances	(4126905)	(295582)
(Increase)/Decrease in other current assets	809887	414202
Increase/(Decrease) in Long Term Provisions	(403125)	908369
Increase/(Decrease) in Trade Payables	(1575277)	6470327
Increase/(Decrease) in Current Liabilities	1531934	1844772
Increase/(Decrease) in Short Term Provisions	328218	611614
Cash Generated from operations	12246996	18204941
Provision for taxation (MAT)	(339085)	(653247)
Cash flow before extraordinary items	11907911	17551694
Net Cash flow from Operating Activities	11907911	17551694
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(278152)	(121859)
Sale of Fixed Assets	-	-
Interest received	2027410	1885583
Net Cash used in investing activities	1749258	1763724
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	(163115)	(893134)
Increase/ (Decrease) in Short Term Borrowings	8871283	4489778
Interest paid	(21886823)	(20048044)
Net cash used in financing activities	(13178655)	(16451400)
NET INCREASE IN CASH AND CASH EQUIVALENTS	478514	2864018
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	10717073	7853055
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	11195587	10717073
As per our report of even date attached for M. BHASKARA RAO & CO CHARTERED ACCOUNTANTS		For and on behalf of the Board
V. RAGHUNANDAN Partner Place : Hyderabad Date : 30th May, 2013	G.V.S. RAJU DIRECTOR (COMMERCIAL)	D.R.S.P RAJU MANAGING DIRECTOR

NOTE NO. 1

Company is located at Sy.No.142A, IDA Bollaram, (Via) Miyapur, Jinnaram Mandal, Medak District, A.P.-502 325. It is manufacturing PP/HDPE Woven Sacks

NOTE NO. 2

Significant Accounting Policies :

2.1 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 recognises income and expenditure on accrual basis unless otherwise stated.

2.2 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.

2.3 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.

2.4. 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 .

2.5 Inventories :

The method of valuation of inventories is as under:

i) Raw Materials, Stores and Spares.

Work-in-process and Finished Goods :

At lower 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”

2.6 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 accounting year.

2.7 Customes Duty Drawback Export incentives, Insurance Claims etc., are recognized only when it is reasonably certain that the ultimate collection will be made.

2.8 Government Grants :

Capital investment subsidy received by the company is treated as Capital Reserve.

2.9 Borrowings 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.

2.10 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.
- iii) Minimum Alternate Tax (MAT) Credit entitlement :

Mat Credit entitlement represents the amounts paid in a year under Section 115JA/115JB of the Income Tax Act 1961 ('IT ACT') which is in excess of the tax

payable, computed on the basis of normal provisions of the IT Act.

Such excess amount can be carried for set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as 'MAT Credit entitlement' in the balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

Such assets are reviewed at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

2.11 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.

NOTE NO : 3 SHARE CAPITAL

	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Authorised				
Equity share of Rs.10/- each	5000000	50000000	5000000	50000000
Issued , Subscribed and fully paid up				
Equity share of Rs.10/-each	2115000	21150000	2115000	21150000

3.1 Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.2 Reconciliation of No. of Shares outstanding

	As at 31st March 2013	As at 31st March 2012
Equity Shares of Rs.10/- each		
Shares Outstanding at the beginning of the year	2115000	2115000
Shares outstanding at the end of the year	2115000	2115000

3.3 Details of Shareholders holding more than 5% shares in the Company

	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	% of share holding	No. of Shares	% of share holding
i) D .R.S.P. Raju	138638	6.55%	138638	6.55%
ii) D.V.R. Raju	117600	5.56%	117600	5.56%
iii) D. Subhadra	108980	5.15%	108980	5.15%
iv) D. Shakuntala	139235	6.58%	139235	6.58%
v) D.Radhamani	121020	5.72%	121020	5.72%
vi) D. Rama Raju	124410	5.88%	124410	5.88%
vii) D V Prudvi Raju	134898	6.37%	134898	6.37%

NOTE NO. 4 Reserves and Surplus

	As at 31st March 2013	As at 31st March 2012
a. Capital Reserves		
Opening Balance	1464100	1464100
Closing Balance	1464100	1464100
b. Securities Premium Account		
Opening Balance	830000	830000
Closing Balance	830000	830000
c. General Reserve		
Opening Balance	3700000	3700000
Closing Balance	3700000	3700000
d. Surplus in Statement of Profit and Loss		
Opening Balance	16102089	12424754
Add : Net profit /(Net Loss) For the current year	1982588	3677335
Closing Balance	18084677	16102089
Total (a+b+c+d)	<u>24078777</u>	<u>22096189</u>

