

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 30th Annual Report together with the Audited Accounts and Cash Flow Statements for the year ended 31st March 2014.

The financial results for the year ended 31st March 2014 are summarized below.

Particulars	(Rs. in Lakhs)	
	2013-14	2012-13
Income from operations	2277.50	2760.87
Gross Profit	36.50	267.37
Interest	214.62	218.86
Depreciation	30.91	30.71
Profit/(Loss) before taxation	(-)209.04	17.80
Deferred Tax(Liability)/Asset	48.74	5.42
Current tax	-	(3.39)
Net Profit/(Loss)After Taxation	(-)160.29	19.83
Balance brought forward	180.85	161.02
Balance carried to		
Balance Sheet	20.56	180.85

Operations

The overall performance of the Company in terms of sales and turnover has been low in comparison with the previous year. During the year the under report the Company has incurred net loss of Rs 160.29 Lakhs in comparison with net profit of Rs.19.83 lakhs in the previous year. During the year the Company recorded lower production of 1562 MTs (previous year 2012-2013 - 2010 MTs). The Company has recorded low capacity utilization of 51% in comparison with 66 % achieved in the previous year.

Erratic fluctuations in raw material prices indigenous as well as imports have eroded profit margins of the Company, added to that frequent power cuts resulted in reduced the number of working days / production days. Secondly the input costs like power, labour and other inputs have increased, there has been no material improvement in the prices of finished goods which have remained almost at the same level hence the realization on sales had been low. Sluggish market condition prevailing in the cement industry wherein the capacity utilization have fallen below normal levels have affected volumes and thereby sales value for the Company have fallen drastically. All these factors

have resulted in Company incurring net loss. 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.

Future Outlook

The Woven sacks industry's growth and progress much depends upon the Government Policies and focus of the Government. The growth and prospects of your Company depend upon the policy of the New Government formed in the New State of Telangana and in the Centre. Further the growth also depends on the focus of the New Government on the infrastructure and construction industry. These sectors have direct impact on the demand for woven sacks. Secondly the power situation will be the deciding factor for the growth. 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 growth has been affected due to present recessionary market conditions. The Company is mainly focusing ton the domestic 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 2014-2015 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

The Board of Directors of the Company hereby declares and states that:

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31.03.2014 and of the loss of the company for the period ended 31.03.2014.
- (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 D' 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 134(M) read with Companies (Accounts) Rules 2014 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.

Statutory Auditors

The Company, in terms of Section 139(1) and (2) of the Act 2013, is required to appoint statutory auditors for a term of five consecutive years i.e., till the conclusion of sixth annual general meeting and ratify their appointment, during the period, in every annual general meeting by an ordinary resolution.

The period for which any firm has held office as auditor prior to the commencement of the Act 2013 will be taken into account for calculating the period of five consecutive years, as per the fourth provision to section 139(2) of the Act 2013 read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014.

M/s. M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad, who were earlier appointed as statutory auditors of the Company, at the annual general meeting held on 27th September, 2013, are eligible to be appointed for the remaining period of three years out of the first term of five consecutive years in terms of the Act 2013.

The Company has obtained necessary certificate under Section 141 of the Act 2013 from the auditor conveying their eligibility for the above appointment. The audit committee and board reviewed their eligibility criteria, as laid down under Section 141 of the Act 2013 and recommended their appointment as auditors for the aforesaid period.

Directors

Pursuant to the Provisions of the Companies Act, 2013 Sri K Gopal Sri N S B Reddy and Sri N V S Rao, all being independent Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves 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 : 29.05.2014

Annexure -I

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and out go as required under Section 134(M) read with Companies (Accounts) Rules, 2014.

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	-	-
2. Foreign Exchange used for import of raw material	-	-

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

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 2013 to 31st March 2014 the Board met four times on the following dates.

Sl.No	Date	Board Strength	No. of Directors present
01	30.05.2013	6	6
02	14.08.2013	6	6
03	13.11.2013	6	5
04	14.02.2014	6	4

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 31.03.2014	No. of memberships in other Board committees as on 31.03.2014
Mr K Gopal	4	4	Yes	1	Nil
Mr D R S P Raju	4	4	Yes	5	Nil
Mr G V S Raju	4	4	Yes	1	Nil
Mr N S B Reddy	4	3	Yes	Nil	Nil
Mr N V S Rao	4	2	No	Nil	Nil
Mr D V Prudvi Raju	4	4	Yes	1	Nil

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	-	Member
3. Sri N S B Reddy	-	Member
4. Sri N V S Rao	-	Member

During the year 1st April 2013 to 31st March 2014 the committee had four meetings.

Sl. No	Date
1	30.05.2013
2	14.08.2013
3	13.11.2013
4	14.02.2014

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 N S B Reddy	4	3
Mr N V S Rao	4	2
Mr. D V Prudhvi Raju	4	4

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, 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 the 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)

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, 2014.

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 Prudvi Raju	05	05

Number of shares pending for transfer : Nil

c) Shareholders Grievances Committee :

The committee comprises of following members Sri D R S P Raju, Sri K Gopal, Chairman and Sri D V Prudvi Raju (w.e.f. 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, 2014.

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	-	-	---
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, 2014

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 2013 to 31st March 2014, 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, 2013 to 31st March, 2014.

