



**NOTICE:**

Notice is hereby given that the 32nd Annual General Meeting of Deccan Polypacks Limited will be held on Thursday the 29<sup>th</sup> day of September, 2016 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 31<sup>st</sup> March, 2016, Audited Balance Sheet and the Cash Flow Statement as at that date and the Reports of the Director's and Auditor's thereon.
2. To appoint a Director in the place of Sri D R S P Raju (Holding DIN No. 00306612) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of auditors of the Company to hold office until the conclusion of the Annual General Meeting for Financial Year 2017-18 and the payment of remuneration as fixed by the board of directors and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary resolution.

“RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under, including statutory modifications thereto or re-enactments thereof for the time being in force, and pursuant to the recommendations of the audit committee of the Board of Directors, the appointment of M/s. Bhaskara Rao & Co., Chartered Accountants, Hyderabad (Firms Registration Number 000459S) which was made in the AGM 2015 for Three Consecutive Audit-years ending on the conclusion of AGM for FY 2017-18 be and is hereby ratified and confirmed for the remaining audit period on such remuneration as fixed by the board of directors”

“RESOLVED FURTHER THAT the directors of the Company jointly and severally be and are hereby authorised to do all such acts, matters and things as may be necessary to give effect to the above resolution and to certify and upload the e-forms.

**SPECIAL BUSINESS :**

**4. 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 01.10.2016 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.

- IV. Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- V. 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 Company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Director (Commercial)

Earned / Privilege Leave – on full 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, 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".

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

Place : Hyderabad  
Date:30.05.2016

**D V. Prudvi Raju**  
Whole Time Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxy, in order to be effective must be deposited at the Company's Registered Office at Sy. No : 142A, IDA Bollaram, (Via) Miyapur, Jinnaram Mandal, Narsapur Tq., Medak Dist. Telangana 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, Karvy Selenium Tower B, Plot No : 31-32, Gachibowli, Financial District, Nanakaramguda, Hyderabad – 500 032, Telangana.
4. The Register of members and share transfer books of the Company will remain closed from 23.09.2016 to 29.09.2016 (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 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 32nd Annual General Meeting, "AGM" by electronic means and the business may be transacted 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 26.09.2016 to 5.00 PM IST on 28.09.2016

7. E-Voting shall not be allowed beyond 5.00 PM on 28.09.2016. During the e-Voting period, shareholders of the Company, holding shares in physical form or in dematerialized form as on 22.09.2016 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 Mr V B S S Prasad, Practicing Company Secretary, (FCS NO 4605) as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
10. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unlock the votes in the presence of atleast two witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Whole Time Director of the Company.

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

Place : Hyderabad  
Date:30.05.2016

**D V. Prudvi Raju**  
Whole Time Director

**ANNEXURE :**

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

**ITEM NO : 4**

The existing term of Sri G V S Raju, as Director ( Commercial ) expires on 30.09.2016. The Board of Directors at their meeting held on 30.05.2016 have re-appointed Sri G V S Raju as Director (Commercial) for the period of Two Years with effect from 01.10.2016. The Director's Remuneration Committee at its meeting held on 30.05.2016 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 recommend the resolution for your approval. Sri G V S Raju holds 58440 shares as on 30.05.2016. Sri D R S P Raju being relative is interested in this resolution. No other Director / Key Management Personnel / their 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.

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

Place : Hyderabad  
Date: 30.05.2016

**D V. Prudvi Raju**  
Whole Time Director

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 32nd Annual Report together with the Audited Accounts and Cash Flow Statements for the year ended 31<sup>st</sup> March 2016.

The financial results for the year ended 31<sup>st</sup> March 2016 are summarized below.

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
Income from operations	71.02	183.27
Gross Profit	(125.47)	(1369.01)
Interest	98.29	145.12
Depreciation	18.16	21.86
Profit/(Loss) before taxation	(241.92)	(1535.99)
Deferred Tax(Liability)/Asset	-	(18.66)
Current tax	-	-
Net Profit/(Loss)After Taxation	(241.92)	(1554.65)
Balance brought forward	(1534.09)	20.56
Balance carried to Balance Sheet	(1776.01)	(1534.09)

### 1. Operations

The Production continued to be suspended during the year under report. The Sales reported have been done through existing stocks of finished goods. The Company has incurred net loss of Rs.241.92 Lakhs in comparison with net loss of Rs. 1554.65 Lakhs in the previous year.

### 2. Erosion of Networth :

The Company has submitted report to BIFR regarding erosion of net worth as on 31.03.2016 in February 2016 in terms of the provisions of Sick Industrial Companies (Special Provisions ) Act, 1985 (SICA)

### 3. Future Outlook

The Company is exploring options for revival including sale of the undertaking. The update status will be informed to the shareholders.

### 4. 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 years 2015-2016 and 2016-2017 has not been paid to the

exchange due to shortage of funds and stoppage of operations.

### 5. Meetings of the Board of Directors :

During the year ended March 31<sup>st</sup> 2016, Five Board Meetings were held. The dates on which the Board Meetings were held are 29.05.2015, 14.08.2015, 29.08.2015, 13.11.2015 and 13.02.2016.

### 6. Statement on Declaration given by Independent Directors under Section 149(6)

The Independent Directors have submitted declaration of independence as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6)

### 7. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following directors namely Sri K Gopal,(resigned on 18.01.16) Sri N S B Reddy,( resigned on 29.05.15) Sri N V S Rao and Kum R Rama Devi ( Appt. as on 13.02.2016)

### Brief description of terms of reference :

- Carry on the evaluation of every director's performance.
- Formulation of criteria for determining qualification, positive attributes and independence of a Director.
- Recommend policy to the Board relating to remuneration of the directors, key managerial personnel and other employees.
- Devising a policy on board diversity
- Any other matter as the board may decide from time to time.

### Nomination and Remuneration Policy :

The objective of the policy :

- Lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors and persons who may be appointed as key managerial persons and to senior management positions.
- To provide reward directly linked to their effort,performance, dedication and achievement

relating to company's operations.

- c) To retain, motivate, promote talent to ensure long term sustainability of talented managerial persons and create competitive advantage.
- d) Determine remuneration based on company's size and financial positions and trends and practices.

#### **8. Particulars of Loans, Guarantees and Investments under Section 186**

The Company has not given any loan, or guarantee, or provided any security in connection with a loan to any other body corporate or person during the financial year.

#### **9. Particulars of contracts or arrangements with related parties referred to in Section 188(1) :**

The particulars of contracts or arrangements with related parties referred to Sec 188(1) is prepared in Form NO. AOC-2 pursuant to Sec 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as Annexure – 2 to this report.

#### **10. Extract of Annual Return :**

The extract of Annual Return is prepared in Form MGT-9 as per the provisions of Companies Act, 2013 and Rule 12 of the Companies ( Management and Administration ) Rules, 2014 and the same is enclosed as Annexure -3 to this report.

#### **11. Corporate Governance**

The Company has implemented the Corporate Governance Code during the year under report. A detailed report is enclosed and forms part of this Annual Report.

#### **12. 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 31.03.2016 and of the loss of the Company for the period ended 31.03.2016
- 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.
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively..
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **13. 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 as per annexure 1 hereto and forms part of this report.

#### **14. Risk Management Committee :**

Risk Management Committee consists of the following Directors :

- a) **Sri K Gopal** (Resigned on 18.01.2016)
- b) **Sri D R S P Raju**
- c) **Sri D V Prudvi Raju**

#### **Risk Management Policy :**

The Company has taken steps to mitigate the following risks

#### **Raw Material Price :**

Ours is a high volume manufacturing industry wherein the main raw material is PP/HDPE granules which are available indigenously and by imports. The raw materials are subject to frequent changes as their prices depend on petroleum products. The prices are closely monitored and depending on the requirement the stocks are maintained.

**Competition and price pressure :**

Our being a packing industry there are many players and there is severe competition and price cutting indulged by competitors. Action of one player is followed by other to either increase market share or offer low price to retain the volumes.

**Foreign Currency Risks :**

The Company's exposure to foreign currency is low. Majority purchase of raw materials through domestic market. The export volumes are low. The impact of foreign exchange fluctuation is almost negligible considering the volume of transactions in foreign currency.

**15. Statutory Auditors**

At the Annual General Meeting held on 29<sup>th</sup> December, 2015 M/s. BhaskaraRao & Co., Chartered Accountants, were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018. In terms of 1<sup>st</sup> proviso to section 139(1) of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly appointment of M/s. BhaskaraRao & Co., Chartered Accountants is placed for ratification by shareholders. In the regard, the Company has received a certificate from the Auditors to the effect, if they are appointed, it will be in accordance with the provisions of Section 141 of the Companies Act, 2013

**16. Board of Directors**

Sri D R S P Raju, Director is liable to retire by rotation at this Annual General Meeting and being eligible, offers him for re-appointment.

