

NOTICE:

Notice is hereby given that the 27th Annual General Meeting of Deccan Polypacks Limited will be held on Thursday the 29th day of September 2011 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, Andhra Pradesh 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, 2011, 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 Mr K. Gopal, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr N V S Rao, 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.

SPECIAL BUSINESS

5. 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 198, 269, 309, 310, 314 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or enactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the said Act consent be and is hereby

accorded to the re-appointment of Sri D R S P Raju, as Managing Director for a period of Five Years with effect from 01.10.2011 and payment of remuneration on the following terms and conditions.

- I. Salary Rs 80,000/- per month in the grade Rs 80,000 - 15,000 - 1,40,000

- II. Perquisites and allowance :

I. Housing :

- a) The expenditure incurred by the company on hiring accommodation for the Managing Director shall be subject to a ceiling of 60% salary over and above 10% payable by the Managing Director himself.
- b) Where accommodation is provided in a company owned house, the Managing Director shall pay to the company by way of rent 10% of the salary.
- c) Where the company does not provide accommodation to the Managing Director 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 Managing Director.

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. Club Fees :

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

V. Personal Accident Insurance :

For an amount the annual premium of which does not exceed Rs 4,000/-

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 the 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 Managing Director.

Earned/Privilege Leave - on full pay and allowances as per rules of the company. "Leave accumulated but not availed of during his tenure may be allowed to be en-cashed as per the rules of the company".

FURTHER RESOLVED THAT where in a financial year the company has no profits or its profits are inadequate the company may pay to Sri D R S P Raju, Managing Director remuneration by way of salary, perquisites and allowances as mentioned hereinabove subject to the provisions of Schedule XIII, Section II, Part II of the Companies Act, 1956".

6. 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 198, 269, 309, 310, 314 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or enactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the said Act consent be and is hereby accorded to the re-appointment of Sri G V S Raju as Director (Commercial) for a period of Three Years with effect from 01.10.2011 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 - 56,000

II. Perquisites and allowances :

I. **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 of 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. Club Fees :

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

V. Personal Accident Insurance :

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

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

"FURTHER RESOLVED THAT " Where in a financial year the company has no profits or its profits are inadequate the company may pay to Sri G V S Raju, Director (Commercial) remuneration by way of salary, perquisites and allowances as mentioned herein above subject to the provisions of Schedule XIII, Section II, Part II of the Companies Act, 1956".

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 the 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).

On behalf of the Board
for DECCAN POLYPACKS LIMITED

Place : Hyderabad
Date : 27-05-2011

D.R.S.P. Raju
Managing 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. 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 23.09.2011 to 29.09.2011 (both days inclusive)
5. The explanatory statement for special business mentioned in the notice is annexed as per the provisions of Section 173(2) of the Companies Act, 1956

On behalf of the Board
for DECCAN POLYPACKS LIMITED

Place : Hyderabad
Date : 27-05-2011

D.R.S.P. Raju
Managing Director

ANNEXURE:

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business.

ITEM NO : 5

The existing term of Sri D R S P Raju, as Managing Director expires on 30.09.2011. The Board of Directors at their meeting held on 27.05.2011 have re-appointed Sri D R S P Raju as Managing Director for a period of five years w.e.f. 01.10.2011. The Director's Remuneration Committee at its meeting held on 27.05.2011 has passed resolution approving the remuneration payable to Sri D R S P Raju, Managing Director 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 D R S P Raju as Managing Director will be in the interest of the company and its members and accordingly commend the resolution for your approval. None of the Directors except Sri D R S P Raju and D V R Raju (being relative of Sri D R S P Raju) is concerned or interested in the said resolution. The explanation together with the accompanying notice may be treated as an abstract under section 302 of the Companies Act, 1956.

ITEM NO : 6

The existing term of Sri G V S Raju, as Director (Commercial) expires on 30.09.2011. The Board of Directors at their meeting held on 27.05.2011 have re-appointed Sri G V S Raju as Director (Commercial) for the period of three years w.e.f. 01.10.2011. The Director's Remuneration Committee at its meeting held on 27.05.2011 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 as Director (Commercial) will be in the interest of the company and its members and accordingly commend the resolution for your approval. None of the Directors except Sri G V S Raju and Sri D R S P Raju (being relative of Sri G V S Raju) is concerned or interested in the said resolution. The explanation together with the accompanying notice may be treated as an abstract under section 302 of the Companies Act, 1956.

28.09.2007, Sri N V S Rao is a member of Audit Committee and Remuneration Committee.

On behalf of the Board
for DECCAN POLYPACKS LIMITED

Place : Hyderabad
Date : 27-05-2011

D.R.S.P. Raju
Managing Director

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. .

1. Sri K Gopal is an Arts Graduate from Osmania University and Certified Associate of the Indian Institute of Bankers, Mumbai. He has worked in State Bank of India in various Departments in India and abroad and has rich experience of over 3 decades. Sri K Gopal was re-appointed as Director at the Annual General Meeting held on 30.09.2009 and was appointed as Chairman of the company at the Board Meeting held on 28.06.2008. Sri K Gopal is Chairman of the Audit Committee, Remuneration Committee and Shareholders Grievance Committee of Directors.
2. Sri N. V. S. Rao is Post Graduate in Economics from Osmania University. He has worked in State Bank of India for over three decades. He has held senior positions during his tenure of service in the Bank. Sri N.V. S. Rao was appointed as Director at the Annual General Meeting held

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 27th Annual Report together with the Audited Accounts and Cash Flow Statements for the year ended 31st March 2011.

The financial results for the year ended 31st March 2011 are summarized below.

