

NOTICE:

Notice is hereby given that the 29th Annual General Meeting of Deccan Polypacks Limited will be held on Friday the 27th day of September, 2013 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, 2013, 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 K. Gopal, Director, who retires by rotation and being eligible offers himself for re-appointment.
3. 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:

4. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution:

“RESOLVED THAT in supersession of the resolution passed at the First Annual General Meeting of the Company held on 30th December, 1985, consent of the company be and is hereby accorded, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the company to borrow monies for and on behalf of the company from time to time as and when required by the company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the company (apart from temporary loans obtained from the company's Bankers in the ordinary course of business) exceed the aggregate of the paid up share capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose

provided that such borrowings taken together shall not exceed Rs.25 Cr. at any point of time.”

5. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT the consent of the Company pursuant to the provisions of Section 293(1) (a) of the Companies Act, 1956, be and is hereby given to the Board of Directors to sell old plant and machinery on such terms and conditions and stipulations as the board may in its discretion deem fit and in the interest of the company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to execute agreements and to do all such things in the name and on behalf of the company as may be necessary for fully effecting the sales.”

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the applicable laws, Rules, Guidelines, Regulations, Notifications and Circulars, if any, issued by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), and other concerned and relevant authorities, and other applicable Indian laws, rules and regulations, if any, and relevant provisions of Memorandum and Articles of Association of the company and the Listing Agreement entered into by the Company with the Stock Exchange where the Shares of the Company are listed and subject to such approval(s), consent(s) permission(s) and / or sanction (s) as may be required from GOI, FIPB, RBI, SEBI and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval,

consent, permission or sanction which may be agreed by the Board of Directors of the Company ("the Board") (which term shall be deemed to include 'Offering Committee' or any other Committee constituted or hereafter be constituted for the time being exercising the powers conferred on the Board by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent and approval of the company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, Securities (as defined below) in the form of Equity or other Shares, Warrants, Bonds or Debentures, or any other debt instrument either convertible or non-convertible into Equity or any other shares whether optionally or otherwise, whether secured or unsecured, and further the Board be and is authorized, subject to applicable laws and regulations, to issue the Securities to investors (including but not limited to Foreign Banks, Financial Institutions, Foreign Institutional Investors, Qualified Institutional Buyers, Mutual Funds, Companies, other Corporate Bodies, Non - Resident Indians, Foreign Nationals and other eligible investors as may be decided by the Board (hereinafter referred to as "Investors") whether or not such Investors are members, promoters or directors of the company or their relatives or associates, by way of one or more private and / or public offerings and whether in any domestic and / or international market(s), through a public issue(s), private placement (s), preferential issue(s) or a combination thereof in such manner and on such terms and conditions as the Board deems appropriate at its absolute discretion provided that the issue size shall not exceed Rs. 4 Crores (Rupees Four Crores) inclusive of such premium as may be payable on the Equity Shares or any other Security, at such time or times and at such price or prices and in such tranche or tranches as the Board in its absolute discretion deem fit."

"RESOLVED FURTHER THAT in the event the Company proposes to issue Securities through Qualified Institutional Placement, the 'Relevant Date' in accordance with the Securities and Exchange Board of India (Issue of Capital and

Disclosures Requirement) Regulations, 2009 shall be August 29, 2013 being the date 30 days prior to the date of this Annual General Meeting or such other date as may be prescribed."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issuance of the Securities shall be subject to such terms or conditions as are in accordance with prevalent market practices and applicable Laws and Regulations, including but not limited to, the terms and conditions relating to payment of interest, dividend, premium on redemption, the terms for issue of additional shares or variations in the price or period of conversion of Securities into Equity Shares or terms pertaining to voting rights or options for redemption of securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to seek, at its absolute discretion, listing of Securities issued and allotted in pursuance of this resolution, on Bombay Stock Exchange."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred above as may be necessary in accordance with the terms of offering, and that the Equity Shares so allotted shall rank in all respects pari passu with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT subject to the approval(s), consent(s) permission(s) and / or sanctions(s) stated above, the Company be and is hereby authorized to retain oversubscription / green-shoe issue option up to 25% of the amount issued and the Board be authorised to decide the quantum of oversubscription to be retained as also any other matter relating to or arising therefrom."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including, if necessary creation of such mortgage and/or charges in respect of the Securities on the whole or any part of the undertaking of the Company under