Re-appointment of Sri G V S Raju, Director (Commercial) is proposed at the ensuing Annual General Meeting since his term expired on 30.09.2016

**17. Directors and Key Management Personnel who were appointed or have resigned during the year**

Sri D R S P Raju, has been appointed as Director of the Company on 29<sup>th</sup> December, 2015 and Kum R Rama Devi was appointed as Independent Women Director of the Company on 29<sup>th</sup> December, 2015.

During the year Sri N S B Reddy and Sri K Gopal Directors of the Company resigned from the directorships.

**18. Secretarial Audit Report**

Copy of the report of Sri V.B.S.S Prasad, Practicing Company Secretary (CP No : 4605) for the year under report in Form MR-3 is attached as Annexure 4 to this report. There are no qualifications in the Secretarial Report.

**19. Particulars of appointment and remuneration of Managerial Personnel :**

The statement of particulars of Appointment and Remuneration of Managerial Personnel in terms of Rule 5 of Companies ( Appointment and Remuneration of Managerial Personnel ) Rules , 2014 is enclosed as Annexure 5 to this report.

**20. Insurance :**

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

**21. Change in nature of Business :**

There is no change in the Companies nature of business during the financial year ending 31.03.2016 except that the production / operations continues to be suspended since 15th July 2014.

**22. Internal Control System and their adequacy :**

Considering the size of business and nature of operations and internal control systems and procedure adopted and reviewed periodically by the Board and Audit Committee the existing control systems are adequate.

**23. Significant and Material orders passed by Regulators :**

No such orders have been received during the year under report.

**Material changes and commitments :-**

There are no material changes and commitments in the business operations of the Company during the year under report except that the production continues to remain suspended since 15th July 2014.

**24. Policy on Sexual Harrasment :**

The Company has no women employee in the employment of the Company. The Company is in the process of framing and formulating policy on sexual harassment at workplace in accordance with Sexual

Harassment of Women at workplace ( Prevention, prohibition and Redressal ) Act, 2013. During the year under report the Company has not received any complaints pertaining to Sexual Harassment.

#### **25. 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.

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

Place : Hyderabad  
Date:30.05.2016

**D V. Prudvi Raju**  
Whole Time Director



## 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 (Seven) Directors of whom two are executive, and five are non-executive directors. Out of the five non-executive directors four are Independent Directors and one is non-executive and promoter and the Chairman of the Board is a Non-Executive

#### a) Composition of the Board

Name of the Director	Status
Sri K Gopal	Independent & Non-Executive - Chairman
Sri D R S P Raju	Non Executive & Promoter
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
Kum. R Rama Devi	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.	Sri D R S P Raju	Father of D V Prudvi Raju
2.	Sri K Gopal	Nil
3.	Sri 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
7.	Kum. R Rama Devi	Nil

#### 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 atleast 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 2015 to 31st March 2016 the Board met Five times on the following dates.

Sl.No	Date	Board Strength	No. of Directors present
01	29.05.2015	7	5
02.	14.08.2015	6	4
03.	29.08.2015	6	5
04.	13.11.2015	6	5
05.	13.02.2016	5	4





e) Attendance of Directors

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendace at the last Annual General Meeting	No. of Directorships in other Board as on 31.03.2016	No. of memberships in other Board Committees as on 31.03.2016
Sri K Gopal	4	3	No	1	Nil
Sri D R S P Raju	5	5	Yes	5	Nil
Sri G V S Raju	5	5	Yes	1	Nil
Sri N S B Reddy	1	1	No	Nil	Nil
Sri N V S Rao	5	-	No	Nil	Nil
Sri D V Prudvi Raju	5	5	Yes	1	Nil
Sri R Rama Devi	5	4	Yes	2	-

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

1. Sri K Gopal	Chairman resigned on 18.01.2016
2. Sri D V Prudvi Raju	Member
3. Sri N S B Reddy	Member resigned on 29.05.2015
4. Sri N V S Rao	Member
5. Sri D R S P Raju	Member
6. Kum. R. Rama Devi	Member appointed on 13.11.2015

During the year 1st April 2015 to 31st March 2016 the committee had four meetings.

Sl. No	Date
1	29.05.2015
2	14.08.2015
3	13.11.2015
4	13.02.2016

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

Name of the Director	No. of Meetings held	No. of meetings attended
Sri K Gopal	2	2
Sri N S B Reddy	1	1
Sri N V S Rao	4	-
Sri D V Prudvi Raju	4	4
Sri D R S P Raju	4	4
Kum. R. Rama Devi	1	1

**ii) 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.

Sri D R S P Raju - Chairman  
Sri D V Prudvi Raju - Member

**Terms of Reference :**

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

Attendance of Directors in the Share Transfer Committee Meetings :

The Share Transfer Committee met 2 ( Two) times during the year ended 31st March, 2016

**The attendance for the meetings are as stated below :**

Name of the Director	No. of meetings held	No. of meetings attended
Sri D R S P Raju	2	2
Sri D V Prudvi Raju	2	2

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 (resigned w.e.f.18.01.16) and Sri D V PrudviRaju ( 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, 2016.

S.No.	Nature of Letter / Complaints	Received	Disposed	Pending
1.	Non-receipt of share certificates after transfer / exchange / sub-dividend / consolidated /duplecate 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, 2016

d) **Nomination and Remuneration Committee:**

- a) Mr KGopal - Chairman (resigned w.e.f. 18.01.2016)  
b) Mr N S B Reddy - Member (resigned w.e.f. 29.05.2015)  
c) Mr N V S Rao - Member  
d) Kum R Rama Devi - Member (Apptd. 13.02.2016)

During the year 1st April 2015 to 31st March 2016, one meeting of the Committee was held.

**Terms of Reference:**

To fix the remuneration payable to Key Managerial Personnel evaluate the performance of Director, determine educational qualification and such other matters as may be entrusted from time to time.

e) **Risk Management Committee :-**

The Committee was constituted at the Board Meeting of the Company held on 30.03.2015 with the following members

- a) Sri K Gopal (resigned w.e.f. 18.01.2016)  
b) Sri D R S P Raju  
c) Sri D V Prudvi Raju

**Terms of Reference**

The committee is evaluate and advise on various types of risks the business is exposed and the measures to mitigate the risks.

f) **Details of remuneration paid to the Directors during the Financial Year from 1st April, 2015 to 31st March,2016**

**Executive Directors**

Name	Salary	Perquisite	Comm.	Date of Appointment	Date of expiry
Sri G V S Raju	6,00,000	3,60,000	-	01.10.2016	30.09.2018
Sri D V. Prudvi Raju	6,00,000	3,60,000	-	08.02.2015	07.02.2018

**Non-Executive Directors:**

Name	Sitting Fee (Rs.)	No. of Shares
Sri K Gopal	7,500.00	Nil
Sri N S B Reddy	3,750.00	Nil
Sri N V S Rao	Nil	Nil
Sri D R S P Raju	12,500.00	138638
Kum. R Rama Devi	6,250.00	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.

**General Body Meetings :**

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

FINANCIAL YEAR	Date	Time	Place
2012-2013	27.09.2013	11.00 AM	Registered Office : Sy No : 142A, IDA Bollaram ( Village Road ) , Via Miyapur, Jinnaram Mandal, Medak Dist. Telangana
2013-2014	26.09.2014	11.00 AM	Registered Office : Sy No : 142A, IDA Bollaram ( Village Road ) Via Miyapur, Jinnaram Mandal, Medak Dist. Telangana
2014-2015	29.12.2015	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.

- 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.

- The Whole Time Director has given a certificate to the Board as per Clause 49 of the Listing Agreement.
- Compliance of Non-Mandatory Clause
  - 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 / deccanpoly@gmail.com

**General Shareholders Information :**

- a) Annual General Meeting
  - Date : 29th September, 2016
  - Time : 11.00 AM
  - Venue : Sy.No : 142A, IDA Bollaram (Via) Miyapur, Jinnaram (M) Medak Dist. Telangana.
- b) Financial Calendar : 1st April 2015 to 31st March 2016
- c) Date of Book Closure : 23.09.2016 to 29.09.2016
- 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	-	-	October	6.90	6.77
May	3.49	3.04	November	7.30	7.00
June	2.89	2.65	December	7.66	5.66
July	2.81	2.43	January 2015	5.66	5.66
August	3.92	2.84	February	5.63	5.38
September	7.03	3.75	March	5.68	5.35

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  
Karvy Selenium Tower B, Plot 31-32, Gachibowli  
Financial District, Nanakramguda, Hyderabad - 33  
Email Id: chandrasekhar.r@karvy.com  
Phone No: 040-67161606

i) Distribution of shareholding as on 31.03.2016

S.No.	Category	No. of Shares held	Percentate 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	64626	3.06
5.	NRI/OCBs	2797	0.13
6.	Indian Public	877886	41.51
	<b>Total</b>	<b>2115000</b>	<b>100.00</b>

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 31.03.2016 the company has dematerialized 1131955 shares representing 53.52 of total paid up share capital.

