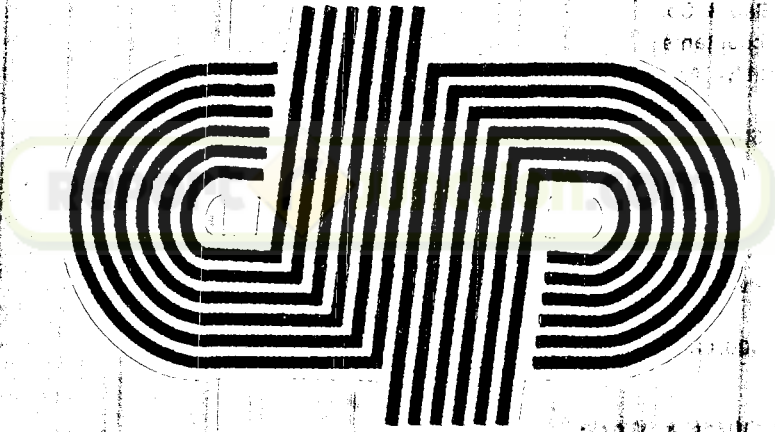


# COCA WACKS

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2007-2008  
2007-2008



### **Board of Directors**

Sri K Gopal  
Sri D V R Raju  
Shri D R S P Raju  
Shri G V S Raju  
Shri N V S Rao  
Shri N S B Reddy  
Shri Krishna Raju Kalidindi

Chairman

Managing Director

Director (Commercial)

### **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 & Works**

Sy.No. 142/A, IDA Bollaram, Via Miyapur  
Jinnaram Mandal, Narsapur Tq.  
Medak District, Andhra Pradesh  
Pin : 502 325  
Phone : 0091-8458-279498, 279577  
Fax : 0091-8458-279322  
E-mail : hyd2\_dpl@sancharnet.in  
Website : www.deccanpoly.com

### **Registrar and Share Transfer Agents (R & STA)**

Sathguru Management Consultants (P) Ltd  
Plot No. 15, Hindi Nagar, Panjagutta  
Hyderabad - 500 034



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## NOTICE:

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of Deccan Polypacks Limited will be held on Tuesday the 30<sup>th</sup> day of September 2008 at 11.00 AM at the Registered Office of the Company situated at Sy. No : 142/A, IDA Bollaram, Via Miyapur, Narsapur Taluk, Jinnaram Mandal, Medak District 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, 2008, 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.V.R. Raju, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri N.S.B. Reddy, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. M.Bhaskara Rao & Co. Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.
2. Proxy, in order to be effective must be deposited at the Company's Registered Office at Sy. No. 142A, IDA Bollaram, Via Miyapur, Jinnaram Mandal, Narsapur Tq., Medak Dist. AP not less than 48 hours before the time for holding the meeting.
3. The members are requested to please forward all the correspondence relating to transfers, change of address, requests for dematerialization of shares and all matters pertaining to shares to the Registrars and Transfer Agents M/s. Sathguru Management Consultants Pvt. Ltd., Plot No.15, Hindi Nagar, Panjagutta, Hyderabad - 500 034.
4. The Register of members and share transfer books of the company will remain closed from 25-09-2008 to 30-09-2008 (both days inclusive).

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

### 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.

Place: Hyderabad  
Date : 28-06-2008

**D.R.S.P. Raju**  
Managing Director



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## INFORMATION REQUIRED UNDER CLAUSE 49 OF LISTING AGREEMENT

As required under clause 49 of the listing agreement the particulars of the Directors who are proposed to be appointed at this Annual General Meeting is given below :

Sri D.V.R. Raju is one of the promoter's and has been associated with the company since inception. He was appointed Director on 10-06-1985. Sri D.V.R. Raju is a Contractor by Profession. Sri D.V.R. Raju is member of the Audit Committee, shareholders Grievance Committee and Share Transfer Committee of Directors of the Company.

Mr. NSB Reddy is BE  
(Electronics & Telecommunications)

Ministry of Defence & Ministry of HRD, GOI

PGDPM

NIPM, Calcutta

MAPPAM

Shania University

LLB

Jiwaji University

MCSE

Microsoft

TTC

Technical Board of Education, AP.

He has worked in Indian Airforce for over two decades in various capacities.

Mr. NSB Reddy is member of Directors Audit Committee , Remuneration Committee and Shareholders Grievance Committee.

Mr. NSB Reddy was appointed as Director at the Annual General meeting held in 2006.