Section 293(1)(a) of the Companies Act, 1956 or otherwise and to execute such documents or writings as it may consider necessary or proper and incidental to this Resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to decide upon, as it may at its discretion deem necessary, expedient or desirable in relation to all or any of aforesaid purpose including without limitation to the utilization of issue proceeds, finalizing the pricing, terms and conditions relating to the issue of aforesaid Securities including amendments or modifications thereto as may be deemed fit by them, to sign, execute and issue consolidated receipt/s for the Securities, listing application, various agreements such as Subscription Agreement, Depository Agreement, Trustee Agreement, undertakings, deeds, declarations, Letters and all other documents or papers and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid offering of securities or anything in relation thereto, including but not limited to the post issue formalities and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such creation, issuance, offer or allotment of

the Securities as it may in its absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements/agreements as may be required for appointing Managers (including lead managers), merchant bankers, underwriters, financial and/or legal advisors, tax advisors, consultants, depositories, custodians, principal paying / transfer/conversion agents, listing agents, registrars, trustees and / or all such agencies as may be involved or concerned in such offering of Securities, whether in India or abroad, and to remunerate all such agencies including the payment of commissions, brokerage, fees or the likes, and also to seek the listing of such Securities or Securities representing the same in one or more stock exchanges whether in India or outside India, as it may be deemed fit.”

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

Place : Hyderabad
Date: 30.05.2013

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 Karvy

Computershare Private Limited, Plot No :17 to 24, Vittal Rao Nagar, Near Image Hospital, Madhapur, Hyderabad – 500 081

4. The Register of members and share transfer books of the company will remain closed from 24.09.2013 to 27.09.2013 (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: 30.05.2013

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.4:

The Company is in the process of modernization of its plant and machinery to increase the installed capacity and production efficiency. To part finance the modernization plans the Company proposes to borrow additional funds from Bank / Financial Institutions. The Company propose to increase the borrowing limit from the existing limit of Rs. 15 crores to Rs. 25 Crores. In terms of section 293(1) (d) of the Companies Act, 1956 approval of the members is required for increase in borrowing beyond the paid share capital and free reserve. The Directors recommend the resolution. None of the Directors are interested in the resolution.

ITEM NO:5

The Company proposes to dispose off / sale plant and machinery which have become old and the expenses on account of repairs and maintenance has substantially increased. The Company proposes to replace these old machinery with latest and new machinery with higher efficiency and lower running and maintenance costs. Approval of the members is required for sale of assets of the company in terms of section 293(1) (a) of the Companies Act, 1956. The Board recommends the resolution for the approval of the members. None of the Directors are interested in the resolution.

ITEM NO:6

Your company is considering modernization / expansion of its existing plant capacity to cater to the increasing demand for its products and also to further improve the production efficiency. To part finance the modernization / expansion project

the company proposes increase its share capital by issue of further equity shares not exceeding Rs 4 Crores. Approval of shareholders is required for further issue of shares as per the provisions of section 81(1A) of the Companies Act, 1956, Your Directors commend the resolution for approval of shareholders. Directors shall be deemed to be interested to the extent of the shares held by them.

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 a 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 29.09.2011. Sri K. Gopal is member of the Audit Committee, Remuneration Committee and Shareholders Grievance Committee of Directors.

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

Place : Hyderabad
Date: 30.05.2013

D .R. S. P. RAJU
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 29th Annual Report together with the Audited Accounts and Cash Flow Statements for the year ended 31st March 2013.

The financial results for the year ended 31st March 2013 are summarized below.