National Securities Depositories Limited	-	992295 shares
Central Depository Services Limited	-	139660 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 deccanploy@gmail.com

**Management discussion and Analysis Report**

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

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

### **Opportunities and Challenges**

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

### **Segment wise performance**

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

### **Risk and Concerns**

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

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

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

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

The overall performance of the company in terms of production, sales and turnover has been lower than the previous year. Since the production was suspended with effect from 15<sup>th</sup> July, 2014, the production figures and capacity utilization figures are not comparable with the previous year. The production was suspended due to increase in the prices of raw material and fall in the selling price of the finished goods due to stiff competitors.

### **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 31.03.2015, as envisaged in clause 49 of the listing agreement with Stock Exchanges.

Place : Hyderabad  
Date : 30-05-2016

**D.V. PRUDVI RAJU**  
WHOLE TIME DIRECTOR



## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
**Deccan Polypacks Limited**

1. We have examined the compliance of conditions of Corporate Governance by Deccan Polypacks Limited ( "the Company") for the year ended on 31<sup>st</sup> March, 2016, as stipulated in : Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with Stock Exchange (s) for the period from April 01,2015 to November 30, 2015. Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01,2015 to September 01,2015. Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements ) Regulations, 2015 (the Listing Regulations) for the period from September 02,2015 to March 31, 2016, and Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01,2015 to March 31,2016.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the Management has conducted the affairs of the Company.

For **M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration No.000459S

V K Muralidhar  
Partner  
Membership No. 201570

Place: Hyderabad  
Date:30<sup>th</sup> May 2016

**ANNEXURE-1**

Desclosure 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:**

S.No.		Current Year Rs.	Previous Year Rs.
1.	Foreign Exchange earning	-	-
2.	Foreign Exchange used for Import of raw material	-	-

**ANNEXURE -2**

Particulars of contracts or arrangements with related parties referred to under section 188(1) of the panies Act,2013

S.No.	Details of related Transactions	Material terms and value	Manner of determining the pricing and other Commercial terms of the contract
1.	ICD & Advances received Vayhan coffee Limited Associate Company	55,00,000	-
2.	ICD & Advances received DCL Chemplast Limited Associate Company	5,13,90,000	-
3.	ICD & Advances received DSL Finance & Gosthani Associate Company	49,41,000	-
4.	Loans from others		
5.	Unsecured Loans from Directors & KMP	46,633,450	-

**ANNEXURE -3 : EXTRACT OF ANNUAL RETURN  
FORM NO MGT -9**

**Extract of Annual Return as on the Financial year ended 31.03.2016**  
(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Admission) Rules 2014)

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L24134TG1984PLC005215
ii)	Registration Date	29.12.1984
iii)	Name of the Company	Deccan Polypacks Limited
iv)	Category / Sub-Category	Public Limited Company by shares
v)	Address of the Registered Office and Contact	Sy No : 142A, IDA Bollaram (Village Road)(via) Miyapur Jinnaram Mandal, Medak, Dist. 502 319, Telangana.
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No : 31-32, Gachibowli, Financial District, Nanakaramguda, Hyderabad -32

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the shall be stated :

S.No.	Name and Description of main products / Services	NIC Code of the Product / Services	% to total turnover of The Company
01.	Manufacture of PP/HDPE Woven Sacks	13124	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
		NOT	APPLICABLE		

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category – wise Share Holding

Category of Share holders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the Year
	Demat shares	Physial	Total	% of Total shares	Demat shares	Physial	Total	% of Total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual /HUF	720925	448766	1169691	55.30	720925	448766	1169691	55.30	
b) Central Govt.	0	0	0	0	0	0	0	0	
c) State Govt.	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	0	0	0	0	0	0	0	
e) Banks/FI	0	0	0	0	0	0	0	0	
f) Any others	0	0	0	0	0	0	0	0	
<b>Sub Total (A)(1)</b>	<b>720925</b>	<b>448766</b>	<b>1169691</b>	<b>55.30</b>	<b>720925</b>	<b>448766</b>	<b>1169691</b>	<b>55.30</b>	
(2) Foreign									
a) NRI individuals	2757	0	2757	0.13	2797	0	2797	0.13	
b) Others	0	0	0	0	0	0	0	0	
c) Individuals	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	0	0	0	0	0	0	0	
e) Banks/FI	0	0	0	0	0	0	0	0	
f) Any others	0	0	0	0	0	0	0	0	
<b>Sub Total (A)(2)</b>	<b>2757</b>	<b>0</b>	<b>2757</b>	<b>0.13</b>	<b>2797</b>	<b>0</b>	<b>2797</b>	<b>0.13</b>	
Total shareholding of promoter (A)= <b>(A)(1)+(A)(2)</b>	<b>723682</b>	<b>448766</b>	<b>1172448</b>	<b>55.43</b>	<b>723722</b>	<b>448766</b>	<b>1172488</b>	<b>55.43</b>	
<b>B. Public's shareholding</b>									
1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	
b) Banks/FI	0	0	0	0	0	0	0	0	
c) Central Govt.	0	0	0	0	0	0	0	0	
d) State Govt.	0	0	0	0	0	0	0	0	
e) Venture Capital funds	0	0	0	0	0	0	0	0	
f) Insurance Co	0	0	0	0	0	0	0	0	
g) FIIS	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	
i) Others (Specify)	0	0	0	0	0	0	0	0	
<b>Sub Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	



**DECCAN  
POLYPACKS  
LIMITED**

2. Non Institutions									
a) Bodies Corp									
* Indian	64422	3164	67586	3.20	61462	3164	64626	3.06	
* Overseas	0	0	0	0	0	0			
b) Individuals									
Individual shareholders holding nominal share Capital upto Rs.Lakshs	280154	363991	644145	30.46	282895	392875	675770	31.95	
Individual shareholders holding nominal share Capital Excess of Rs.Lakshs	62577	168244	230821	10.91	63876	138240	202116	9.56	
c) Others )Specify)									
<b>Sub Total (B)((2)</b>	<b>407153</b>	<b>535399</b>	<b>942552</b>	<b>44.57</b>	<b>408233</b>	<b>534279</b>	<b>942512</b>	<b>44.57</b>	
Total Public Shareholding (B) = (B)(1)+(B)(2)	407153	535399	942552	44.57	408233	534279	942512	44.57	
C. Share held by custodian GDRS and ADRs									
Grand Total (A+B+C)	1130835	984165	2115000	100	1131955	983045	2115000	100	

ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding of the beginning of the year			Shareholding of the end of the year		
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares
1.	DRSP Raju	138638	6.55	2.45	138638	6.55	2.45
2.	DVR Raju	117600	5.56	1.06	117600	5.56	1.06
3.	GVS Raju	58440	2.76	-	58440	2.76	-
4.	D Subhadra	108980	5.15	-	108980	5.15	-
5.	D Shakuntala	139235	6.58	-	139235	6.58	-
6.	D Radhamani	121020	5.72	-	121020	5.72	-
7.	D Rama Raju	124410	5.88	-	124410	5.88	-
8.	DBV Satyanarayana Raju	12100	0.57	-	12100	0.57	-
9.	A Suramma	80330	3.81	-	80330	3.81	-
10.	D S Anuveshini	102500	4.85	-	102500	4.85	-
11.	D V Prudvi Raju	134898	6.37	-	134898	6.37	-
12.	D Lakshmi	2000	0.09	-	2000	0.09	-
13.	D. Suryanarayana Raju	1600	0.08	-	1600	0.08	-
14.	G. Sayavathi	15980	0.76	-	15980	0.76	-
15.	G. Sri Devi	11960	0.57	-	11960	0.57	-
	<b>Total</b>	<b>1169691</b>	<b>55.30</b>	<b>3.51</b>	<b>1169691</b>	<b>55.30</b>	<b>3.51</b>

iii) Change in Promoters' shareholding (please specify, if there is no change)– **No Change**

