

# DECCAN POLYPACKS LIMITED

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CERTIFIED TRUE COPY

For DECCAN POLYPACKS LIMITED  
R. S. Deshmukh  
 R. S. Deshmukh  
 Company Secretary

14th Annual Report 1997-98





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 MOORTHY

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.

**CORPORATE OFFICE**

'Deccan Chambers' 5th Floor,

6-3-666/B, Somajiguda,

Hyderabad - 500 082.

**REGISTERED OFFICE & WORKS**

S.No. 142/A, IDA Bollaram, Via Miyapur,

Jinnaram Mandal, Narsapur Tq.,

Medak District, Andhra Pradesh.

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



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#### **NOTICE:**

Notice is hereby given that the 14th Annual General Meeting of Deccan Polypacks Limited will be held on Friday the 28th August, 1998 at 11.00 a.m. at the registered office of the Company situated at S.No.142/A, IDA Bollaram, Via Miyapur, Jinnaram Mandal, Narasapur Taluk Medak dist A.P. to transact the following business.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss account for the year ended 31st March, 1998, Audited Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri. M N Rao who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint 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.

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

Place : Hyderabad  
Date : 23rd June, 1998.

**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 at S.No.142/A, IDA Bollaram, via Miyapur, Jinnaram Mandal, Narasapur Taluk, Medak dist. A.P. not less than 48 hours before the time for holding the meeting.
3. As per the provisions of Section 205A of the Companies Act, 1956 the Company has transferred the unclaimed amount of dividend declared for the financial year ended 31.3.1994 to the General Revenue Account of the Central Government. Those shareholders who have so far not claimed their dividend for the aforesaid financial year may claim their dividend from the Registrar of Companies Andhra Pradesh, Hyderabad.
4. The members are requested to please forward all correspondence relating to Transfers, change of address and all matters pertaining to shares to the Corporate Office situated at "Deccan Chambers", 6-3-666/B, 5th floor, Somajiguda, Hyderabad - 500 082 by quoting their registered folio number.
5. The Register of members and share transfer books of the Company will remain closed from 25-08-98 to 28-08-1998 (both days inclusive).



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## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

The Financial results for the year ended 31st March 1998 are summarised below.

	(Rs. in Lakhs)	
	<u>1997-98</u>	<u>1996-97</u>
Income from operations	<b>693.31</b>	787.52
Gross profit	<b>40.51</b>	72.46
Interest	<b>73.05</b>	19.87
Depreciation	<b>22.62</b>	10.96
Preliminary expenses written off	<b>6.26</b>	6.26
Profit/(Loss) before taxation	<b>(61.42)</b>	35.37
Provision for taxation	<b>—</b>	4.60
Profit/(Loss) after taxation	<b>(61.42)</b>	30.77
Add : Profit brought forward from previous year	<b>40.12</b>	26.35
Profit/(Loss) available for appropriation	<b>(21.30)</b>	57.12
<b>Appropriation:</b>		
Transfer to general reserve	<b>—</b>	17.00
Balance carried to Balance sheet	<b>(21.30)</b>	40.12

## OPERATIONS:

The operations of the Company during the year under report have been severely affected due to stoppage of Production on account of lock-out and delay in completion of expansion project. This has resulted in lower production and capacity utilisation during the year. The Company has commenced commercial production of the expanded capacity w.e.f. 1.7.97. The Company has recorded a production of 747 MTs of HDPE/PP Woven sacks.

## PERFORMANCE:

The performance of the Company during the year under report has been low in comparison with the previous year. The delay in commencement of commercial production and loss of production during the lock-out period have resulted in low capacity utilisation. Due to overall recession prevailing in the country, Company has to face severe competition, hence lower selling price, with thin margins. During the year the Company improved its volume of exports on third party basis. The Company exported 833000 bags in comparison with 58000 bags in the previous year. Due to all these factors the performance of the Company has been low on account of volume and value in comparison with the previous year.

## FUTURE OUTLOOK:

The Company proposes to take up manufacture of bags for packing of Fertilizer during the current year considering the existing capacities of Fertilizer Industry and demand for its packing. The Company also proposes to increase the volume of exports. Considering the availability of full capacity during the current year the outlook is expected to be better than 1997-98.

## DISCLOSURE AS PER THE LISTING AGREEMENT:

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

## 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.

## AUDITOR'S REPORT :

The comments made by the Auditors in Para No.2 (d) regarding Inter Corporate Deposit in the Auditors' Report, kindly refer to note no.5 in Schedule X Notes on Accounts which is self explanatory.



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#### PARTICULARS OF EMPLOYEES:

The particulars required pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended by the Companies (Amendment) Act, 1988 are given in the statement annexed hereto and forms part of this report.

#### AUDITORS

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

#### DIRECTORS

Pursuant to Article 124 of the Articles of Association of the Company, Mr. M N Rao Director retires by rotation at the ensuring Annual General Meeting and being eligible offers himself for re-appointment.

#### ACKNOWLEDGMENTS

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 : 23rd June, 1998.

**M.V.S. Raju**

Executive Chairman

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#### ANNEXURE TO DIRECTORS' REPORT

Information as per section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 1998.

Name	Age (Years)	Qualifi- cations	Date of employ- ment	Designation	Remune- ration (Rs.)	Expe- rience (years)	Last employment held
Employed throughout the year :							
Shri M.V.S. Raju	52	M.Sc.	2.12.1996	Executive Chairman	311854	30	Executive Director DCL Polyesters Ltd., Hyderabad

- Notes :
1. Remuneration as shown above include Salary, Company's Contribution to Provident Fund and other perquisites.
  2. The conditions of employment of Shri M.V.S. Raju is contractual.



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## **ANNEXURE TO DIRECTORS' REPORT (Contd....)**

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. Hence disclosure in Form B regarding Technology absorption not annexed.

### **C. Foreign Exchange earnings and outgo**

	<u>Current Year</u>	<u>Previous Year</u>
	Rs.	Rs.
1. Foreign Exchange earnings	-NIL-	-NIL-
2. Foreign Exchange outgo for import of raw material and stores and spares.	7839038	17771003

### **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	7.90	8.94
Total amount (Rs.lakhs)	29.30	26.81
Rate per Unit (Rs.)	3.71	3.00

#### **b) Own generation: Through Diesel Generator**

Unit (KWH) - Lakhs	4.51	3.11
Total amount (Rs.Lakhs)	15.91	11.00
Rate per Unit (Rs.)	3.53	3.53

**Fuel consumption - not applicable**

### **B. Consumption per unit of production**

Electricity (KWH/Tonne)	1585#	1335
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# (Indicates net consumption per unit of Production. The power consumption of 54175 units during lock-out period has not been included since there was no production)