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
Mr 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 K Gopal	10,000	Nil
Mr N S B Reddy	7500	Nil
Mr N V S Rao	5000	Nil

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

IV. Subsidiary Company

There is no Subsidiary Company.

V. Code of Conduct

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

VI. Risk Management

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

General Body Meetings :

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

FINANCIAL YEAR	Date	Time	Place
2010-2011	29.09.2011	11.00 AM	Registered Office : Sy No : 142A, IDA Bollaram (Village Road) , Via Miyapur, Jinnaram Mandal, Medak Dist. Telangana
2011-2012	28.09.2012	11.00 AM	Registered Office : Sy No : 142A, IDA Bollaram (Village Road) Via Miyapur, Jinnaram Mandal, Medak Dist. Telangana
2012-2013	27.09.2013	11.00AM	Registered Office : Sy No : 142A, IDA Bollaram (Village Road) Via Miyapur, Jinnaram Mandal, Medak Dist. Telangana

- All the resolutions as set out in the respective notices were passed by the shareholders.
- No special resolutions were passed through postal ballot.

Disclosures:

The pecuniary disclosure with regard to interested Directors.

- 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 : 26th September 2014

Time : 11.00 AM

Venue : Sy.No: 142A, IDA Bollaram (Via) Miyapur, Jinnaram (M) Medak Dist. AP

- b) Financial Calendar : 1st April 2013 to 31st March 2014

- c) Date of Book Closure : 24.09.2014 to 26.09.2014

- d) Registered Office & Works : Sy No: 142A, IDA Bollaram (Via) Miyapur, Jinnaram (M) Medak Dist. Telangana

- 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 2013	12.60	9.91	October	-	-
May	17.58	13.23	November	9.99	9.99
June	-	-	December	9.90	9.50
July	-	-	January 2014	10.75	9.29
August	12.89	10.51	February	10.22	9.71
September	-	-	March	9.50	9.50

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. Ph No. 040-44655208

i) Distribution of shareholding as on 31.03.2014

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	69669	3.29
5	NRI/OCBs	4774	0.23
6	Indian Public	870866	41.18
	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 31.03.2014 the company has dematerialized 1127655 shares representing 53.32 of total paid up share capital.

National Securities Depositories Limited - 990363 shares

Central Depository Services Limited - 137292 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 though established its presence in the exports market has in recent times 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 situation 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 1562 MTs (Previous year 2010 MTs). In view of the low production and sales the operations resulted in net loss of Rs 160.29 during the year as against net profit reported in previous year Rs. 19.83 Lakhs Frequent power cuts, non-availability of raw materials, resulted in loss of production days and low production. The Company has also recorded lower capacity utilization in comparison with the previous year.

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 31.03.2014, as envisaged in clause 49 of the listing agreement with Stock Exchanges.

Place : Hyderabad
Date : 29-05-2014

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 2014, 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 in 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
Firm Regn. No. 000459S

Place : Hyderabad
Date : 29.05.2014

V. K. MURALIDHAR
Partner
Membership No. 201570

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, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents. I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded;
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 (Four) times on 30.05.2013, 14.08.2013, 13.11.2013 and 14.02.2014 (dates) in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 24.09.2013 to 27.09.2013 (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 31.03.2013 was held on 27.09.2013 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 not appointed any Managing Director / Whole Time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
- 17 The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
- 18 The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19 The Company has not issued any Shares, Debentures or other securities during the financial year.
- 20 The Company has not bought back any shares during the financial year.
- 21 The Company has not issued any preference shares / debentures and hence the question of redemption of preference shares debentures does not arise during the financial year under review.

- 22 There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23 The Company has not invited / accepted any deposits falling within the purview of Section 58A during the financial year ended 31.03.2014.
- 24 The amounts borrowed by the Company from directors, members, financial institutions, banks and others during the financial year ended 31.03.2014 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: 20.05.2014

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 : 20.05.2014

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, 2014.

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.	23B	SRNS22738231	03.10.2013	Yes	No
2.	23AC &ACA	Financial Year Ending 2012-2013	04.10.2013	Yes	No
3.	66	Compliance Certificate 2012-2013	04.10.2013	Yes	No
4.	23	Registrations Resolution	26.10.2013	Yes	No
5.	23C	Appt. of Cost Auditor for 2012-13 & 2013-2014	26.10.2013	No	Yes
6.	20B	Annual Return 2012-2013	06.11.2013	Yes	No
7.		Form for filing X BRL doc. in Respect of cost audit report	21.01.2014	Yes	No

Place : Hyderabad
 Date : 20.05.2014

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, 2014, 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, 2014.
- b) In the case of the Statement of Profit and Loss, of the loss 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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. K. MURALIDHAR
Partner
Membership No. 201570

Place : Hyderabad
Date : 29.05.2014

Annexure
Re : Deccan Polypacks Limited
Referred to in paragraph 1 of our report of even date

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) These fixed assets were physically verified by the Management during the year. We have been informed that no material discrepancies were noticed on such physical verification.
- c) No fixed assets were disposed off during the year.
- 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. 401.41 lakhs and year end balance was Rs. 401.41 lakhs
- f) According to the information and explanations given to us, and based on the representations by the management, the loans taken are, not supported with any written agreement. Further we were informed that these loans are repayable only upon improvement in liquidity position of the Company or out of fresh infusion of funds for operations. According to the information and explanations given to us and based on the representations by the management, the unwritten terms on which these loans were taken are not prejudicial to the interests of the Company. Accordingly, 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) According to the information and explanations given to us, and based on the representations by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are no transactions exceeding Rupees Five Lakhs in an year in respect of any party excepting the interest free unsecured loans taken by the company as stated in para (iii) above.
- 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 is commensurate with the size of the Company and nature of its business
- viii) On the basis of records produced to us, we are of the opinion that, prima facie the cost records and accounts prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956, have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- 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 2014 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 2014 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 at the end of the financial year. The Company has incurred cash losses during the period covered by the report but not in the financial year immediately preceding the period covered by the report.