S.No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1169691	55.30	1169691	55.30
2.	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus / sweat equity etc)	-	-	-	-
3.	At the end of the year	1169691	55.30	1169691	55.30

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

S.No.	Name of Shareholders	At the beginning of year	At the end of the year	Datewise increase in shareholding in during the year	Datewise decrease in shareholding in during the year
1.	M V Peddi Raju	76900	76900	-	-
2.	S P Rama Raju	61340	61340	-	-
3.	Shashi Rani Gupta	36991	36991	-	-
4.	VSL Securities Pvt Ltd	34648	34648	-	-
5.	Jiwan Kumar	25586	25586	-	-
6.	K Murthi Raju	25586	25586	-	-
7.	M V Peddi Raju	15404	15404	-	-
8.	Bimla Aggarwal	13544	-	31.03.2014	5179 / 31.03.2015
9.	Sri Parasram Holdings Pvt Ltd	10047	-	31.03.2014	10009 / 31.03.2015
10.	Sunny Gupta	9953	9953	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Name		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
DRSP Rau	At the beginning of the year	138638	6.55	138638	6.55
	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus / sweat equity etc)	-	-	-	-
	At the end of the year	138638	6.55	138638	6.55

(v) Shareholding of Directors and Key Managerial Personnel:

Name		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
DV Prudv Raju	At the beginning of the year	134898	6.37	134898	6.37
	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus / sweat equity etc)	-	-	-	-
	At the end of the year	134898	6.37	134898	6.37

(v) Shareholding of Directors and Key Managerial Personnel:

Name		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
GVS Raju	At the beginning of the year	58440	2.76	58440	2.76
	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus / sweat equity etc)	-	-	-	-
	At the end of the year	58440	2.76	58440	2.76

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the year				
i) Principal amount	66705679	115084830	-	181790509
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>66705679</b>	<b>115084830</b>	<b>-</b>	<b>181790509</b>
Change in indebtedness during the financial year				
Addition	-	17883450	-	17883450
Reduction	9475685	2198085	-	11673770
<b>Net Change</b>	<b>9475685</b>	<b>15685365</b>	<b>-</b>	<b>6209680</b>
Indebtedness at the end of the year				
i) Principal amount	-	-	-	-
ii) interest due but not paid				
iii) interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>57229994</b>	<b>130770195</b>	<b>-</b>	<b>188000189</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole Time Director and / or Manager.**

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		
		GVS Raju	D V Prudvi Raju	Total Amount
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	9,60,000	9,60,000	19,20,000
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - Others, Specify			
5.	Others, Please specify			
	Total (A)	9,60,000	9,60,000	19,20,000
	Ceiling as per the Act			

**B. Remuneration to other Directors:**

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		DRSP Raju	K. Gopal	NSB Reddy	NVS Rao	R. Rama Devi	
1.	Independent Directors - Fees for attending board, committee Meetings - Commission - Others, Please Specify	-	Rs. 7,500	Rs. 3,750	Nil	Rs. 6,250/-	<b>Rs. 17,500/-</b>
	<b>Total (1)</b>	-	<b>Rs. 7,500</b>	<b>Rs. 3,750</b>	Nil	<b>Rs. 6,250/-</b>	<b>Rs. 17,500/-</b>
2.	Other Non-Executive Directors - Fees for attending board, committee meetings - Commission - Others, Please Specify	Rs. 12,500/-	-	-	-		
	<b>Total (2)</b>	<b>Rs. 12,500/-</b>	-	-	-		
	Total (B) = (1) + (2)						<b>Rs. 30,000/-</b>
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

**C. Remuneration to Key Managerial Personnel other than MD / Manager /WTD**

S.No.	Particulars of Remuneration	Name of Directors			
		CEO	Company Secretary	CFO	Total Amount
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the income Tax ACT, 1961	--	--	--	--
	b) Value of perquisites u/s 17(2) Income Act, 1961	--	--	--	-
	c) profits in lieu of salary under section 17(3) Income Tax Act, 1961	--	--	--	--
2.	Stock option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify				
5.	Others, please specify	--	--	--	--
	Total				

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Punishment / compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (Give Details)
A.					
Penalty					
Punishment					
compounding					
B.					
Penalty					
Punishment					
compounding					
C					
Penalty					
Punishment					
compounding					

For **DECCAN POLYPACKS LIMITED**

DV Prudvi Raju  
Whole Time Director

GVS Raju  
Director (Commercial)

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ANNEXURE -4  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2016  
CIN.No. L24134TG1984PLC005215

FORM NO. MR.3

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To  
The Members,  
M/s. **DECCAN POLYPACKS LIMITED**  
Hyderabad.

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. **DECCAN POLYPACKS LIMITED** (hereinafter called as “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. The company is engaged in the manufacture of polythene bags.
3. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
4. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **DECCAN POLYPACKS LIMITED** (hereinafter called as “**the Company**”) for the financial year from 1<sup>st</sup> April 2015 and ended with 31<sup>st</sup> March, 2016 (“Audit Period”) according to the provisions of :
  - i) The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;
  - ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
  - iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999.
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.



- f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998;
- i) The following other laws as specifically applicable in the view of the Management.
  - (i) Income Tax act, 1961
  - (ii) Central Sales Tax Act, 1956
  - (iii) Telangana & Andhra Pradesh Value Added Tax
  - (iv) The payment of bonus Act, 1965
  - (v) Telangana & Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
  - (vi) Customs Act, 1962
  - (vii) Finance Act, 1994 (Service Tax)
  - (viii) Factories Act, 1948
  - (ix) Industrial Disputes Act, 1947
  - (x) Minimum Wages Act, 1948
  - (xi) The Payment of Gratuity Act, 1972
  - (xii) The Payment of Wages Act, 1936
  - (xiii) The Maternity Benefit Act, 1961
  - (xiv) A.P Shops & Establishment Act, 1988
  - (xv) The National and Festival Holidays Act, 1963
  - (xvi) The Employees Provident fund and Miscellaneous provisions act, 1952
  - (xvii) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1956.

The Company totally shutdown on 15th July, 2014 and there are no employees. The information was given to BSE on 02<sup>nd</sup> August, 2014. The net worth of the company was totally eroded and report was submitted to BIFR on 25-02-2016. Hence several Industrial and Labour Laws are not applicable. Applicable Statutory provisions have been verified and found satisfactory.

- 5. We have also examined compliance of:
  - a. the applicable Clauses of the Listing Agreements entered into by the Company with the BSE Limited
  - b. The applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
  - c. the applicable Secretarial Standards
- 6. We further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. Mentioned above. However, please note for the Audit period:
  - (i) SEBI (ICDR) Regulations, 2009 are not applicable, as there being no further issues of any securities.
  - (ii) SEBI (ESOS & ESOP) Guidelines, 1999 are not applicable, as there being no schemes of the Company under the said Guidelines.
  - (iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable as there being no debt securities, which are listed on any of the recognized stock exchange.



DECCAN  
POLYPACKS  
LIMITED

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- (iv) SEBI (Delisting of Equity Shares) Regulations, 2009 are not applicable, as there being not instances of delisting of equity Shares.
  - (v) SEBI (Buyback of Securities) Regulations, 1998 are not applicable, as there being no instances of buy-back of shares
  - (vi) The compliance of other specific applicable laws as listed in 4 (V) (i) above, were relied on the basis of representations and compliance certificates issued by the Managing director compliance officers and other officials of respective / concerned Departments of the company.
7. We further report that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.
  - b. Adequate Notice is given to all the Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
  - c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - d. Majority decision is carried through and there were not instances of dissenting members in the Board of Directors.
  - e. It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
  - f. Required forms were filed with MCA, additional fee paid wherever required.
8. We further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

Place: Hyderabad  
Date: 25/05/2016

V B S S PRASAD  
COMPANY SECRETARY  
M.NO: F4139  
CP NO: 4605

**Annexure to the Secretarial Audit Report**

To  
The Members,  
M/s. DECCAN POLYPACKS LIMITED  
Hyderabad.

Our Secretarial Audit Report of even date is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provision of all applicable laws and regulation and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to secretarial compliance.
3. We believe that audit evidence information obtained from the company's Management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representations about the complaints of laws, rules and regulations and happening of events etc.,
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company

Place: Hyderabad  
Date: 25/05/2016

V B S S PRASAD  
COMPANY SECRETARY  
M.NO: F4139  
CP NO: 4605

**Annexure - 5**

The statement of particulars of Appointment and Remuneration of Managerial Personnel in terms of Rules 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexures 5 to this report.

