

## BOARD OF DIRECTORS

**Dr. G.V.CHALAPATHI**  
**SRI G.RADHAKRISHNA**  
**SRI G.S.SRIDHAR**  
**SRI G.V.GOPINATH**  
**SRI M.RAVINDRA REDDY**  
**SRI S. RAMAKRISHNAN**  
**SRI M.V.CHANDRASEKAR**  
**SRI B.SURENDER**  
**SRI G.P.N.GUPTA**  
**SRI RAJU SWAMY**  
**SRI SANJAY RAMASWAMI**

Managing Director\*  
Joint Managing Director\*\*  
Executive Director (Operations)  
Executive Director (Finance and Marketing)  
Director  
Director  
Director  
Director  
Additional Director\*\*\*  
Additional Director\*\*\*  
Additional Director\*\*\*

\*has resigned from the office as Managing Director w.e.f April 01, 2010.

\*\*has been redesignated from Joint Managing Director to Managing Director w.e.f April 01, 2010.

\*\*\*has been appointed as the Additional Director w.e.f May 27, 2010.

## **STATUTORY AUDITORS** **M/s. M.SRINIVASAN & ASSOCIATES**

Chartered Accountants,  
No.5, 9<sup>th</sup> Floor, B Wing Parsn Manere  
602, Anna Salai, Chennai - 600 006

## **COMPANY SECRETARY AND COMPLIANCE OFFICER**

**MR. V.RAMESH**

## **BANKERS**

The Karnataka Bank Ltd.

## **SOLICITOR**

**Sri R.Sundarrajan**, Advocate, Chennai.

## **WORKS**

- \* Sholiyapalayam Village,  
Sholavaram, Thiruvallur Dist.  
Chennai-600 067, Tamil Nadu.
- \* No.157/1, GNT Road, Chinnambedu PO.  
Kavarapet, Thiruvallur Dist.  
PIN 601 206, Tamil Nadu
- \* 6-6, Assisted Pvt.Industrial Estate,  
Nellore – 524 004. A.P.

## **REGISTERED OFFICE**

No. 46, Halls Road, Kilpauk,  
Chennai 600010  
Phone: 26451722, 26461415, 26452325  
Fax: 91-44-26451720  
E-Mail : [info@blissgroup.com](mailto:info@blissgroup.com)  
Website: <http://www.blissgroup.com>

## **REGISTERED OFFICE W.E.F JUNE 21, 2010**

"S.K.Enclave" No.4, (Old No.47)  
Nowroji Road, Chetpet,  
Chennai 600 031  
Phone: 26451722, 26461415, 26452325,  
Fax: 91-44-26451720  
E-Mail : [info@blissgroup.com](mailto:info@blissgroup.com)  
Website: <http://www.blissgroup.com>

## **REGISTRAR AND SHARE TRANSFER AGENT**

M/S.Cameo Corporate Services Ltd.,  
Subramaniam Building, No.1,  
Club House Road, Chennai - 600 002.

## **LISTING:**

The Bombay Stock Exchange Ltd., and  
The Madras Stock Exchange Ltd.



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## NOTICE

**NOTICE** is hereby given that the 19<sup>th</sup> ANNUAL GENERAL MEETING of the members of the Company will be held at 10.30 a.m. on Thursday, the July 29, 2010 at TAMILNADU FOUNDATION INC.USA, 27, Taylors Road, Kilpauk, Chennai – 600 010 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. S.Ramakrishnan who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Sri B.Surender who retires by rotation.
4. To appoint Auditors and fix their remuneration. The retiring Auditors Messrs. M.Srinivasan & Associates, Chartered Accountants are eligible for re-appointment. In this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** Messrs. M.Srinivasan & Associates, Chartered Accountants, be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be determined by the Board of Directors."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Sri. G.P.N.Gupta, who was appointed as Additional Director at the meeting of the Board of Directors held on 27<sup>th</sup> May 2010 and who holds office as such up to the date of this Annual General Meeting of the Company and in respect of whom notices under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Sri G.P.N.Gupta as a candidate for the office of Director of the company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