- xi) According to the information and explanations given to us, the Company has not availed any loans from financial institutions and banks or by way of debentures, Hence, the provisions of Clause 4(xi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- 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 purposes.
- xviii) During the year under report the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956
- xix) The Company has not issued any debentures during the year and hence commenting under this clause does not arise.
- xx) The company has not raised any money by public issue during the year and hence commenting under this clause does not arise.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for **M. BHASKAR RAO & CO.,**
CHARTERED ACCOUNTANTS
Firm Regn. No. 000459S

Place : Hyderabad
Date : 29.05.2014

V. K. MURALIDHAR
Partner
Membership No. 201570



**DECCAN
POLYPACKS
LIMITED**

BALANCE SHEET AS AT 31ST MARCH, 2014

	Particulars	Note No.	As at 31st March, 2014		As at 31st March, 2013	
			Rupees		Rupees	
I.	EQUITY AND LIABILITIES					
1.	Shareholders' Funds					
	a) Share Capital	3	21150000		21150000	
	b) Reserves and Surplus	4	8049683		24078777	
				29199683		45228777
2.	Non-Current Liabilities					
	a) Long-Term Borrowings	5	66127952		30393926	
	b) Deferred Tax Liabilities (Net)	6	-		3007833	
	c) Long Term Provisions	7	925051		912212	
				67053003		34313971
3.	Current Liabilities					
	a) Short-term Borrowings	8	65604358		65740356	
	b) Trade Payables	9	77911149		84210338	
	c) Other Current Liabilities	10	6215650		7624201	
	d) Short-Term Provisions	11	3609444		3609444	
				153340601		161184339
	Total			249593287		240727087
II	ASSETS					
1.	Non-Current Assets					
	a) Fixed Assets	12				
	i) Tangible Assets		17652150		20486934	
	ii) Intangible Assets		10464		16787	
				17662614		20503721
	b) Long Term Loans and Advances	13	2810883		3057883	
				2810883		3057883
	c) Deferred Tax Asset (Net)	6	1866653		-	
				1866653		-
2.	Current Assets					
	a) Inventories	14	161794969		142936824	
	b) Trade Receivables	15	39414724		52365801	
	c) Cash and Bank Balances	16	11398038		11195587	
	d) Short Term Loans and Advances	17	9265658		6461393	
	e) Other Current Assets	18	5379748		4205878	
				227253137		217165483
	Total			249593287		240727087
	Significant Accounting Policies & Notes 1 to 32					
<p>Accompanying Notes form an integral part of Financial Statements As per our report of even date attached for M. BHASKARA RAO & CO CHARTERED ACCOUNTANTS</p>						
<p>V. K. MURALIDHAR Partner Place Hyderabad Date : 29th May, 2014</p>			<p style="text-align: center;">For and on behalf of the Board</p> <p style="text-align: center;">G.V.S. RAJU DIRECTOR (COMMERCIAL)</p> <p style="text-align: center;">D.R.S.P RAJU MANAGING DIRECTOR</p>			