Name of the Employee	Age	Designation	Qualification & Experience	Date of Commencement of employment	Remuneration	Particulars of last employment
Sri G V S Raju	52	Director (Commercial)	B. Com MCA	01.10.2000	Rs.9,60,000/-	N/A
Sri D V Prudvi Raju	33	Whole Time	B.Com	08.02.2012	Rs. 9,60,000/-	N/A

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Deccan Polypacks Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Deccan Polypacks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

### Management's Responsibility for the Financial Statements

The Companies Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Company's Directors, 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 qualified audit opinion on the financial statements.

### Basis for Qualified Opinion

Attention is invited to Note No : 14 and 30 of the Financial Statements regarding trade receivables amounting to Rs. 98,70,205 outstanding for a period exceeding 3 years as on the balance sheet date. In the absence of confirmation



of balance and other communication between the Company and its customer, we are unable to comment on the extent of ultimate recoverability of the dues and its impact on the loss for the year, on the trade receivables and on the reserves as at March 31,2016.

#### **Qualified Opinion**

In our opinion, except for the effect on the financial statements of the matter described in the basis for qualified opinion paragraph, and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31,2016, and its loss and its cash flows for the year ended on that date.

#### **Emphasis of Matter**

We draw attention to

- a) Note 26 to the Financial Statements regarding suspension of manufacturing operations of the Company and preparation and presentation of financial statements on a going concern basis for the reasons stated in ;
- b) Note 28 to the Financial Statements regarding impairment of assets for the reasons stated there in ;
- c) Note 30 to the Financial Statements regarding accounting for inventory at carrying value for the reasons stated there in;
- d) Note 31 regarding not obtaining confirmation of balances from company's vendors and customers.

Our opinion is not modified in respect of these matters

#### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies ( Auditor's Report ) Order, 2016 ( "the Order" ) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by Section 143(3) of the Act, we report that:
  - a) we have sought and 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 appears from our examination of those books;
  - c) the balance sheet, the Statement of Profit and Loss and the cash flow statement dealt by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts ) Rules 2014;
  - e) On the basis of written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and

- g) With respect to the other matters to be included in the auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's ) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- i) the company has disclosed the impact of all pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
  - ii) no provisioning is required under any law or accounting standards, for material foreseeable losses on long term contracts. Further, according to the information and explanations given to us and in our opinion, there were no derivative contracts entered into by the Company as at March 31,2016.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For M. Bhaskara Rao & CO.,  
Chartered Accountants  
Firm Registration No : 000459S

Place : Hyderabad  
Date : 30.05.2016

V K Muralidhar  
Partner  
Membership No 201570

**Annexure A to the Independent Auditors' Report**

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Deccan Polypacks Limited )

- (i) In respect of its Fixed Assets :
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets. The discrepancies noticed on such verification were not material and have been properly dealt within the books of account.
  - (c) Title deeds of all the immovable properties are held in the name of the company.
- (ii) In respect of Inventories
- 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 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) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies , firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and accordingly paragraph 3(iii) of the Order is not applicable, at present.
- (iv) According to the information and explanations given to us, the company has neither given any loans nor made any investments. Accordingly paragraph 3(iv) of the Order is not applicable, at present
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the Public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- (vi) 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 148 (1) of the Companies Act, 2013 have been maintained . However, we are not required to and have not carried out any detailed examination of such accounts and records.
- (vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues;
- a) The Company is generally regular in depositing all undisputed statutory dues except provident fund, Income Tax, Professional Tax with the appropriate authorities during the year.
  - b) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, customs duty, value added tax and cess which were in arrears as at March 31,2016 for a period of more than six months from the date they became payable except the following :

Statute	Nature of Dues	Forum where dispute is pending	Amount Involved (In Rs.)
Sales Tax	Restriction of set off tax on prorata basis	Appellate Tribunal A.P.	3,60,000/-

viii) According to the information and explanations given to us and in our opinion, as at March 31,2016, there has defaults in repayment of dues to banks details given as follows ::

Name of Bank	Amount Defaulted	Period of Default
Sate Bank of India	5,00,000	31 days

The Company has not issued any debentures

- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us , no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) According to the information and explanations given to us and based on our examination of the records, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934

for M.Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No : 000459S

V K Muralidhar  
Partner  
Membership No 201570

Place : Hyderabad  
Date 30.05.2016

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**Annexure B to the Independent Auditors' report  
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls over financial reporting of Deccan Polypacks Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

**Auditors' Responsibility\**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Disclaimer of Opinion**

According to the information and explanations given to us, the company has not documented its system of internal financial control over financial reporting on the criteria based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. Therefore we are unable to obtain sufficient appropriate audit evidence to express an opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

We have considered the disclaimer stated above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

for M Bhaskara Rao & Co.,  
Chartered Accountants  
Registration No: 000459S

VK Muralidhar  
Partner  
Membership No: 201570

Hyderabad, May 30, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

S.No	Particulars	Note No.	As at March 31, 2016 Rupees		As at March 31, 2015 Rupees	
<b>I</b>	<b>EQUITY AND LIABILITIES</b>					
1.	<b>Shareholders' Funds</b>					
	(a) Share Capital	3	21,150,000		21,150,000	
	(b) Reserves and Surplus	4	(171,607,486)	(150,457,486)	(147,415,679)	(126,265,679)
2.	<b>Non-Current Liabilities</b>					
	(a) Long Term Borrowings	5	165,869,668		159,999,481	
	(b) Long-Term Provisions	6	826,772		826,772	
				166,696,440		160,826,253
3.	<b>Current Liabilities</b>					
	(a) Short-term Borrowings	7	9,166,934		15,742,544	
	(b) Trade Payables	8	15,499,557		10,504,368	
	(c) Other Current Liabilities	9	23,304,293		15,653,809	
				47,970,784		41,900,721
	<b>Total</b>			<b>64,209,738</b>		<b>76,461,295</b>
<b>II.</b>	<b>ASSETS</b>					
1.	<b>Non-Current Assets</b>					
	(a) Fixed Assets	10				
	(i) Tangible Assets		14,751,181		16,559,663	
	(ii) Intangible Assets		-		7,626	
				14,751,181		16,567,289
	(b) Long-Term Loans and Advances	11	760,315		2,445,545	
				760,315		2,445,545
2.	<b>Current Assets</b>					
	(a) Inventories	13	32,661,949		32,416,144	
	(b) Trade Receivables	14	11,521,291		11,960,839	
	(c) Cash and Bank Balances	15	2,122,189		2,165,188	
	(d) Short-Term Loans and Advances	16	2,020,317		10,074,451	
	(e) Other Current Assets	17	372,496		831,839	
				48,698,242		57,448,461
	<b>Total</b>			<b>64,209,738</b>		<b>76,461,295</b>
	<b>Significant Accounting Policies</b>	2				

Accompanying Notes form an integral part of  
Financial Statements

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

V. K. MURALIDHAR  
Partner

For and on behalf of the Board

D V PRUDVI RAJU  
WHOLE TIME DIRECTOR

GVS RAJU  
DIRECTOR (COMMERCIAL)

Place Hyderabad  
Date : 30th May, 2016



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

S.No.	Particulars	Note No.	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
I	Revenue from operations	18	6,757,462	16,548,255
	Less: Excise Duty		321,275	1,820,366
			6,436,187	14,727,889
II	Other Income	19	64,687	951,822
III	<b>Total Revenue (I + II)</b>		<b>6,500,874</b>	<b>15,679,711</b>
IV	Expenses			
	Cost of materials consumed	20	3,908,675	11,067,755
	Changes in Inventories of finished goods work-in-progress and Stock-in-trade	21	44,370	124,848,213
	Employee benefits expense	22	3,271,175	7,645,302
	Finance costs	23	9,909,242	16,064,011
	Depreciation and amortization expense	10	1,816,109	2,186,389
	Other expenses	24	11,743,111	7,466,750
	<b>Total expenses</b>		<b>30,692,682</b>	<b>169,278,421</b>
V	Profit before exceptional and extraordinary items and tax (III-IV)		(24,191,807)	(153,598,710)
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V-VI)		(24,191,807)	(153,598,710)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII-VIII)		(24,191,807)	(153,598,710)
X	Tax expense :			
	- Current Tax	-	-	-
	- Deferred Tax		-	1,866,653
XI	Profit/(Loss) for the period from continuing operations		(24,191,807)	(155,465,363)
XII	Profit/(Loss) for the period		(24,191,807)	(155,465,363)
XIII	Earnings per equity share :			
	(1) Basic		(11.44)	(73.51)
	(2) Diluted		(11.44)	(73.51)
	Significant Accounting Policies	2		