**"RESOLVED THAT** Sri. Raju Swamy, who was appointed as Additional Director at the meeting of the Board of Directors held on 27<sup>th</sup> May 2010 and who holds office as such up to the date of this Annual General Meeting of the Company and in respect of whom notices under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to

propose Sri Raju Swamy as a candidate for the office of Director of the company be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

**"RESOLVED THAT** Sri. Sanjay Ramaswami, who was appointed as Additional Director at the meeting of the Board of Directors held on 27<sup>th</sup> May 2010 and who holds office as such up to the date of this Annual General Meeting of the Company and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose Sri Sanjay Ramaswami as a candidate for the office of Director of the company be and is hereby appointed as a Director of the Company liable to retire by rotation.

By Order of the Board  
For **Stanpacks (India) Ltd**

Place : Chennai  
Date : May 27, 2010.

**V.Ramesh**  
Company Secretary

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#### 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 THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE MEETING.**
2. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
3. Members are requested to bring their copy of the Annual Report. No additional copies will be provided at the venue.
4. Members are requested to intimate to the Company, queries, if any, regarding the accounts/ notice, not less than seven days before the meeting to enable the management to keep the required information readily available at the meeting.
5. The Register of Members of the Company will remain closed from 23<sup>rd</sup> July 2010 to 29<sup>th</sup> July, 2010 (both days inclusive).
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. As required under Clause 49 of the Listing Agreement a brief background of the Directors proposed for reappointment and appointment are furnished below:

## RESUME OF THE DIRECTORS BEING APPOINTED

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a brief background, functional expertise of the directors proposed for appointment are furnished below along with the details of companies in which they are directors and the committees of which they are members:

<b>Name</b>	<b>Qualification &amp; Experience in the field</b>	<b>Suitability to the post</b>	<b>Other Companies in which interested as Director or member of Committee of Directors</b>
Sri G.P.N.Gupta	Degree in Commerce	He has more than 35 years experience in business particularly in Packaging Industry.	He is the Managing Director of M/s. Jumbo Bag Limited.
Sri Raju Swamy	MA (Hons) Economics	He has more than 24 years as an independent management consultant	<p>Member - Institute of Management Consultants India</p> <p>Member - Confederation of Indian Industry.</p> <p>Member - The Indus Entrepreneurs.</p> <p>Member - National Institute of Personnel Management.</p> <p>Member - Bangalore Management Association.</p> <p>Member - Mysore Chamber of Commerce &amp; Industry</p>
Sri Sanjay Ramaswami	L.L.B at the University of Hull, United Kingdom	He has wide practice in civil, criminal, company law, banking, labour administrative laws, municipal laws and Arbitration laws	<p>Former Member – Tamil Nadu Legislative Assembly.</p> <p>Member – Committee on Delegated Legislation, Tamil Nadu Legislature.</p> <p>Member – Public Undertakings Committee .</p> <p>Chairman – Tamil Nadu Public Accounts Committee.</p>

**RESUME OF DIRECTOR REAPPOINTED:**

**Sri S.Ramakrishnan:** He is a Science Graduate and has been serving as a Director of the Company since 2002. He is a member of Audit Committee, Selection/Remuneration Committee and Shareholders Investors Grievance Committee of the Company. He was the Director in M/s.Abbott Laboratories and a member of OPPI Marketing Committee, Professional Marketing Consultants, Alumni of Staff College, Hyderabad, he was the past member of Indian Society of Training & Development. He is well versed in handling production and workforce problems and HRD needs. He a Senior Marketing Consultant with an experience of over 40 years and extensively travelled in India and abroad. He is not holding any share in the Company. He is not a director in any other Company.

8. Shareholders are requested to check whether they have encashed Dividend Warrants for earlier years. If the Dividend Warrants are lost or have become time-barred, please apply for Demand Draft in lieu of those Dividend Warrants before the last date indicated below.