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

Place : Hyderabad  
Date : 28-06-2008

**D.R.S.P. Raju**  
Managing Director



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## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 24<sup>th</sup> Annual Report together with the Audited Accounts and Cash Flow Statements for the year ended 31<sup>st</sup> March 2008.

The financial results for the year ended 31<sup>st</sup> March 2008 are summarized below.

	(Rs. in Lacs)	
	2007-2008	2006-2007
Income from operations	3435.91	3135.32
Gross Profit	218.81	170.97
Interest	121.75	80.23
Depreciation	26.71	28.21
Profit/(Loss) before taxation	70.35	62.53
Deferred Tax/(Liability)/Asset	(23.39)	(22.01)
Fringe Benefit Tax	(0.79)	(0.86)
Current tax	(7.16)	(6.99)
Net Profit/(Loss) After Taxation	39.00	32.67
Balance brought forward	22.75	(9.91)
Balance carried to		
Balance Sheet	61.76	22.75

### Operations

During the year the company has recorded production of 3017 MTs (Previous year 2647 MTs) an increase of 12.2% and has achieved 98% of its installed and Licence Capacity.

There has been an impressive increase in sales turnover and gross profit, in comparison with the previous year. The company has recorded income from operations of Rs. 3435.91 lacs as against Rs. 3135.32 lacs in the previous year. The Company has exported 206 MTs of its products valued at 168.99 lakhs during the year under report as against 306 MTs valued 262.72 lakhs in the previous year. Due to increase in sales volume in the domestic market the export volume has declined. In domestic market, the off-take from cement/fertilizer industry has further increased due to increased demand in the domestic market. This has resulted in

substantial increase in capacity utilization, resulting in growth in net profit for the year. The company could bring down some of the expenses, due to sincere efforts put in by the staff.

The company has initiated steps to improve the margins by implementing cost control measures. The company is hopeful of achieving improved performance in the coming years.

### Future Outlook

You are aware that the fortunes of the company are by and large linked to the performance and growth of the cement and fertilizer industries. Considering the new Government policies in the Centre and in State for development of infrastructure, and liberalization of economy in the coming months, especially for agriculture sector, the demand for bags should improve substantially. The economy is presently witnessing phenomenal growth in the construction industry and the demand for packing material is also growing. Your Company is exporting to USA, UK, Portugal, Malaysia, Sri Lanka, Zambia and UAE. The focus on export market will continue. Considering the present increased demand in the domestic market and other market conditions your Directors are hopeful of improved performance during the year ahead.

### Corporate Governance

The Company has implemented the Corporate Governance Code during the year under report. A detailed report is enclosed.

### Directors Responsibility Statement

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 it is stated that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.



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- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts on a going concern basis.

#### Replies to Auditors Qualification

The company has covered its Gratuity liability with Life Insurance Corporation of India and contributions are charged to revenue. As regards auditors remark on actuarial valuations and disclosures, the company has initiated action with Life Insurance Corporation of India in respect of the information that is required to be disclosed under Accounting Standard - 15 and the company will comply with the disclosure requirements from financial year 2008-09 on wards.

#### Energy, Technology and Foreign Exchange

Additional information on conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed in terms of section 217(1)(e) of the Companies Act, 1956 as amended by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

#### Particulars of Employees

There is no employee in the company coming under the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

#### Auditors

M/s. Bhaskara Rao & Co. Chartered Accountants, the statutory Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

#### Directors

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956 Sri D.V.R. Raju and Sri N.S.B. Reddy, Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

#### Compliance Certificate

Compliance Certificate in terms of section 383A of the Companies Act, 1956 is attached and forms part of the report.

#### Acknowledgements

The Board expresses its grateful thanks to the State Bank of India, State Bank of Hyderabad, various departments of the State and Central Government, customers, vendors and shareholders for their valuable support to the company.

For and on behalf of the Board

**G V S Raju**  
Director (Commercial)

**D R S P Raju**  
Managing Director

Place : Hyderabad  
Date : 28.06 2008



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## Annexure-I

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and out go as required under Companies (Disclosure of particulars in the Board of Directors Report ) Rules, 1988.

### A. Conservation of Energy

Conservation of energy continues to be accorded high priority. The company conducts in house study at regular intervals in respect of energy consumption and formulates operational systems to minimize power consumption.

### B. Technology Absorption

The company has not obtained any imported technology. The company has trained its personnel in the equipment suppliers works to absorb the technology.