Accompanying Notes form an integral part of  
Financial Statements

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

V. K. MURALIDHAR  
Partner

For and on behalf of the Board

D V PRUDVI RAJU  
WHOLE TIME DIRECTOR

GVS RAJU  
DIRECTOR (COMMERCIAL)

Place Hyderabad  
Date : 30th May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Rupees		Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(Loss) before tax and extraordinary items	(24,191,807)		(153,598,709)	
Adjustment for				
Depreciation	1,816,109		2,186,389	
Interest Income	(64,687)		(951,822)	
Interest Expenses	9,829,180		14,512,646	
Profit on Sale of asset	-		(15,689)	
<b>Operating profit before working capital changes</b>	(12,611,205)		(137,867,185)	
Changes in Working Capital				
(Increase) / Decrease in Trade and other receivables	439,548		27,453,885	
(Increase)/Decrease in Inventories	(245,805)		129,378,825	
(Increase)/Decrease in Long Term Loans and Advances	1,685,230		365,338	
(Increase)/Decrease in Short Term Loans and Advances	8,054,134		(808,793)	
(Increase)/Decrease in other current assets	459,343		938,465	
Increase/(Decrease) in Long Term Provisions	-		(98,279)	
Increase/(Decrease) in Trade Payables	4,995,189		(67,406,781)	
Increase/(Decrease) in Current Liabilities	7,650,484		5,790,075	
Increase/(Decrease) in Short Term Provisions	-		-	
<b>Cash Generated from operations</b>	<b>10,426,916</b>		<b>(42,254,450)</b>	
Provision for taxation (MAT)	-		-	
Cash flow before extraordinary items	10,426,916		(42,254,450)	
<b>Net Cash flow from Operating Activities</b>		<b>10,426,916</b>		<b>(42,254,450)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	-		(1,275,375)	
Sale of Fixed Assets	-		200,000	
Interest received	64,687		951,822	
<b>Net Cash used in investing activities</b>		<b>64,687</b>		<b>(123,553)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-term Borrowings	5,870,187		97,519,613	
Increase/ (Decrease) in Short Term Borrowings	(6,575,610)		(49,861,814)	
Interest paid	(9,829,180)		(14,512,646)	
<b>Net cash used in financing activities</b>		<b>(10,534,603)</b>		<b>33,145,153</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(42,999)</b>		<b>(9,232,850)</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>		<b>2,165,188</b>		<b>11,398,038</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>		<b>2,122,189</b>		<b>2,165,188</b>

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 V PRUDVI RAJU  
WHOLE TIME DIRECTOR

GVS RAJU  
DIRECTOR (COMMERCIAL)

Place Hyderabad  
Date : 30th May, 2016

**NOTE NO. 1**

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

**NOTE NO. 2**

**Significant Accounting Policies :**

**2.1 Accounting Convention :**

The financial statements have been prepared on the basis of going concern, under the historical cost convention. The company follows accrual system of accounting and recognises income and expenditure on accrual basis unless otherwise stated.

**2.2 Fixed Assets :**

- (i) Fixed Assets are stated at cost. Cost includes all costs incidental to acquisition, installation and commissioning of the assets until they are ready for intended use.
- (ii) Fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss, being the excess of carrying value over the recoverable value of the assets, is charged to Profit & Loss account, in the respective financial years. The impairment loss recognized in earlier years is reversed in cases where the recoverable value exceeds the carrying value, upon the reassessment in subsequent years.

**2.3 Depreciation :**

Depreciation on Fixed Assets is provided on straight line method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 as amended from time to time.

**2.4 Foreign Currency Translation :**

Foreign currency transactions have been translated at the Exchange Rate Prevalent on the date of transaction. Gain/Loss arising out of fluctuation in the exchange rates on realization is treated as income/expenditure.

**2.5 Inventories :**

The method of valuation of inventories is as under:

- i) Raw Materials, Stores and Spares  
Work-in-process and Finished Goods : At lower of cost and net realisable value. Cost includes

manufacturing expenses and factory overheads.

“Cost for the purpose of valuation of raw materials ( except additives valued at weighted average ) is calculated on FIFO basis and for stores and spares and work-in-process on the basis of weighted average method”.

**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 the 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 : 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.

**2.11 Contingent Liabilities :**

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 2016		As at 31st March 2015	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
<b>Authorised</b>				
Equity share of Rs.10/- each	5,000,000	50,000,000	5,000,000	50,000,000
<b>Issued , Subscribed and fully paid up</b>				
Equity share of Rs.10/-each	2,115,000	21,150,000	2,115,000	21,150,000

**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 2016	As at 31st March 2015
Equity Shares of Rs.10/- each		
Shares Outstanding at the beginning of the year	2,115,000	2,115,000
Shares outstanding at the end of the period	2,115,000	2,115,000

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

	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% of share holding	No. of Shares	% of share holding
i) D .R.S.P. Raju	138,638	6.55%	138,638	6.55%
ii) D.V.R. Raju	117,600	5.56%	117,600	5.56%
iii) D. Subhadra	108,980	5.15%	108,980	5.15%
iv) D. Shakuntala	139,235	6.58%	139,235	6.58%
v) D.Radhamani	121,020	5.72%	121,020	5.72%
vi) D. Rama Raju	124,410	5.88%	124,410	5.88%
vii) D V Prudvi Raju	134,898	6.37%	134,898	6.37%

**Note No. 4 Reserves and Surplus**

	As at 31st March 2016 Rupees	As at 31st March 2015 Rupees
<b>a. Capital Reserves</b>		
Opening Balance	1,464,100	1,464,100
Closing Balance	1,464,100	1,464,100
<b>b. Securities Premium Account</b>		
Opening Balance	830,000	830,000
Closing Balance	830,000	830,000
<b>c. General Reserve</b>		
Opening Balance	3,700,000	3,700,000
Closing Balance	3,700,000	3,700,000
<b>d. Surplus in Statement of Profit and Loss</b>		
Opening Balance	(153,409,779)	2,055,583
Add : Net Profit / (Net Loss) for the current year	(24,191,807)	(155,465,362)
Less: Depreciation adjustment	-	-
Closing Balance	(177,601,586)	(153,409,779)
<b>Total (a+b+c+d)</b>	<b>(171,607,486)</b>	<b>(147,415,679)</b>

**Note No.5 Long Term Borrowings**

	As at 31st March 2016 Rupees Non Current	As at 31st March 2015 Rupees Non Current
<b>(1) SBI-Working Capital term loan -secured</b> <i>(Refer Note No.5.1 a and 5.1b)</i>	47,542,010	50,166,849
Less Current maturities of long term dues	(11,842,010)	(3,500,000)
<b>(2) Vehicle Loan - HDFC Honda City - Secured</b>	521,056	796,286
Less Current maturities of long term dues	(350,400)	(350,400)
<b>(3) Interest Free Unsecured Loans:</b> <i>(Refer Note No.5.2 )</i>		
(i) From Directors and their relatives	46,633,450	28,750,000
(ii) From Corporates (in which directors are interested)	61,531,000	61,531,000
(iii) From other Corporates etc.	300,000	300,000
<b>(4) Deferred Payment Liabilities (Unsecured)</b> <i>(Refer Note No. 5.3)</i>	22,305,745	24,503,830
Less: Current Maturities and Long term dues	<b>(771,183)</b>	<b>(2,198,084)</b>
<b>Total</b>	<b>165,869,668</b>	<b>159,999,481</b>

### 5.1a Security for Working Capital and Cash Credit Limits

Working Capital term Loan is secured by first charge on company's fixed assets including equitable mortgage of factory land admeasuring 2.85 acres and buildings situated at Sy No.142/A at Bollaram Village, Medak Dist.

Cash Credit Limit is secured by Exclusive charge (Hypothecation) on all chargeable current assets of the company

Working Capital Term Loan and Cash Credit Limits are collaterally secured by:

- i) Certain Properties held in the name of Shri DRSP Raju, Director and Smt D. Shakuntala, Shri D. Rama Raju and Smt Radha Mani, relatives of Directors.
- ii) Pledge of 74,600 equity shares of the company held by the promoters
- iii) Cash Collateral of Rs. 20,00,000/-

Primary Securities of Working Capital Term Loan and Cash Credit Limits are collaterally secured to Cash Credit Limit and Working Capital Term Loan respectively.

Working Capital Term Loan and Cash Credit Limits are further secured by personal guaranties of Shri DRSP Raju, Director and Smt Shakuntala, Shri D. Rama raju and Smt Radha Mani, relatives of directors.