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014				
	Particulars	Note No.	For the year ended 31st March, 2014 Rupees	For the year ended 31st March, 2013 Rupees
I	Revenue from operations	19	216073229	261004728
	Less : Excise Duty		23522172	28625220
II.	Other Income	20	192551057	232379508
III.	Total Revenue (I+II)		1001635	2031846
IV.	Expenses		193552692	234411354
	Cost of materials consumed	21	165150575	192393544
	Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(21904818)	(32187054)
	Employee benefits expense	23	18897688	19635128
	Finance Costs	24	25321427	24741202
	Depreciation and amortization expense	12	3091107	3071313
	Other expenses	25	23900293	24977714
	Total expenses		214456272	232631847
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(20903580)	1779507
VI.	Profit before tax (VII-VIII)		(20903580)	1779507
VII.	Tax expense :			
	- Current Tax		-	(339085)
	- Deferred Tax		4874486	542166
VIII.	Profit/(Loss) for the period from continuing operations		(16029094)	1982588
IX.	Profit/(Loss) for the period		(16029094)	1982588
X.	Earnings per equity share (in Rs.) :			
	(1) Basic		(7.58)	0.94
	(2) Diluted		(7.58)	0.94
	Significant Accounting policies & Notes	1 to 32		
<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 style="text-align: right;">For and on behalf of the Board</p> <p>V. K. MURALIDHAR Partner Place Hyderabad Date : 29th May, 2014</p> <p style="text-align: center;">G.V.S. RAJU DIRECTOR (COMMERCIAL)</p> <p style="text-align: right;">D.R.S.P RAJU MANAGING DIRECTOR</p>				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Year ended 31st March, 2014 Rupees		Year ended 31st March, 2013 Rupees	
	CASH FLOW FROM OPERATING ACTIVITIES	(20903580)		1779507
Net profit /(Loss) before tax and extraordinary items				
Adjustment for				
Depreciation	3091107		3071313	
Interest Income	(1,001635)		(2027410)	
Interest Expenses	21462410		21886823	
Operating profit before working capital changes	2648302		24710233	
Changes in Working Capital				
(Increase) / Decrease in Trade and other receivables	12951077		16471942	
(Increase)/Decrease in Inventories	(18858145)		(30000311)	
(Increase)/Decrease in Long Term Loans and Advances	247000		4500400	
(Increase)/Decrease in Short Term Loans and Advances	(2804265)		(4126905)	
(Increase)/Decrease in other current assets	(1173870)		809887	
Increase/(Decrease) in Long Term Provisions	12839		(403125)	
Increase/(Decrease) in Trade Payables	(6299189)		(1575277)	
Increase/(Decrease) in Current Liabilities	(1408551)		1531934	
Increase/(Decrease) in Short Term Provisions	-		328218	
Cash Generated from operations	(14684803)		12246996	
Provision for taxation (MAT)	-		(339085)	
Cash flow before extraordinary items	(14684802)		11907911	
Net Cash flow from Operating Activities		(14684802)		11907911
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(250000)		(278152)	
Sale of Fixed Assets	-		-	
Interest received	1001635		2027410	
Net Cash used in investing activities		751635		1749258
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long-term Borrowings	35734026		(163115)	
Increase/ (Decrease) in Short Term Borrowings	(135998)		8871283	
Interest paid	(21462410)		(21886823)	
Net cash used in financing activities		14135618		(13178655)
NET INCREASE IN CASH AND CASH EQUIVALENTS		202451		478514
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		11195587		10717073
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		11398038		11195587
As per our report of even date attached				
for M. BHASKARA RAO & CO		For and on behalf of the Board		
CHARTERED ACCOUNTANTS				
V. K. MURALIDHAR	G.V.S. RAJU	D.R.S.P RAJU		
Partner	DIRECTOR (COMMERCIAL)	MANAGING DIRECTOR		
Place : Hyderabad				
Date : 29th May, 2014				

NOTE NO. 1

Company is located at Sy.No.142A, IDA Bollaram, (Via) Miyapur, Jinnaram Mandal, Medak District, Telangana 502 325 and is engaged in 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. Deferred Tax assets are recognised and carried forward only when there is a virtual certainty that future taxable income will be available against which deferred tax asset can be realised.

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 2014		As at 31st March 2013	
	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 2014	As at 31st March 2013
Equity Shares of Rs.10/- each		
Shares Outstanding at the beginning of the year	2115000	2115000
Shares outstanding at the end of the period	2115000	2115000

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

	As at 31st March 2014		As at 31st March 2013	
	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

	<u>As at 31st March 2014</u>	<u>As at 31st March 2013</u>
	Rupees	Rupees
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	18084677	16102089
Add : Net profit /(Net Loss) for the current year	(16029094)	1982588
Closing Balance	2055583	18084677
Total (a+b+c+d)	<u>8049683</u>	<u>24078777</u>

NOTE NO.5 Long Term Borrowings

a) Unsecured and Interest Free Loans: (Refer Note No. 5.1)		
i) From Directors and their relatives	25750000	1500000
ii) From Corporates (in which Directors are interested)	4641000	-
iii) From other Corporates etc.	8300000	300000
iv) From other individuals	1450000	1450000
b) Deferred Payment Liabilities (Unsecured) (Refer Note No. 5.2)	25986952	27143926
	<u>66127952</u>	<u>30393926</u>

5.1 Unsecured interest free loans are repayable only upon improvement in liquidity position of the Company or out of fresh infusion of funds into the Company for operations.

5.2 The Govt. of Andhra Pradesh vide G.O.Nos 108 & 134 I & 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 had availed total sale tax deferment upto 2010-11 Rs. 2,74,10,681/-. The scheme ended on 30.06.2011, Repayment of deferred liability commenced during 2012-13 and will be completed during 2024-25.

NOTE NO. 6 Deferred Tax Liability / (Asset) (Net)

Deferred tax Liability / Asset as at the year end on timing difference comprises of :

		As at 31st March 2014	As at 31st March 2013
		Rupees	Rupees
a) Liability :			
	On account of Depreciation	2927756	3485894
b) Asset			
	On account of Employee Benefits	(518436)	
	Unabsorbed Business Loss	(4275973)	(478061)
	Deferred Tax Liability / (Asset) (Net)	(1866653)	3007833

NOTE NO. 7 Long Term Provisions :

Provision for Employees benefits :

Leave Encashment (Unfunded)	925051	912212
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NOTE NO : 8 Short Term Borrowings :

Secured :

Cash Credit with State Bank of India	65604358	65740356
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(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 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 Note No. 16)

Total	65604358	65740356
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NOTE NO. 9 Trade payables

	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
a) Trade Payables (Refer Note 9.1 and 9.2)	23044421	29221650
b) LC Discounting with SBI	54866728	54988688
Total	77911149	84210338

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 under the said Act have not been given.

