

DECCAN POLYPACKS LIMITED

| | | | | |
|-----|----|--|-----|----|
| MD | ✓ | | BKC | ✓ |
| CS | ✓ | | DPY | 16 |
| RO | ✓ | | DIV | 16 |
| TRA | NA | | AC | ✓ |
| AGM | ✓ | | SHI | ✓ |
| TE | ✓ | | | |



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13th Annual Report 1996-97





DECCAN
POLYPACKS
LIMITED

BOARD OF DIRECTORS

SHRI M V S RAJU

Executive Chairman

SHRI M N RAO

SHRI D V R RAJU

Dr S R MOORTY

SHRI D R S P RAJU

Managing Director

COMPANY SECRETARY

SRI R S DESHMUKH

AUDITORS

M Bhaskara Rao & Co.,
Chartered Accountants
5th Floor, Kautilya Apartments,
Somajiguda,
Hyderabad - 500 082.

BANKERS

State Bank of India
Industrial Finance Branch
Somajiguda
Hyderabad - 500 082.

REGISTERED OFFICE

'Deccan Chambers' 5th Floor,
6-3-666/B, Somajiguda,
Hyderabad - 500 082.

WORKS

S.No. 142, Bollaram,
Narsapur Tq., Medak District,
Andhra Pradesh.

- Note :
1. Members are requested to notify immediately any change in their address to the Company's Registered Office with their Ledger Folio No(s).
 2. Members are requested to surrender the old share certificates to the company.
 3. Members are requested to consolidate the share holdings to facilitate better service to the Shareholder.

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**DECCAN
POLYPACKS
LIMITED**

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of Deccan Polypacks Limited will be held on Thursday the 11th September 1997 at 9.00 a.m. at Hotel Deccan Continental, Sir Ronald Ross Road, Secunderabad - 500 003 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss account for the year ended 31st March, 1997, audited Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri. D V R Raju who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications the following resolution as Ordinary Resolution.

"RESOLVED that Dr. S. Ramachandra Moorthy be and is hereby appointed as Director of the Company who's office shall be liable to retirement by rotation."

By order of the Board
for **DECCAN POLYPACKS LIMITED**

Place: Hyderabad
Date : 28th June, 1997

R S DESHMUKH
Company Secretary

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 not less than 48 hours before the meeting.
3. Members are requested to notify immediately any change in their address to the Company's Registered Office with their Ledger Folio No(s).
4. The Register of Members and Share Transfer Books of the Company will remain closed from 05-09-97 to 11-09-97 (both days inclusive).
5. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special business set out in the notice is annexed.

ANNEXURE TO THE NOTICE:

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business set out in the notice.

In the vacancy caused on the Board by the resignation of Shri. M B Raju, a Director liable to retire by rotation, the Board appointed Dr. S Ramachandra Moorthy at its Meeting held on 25-10-1996 pursuant to Article 112 of the Company's Articles of Association. Under Section 262 of the Companies Act, 1956 Dr. S Ramachandra Moorthy holds office only upto the date upto which Shri. M B Raju in whose place he was appointed would have held office namely, upto the date of the Annual General Meeting. The Company has received a notice from a Member proposing the appointment of Dr. S. Ramachandra Moorthy as director of the Company subject to retirement by rotation as per Section 257 of the Companies Act, 1956. Dr. S Ramachandra Moorthy is a Doctorate in Organic Chemistry and possesses wide experience in the fields of Research, and Administration. Your Directors commend the appointment of Dr. S Ramachandra Moorthy as Director. None of the Directors except Dr. S. Ramachandra Moorthy is interested in the resolution.

By order of the Board
for **DECCAN POLYPACKS LIMITED**

Place: Hyderabad
Date : 28th June, 1997

R S DESHMUKH
Company Secretary



**DECCAN
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LIMITED**

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirteenth Annual Report together with the Audited Accounts for the year ended 31st March, 1997.

We give below a summary of financial results of the Company for the year 1996-97.

| | (Rs. In Lakhs) | |
|--|----------------|---------|
| | 1996-97 | 1995-96 |
| Income from operations | 787.52 | 708.29 |
| Gross profit | 72.46 | 42.31 |
| Interest | 19.87 | 15.55 |
| Depreciation | 10.96 | 9.83 |
| Preliminary expenses written off | 6.26 | 6.26 |
| Profit before Taxation | 35.37 | 10.67 |
| Provision for Taxation (MAT) | 4.60 | — |
| Profit after Taxation | 30.77 | 10.67 |
| Add: Profit brought forward from previous year | 26.35 | 34.33 |
| Profit available for appropriation | 57.12 | 45.00 |
| Appropriation: | | |
| Transfer to General Reserve | 17.00 | 18.65 |
| Balance carried to Balance Sheet | 40.12 | 26.35 |

OPERATIONS

In the month of March in the previous year the Company has added certain balancing equipments and re-modelled the tape plant which resulted in increase in installed capacity of the plant. After completion of trial production the enhanced capacity was available for a period of three quarters during the year under report. The Company recorded a production of 877 MTs of HDPE/PP woven sacks with a capacity utilisation of 78% during the year under report.