### 5.1b Repayment terms

Working Capital Term Loan is repayable in a structured 49 monthly installments Commencing from September 2015 to September 2019.

5.2 Interest free unsecured loans are repayable only upon improvement in liquidity position of the Company or out of fresh infusion of funds into the Company for operations.

5.3 The Govt. of Andhra Pradesh vide G.O.Nos 108 & 134 1 & C (IP) Department, dated 20.06.1996 and 01.07.1996 has allowed the company to defer the sales tax payments for a period of Fourteen years from 01.07.1997 on expanded capacity ( i.e. beyond base production of 898.40 MTPA ) subject to a maximum exemption of Rs. 3,79,55,720/-. The Company 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

#### Long Term Provisions

	As at 31st March 2016 Rupees	As at 31st March 2015 Rupees
Provision for Employee benefits:	826,772	826,772

<b>NOTE NO. 7 Short Term Borrowings</b>	<b>As at March 31, 2016 Rupees</b>	<b>As at March 31, 2015 Rupees</b>
<b>Secured</b>		
Loans payable on demand from banks		
Cash Credit with State Bank of India (Refer Note No. 5.1a)	9,166,934	15,742,544
<b>NOTE NO. 8 Trade Payables</b>		
a) Trade Payables (Refer Note 8.1)	15,499,557	10,504,368
b) LC Discounting with SBI	-	-
<b>Total</b>	<b>15,499,557</b>	<b>10,504,368</b>

8.1 The Ministry of Micro, Small and Medium Enterprises has issued an office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. However, 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 year end together with interest paid / payable as required under the said Act, have not been given. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

**NOTE NO. 9 Other Current Liabilities**

Current maturity of Long Term Loans	12,963,593	6,048,484
Provision for employee benefits	-	-
Other Payables*	10,340,700	9,605,325
*Includes statutory dues - Rs. 99, 463/- (Previous year Rs. 9,55,518/-)	23,304,293	15,653,809

**NOTE NO. 11 Long Terms Loans and Advances**

Security deposits with Govt. Bodies	660,315	2,345,545
With others	100,000	100,000
	<b>760,315</b>	<b>2,445,545</b>



Deccan Polypack Ltd  
Note No. : 10 : Fixed Assets

(in Rupees)

Fixed Assets	Gross Block		Accumulated Depreciation		Net Block	
	Balance as at April 1, 2015	Balance as at March 31, 2016	Upto March 31, 2015	Upto March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
<b>Tangible Assets</b>						
Land (Free Hold)	290,357	290,357	-	-	290,357	290,357
Buildings	9,365,289	9,365,289	4,678,574	5,064,903	4,300,386	4,686,715
Plant and Equipment	54,486,334	54,486,334	45,900,299	46,526,113	7,960,221	8,586,035
Furniture and Fixtures	604,530	604,530	409,271	445,546	158,984	195,259
Vehicles	5,687,083	5,687,083	3,125,118	3,785,557	1,901,526	2,561,965
Office equipment	1,869,952	1,869,952	1,696,143	1,792,840	77,112	173,809
Other Equipment	251,907	251,907	186,363	189,312	62,595	65,524
<b>Total</b>	<b>72,555,452</b>	<b>72,555,452</b>	<b>55,995,789</b>	<b>57,804,271</b>	<b>14,751,181</b>	<b>16,559,653</b>
<b>Previous Year</b>	<b>71,880,112</b>	<b>72,555,452</b>	<b>54,227,962</b>	<b>415,724</b>	<b>16,559,663</b>	<b>20,486,934</b>
Tangible Assets						
Computer Softwares	39,008	39,008	31,382	39,008	-	7,626
Total	39,008	39,008	31,382	39,008	-	7,626
Previous Year	39,008	39,008	28,544	31,382	7,626	10,464



**NOTE NO. 13 Inventories**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
a. Raw Materials	2,227,285	1,937,110
b. Work in Progress	22,585,273	22,585,274
c. Finished Goods	412,531	456,901
d. Stores and Spares	7,436,859	7,436,859
<b>Total</b>	<b>32,661,949</b>	<b>32,416,144</b>

**NOTE NO. 14 Trade Receivables**

a. (Unsecured considered good)	-	-
i) Outstanding for a period exceeding 6 months	9,870,205	11,960,839
ii) Outstanding for a period less than 6 months	1,651,086	-
<b>Total</b>	<b>11,521,291</b>	<b>11,960,839</b>

**NOTE NO. 15 Cash and Bank Balances**

a. Balances with scheduled banks		
i) In Current Accounts	50,157	163,842
ii) In Deposit accounts (Lodged with bank as collateral security for enhanced Working capital limits)	2,000,000	2,000,000
b. Cash on hand	72,032	1,346
<b>Total</b>	<b>2,122,189</b>	<b>2,165,188</b>

**NOTE NO. 16 Short Term Loans and Advances**

a. (Unsecured considered good)	-	-
Advance to Vendors for goods and services	1,657,879	9,712,013
Advance to others	362,438	362,438
<b>Total</b>	<b>2,020,317</b>	<b>10,074,451</b>

**NOTE NO. 17 Other Current Assets**

a. Prepaid Expenses	-	126,198
b. Advanced Tax and Tax Deducted at source (Net off provision)	203,209	303,288
c. Interest Accrued	-	209,408
d. Others	169,287	192,945
<b>Total</b>	<b>372,496</b>	<b>831,839</b>



**NOTE NO. 18 Revenue from Operations**

<b>Particulars</b>	<b>For the year ended 31st March 2016 Rs.</b>	<b>For the year ended 31st March 2015 Rs.</b>
Sale of Products		
a) Sale of PP/HDPE Sacks - Domestic	-	17,375,668
b) Sale of Corrugated Boxes -Domestic	5,856,784	-
c) Sale of PP/HDPE Fabric-Domestic	50,914	-
d) Job work charges	1,129,656	-
	<b>7,037,354</b>	<b>17,375,668</b>
Less: VAT	279,892	827,413
<b>Total</b>	<b>6,757,462</b>	<b>16,548,255</b>

<b>Turnover</b>		<b>Quantity</b>	<b>Rupees</b>	<b>Quantity</b>	<b>Rupees</b>
PP/HDPE Sacks - Domestic	Nos.	-	-	1,598,700	17,375,668
PP/HDPE Fabric-Domestic	Kgs.	-	50,914	-	-
<b>Total</b>		<b>-</b>	<b>50,914</b>	<b>1,598,700</b>	<b>17,375,668</b>

**NOTE NO. 19 Other Income**

	<b>For the year ended 31st March 2016 Rs.</b>	<b>For the year ended 31st March 2015 Rs.</b>
Interest Income	64,687	951,822

**NOTE NO.20 Cost of Materials Consumed**

i) PP	-	9,970,670
ii) LDPE Lam	-	255,740
iii) FMBA	-	415,609
iv) Mater Batches	-	186,625
v) Ink, Reducer and Yarn	-	239,111
vi) Kraft Paper etc.	3,908,675	-
<b>Total</b>	<b>3,908,675</b>	<b>11,067,755</b>

**NOTE NO.21**

Changes in inventories of Finished goods work in progress and stock in trade	For the year ended 31st March 2016		For the year ended 31st March 2015	
	Rs.	Rs.	Rs.	Rs.
a) Work in process (Refer Note:29)				
Opening Stock	22,585,273	-	146,805,497	-
Closing Stock	22,585,273	-	22,585,274	-
		-		124,220, 223
b) Finished Goods				
Opening Stock	456,901	-	1,084,891	-
Closing Stock	412,531	-	456,901	-
	-	44,370	-	627,990
		44,370		124,848, 213

	For the year ended 31st March 2016 Rupees	For the year ended 31st March 2015 Rupees
<b>NOTE NO. 22 Employee Benefit Expenses</b>		
a) Salaries, Wages and Bonus	3,031,175	6,744,722
b) Contribution to Provident and other Funds	240,000	838,200
c) Staff Welfare Expenses	-	62,380
<b>Total</b>	<b>3,271,175</b>	<b>7,645,302</b>
<b>NOTE NO. 23 Finance Cost</b>		
a) Interest	9,829,180	14,512,646
b) Bank Charges	80,062	1,551,365
<b>Total</b>	<b>9,909,242</b>	<b>16,064,011</b>