9.2 Trade payables are subject to reconciliation and confirmation

NOTE NO. 10 Other Current Liabilities

Current Maturities of Long Term Debts	-	164360
Advances from customers	-	3182
Gratuity (Funded)	188588	18756
Other Payables	6027062	7437903
Total	6215650	7624201

NOTE NO. 11 Short Term Provisions

Provision for Taxation	3609444	3609444
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Deccan Polypacks Limited
Note No. 12 : Fixed Assets

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 April 2013	Additions	Deductions/ adjustments during the year	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	Deductions/ adjustments during the year	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
Tangible Assets										
Land (Free Hold)	290,357	-	-	290,357	-	-	-	-	290,357	290,357
Buildings s (Own use)	9,365,289	-	-	9,365,289	4,066,924	291,332	-	4,358,256	5,007,033	5,298,365
Plant and Equipment	54,236,334	250,000	-	54,486,334	43,186,849	2,161,508	-	45,348,357	9,137,977	11,049,485
Furniture and Fixtures	604,530	-	-	604,530	345,251	24,421	-	369,672	234,858	259,279
Vehicles	5,011,743	-	-	5,011,743	2,283,673	473,903	-	2,757,576	2,254,167	2,728,070
Office equipment	1,869,952	-	-	1,869,952	1,087,697	122,774	-	1,210,471	659,481	782,255
Other equipments	251,907	-	-	251,907	172,784	10,846	-	183,630	68,277	79,123
Sub Total (A)	71,630,112	250,000	-	71,880,112	51,143,178	3,084,784	-	54,227,962	17,652,150	20,486,934
Previous Year	71,351,960	278,152	-	71,630,112	48,078,188	3,064,990	-	51,143,178	20,486,934	23,273,772

Intangible Assets										
Computer Softwares										
Sub Total (B)	39,008	-	-	39,008	22,221	6,323	-	28,544	10,464	18,787
Previous Year	39,008	-	-	39,008	15,898	6,323	-	28,544	10,464	18,787
Total (A) +(B)	71,669,120	250,000	-	71,919,120	51,165,399	3,091,107	-	54,256,506	17,662,614	20,505,721

NOTE NO. 13 Long Term Loans and Advances

	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
a) Capital Advances (Unsecured and considered good) advances for Capital goods given to related parties	-	250000
b) Security Deposits		
With Government Bodies	2710883	2707883
With Others	100000	100000
Total	2810883	3057883

NOTE NO. 14 Inventories

a) Raw Materials	6456427	8540194
b) Work-in-progress	146805497	125416900
c) Finished goods	1084891	568670
d) Stores and spares	7448154	8411060
Total	161794969	142936824

NOTE NO. 15 Trade Receivables

a) (Unsecured considered good)		
i) Outstanding for a period exceeding 6 months	13465525	2642822
ii) Outstanding for a period less than 6 months	25949199	49722979
Total	39414724	52365801

15.1 Trade receivable are subject to reconciliation and confirmation

NOTE NO. 16 Cash and Bank Balances

a) Balances with Scheduled Banks		
i) In Current and Deposit Accounts (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)	2271642	2308294
ii) In Margin Money Accounts (Lodged with banks)	9042933	8835151
b) Cash on Hand	83463	52142
Total	11398038	11195587

NOTE NO. 17 Short Term Loans and Advances

(Un secured, considered good)

Advance to creditors	8902070	6046955
Advance to employees	1150	52000
Advance to others	362438	362438
Total	9265658	6461393

	As at 31st March 2014	As at 31st March 2013		
	Rupees	Rupees		
NOTE NO. 18 Other Current Assets				
a) Prepaid Expenses	363900	216127		
b) Tax Deducted at source	1109922	984334		
c) Advance tax for MAT	2779542	2662784		
d) Interest Accrued	379900	236292		
e) Others	746484	106341		
Total	5379748	4205878		
NOTE NO. 19 Revenue from Operations				
Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013		
	Rs.	Rs.		
Sale of Products				
a) Sale of PP/HDPE Sacks	220510452	269813727		
b) Sale of PP/HDPE Fabric	6238013	4241767		
	226748465	274055494		
Less:				
VAT	10675236	13050766		
Total	216073229	261004728		
Turnover				
	Quantity	Rs.	Quantity	Rs.
PP/HDPE Sacks - Domestic	19306275	220510452	23765200	269813727
PP/HDPE Fabric - Domestic	25983	6238013	30142	4241767
Total		226748465		274055494
NOTE NO. 20 Other Income				
a) Interest Income	1001635	2027410		
b) Miscellaneous Income	-	4436		
Total	1001635	2031846		
NOTE NO. 21 Cost of Materials consumed				
i) PP	126654553	108502398		
ii) HDPE	21319843	55624778		
iii) LLDPE	2029995	5505329		
iv) LDPE Lam	4178915	5986471		
v) FMBA	5085558	8301522		
vi) Master Batches	3488426	4113113		
vii) Ink, Reducer and Yarn	2393285	4359933		
Total	165150575	192393544		