PERFORMANCE

The performance of the Company during the first six months of the year was encouraging due to improved realisation on sales and stable prices of raw materials and other input costs. However the second half has witnessed fluctuations in prices of raw-materials affecting realisation on sales. This has affected the overall

performance of the Company. Similar trend is expected to continue in the first half of the current financial year. The Company recorded turnover of Rs.787.52 lacs during the year under report as against Rs.708.29 lacs recorded in the previous year.

PREFERENTIAL ALLOTMENT OF SHARES:

The Company allotted 4,15,000 Equity shares of Rs.10/- each at a premium of Rs.2/- per share to the Directors their friends and relatives on preferential basis as approved by the shareholders at the previous Annual General Meeting of the Company. The issue was made to part finance the expansion project of the Company.

DISCLOSURE AS PER THE LISTING AGREEMENT:

The Cash Flow Statement prepared in accordance with requirements of Clause 32 of Listing Agreement with the exchanges is appended to this Annual Report.

EXPANSION PROJECT:

The company's ongoing expansion project envisaging increase in installed capacity to 2393 MTs per annum is nearing completion. All the civil works and installation of Plant and Machinery has been completed and the trial Production is under progress. The commercial production is expected to commence during July 1997.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Additional information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 as amended by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 is annexed hereto forming part of this report.

PARTICULARS OF EMPLOYEES

None of the employees of the Company are in receipt of remuneration requiring disclosure pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 hence particulars not appended.

AUDITORS

M/s M Bhaskara Rao & Company, Chartered Accountants, the auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.



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DIRECTORS

Shri D V R Raju Director, retires by rotation and is eligible offers himself for reappointment. Shri M B Raju Director resigned from the Board in August 1996 due to pre-occupations. Your directors place on record their appreciation for the Contributions made by Shri M B Raju during his tenure of office. The Board has appointed Dr.S.Ramachandra Moorthy as Director in the Casual Vacancy caused due to resignation of Shri M B Raju. Shri M V S Raju Director has been appointed as Executive Chairman of the Company with effect from 2-12-1996 as per the approval of the shareholders at the Extra-Ordinary General Meeting of the Company held on 29-11-96. The appointment of Dr.S.Ramachandra Moorthy as Director is being placed at the ensuing meeting for approval of the shareholders.

ACKNOWLEDGEMENTS

Your Directors wish to express their thanks to the State Bank of India, Industrial Development Bank of India, Andhra Pradesh State Electricity Board, State Bank of Hyderabad, Andhra Bank and the various departments of the State and Central Government for their co-operation, assistance and support in the operations of the Company.

Your Directors wish to place on record their deep appreciation of the services rendered and the co-operation extended by all the employees.

For and on behalf of the Board

Place : Hyderabad

Date : 28th June, 1997

M V S Raju

Executive Chairman

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Board of Directors Report) Rules, 1988.

A. Conservation of Energy

In view of the Company's size and nature of industry there is little scope for adopting energy conservation measures. However, the Company has conducted in house study in respect of energy consumption and formulated the operational systems to minimise power consumption.

B. Technology Absorption

The Company has not obtained any imported technology. The Company has trained its personnel in the equipment supplier's works to absorb the technology.

C. Foreign Exchange earnings and outgo

| | <u>Current Year</u> Rs. | <u>Previous Year</u> Rs. |
|---|----------------------------|-----------------------------|
| 1. Foreign Exchange earnings | -NIL- | 725613 |
| 2. Foreign Exchange outgo for import of raw material and stores and spares. | 17771003 | 10618930 |

Form A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy.

| A. Power and Fuel Consumption Electricity | Current Year | Previous Year |
|--|---------------------|----------------------|
| a) Purchased: | | |
| Unit (KWH) - Lakhs | 8.94 | 5.52 |
| Total amount (Rs.lakhs) | 26.81 | 15.07 |
| Rate for Unit (Rs.) | 3.00 | 2.73 |
| b) Own generation: Through Diesel Generator | | |
| Unit (KWH) - Lakhs | 3.11 | 5.05 |
| Total amount (Rs. Lakhs) | 11.00 | 16.57 |
| Rate per Unit (Rs.) | 3.53 | 3.28 |
| Fuel consumption - not applicable | | |
| B. Consumption per unit of production | | |
| Electricity (KWH/Tonne) | 1335 | 1409 |