**NOTE NO. 24 Other Expenses**

	For the year ended 31st March 2016 Rupees		For the year ended 31st March 2015 Rupees	
a) Consumption of Stores and Spares	-	-	-	123,077
b) Power and Fuel		1,929,807	-	4,617,547
c) Other Manufacturing Expenses	-	-	-	17,480
d) Repairs and Maintenance				
Plant & Machinery	-	-	119,842	-
Vehicles	-	-	89,324	-
Others	-	-	110,592	-
				<b>319,758</b>
e) <b>Administrative Expenses</b>				
Travelling & Conveyance	-	-	20,732	-
Directors Sitting Fees	21,250	-	35,000	-
Printing & Stationery	9,205	-	98,285	-
Postage, Telegrammes & Telephones	231,926	-	342,747	-
Insurance	242,472	-	250,786	-
Legal & Professional Charges	50,203	-	204,523	-
<b>Auditors Remuneration :</b>				
Audit Fee	-	-	55,000	-
Taxation matters	-	-	20,000	-
Certification fees	18,000	-	18,000	-
Out of Pocket expenses	-	-	7,000	-
Rent	120,000	-	120,000	-
Security Service Charges	430,885	-	522,665	-
Miscellaneous expenses	62,348	-	251,316	-
Rates & Taxes	2,125	-	121,881	-
		1,188,414	-	2,067,935
f) Selling Expenses				
Advertisement & Publicity	42,747	-	76,432	-
Freight & Handling (Out Ward)	-	-	122,290	-
Other Expenses	28,009	-	122,231	-
		70,756	-	320,953
Advances to vendors written off		8,554,134		
<b>Total</b>	<b>-</b>	<b>11,743,111</b>	<b>-</b>	<b>7,466,750</b>

NOTE NO. 25 Contingent Liabilities not provided for	For the year ended 31st March, 2016 Rupees	For the year ended 31st March, 2015 Rupees
a) Irrevocable Documentary Letters of Credit	Nil	Nil
b) Guarantee 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.3,60,440/- has been paid at the time of appeal.

**NOTE NO. 26 Going Concern basis of Accounting**

Company, on July 15, 2014, has temporarily suspended its manufacturing operations, due to frequent power cuts, labour related issues, shut down in the market off take and frequent machinery break downs. The same has been informed to Bombay Stock Exchange on August 2, 2014.

During the financial year 2014 - 15 the Company got restructured its borrowings from State Bank of India. Further, management is also planning to induce more funds for working capital limits for commencing the operations of the Company at the earliest.

During the current financial year, the Company also, commenced the process of manufacturing and selling the corrugated boxed. This activity has been commenced by using existing infrastructure available with the Company and is an addition to the existing line of activity of manufacturing and sale of HDPE / PP bags. The management, at present, is of the opinion that this activity can be executed economically.

Accordingly, the Financial Statements of the Company have been drawn on a going concern basis

**NOTE NO. 27 Restructuring of borrowings from State Bank of India**

State Bank of India, vide their letter dated February 4, 2015 has approved the Restructuring of Credit Facilities. Accordingly, existing Cash Credit Limits are converted into Working Capital Term Loan of Rs. 5.00 Crores and Cash Credit Limit of Rs. 1.50 Crores

Bank has reserved its right to recompense, when the Company turns the corner and the restructuring is successfully completed, the sacrifice under taken by the bank should be recouped out of the future profits / cash accruals.

**NOTE NO. 28 Impairment**

Company recognises all its assets including land, buildings and plant and machinery as a single Cash Generating Unit. Considering the increase in land values, management at present does not foresee any impairment in the carrying value of fixed assets.

**NOTE NO. 29 Inventory**

Company's inventory include Poly Propylene Cut Lengths (work in process) earmarked for certain segment of industry. Management is pursuing with its customers to convert the work in process and realise the same at the earliest and expects to realise without any loss to the current carrying value. Accordingly the inventory has been stated at cost. Further, managements also has sold certain portion of the inventory subsequent to the balance sheet date and realised proceeds.

**NOTE NO.30 Trade Receivables**

"Trade Receivables - Exceeding six months" represent receivables from a customer and outstanding for a period exceeding 3 years. Management is pursuing the matter with said customer and intending take all necessary actions including legal remedies for the recovery of the same. Further, Management expects that no provision is required in this regard. Hence the said receivable was stated at carrying value.

**NOTE NO. 31 Confirmations of Balances**

The management has not obtained confirmation of balances from Trade Payables, Advances to Vendors as at March 31, 2016. In the absence of confirmation of balances from these parties, provision, if any, to be made for any adverse variations in the carrying amounts are not quantified. However, management is confident that the settlement with the said parties will be made at the carrying amounts and no provision is required at present for adverse variations. Adjustments, if any will be made on settlement.

**NOTE NO.32**

**Segment Information**

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

**NOTE NO.33**

**Related Party Transactions**

**32.1. List of related parties with whom transactions have taken place and relationships.**

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

S.No.	Name of the related Party	Relationship
1.	Sri DRSP Raju	Key Management Personnel (KMP)
2.	Sri D.V. Prudvi Raju	Key Management Personnel (KMP)
3.	Smt. D. Subhadra	Relatives of Key Management Personnel (RKMP)
4.	Smt. Ch. Gayathri	Relatives of Key Management Personnel (RKMP)
5.	Sri D. Rama Raju	Relatives of Key Management Personnel (RKMP)
6.	Smt. D. Sakuntala	Relatives of Key Management Personnel (RKMP)
7.	DVR Raju	Relatives of Key Management Personnel (RKMP)
8.	Sri Venu Gopal Reddy	Others
9.	M/s.Vayhan Coffee Ltd	Others
10.	M/s. DSL Finance	Other
11.	M/s. DCL Chemplast Ltd.	Others

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

	Current Year			Previous Year		
	KMP Rupees	RKMP Rupees	others Rupees	KMP Rupees	RKMP Rupees	Others Rupees
1. Rent	0.00	120,000	0.00	0.00	120,000	0.00
2. Loans - opening balance	24,900,000	3,350,000	62,331,000	23,900,000	1,850,000	14,391,000
- Receipts	4,983,450	12,900,000	0.00	3,500,000	1,500,000	58,390,000
- Payments	0.00	0.00	0.00	2,500.00	0.00	10,450,000
- Closing Balance	29,883,450	16,250,000	62,331,000	24,900,000	3,350,000	62,331,000

**NOTE NO. 34 Earnings per Share :**

	<b>For the year ended 31st March 2016 Rupees</b>	<b>For the year ended 31st March 2015 Rupees</b>
a) Profit/(Loss) after tax	(24,191,807)	(155,465,363)
b) Weighted average No. of shares	2115000	2115000
c) Earnings per share - Basic	Rs.-11.44	-73.51
- Diluted	Rs. -11.44	-73.51

**NOTE NO. 35**

	<b>For the year ended 31st March, 2016</b>	<b>For the year ended 31st March 2015</b>
Value of Imports (CIF)	0.00	0.00

**NOTE NO. 36**

**Earning in Foreign Currency**

FOB Value of Exports	0.00	0.00
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**NOTE NO. 37**

Previous year's figures have been regrouped / reclassified where ever necessary to correspond with the current year's classification / disclosure

As per our report of even date attached

For and on behalf of the Board

For M. BHASKARA RAO & CO  
CHARTERED ACCOUNTANTS

**V. K. MURALIDHAR**  
Partner

**DV PRUDVI RAJU**  
Whole Time Director

Place : Hyderabad  
Date : 30.05.2016

**G V RAJU**  
Director (Commercial)



**DECCAN POLYPACKS LIMITED**

Regd. Office : Sy.No. 142A Bollaram, (Via) Miyapur, Jinnaram Mandal,  
**CIN NO : L24134TG984PLC005215**  
Medak District, Telangana - Pin 502 325.

**PROXY FORM**

I/We .....

(address).....

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

..... (address) .....

as my/our proxy to vote for me/our behalf at the 32nd Annual General of the Company to be held on Thursday the 29th September 2016 at 11.00 A.M. and at any adjournment thereof.

Signed this .....day of .....2016

Regd. Folio No. .... Signature

Signaute

Affix  
Rs. 1/-  
Revenue  
Stamp



**DECCAN POLYPACKS LIMITED**

Regd. Office : Sy.No. 142A Bollaram, (Via) Miyapur, Jinnaram Mandal,  
**CIN NO : L24134TG1984PLC005215**  
Medak District, Telangana - Pin 502 325.

**ATTENDANCE SLIP**

I hereby record my presence at the 32nd Annual General Meeting of Deccan Polypacks Limited at Sy.No. 142A, IDA Bollaram, (Via) Miyapur, Jinnaram Mandal, Narsapur Tq., Medak District, Telangana on Thursday the 29th September, 2016 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