NOTE NO.5 Long Term Borrowings

	As at 31st March 2013	As at 31st March 2012
Vehicle Loans (Secured) (Refer Note No. 5.1)	-	164360
Loans from Related Parties (Unsecured)	3250000	3250000
Deferred payment Liabilities (Unsecured)	27143926	27142681
Total	<u>30393926</u>	<u>30557041</u>

5.1 Vehicle loans are secured by hypothecation of vehicles and are repayable over a periods as given below

Year	Amount repayable (Rs)
2013-14	164370

- 5.2 Loans from related parties are repayable on demand and are subject to confirmation
- 5.3 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 not availed sale tax deferment during the year 2012-13 as the scheme has ended on 30.06.2011, (amount availed in previous year Rs.Nil) and such deferment is cumulatively Rs.2,71,43,926/- for 2012-13 (upto previous year Rs.2,74,10,681/-) as per VAT returns filed by company.

NOTE NO.6 Deferred Tax Liabilities (Net)

Deferred tax Liability as at the year end on timing difference comprises of :	As at 31st March 2013	As at 31st March 2012
a) Liability :		
On account of Depreciation	3485894	3982000
b) Asset		
On account of Employee Benefits	478061	432000
Deferred Tax Liability (Net)	<u>3007833</u>	<u>3550000</u>

- 6.1 During the year, the company has created and utilized the Minimum Alternate Tax (MAT) credit entitlement relating to earlier years of amounting to Rs. 7, 47, 187/-

NOTE NO. 7 Long Term Provisions :

	As at 31st March 2013	As at 31st March 2012
Provision for Employees benefits :		
Leave Encashment (Unfunded)	912212	860106
Gratuity (Funded)	18756	473987
Total	<u>930968</u>	<u>1334093</u>

NOTE NO : 8 Short Term Borrowings :

	As at 31st March 2013	As at 31st March 2012
Secured :		
Loans payable on demand from banks		
Cash Credit with State Bank of India	65740356	56869072
(Secured by a first charge by way of hypothecation of stock 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 Sri DVR Raju, Sri DRSP Raju, Sri D. Rama Raju, Smt D. Sakuntala, Smt D. Radha Mani)		
Further, an amount of Rs. 21,72,664/- has been offered as collateral security for such loan. (Refer to Note No.16)		
Total	<u>65740356</u>	<u>56869072</u>

NOTE NO. 9 Trade payables

	As at 31st March 2013	As at 31st March 2012
a) Trade Payables (Refer Note 9.1)	29221650	33643776
b) LC Discounting with SBI	54988688	52141839
Total	<u>84210338</u>	<u>85785615</u>

9.1 The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid / payable as required the said Act have not been given.

NOTE NO. 10 Other Current Liabilities

	As at 31st March 2013	As at 31st March 2012
Current Maturities of Long Term Debts	164360	892289
Advances from customers	3182	47090
Other Payables	7437903	5134132
Total	<u>7605445</u>	<u>6073511</u>

NOTE NO. 11 Short Term Provisions

	As at 31st March 2013	As at 31st March 2012
Provision for Taxation	3609444	3270359
Provision for Employee benefits :		
Leave Encashment (unfunded)	-	10867
Total	<u>3609444</u>	<u>3281226</u>



DECCAN POLYPACKS LIMITED

Note No. 12 Fixed Assets

Fixed Assets	Gross Block				Accumulated Depreciation		Net Block	
	Balance as at 1 April 2012	Additions	Deductions/adjustments during the year	Balance as at 31st March 2013	Balance as at 1 April 2012	Deductions/adjustments during the year	Balance as at 31st March 2013	Balance as at 31st March 2012
Tangible Assets								
Land (Free hold)	290357			0	0	0	290357	290357
Buildings (own use)	9363289			3775992	291332	0	5298365	5586697
Plant and Equipment	54236334			41036697	2150152	0	11049485	13199637
Furniture and Fixtures	399328	205202		326493	18738	0	259279	72835
Vehicles	5011743			1809770	473903	0	2728070	3201973
Office equipment	1805902	60150		967366	120331	0	783255	842436
Other Equipments	239107	12800		162270	10514	0	79123	76837
Total	71351960	278152		48078188	3064990	0	20486934	23273772
Previous Year	71242901	109059		45062769	3046513	31094	23273772	20180132
Intangible Assets								
Computer Softwares	39,008	-		15,898	6,323	-	22,221	16,787
Total	39,008	-		15,898	6,323	-	22,221	16,787
Previous Year	26,208	12,800		10,918	4,980	-	15,898	23,110