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

	For the year ended 31st March 2014	For the year ended 31st March 2013
	Rs.	Rs.
a) Work in process		
Opening Stock	125416900	93699498
Closing Stock	<u>146805497</u>	<u>125416900</u>
	(21388597)	(31717402)
b) Finished Goods		
Opening Stock	568670	99018
Closing Stock	<u>1084891</u>	<u>568670</u>
	(516221)	(469652)
Total	<u>(21904818)</u>	<u>(32187054)</u>

NOTE NO. 23 Employee Benefit Expenses

a) Salaries, Wages and Bonus	16934093	17602479
b) Contribution to Provident and other Funds	1721458	1744998
c) Staff Welfare Expenses	242137	287651
Total	<u>18897688</u>	<u>19635128</u>

NOTE NO. 24 Finance Cost

a) Interest	21462410	21886823
b) Bank Charges	3859017	2666359
c) Gain/(Loss) on Foreign Currency transactions	-	188020
Total	<u>25321427</u>	<u>24741202</u>

NOTE NO. 25 Other Expenses

	For the year ended 31st March 2014	For the year ended 31st March 2013
	Rs.	Rs.
a) Consumption of Stores and Spares	2730484	3548036
b) Power and Fuel	14987003	14079394
c) Other Manufacturing Expenses	707736	1242740
d) Repairs and Maintenance		
Plant & Machinery	803044	908124
Vehicles	308841	313181
Others	<u>144617</u>	<u>240581</u>
	1256502	1461886
e) Administrative Expenses		
Travelling & Conveyance	28070	32944
Directors Travelling & Conveyance	16590	44333
Directors Sitting Fees	22500	36250
Printing & Stationery	132130	127718
Postage, Telegrammes & Telephones	269667	290092
Insurance	274909	275507
Legal & Professional Charges	450540	320913
Auditors Remuneration :		
Audit Fee	55000	55000
Taxation matters	20000	20000
Certification fees	18000	18000
Out of Pocket expenses	7000	7000
Rent	120000	120000
Security Service Charges	447207	434841
Miscellaneous expenses	237499	380366
Rates & Taxes	<u>203403</u>	<u>105519</u>
	2302515	2268483
f) Selling Expenses		
Advertisement & Publicity	81211	87250
Freight & Handling (Out Ward)	1602544	1844795
Other Expenses	<u>232298</u>	<u>445130</u>
	1916053	2377175
Total	<u>23900293</u>	<u>24977714</u>

NOTE NO. 26 Contingent Liabilities not provided for

	For the year ended 31st March 2014	For the year ended 31st March 2013
	Rupees	Rupees
a) Irrevocable Documentary Letters of Credit	133212/-	11312/-
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.		

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 D R S P Raju	Key Management Personnel (KMP)
2.	Smt. D. Subhadra	Relatives of Key Management Personnel (RKMP)
3.	Shri D. Ravi Varma	Relatives of Key Management Personnel (RKMP)
4.	Ch. Gayathri	Relatives of Key Management Personnel (RKMP)
5.	M/s. Kanhan Packages Pvt. Ltd.	Others
6.	M/s Vayhan Coffee Ltd.	Others
7.	Shri VRM Raju Penumacha	Others
8.	M/s DSL Finance	Others
9.	M/s. Vayhan Air Controls Pvt. Ltd.	Others
10.	M/s. Adpro Blends Pvt Ltd.	Others
11.	M/s. DCL Chemplast Ltd.	Others
12.	Ch. Kasi Viswanatha Raju	Others

28.2 Transactions with related parties (Rs. in lacs)

	Current Year			Previous Year		
	KMP Rupees	RKMP Rupees	others Rupees	KMP Rupees	RKMP Rupees	Others Rupees
1. Rent	-	120000	-	30000	90000	-
2. Loans - opening balance	1300000	200000	1750000	1300000	200000	1750000
- Receipts	22250000	2000000	12641000	-	-	12100000
- Payments	-	-	-	-	-	12100000
- Closing Balance	23550000	2200000	14391000	1300000	200000	1750000
3. Loans - Opening balance	-	-	-	-	-	2500000
- Given	-	-	-	-	-	-
- Receipts	-	-	-	-	-	2500000
- Closing Balance	-	-	-	-	-	-

NOTE NO. 29 Accounting Standard 15- Employee benefits

The following tabel sets 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 2014 Rs.	For the year ended 31st March 2013 Rs.
Projected benefit obligation at the beginning of the year	1700773	1440298
Current Service Cost	145708	137162
Interest Cost	136062	115224
Actuarial(Gain)/ Loss	(35381)	55140
Less : Benefits Paid	(104584)	(47051)
Projected benefit obligation at the end of the year	1842578	1700773
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	1842578	1700773
Fair value of plan assets at end of the year	1824726	(1223741)
Asset recognized in the Balance Sheet	(17852)	477032
Cost of Retirement and Other Benefits for the year		
Current Service Cost	145708	137162
Interest Cost	136062	115224
Expected return on plan assets	(150280)	147497
Net actuarial (Gain)/Loss recognised in the year	(35381)	-
Net Cost recognised in the profit and loss account	96109	399883
Assumptions		
Discount Rate (1%)	8.00	8.00
Long Term rate of compensation increase (%) - Workmen	4.00	4.00

NOTE NO. 30 Earnings for Share :