Dividend for the year ended	Rate of Dividend	Dividend warrant dated	Date on which Unpaid amounts required to be paid to the Central Government	Shareholders should apply latest by
31.3. 2005	5%	27.09.2005	11.10.2012	17.09.2012
31.3.2006	5%	14.10.2006	27.10.2013	03.10.2013

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5 - 7**

The qualification and experience as tabled above adequately satisfies their eligibility norms for holding the posts and membership in the Company and its Board. There is no doubt that the Company will grow well by utilizing their rich knowledge and experience. Hence, the Board recommends that their appointment be approved by the shareholders.

None of the Directors are interested in the appointment of Sri. Raju Swamy and Sri Sanjay Ramaswami. In the case of Sri. G.P.N.Gupta, none of the directors except Sri. G.Radhakrishna, Sri G.S.Sridhar and Sri. G.V.Gopinath, as relatives, are interested.

The Board recommends the resolutions given supra for the approval of the shareholders.

By Order of the Board  
For **Stanpacks (India) Ltd**

Place : Chennai-600 010  
Date : May 27, 2010.

**V.Ramesh**  
Company Secretary

## REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT

### DISCUSSION AND ANALYSIS

To,

**The Members,**

Your Directors have pleasure in presenting their Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

#### FINANCIAL RESULTS:

The salient features of the Company's financial results for the period under review are as follows:-

Rs. In lakhs

	<b>2009-2010</b>	2008-2009
<b>Income</b>		
Sales and other Income	<b>2702.32</b>	2959.82
Profit before Interest, Depreciation & Taxes	<b>194.86</b>	85.33
Interest	<b>185.73</b>	203.67
Depreciation	<b>98.54</b>	97.43
<b>Profit Before Tax</b>	<b>(90.92)</b>	(213.86)
Deferred Tax	<b>(27.42)</b>	(106.24)
Fringe Benefit Tax	-	2.10
Profit After Tax	<b>(63.50)</b>	(109.72)
Profit of earlier years	<b>(11.65)</b>	98.07
<b>Profit / (Loss)</b>	<b>(75.15)</b>	(11.65)

#### DIVIDEND:

The Directors have not recommended any dividend during the year under review, as the company did not have profits to distribute.

#### OPERATIONS:

The company made a turnover of 2694.47 Lakhs as against the turnover of 2887.84 lakhs during the previous year. This has resulted in the loss of Rs 64 lakhs. The cost of operation increased due to increase in cost of power on account of power shutdowns and also increase in labour cost. The shifting of the Marasur factory to Chennai has resulted in the loss of production.

The Marasur unit deals with production of agronit bags. The demand for which has greatly reduced. The scope for expansion at Marasur is not inconsonant with the current market situations in Tamil Nadu. Without expansion the cost of running is too high to continue the production there. Considering all these the Board had approved the shifting of the same to Chennai. Thus the plant and machineries in Marasur Unit has been shifted to Chennai Unit.

Regarding Auditors comment in clause xvi of the annexure to the auditors report that "the company has used Rs. 97.98 Lakhs funds on short term basis for long term investment."

The company would like to inform the shareholders that during the year the company had to shift the operation from Marasur (Bangalore) to Chennai for synergy in operation and to consolidate operations. The temporary disruption of production during this period, the cost of relocation initial startup expenses coupled with the additional power requirement cost was the major reason, for this. An amount to the tune of around Rs. 37 Lakhs was invested towards the same.

The benefits of this will accrue to your company during the ensuing financial year. Your company is confident of nullifying this effect during the current fiscal.

It is pertinent here to inform the shareholders that the balance amount was utilised towards Repayment of Term Loan .

## **SECTOR AND INDUSTRY-WISE DEVELOPMENTS**

### **Growth of Industry:**

The recessionary trend continued in the financial year 2009-10 though it picked up in the later half of the year. This trend made cost cutting across all sectors making it difficult to recover any increase in cost. The raw-material prices increased in the last quarter of the financial year.