Particulars	(Rs. in Lacs)	
	2010-2011	2009-2010
Income from operations	3078.49	3005.09
Gross Profit	156.74	169.17
Interest	101.49	118.73
Depreciation	30.09	24.92
Profit/(Loss) before taxation	25.15	25.52
Deferred Tax(Liability)/Asset	3.75	27.32
Current tax	(4.66)	(3.94)
Net Profit/(Loss) After Taxation	24.24	48.90
Balance brought forward	100.01	51.11
Balance carried to		
Balance Sheet	124.25	100.01

Operations

The overall performance of the company in terms of production, sales has been higher in the year under report in comparison with the previous year. During the year the company has recorded production of **2788 MTs** (Previous year 2652 MTs), and has recorded increase in capacity utilization to 91.02% (previous year 86.58%), however the volume of export sales has been low compared to previous year.

The company recorded marginal increase in income from operations Rs 3078.49 lakhs as against Rs 3005.09 lakhs in the previous year. The company has exported quantity of 63.38 MTs of its products valued at Rs.64.48 lakhs during the year under report as against 150.54MTs valued Rs.144.30 lakhs in the previous year. The company has focused mainly on the domestic market sales during the year hence recorded lower volumes of exports. The realization on sales has been low during the year under report due to recession and price under cutting due to steep competition. This

is mainly due to slow down in the construction and infrastructure activities and general recession in the economy. In spite of increase in sales turnover the net profits have been low. The company has recorded net profit of Rs 24.24 lakhs as against Rs.48.90 lakhs in the previous year. The company has continued its efforts to reduce costs wherever possible to improve its overall performance. The company is hopeful of achieving improved performance in the coming years.

Future Outlook

The Economy is showing improvement especially in the infrastructure and construction activities. The Government is making efforts to boost the construction activity by taking up various infrastructure projects and announcing various schemes to provide for housing to the economically weaker sections. Such actions would boost the construction activity and thereby the demand for packing would also increase. The company mainly caters to the packing requirements of the cement and fertilizer industries whose growth has been affected due to present recessionary market conditions. The company would focus on the export front once the economies in Europe and America stabilize and show improvement. The company has drawn strategic plans to strike balance between the domestic and export market to ensure improvement in performance in future.

Disclosure as per Listing Agreement :

Clause 43 :

The company's shares are listed on the Bombay Stock Exchange Ltd., P.J. Towers, Dalal Street, Fort, Mumbai. It is further informed that the listing fees for the year 2011-2012 has been paid to the exchange.

Corporate Governance

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

Directors Responsibility Statement

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

CRISIL RATING:

Your company has been accredited with B/ Stable rating for Cash Credit Limits and P4 Rating for Non Fund Based Borrowing by CRISIL. The Rating P4 denotes the degree of safety regarding timely payment on the instrument is minimal and is likely to be adversely affected by short-term adversity or less favourable conditions.

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 Gopal and Sri N V S Rao Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The term of Sri D R S P Raju as Managing Director expires on 30.09.2011. It is proposed to re-appoint Sri D R S P Raju as Managing Director for further period of five years on the terms mentioned in the notice.

The term of Sri G V S Raju as Director (Commercial) expires on 30.09.2011. It is proposed to re-appoint Sri G V S Raju as Director (Commercial) for further period of three years on the terms mentioned in the notice.

Mr K Srikrishna Raju ceased to be Director w.e.f 10.07.2010 consequent upon his resignation.

Secretarial Compliance Certificate

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

Acknowledgements

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

For and on behalf of the Board

G V S Raju

Director (Commercial)

D R S P Raju

Managing Director

Place : Hyderabad

Date : 27.05.2011

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	62,98,912	1,38,77,398
2. Foreign Exchange used for import of raw material	1,69,46,399	11,95,342

Form A
(see rule 2)

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

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

CORPORATE GOVERNANCE REPORT

I. The Corporate Governance Code

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

II. Board of Directors ("Board")

The Board comprises of Six Directors of whom two are executive, and four are non-executive Directors. Out of the four non-executive Directors three 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 Srikrishna Raju*	Independent & Non Executive
(*Ceased to be Director w.e.f. 10.07.2010)	

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 Srikrishna Raju	Nil (Ceased to be Director w.e.f. 10.07.2010)

c) Board Meetings:

The meetings of the Board of Directors are held at the City Office / Registered Office of the company at Hyderabad / Bollaram (factory site) and agenda for which is circulated at least 7 days in advance. Senior Management of the company is invited to attend the Board Meetings, to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and financial results.

d) Number of Board Meetings

During the year from 1st April 2010 to 31st March 2011 the Board met four times on the following dates.

Sl.No.	Date	Board Strength	No. of Directors present
1.	31.05.2010	7	5
2.	11.08.2010	6	5
3.	13.11.2010	6	5
4.	08.02.2011	6	5

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 31.03.2011	No.of Memberships in other Board Committees as on 31.03. 2011
Sri K Gopal	4	4	Yes	Nil	Nil
Sri D V R Raju	4	-	Yes	Nil	Nil
Sri D R S P Raju	4	4	Yes	4	Nil
Sri G V S Raju	4	4	Yes	Nil	Nil
Sri N S B Reddy	4	4	Yes	Nil	Nil
Sri N V S Rao	4	4	Yes	Nil	Nil
Sri K Srikrishna Raju*	4	Nil	No	Nil	Nil

(*Ceased to be Director w.e.f 10.07.2010)

III. Committees of Directors:

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

a : Audit Committee:

i) The Audit Committee was reconstituted at Board Meeting held on 25.06.2007. 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 Srikrishna Raju | - | Member |

(Ceased to be Member w.e.f.10.7.2010)

During the year 1st April 2010 to 31st March 2011 the committee had four meetings.

Sl.No.	Date
1.	31-05-2010
2.	11-08-2010
3.	13-11-2010
4.	08-02-2011