	For the year ended 31st March 2014	For the year ended 31st March 2013
a) Profit/(Loss) after tax	Rs. (16029094)	1982588
b) Weighted average No. of shares	2115000	2115000
c) Earnings per share - Basic	Rs. -7.58	0.94
- Diluted	Rs. -7.58	0.94

NOTE NO. 31 Value of Imports (CIF) : Value of Imports - Rs. Nil (Previous Year - Nil)

NOTE NO. 32 Earnings and Expenditure in Foreign Currency : Rs. Nil (Previous Year - Nil)

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

For and on behalf of the Board

V.K.MURALIDHAR
Partner

D R S P RAJU
Managing Director

Place : Hyderabad
Date : 29.05.2014

G.V. S. Raju
Director (Commercial)

DECCAN POLYPACKS LIMITED

CIN NO : L24134AP1984PLC005215

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

NOTICE:

Notice is hereby given that the 30th Annual General Meeting of Deccan Polypacks Limited will be held on Friday the 26th day of September, 2014 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, Telangana 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, 2014, 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 consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Bhaskara Rao & Co., Chartered Accountants, Hyderabad, having Firm Registration No. 000459S allotted by The Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the Company to hold office, from the conclusion of this annual general meeting for three consecutive years of the first term of five consecutive years, subject to ratification at every annual general meeting, on such remuneration, as may be fixed in this behalf by the board of directors of the Company.”

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of Sections 196,197,203 and all other applicable provisions of the Companies Act, 2013 (including

any statutory modifications or enactment thereof for the time being in force) and subject to the limits specified in Schedule V of the Act, 2013 consent be and is hereby accorded to the re-appointment of Sri G V S Raju, (Holding DIN No : 00306615) as Director (Commercial) for a period of Two Years with effect from 01.10.2014 and payment of remuneration on the following terms and conditions.

- I. Salary Rs 50,000/- per month in the grade Rs 50,000-3,000-53,000

II. Perquisites and allowances :

1. Housing

- a) The expenditure incurred by the Company on hiring accommodation for the Director (Commercial) shall be subject to a ceiling of 60% salary over and above 10% payable by the Director (Commercial) himself.
- b) Where accommodation is provided in a Company owned house, the Director (Commercial) shall pay to the Company by way of rent 10% of the salary.
- c) Where the Company does not provide accommodation to the Director (Commercial) House Rent Allowance may be paid by the Company in accordance with (a) above.
- d) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income-Tax Rules, 1962. This will however, be subject to a ceiling of 10% of salary of the Director (Commercial).

II Medical Reimbursement

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

III Leave Travel Concession

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

DECCAN POLYPACKS LIMITED

CIN NO : L24134AP1984PLC005215

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

IV Club Fees

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

V. Personal Accident Insurance:

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

OTHER PERQUISITES :

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

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

"FURTHER RESOLVED THAT in the event of any loss or in adequacy of profits in any financial year during his tenure, the Company shall pay Sri G V S Raju, Director (Commercial) the remuneration by way of salary, perquisites or any other allowance as specified above and in accordance with the limits

specified under the Companies Act,2013 read with Schedule V to the Companies Act,2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration".

"FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to this resolution.

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

"RESOLVED THAT pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Sri K Gopal (Holding DIN No : 00306607) Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years for a term up to 2019 from the date of this meeting.

5. To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Sri N S B Reddy (Holding DIN No : 00416556) Director of the Company who retires by rotation at the Annual General Meeting

DECCAN POLYPACKS LIMITED

CIN NO : L24134AP1984PLC005215

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

and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years for a term up to 2019 from the date of this meeting.

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

Place : Hyderabad

Date:14.08.2014

D R S P Raju

Director

6. To consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Sri N V S Rao (Holding DIN No : 02143781) Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years for a term up to 2019 from the date of this meeting.

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

“RESOLVED THAT the consent of the Company pursuant of the provisions under Section 180 (1)(a) of the Companies Act, 2013 be and is hereby given to the Board of Directors to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company on such terms and conditions and stipulations as the Board may in its discretion deem fit and in the interest of the Company”.

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. Telangna 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 - 24.09.2014 to 26.09.2014 (both days inclusive)
5. The explanatory statement for special business mentioned in the notice is annexed as per the provisions of Section 102(1) of the Companies Act, 2013.
6. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting, “AGM” by electronic means and the business may be transacted

DECCAN POLYPACKS LIMITED

CIN NO : L24134AP1984PLC005215

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

through e-voting services provided by Karvy Computershare Pvt Ltd, “**KARVY**”

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://evoting.karvy.com> during the following voting period.

Commencement of e-voting : from 9.00 AM IST on 21.09.2014 to 6.00 PM IST on 23.09.2014

7. E-Voting shall not be allowed beyond 6.00 PM on 23.09.2014. During the e-Voting period, shareholders of the Company, holding shares in physical form or in dematerialized form as on 22.08.2014 may cast their vote electronically.
8. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their email IDs with the Company / respective depository participants along with physical copy of the Notice. Those members who have registered their email IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
9. The Company has appointed Sri V B S S Prasad, Practicing Company Secretary, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

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

Place : Hyderabad
Date: 14.08.2014

D R S P Raju
Director

ANNEXURE :

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special business.