NOTE NO. 13 Long Term Loans and Advances

	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
a) Capital Advances (Unsecured and considered good) Advances for Capital Goods given to related parties	250000	5000000
b) Security Deposits		
With Govt. Bodies	2707883	2258283
With Others	100000	300000
Total	<u>3057883</u>	<u>7558283</u>

NOTE NO. 14 Inventories

	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
a) Raw Materials	8540194	10320900
b) Work in Progress	125416900	93699498
c) Finished goods	568670	99018
d) Stores and spares	8411060	8817097
Total	<u>142936824</u>	<u>112936513</u>

NOTE NO. 15 Trade Receivables

	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
a) Unsecured , considered good)		
i) Outstanding for a period exceeding Six months	2642822	0
ii) outstanding for a period less than Six months	49722979	68837743
Total	<u>52365801</u>	<u>68837743</u>

15.1 Trade receivables are subject to reconciliation and confirmation

NOTE NO. 16 Cash and Bank Balances

	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
a) Balances with Scheduled Banks		
i) In current and Deposit Accounts	2308294	2198778
(Out of the above, an amount of Rs.21,72,664/- Previous year : Rs. 20,00,000/-) is lodged with Bank as collateral security for enhanced working capital limits)		
ii) In Margin Money Accounts (Lodged with banks)	8835151	8486576
b) Cash on Hand	52142	31719
Total	<u>11195587</u>	<u>10717073</u>

NOTE NO. 17 Short Term Loans and Advances

	As at 31st March 2013	As at 31st March 2012
(Unsecured, considered good)		
Advance to creditors	6046955	2076768
Advance to employees	52000	75500
Advance to Others	362438	182220
Total	<u>6461393</u>	<u>2334488</u>

NOTE NO. 18 Other current Assets

	As at 31st March 2013	As at 31st March 2012
a) Prepaid Expenses	216127	111166
b) Tax Deducted at source	984334	770405
c) Advance tax for MAT	2662784	2259869
d) Interest Accrued	236292	1238382
e) Others	106341	635943
Total	<u>4205878</u>	<u>5015765</u>

NOTE NO. 19 Revenue from Operations

Particulars	For the year ended 31st March 2013 Rs.		For the year ended 31st March 2012 Rs.		
Sale of Products					
a) Sale of PP/HDPE Sacks - Domestic	269813727		308291536		
- Exports	0		0		
b) Sale of PP/HDPE Fabric - Domestic	4241767		7808572		
- Exports	-		2763361		
	<u>274055494</u>		<u>318863469</u>		
Less :					
VAT	13050766		13741838		
Total	<u>261004728</u>		<u>305121631</u>		
		For the year ended 31st March 2013		For the year ended 31st March 2012	
Turnover	Quantity	Rs.	Quantity	Rs.	
PP/HDPE Sacks - Domestic	Nos.	23765200	269813727	27138100	308291536
PP/HDPE Fabric - Domestic	Kgs.	30142	4241767	77959	7808572
PP/HDPE Fabric -Exports	Kgs.	0	0	27390	2763361
Total		<u>274055494</u>		<u>318863469</u>	

NOTE NO. 20 Other Income

	For the year ended 31st March 2013	For the year ended 31st March 2012
	Rs.	Rs.
a) Interest Income	2027410	1885583
b) Miscellaneous Income	4436	55862
Total	<u>2031846</u>	<u>1941445</u>