However, the year 2009 saw a significant slowdown in India's official GDP growth rate to 6.1%.

### **Growth of customers and products:**

Your company consolidated its clientele and the products to ensure the volumes of scale are achieved to keep the cost of production low. Also the company has been focusing on its southern clientele to ensure that the logistics do keep the regular off-take from them.

## **OPPORTUNITIES AND THREATS**

### **Opportunities:**

- Established set of clientele gives enough opportunities to expand the production levels.
- With its range of products it has an advantage over its competitors.
- The woven sack industry holds immense potential in various sectors with growing demand.

### **Threats**

- The increase in excise duty has affected the realizations of Agronit.
- The raw material price fluctuations affect the sales as well as the bottom line.



- The growing use of recycled plastics by competitors affects the sales.
- New converters are emerging in the field due to availability of semi finished material.
- There has been continued acute shortage of power due to which production had to be curtailed. Power cut & fluctuations has resulted in increase in waste.
- The increase in cost of labour will affect the realizations.

**Risks and Concerns**

- The increase in labour cost of skilled and unskilled labour has resulted in high cost of production.
- The power shortage has hampered the production levels of the company.
- Reservation of Jute packaging in food grains and other sectors.

**Risk alleviation**

- The focus is to increase the bulk volume clients. This will enable the company to keep the cost of production low.
- To ensure the full capacity utilization and also increase productivity by mechanization and training.
- Ensure quality, service and prompt delivery as committed.
- To keep inventories to the minimum level and reduce wastages.
- With wide range of products and clientele, the shift in the sector will enable the company to maintain its production levels.

**FIXED DEPOSITS:**

The total amount of Fixed Deposits from the Public and Shareholders of the Company as at 31<sup>st</sup> March, 2010 was Rs. 17,90,000 /-. There was no default in repayment of deposits or interest thereon on the due dates and there was no overdue/unclaimed deposit at the end of the year.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company believes in constant improvement and strives for better systems and controls at every stage. The Company has adopted various control and monitoring mechanisms, which are audited by an independent Internal Auditor. The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. Internal Audit is conducted by M/s. J.V .Ramanujam & Co, Chartered Accountants, Chennai, the Internal Auditors of the Company and the report of the Internal Auditors are reviewed by the management and placed before the Audit Committee.

The Audit Committee also evaluates the adequacy and effectiveness of the internal control systems and monitors the action taken pursuant to the committee's observations. All the shortcomings in the regular activities are brought to the notice of the Committee and then also to the Board and corrective actions are being taken.

**DIRECTORS:**

Sri. S.Ramakrishnan, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Sri B.Surender, Director retires by rotation at the ensuing Annual General Meeting.

During the year, Dr. G.V.Chalapathi, Managing Director and Sri. G.Muralidhar Director have resigned from the Directorship of the Company. Sri G.Radhakrishna, Joint Managing Director has taken the mantle of the Managing Director from Sri G.V. Chalapathi with effect from April 01,2010. Sri.G.P.N.Gupta, Sri. Rajuswamy and Sri. Sanjay Ramaswami were appointed as additional directors and their appointments are valid till the ensuing Annual general Meeting only. Hence their appointment to the board as Non-Executive Directors, liable to retire by rotation are being placed before the shareholders.

**PARTICULARS OF EMPLOYEES:**

None of the employees of the Company were in receipt of remuneration which in the aggregate exceeded the limits fixed under sub-section (2A) of Section 217 of the Companies Act, 1956.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo has been set out in the Annexure-I to this Report.

**CORPORATE GOVERNANCE:**

The Company has complied with all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges in which the Company is listed. In line with the requirements of Clause 49 of the listing agreement, a separate report on Corporate Governance, along with a certificate from the Statutory Auditors of the Company is annexed herewith to this report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that they have:

- i) Followed the applicable accounting Standards in the preparation of the annual accounts;
- ii) Selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profits of the company for the year under review;