ITEM No.3:

The existing term of Sri G V S Raju, as Director (Commercial) expires on 30.09.2014. The Board of Directors at their meeting held on 14.08.2014 have re-appointed Sri G V S Raju as Director (Commercial) for the period of Two Years with effect from 01.10.2014. The Director's Remuneration Committee at its meeting held on 29.05.2014 has passed resolution approving the remuneration payable to Sri G V S Raju, Director (Commercial) as per the terms mentioned in the notice subject to the approval of the shareholders. Your Directors are of the view that the re-appointment of Sri G V S Raju, Director (Commercial) will be in the interest of the Company and its members and accordingly commend the resolution for your approval. Sri G V S Raju holds 58440 equity shares as on 30.06.2014. Sri D R S P Raju being relative is interested in this resolution. No other Director / Key Management Personnel / their relatives are interested in this resolution. The explanation together with the accompanying notice may be treated as an abstract under Section 190 of the Companies Act, 2013.

ITEM NO : 4

Sri K Gopal is a non-executive independent Director of the Company. He joined the Board of Directors of the Company in 2002. Sri K Gopal is Chairman of the Audit Committee, Member of Shareholders Grievance Committee and Directors Remuneration Committee. 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 retires by rotation at the ensuing Annual General Meeting under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri K Gopal being eligible and offering himself for appointment, is proposed to be appointed as

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Independent Director for five consecutive years from the date of this meeting. A notice has been received from a member proposing Sri K Gopal as candidate for the office of Director. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an independent Director, for approval by the shareholders of the Company. Except Sri K Gopal being the appointee, none of the Directors / Key Management Personnel / their relatives is concerned or interested. This explanatory statement may be regarded as a disclosure under Clause 49 of this listing agreement with the stock exchange.

ITEM NO : 5

Sri N S B Reddy is non-executive independent Director of the Company. He joined the Board of Directors of the Company in 2006 Sri N S B Reddy is a member of the Audit Committee and member of Directors Remuneration Committee.

Sri N S B Reddy is an Engineering Graduate with additional qualifications which include an MBA Degree and a law degree. He has worked in Indian Air Force for over two decades in various capacities. Sri N S B Reddy retires by rotation at the ensuing Annual General Meeting under erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri N S B Reddy being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five consecutive years from the date of this meeting. A notice has been received from a member proposing Sri N S B Reddy as candidate for the office of Director. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an independent Director, for approval by the shareholders of the Company. Except Sri N S B Reddy being the appointee, none of the Directors / Key Management Personnel / their relatives is concerned or interested. This explanatory statement may be regarded as a disclosure under Clause 49 of this listing agreement with the stock exchange.

ITEM NO : 6

Sri N V S Rao is a non-executive director of the Company. He joined the Board of Directors of the Company in 2007. Sri N V S Rao is a member of Audit Committee and Directors Remuneration Committee.

Sri N V S Rao is Post Graduate in Economics from Osmania University. He has worked in State Bank of India for over three decades. He has held senior positions during his tenure of service in the Bank. Sri N V S Rao retires by rotation at the ensuing Annual General Meeting under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri N V S Rao being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five consecutive years from the date of this meeting. A notice has been received from a member proposing Sri N V S Rao as candidate for the office of Director. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an independent Director, for approval by the shareholders of the Company. Except Sri N V S Rao being the appointee, none of the Directors / Key Management Personnel / their relatives is concerned or interested. This explanatory statement may be regarded as a disclosure under Clause 49 of this listing agreement with the stock exchange.

ITEM NO : 7

The existing plant and machinery has become old resulting low production and increase in cost of repair and maintenance. The Company is desirous of replacing the existing machinery to improve the production. Considering the present market scenario for its products it is re-thinking on the investment in the new machinery. Alternately the Company is also exploring the proposal to identify prospective investor who could take the plant and machinery on lease or sale including land and buildings. In terms of section 180(1)(a) of the Companies Act, 2013 approval of the

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members is required to proceed with the proposal for lease and or sale of the undertaking. The Directors commend the resolution for the approval of the shareholders. None of the Directors are interested in the resolution.

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

Place : Hyderabad
Date: 14.08.2014

D .R. S. P. RAJU
Director

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PROXY FORM

I/We

(address).....

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

..... (address)

as my/our proxy to vote for me/our behalf at the 30th Annual General of the Company to be held on Friday the 26th September, 2014 at 11.00 A.M. and at any adjournment thereof.

Signed thisday of2014

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.



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

ATTENDANCE SLIP

I hereby record my presence at the 30th Annual General Meeting of Deccan Polypacks Limited at Sy.No. 142A, IDA Bollaram, (Via) Miyapur, Jinnaram Mandal, Narsapur Tq., Medak District, Telangana on Friday the 26th September, 2014 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

FORM A

1. Name of the Company	Deccan Polypacks Limited
2. Annual Financial Statements for the Year ended	31 st March, 2014
3. Type of Audit Observation	Un-qualified
4. Frequency of observation	Not Applicable
5. To be signed by	
Director (Commercial)	 G V S RAJU 
^{OR} Audit of the Company	 U.K. Muralidhar M. BHASKARA RAO & CO., Chartered Accountants 5-D, FIFTH FLOOR "KAUTILYA" 6-3-652, Somajiguda, HYDERABAD-500 082
Audit Committee Chairman	 K. GOPAL 