NOTE NO. 21 Cost of Materials consumed

		For the year ended 31st March 2013		For the year ended 31st March 2012	
		Quantity	Amount Rs.	Quantity	Amount Rs
i) PP	Kgs.	1248125	108502398	1118075	89666381
ii) HDPE	Kgs.	656850	55624778	1314141	98026504
iii) LLDPE	Kgs.	63700	5505329	117000	8727089
iv) LDPE Lam	Kgs.	68475	5986471	149523	14233160
v) HDPE /PP Woven Fabric	Kgs.	0	0	0	0
vi) FMBA	Kgs.	202507	8301522	305667	10748943
vii) Master Batches	Kgs.	27931	4113113	42365	5655427
viii) Ink, Reducer and Yarn	Kgs./Ltrs	35279	4359933	38156	3851657
		<u>192393544</u>		<u>230909161</u>	

Value of imported, Indigeneous Raw Materials, Components, Spare parts and other materials consumed :

	For the year ended 31st March 2013			For the year ended 31st March 2012		
	Raw Materials	%	Spare parts	Raw Materials	%	Spare Parts
Imports	Nil	0.00	Nil	2932069	0.01	Nil
Indigenous	192393544	100	3548036	227977092	99.99	3258590
	<u>192393544</u>		<u>3548036</u>	<u>230909161</u>		<u>3258590</u>

NOTE NO. 22 Changes in Inventories of Finished goods Work in Progress and stock in trade

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Rs.		Rs.	
a) Work in process				
Opening Stock	93699498	66191726		
Closing Stock	<u>125416900</u>	<u>93699498</u>		
		(31717402)		(27507772)
b) Finished Goods				
Opening Stock	99018	2155817		
Closing Stock	<u>568670</u>	<u>99018</u>		
		(469652)		2056799
Total		<u>(32187054)</u>		<u>(25450973)</u>

NOTE NO. 23 Employee Benefit Expenses

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Rs.		Rs.	
a) Salaries, Wages and Bonus	17602479	15555590		
b) Contribution to provident and other funds	1744998	2005793		
c) Staff Welfare Expenses	287651	292318		
Total	<u>19635128</u>	<u>17853701</u>		

NOTE NO. 24 Finance Cost

	For the year ended 31st March 2013		For the year ended 31st March 2014	
	Rs.		Rs.	
a) Interest	21886823	20048044		
b) Bank Charges	2666359	3362019		
c) Gain/(Loss) on Foreign currency transactions	188020	25260		
Total	<u>24741202</u>	<u>23435323</u>		

NOTE NO. 25 Other Expenses

	For the year ended 31st March 2013	For the year ended 31st March 2012
	Rs.	Rs.
a) Consumption of Stores and Spares	3548036	3258590
b) Power and Fuel	14079394	12192230
c) Other Manufacturing Expenses	1242740	2065204
d) Repairs and Maintenance		
Plant & Machinery	908124	932068
Vehicles	313181	440979
Others	<u>240581</u>	<u>265517</u>
	1461886	1638564
e) Administrative Expenses		
Travelling & Conveyance	32944	51219
Directors Travelling & Conveyance	44333	128222
Directors Sitting Fees	36250	46250
Printing & Stationery	127718	141906
Postage, Telegrammes & Telephones	290092	327125
Insurance	275507	245662
Legal & Professional Charges	320913	358324
Auditors Remuneration :		
Audit Fee	55000	40000
Taxation Matters	20000	15000
Certification Fee	18000	15000
Out of Pocket expenses	7000	5000
Rent	120000	120000
Security Service Charges	434841	423584
Miscellaneous expenses	380366	391919
Rates & Taxes	<u>105519</u>	<u>259362</u>
	2268483	2568573
f) Selling Expenses		
Advertisement & Publicity	87250	113309
Freight & Handling (Out Ward)	1844795	2630495
Other Expenses	<u>445130</u>	<u>599668</u>
	2377175	3343472
g) Advance license income written of	0	436393
Total	<u>24977714</u>	<u>25503026</u>

NOTE NO. 26 Contingent Liabilities not provided for

	For the year ended 31st March 2013	For the year ended 31st March 2012
a) Irrevocable Documentary Letters of Credit	11312/-	2860116/-
b) Guarantees issued by bank	Nil	Nil
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 which an amount of Rs.360,440/- has been paid at the time of appeal and sanction of stay order for payment.		

NOTE NO. 27 Segment Information

The company operates PP/HDPE Woven Sacks and same geographical location, hence there are no different reporting segments.