### C. Foreign Exchange Earnings and Outgo:

	Current Year Rs.	Previous Year Rs.
1. Foreign Exchange earned	1,50,76,374	1,88,39,993
2. Foreign Exchange used for import of raw material	23,89,152	32,66,538

Form A  
(see rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy.

Plastic industry is not covered under the list of industries required to furnish information in Form A hence information not disclosed.

## CORPORATE GOVERNANCE REPORT

### I. The Corporate Governance Code

The Company is implementing the Corporate Governance Code as per the guidelines issued by the Stock Exchange. The company has consistently practiced good corporate governance. The company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, customers, employees and the community in which the company operates.

### II. Board of Directors ("Board")

The Board comprises of Seven Directors of whom two are executive, and five are non-executive Directors. Out of the five non executive Directors four are independent Directors. The Chairman of the Board is a Non-Executive Director.

#### a) Composition of the Board:

Name of the Director	Status
Shri K Gopal	Independent & Non Executive - Chairman
Shri D V R Raju	Promoter & Non Executive
Shri D R S P Raju	Managing Director & Executive
Shri G V S Raju	Director (Commercial) & Executive
Shri N S B Reddy	Independent & Non Executive
Shri N V S Rao*	Independent & Non Executive
Shri K Krishna Raju	Independent & Non Executive

\* Appointed as Director at the Annual General Meeting held on 28-09-2007.



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

Sl.No.	Name of the Director	Nature of relationship to (Name of the Director)
1.	Shri D V ' R Raju	Father (Sri D R S P Raju)
2.	Shri D R S P Raju	Son (Sri D V R Raju)
3.	Shri K Gopal	Nil
4.	Shri N S B Reddy	Nil
5.	Shri G V S Raju	Sister's Husband (D R S P Raju)
6.	Shri N V S Rao	Nil
7.	Shri K Krishna Raju	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) agenda for which is circulated at least seven 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 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008 the Board met five times on the following dates.

Sl.No.	Date	Board Strength	No. of Directors present
1.	25.06.2007	7	7
2.	25.07.2007	7	5
3.	28.09.2007	7	5
4.	30.10.2007	7	6
5.	28.01.2008	7	6





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**e) Attendance of Directors:**

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meetings	No. of Directorships in other Board as on 31.3.2008	No. of Memberships in other Board Committees as on 31st March, 2008
Sri K Gopal'	5	5	Yes	Nil	Nil
Sri D V R Raju	5	4	No	Nil	Nil
Sri D R S P Raju	5	5	Yes	3	Nil
Sri G V S Raju	5	5	Yes	1	Nil
Sri N S B Reddy	5	4	Yes	Nil	Nil
Sri N V S Rao	5	5	Yes	Nil	Nil
Sri K Krishna Raju	5	1	No	Nil	Nil

**III. Committees of Directors:**

The Board has constituted Committees which comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

**a: Audit Committee:**

- i) The Audit Committee was reconstituted at Board Meeting held on 25.06.2007 consequent upon the appointment of Sri N V S Rao as Additional Director of the Company. The Committee comprises of the following non-executive members of the Board.

- |                       |   |          |
|-----------------------|---|----------|
| 1. Sri K Gopal        | - | Chairman |
| 2. Sri D V R Raju     | - | Member   |
| 3. Sri N S B Reddy    | - | Member   |
| 4. Sri N V S Rao*     | - | Member   |
| 5. Sri K Krishna Raju | - | Member   |

\*Appointed as Member of the Committee at the Board Meeting held on 25 - 06 - 2007.

During the year 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008 the committee had four meetings.

Sl.No.	Date
1.	25-06-2007
2.	25-07-2007
3.	30-10-2007
4.	28-01-2008



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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	4	4
Sri D V R Raju	4	4
Sri N S B Reddy	4	3
Sri N V S Rao	4	3
Sri K. Krishna Raju	4	1

iii) Terms of reference:

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The terms of reference of the Audit Committee also includes the following :-

- 1) Overseeing of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other service.
- 3) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on ;
  - a) any changes in accounting policies and practices
  - b) Major accounting entries based on exercise of judgment to management.
  - c) Qualifications in draft audit report
  - d) Significant adjustments arising out of audit
  - e) The going concern assumption
  - f) Compliance with accounting standards
  - g) Compliance with stock exchanges and legal requirement concerning financial statements
  - h) Any related party transactions.
- 4) Reviewing with the management, external and internal auditors, the adequacy of internal control system.
- 5) Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.