Particulars	(Rs. in Lakhs)	
	2012-13	2011-12
Income from operations	2760.87	3208.05
Gross Profit	267.37	264.96
Interest	218.86	200.48
Depreciation	30.71	30.20
Profit/(Loss) before taxation	17.80	34.28
Deferred Tax (Liability)/Asset	5.42	9.02
Current tax	(3.39)	(6.53)
Net Profit/(Loss) After Taxation	19.83	36.77
Balance brought forward	161.02	124.25
Balance carried to		
Balance Sheet	180.85	161.02

Operations

The overall performance of the company in terms of sales and turnover has been lower than the previous year. During the year the company has recorded production of 2010 MTs (previous year 2638 MTs). The production has been low in the year under report due to frequent power cuts leading to loss of production for almost 3 months. This has also affected the capacity utilization. The Company has recorded capacity utilization of 65.62% in comparison with the previous year 86.12%. The Company has focused in local sales hence has not recorded any exports.

The realization on sales during the year under report has marginally improved for woven sacks and fabric. The Company has recorded lower net profit of Rs. 19.83 lakhs as against Rs. 36.77 Lakhs in the previous. The company 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 provided there is no disturbance on account of power supply and other factors. The company has made alternate arrangements

to ensure continuous and uninterrupted power supply by installing DG sets and supply through private companies.

Future Outlook

The power situation has not shown any improvement during the current year and the power crises is expected to continue. The Company is exploring the possibilities of purchasing power from Private Companies to mitigate the shortfall in power availability and ensure continuous production. The raw material prices are expected to remain stable and continue at the same levels as previous year. 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 production of cement and its requirement for its packing. The company mainly caters to the packing requirements of the Cement and Fertilizer industries whose operations has been affected due to present recessionary market conditions. 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 2013-2014 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 :

- 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 Crisil B / Stable/ Crisil A4 rating to the Company for the facilities availed from the Bank.

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 K. Gopal Director of the

company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

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 : 30.05.2013

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 earning	-	28,36,412
2. Foreign Exchange used for import of raw material	-	29,32,069

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 three are executive, and three are non-executive Directors. Out of the three non-executive Directors two are Independent Directors and the Chairman of the Board is a Non-Executive Director.

a) Composition of the Board

Name of the Director	Status
Sri K Gopal	Independent & Non-Executive - Chairman
Sri D R S P Raju	Managing Director & Executive
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

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Director from that date.

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

Sl.No.	Name of the Director	Nature of relationship to (Name of the Director)
1.	Mr D R S P Raju	Father of D V Prudvi Raju
2.	Mr K Gopal	Nil
3.	Mr 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

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 2012 to 31st March 2013 the Board met five times on the following dates.

Sl.No	Date	Board Strength	No. of Directors present
01	30.05.2012	7	7
02	10.08.2012	7	6
03	16.08.2012	6	4
04	14.11.2012	6	6
05	11.02.2013	6	6

e) **Attendance of Directors**

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting	No. of Directorships in other Board as on 31.03.2013	No. of memberships in other Board committees as on 31.03.2013
Mr K Gopal	5	5	Yes	1	Nil
* Mr D V R Raju	5	1	No	Nil	Nil
Mr D R S P Raju	5	4	Yes	5	Nil
Mr G V S Raju	5	5	Yes	1	Nil
Mr N S B Reddy	5	5	Yes	Nil	Nil
Mr N V S Rao	5	5	Yes	Nil	Nil
Mr D V Prudvi Raju	5	4	Yes	1	Nil

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Director from that date.

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 11.02.2013. The committee comprises of the following non-executive members of the Board.

- | | | |
|--|---|----------|
| 1. Sri K Gopal | - | Chairman |
| 2. Sri D V Prudvi Raju (W.e.f. 11.02.2013) | - | Member |
| 3. Sri N S B Reddy | - | Member |
| 4. Sri N V S Rao | - | Member |

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Member from that date.

During the year 1st April 2012 to 31st March 2013 the committee had four meetings.

Sl. No	Date
1	30.05.2012
2	10.08.2012
3	14.11.2012
4	11.02.2013

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

Name of the Director	No. of Meetings held	No. of meetings attended
Mr K Gopal	4	4
* Mr D V R Raju	4	1
Mr N S B Reddy	4	4
Mr N V S Rao	4	4

* Sri D.V.R. Raju expired on 13.08.2012 hence ceased to be a Member from that date.

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 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.