NOTE NO. 28 Related Party Transactions

28.1 List of related parties with whom transactions have taken place and relationships

S.No.	Name of the related party	Relationship
1.	Shri DVR Raju	Key Management Personnel (KMP)
2.	Shri DRSP Raju	Key Management Personnel (KMP)
3.	Smt. D. Subhadra	Relatives of Key Management Personnel (RKMP)
4.	M/s. Kanhan Packages Pvt. Ltd.	Others
5.	M/s Vayhan Coffee Ltd.	Others
6.	Shri VRM Raju Penumacha	Others
7.	M/s DSL Finance	Others
8.	M/s. Vayhan Air Controls Pvt. Ltd.	Others
9.	M/s. Adpro Blends Pvt Ltd.	Others
10.	M/s. DCL Chemplast Ltd.	Others

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

	Current Year			Previous Year		
	KMP	RKMP	others	KMP	RKMP	Others
1. Rent	0.30	0.90	Nil	0.60	0.60	Nil
2. Loans - opening balance	13.00	2.00	17.50	13.00	2.00	17.51
- Receipts	0.00	0.00	121.00	0.00	0.00	0.00
- Payments	0.00	0.00	121.00	0.00	0.00	0.01
- Closing Balance	13.00	2.00	17.50	13.00	2.00	17.50
3. Loans - Opening balance	0.00	0.00	25.00	0.00	1.00	15.00
- Given	0.00	0.00	0.00	0.00	0.00	201.00
- Receipts	0.00	0.00	25.00	0.00	1.00	191.00
- Closing Balance	0.00	0.00	0.00	0.00	0.00	25.00

NOTE NO. 29 Accounting Standard 15- Employee benefits

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

	Gratuity	
	For the year ended 31st March 2013 Rs.	For the year ended 31st March 2012 Rs.
Projected to benefit obligation at the beginning of the year	1440298	953077
Current Service Cost	137162	86797
Interest Cost	115224	76246
Actuarial(Gain)/ Loss	55140	330582
Less : Benefits Paid	(47051)	(6404)
Projected benefit obligation at the end of the year	1700773	1440298
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	1700773	1440298
Fair value of plan assets at end of the year	(1223741)	(1223741)
Asset recognized in the Balance Sheet	477032	(216557)
Cost of Retirement and Other Benefits for the year		
Current Service Cost	137162	86797
Interest Cost	115224	76246
Expected return on plan assets	147497	(101293)
Net actuarial (Gain)/Loss recognised in the year	0	330582
Net Cost recognised in the profit and loss account	399883	392332
Assumptions		
Discount Rate (1%)		
Long Term rate of compensation increase (%)	8.00	8.00
- Workmen	4.00	4.00

NOTE NO. 30 Earnings for Share :

	For the year ended 31st March 2013	For the year ended 31st March 2012
a) Profit/(Loss) after tax	Rs. 1982588	3677335
b) Weighted average No. of shares	2115000	2115000
c) Earnings per share - Basic	Rs. 0.94	1.74
- Diluted	Rs. 0.94	1.74

NOTE NO. 31 Value of Imports (CIF)

	For the year ended 31st March 2013 Rs.	For the year ended 31st March 2012 Rs.
Raw Materials	0	2932069

NOTE NO. 32 Earning in Foreign Currency :

	For the year ended 31st March 2013 Rs.	For the year ended 31st March 2012 Rs.
FOB Value of Exports	0	2836412

As per our report of even date attached
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 : 30.05.2013

G. V. S. Raju
Director (Commercial)



DECCAN POLYPACKS LIMITED

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

PROXY FORM

I/We

(address).....

being a member/members of Deccan Polypack Limited, hereby appoint

..... (address)

as my/our proxy to vote for me/our behalf at the 29th Annual General of the Company to be held on Friday the 27th September, 2013 at 11.00 A.M. and at any adjournment thereof.

Signed thisday of2013

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 Bollaram, (Via) Miyapur, Jinnaram Mandal,
Medak District, Andhra Pradesh - Pin 502 325.

ATTENDANCE SLIP

I hereby record my presence at the 29th Annual General Meeting of Deccan Polypacks Limited at Sy.No. 142A, IDA Bollaram, (Via) Miyapur, Jinnaram Mandal, Narsapur Tq., Medak District, Andhra Pradesh on Friday the 27th September, 2013 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