



WE SHARE OUR JOY



STANPACKS (INDIA) LTD

ANNUAL REPORT 2011 -2012

BOARD OF DIRECTORS

SRI G.P.N.GUPTA	- Chairman
SRI G.RADHAKRISHNA	- Managing Director
SRI S.RAMAKRISHNAN	- Director
SRI M.V.CHANDRASHEKAR	- Director
SRI M.RAVINDRA REDDY	- Director
SRI RAJU SWAMY	- Director
SRI SANJAY RAMASWAMI	- Director
SRI G.S.SRIDHAR	- Director – Operations
SRI G.V.GOPINATH	- Director – Finance & Marketing

STATUTORY AUDITORS

M/s.M.SRINIVASAN & ASSOCIATES
Chartered Accountants,
No.5, 9th Floor, B Wing, Parsn Manere
602, Anna Salai, Chennai - 600 006

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms.C.RUBAVATHY

BANKERS

The Karnataka Bank Ltd.

REGISTERED OFFICE

“S.K. ENCLAVE” New No.4, (Old No.47)
Nowroji Road, Chetpet,
Chennai 600 031
Phone: 044-26451722, 26461415, 26452325
Fax: 91-44-26454216,
E-Mail: info@blissgroup.com
Website: <http://www.blissgroup.com>

WORKS

Sholiyapalayam Village,
Sholavaram, Ponneri Taluk,
Chennai – 600 067, Tamil Nadu.

No.157/1, GNT Road, Chinnambedu PO,
Kavarapet, Thiruvallur Dist. - 601 206
Tamil Nadu

LISTING

The Madras Stock Exchange Ltd.
The Bombay Stock Exchange Ltd.

REGISTRARS AND SHARE TRANSFER AGENT

M/s.Cameo Corporate Services Ltd.,
No.1, Club House Road, Mount Road,
Chennai – 600 002.
Phone:044-28460390, Fax:044-28460129

CONTENTS

S.No.	Topic	Page No.
1	Notice of Annual General Meeting	3
2	Report of the Board of Directors and Management Discussion and Analysis	5
3	Report on Corporate Governance	10
4	Auditor's Report	19
5	Balance Sheet	24
6	Statement of Profit and Loss	25
7	Cash Flow Statement	26
8	Notes to the financial statements	27
9	Attendance Slip & Proxy Form	End

NOTICE

NOTICE is hereby given that the 21st ANNUAL GENERAL MEETING of the members of the Company will be held at 10.30 A.M. on Wednesday, 26th September 2012 at Narada Gana Sabha Trust, Mini Hall, No.314, T.T.K. Road, Chennai – 600 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the report of the Board of Directors' and Auditor's thereon.
2. To appoint a Director in place of Sri. Sanjay Ramaswami who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT Sri.Raju Swamy, Director of the Company. Who retires by rotation in this meeting does not seeks re-appointment, the vacancy so caused shall not be filled up at present".

4. To appoint the Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provision of section 224 of the Companies Act, 1956, M/s. M. Srinivasan & Associates, Chartered Accountants, (Registration No. 004050S) 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 of the Company on such remuneration as shall be determined by the Board of Directors."

By Order of the Board
For **STANPACKS (INDIA) LIMITED**

Place : Chennai
Date : 09th August 2012.

C. RUBAVATHY
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 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 THE COMMENCEMENT OF THE MEETING.**
2. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of the Annual Report, no additional copies will be provided at the venue.
3. Members are requested to intimate 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.

4. The Register of Members of the Company will remain closed from 20th September 2012 to 26th September, 2012 (both days inclusive).
5. The "Ministry of Corporate Affairs" has taken a Green Initiative in Corporate Governance which permits the Company to send Notices, Annual Report via E-Mail. To Support the Government's initiative in full measure, it is requested that all the Share Holders update/furnish their E-mail Id with their respective DP's or with our Registrar and Transfer Agent M/s. Cameo Corporate Services Limited. The Company for the financial year ended 31st March 2012 has send soft copies of Annual report to the members who have registered their email ID.
6. All documents referred to in the accompanying Notice are available for inspection at the registered office of the Company between working hours 11.00 A.M to 1.00 P.M. except on holidays.
7. **RESUME OF DIRECTOR BEING RE-APPOINTED:**

As required under Clause 49 of the Listing Agreement a brief background, functional expertise of the Director proposed for reappointment are furnished below:

Name	Qualification & Experience in Field	Suitability to the Post	No. of shares held in the Company
Sri. Sanjay Ramaswami	LLB 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.	Nil

8. Shareholders are requested to check whether they have en-cashed Dividend Warrants for earlier years. If the Dividend Warrants are lost or not encashed, please apply for Demand Draft in lieu of those Dividend Warrants before the last dates 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
31.03.2005	5%	27.09.2005	11.10.2012	11.09.2012
31.03.2006	5%	14.10.2006	27.10.2013	27.09.2013

Note:

Shareholders who have not collected their dividend for the year ended 31.03.05, are hereby informed to collect the same by 11.09.12 after which it will be credited to Investors Education Protection Fund as required under section 205A of the Companies Act 1956.

By Order of the Board
For STANPACKS (INDIA) LIMITED

Place : Chennai
Date : 09th August 2012

C. RUBAVATHY
COMPANY SECRETARY

REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

To

The Members,

The Director's present the audited accounts of the Company for the financial year ended 31st March 2012.

FINANCIAL RESULTS:

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

(Rs. in Lakhs)

PARTICULARS	2011-12	2010-11
SALES AND OTHER INCOME	2197.22	2977.86
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	307.19	319.62
INTEREST	215.55	197.24
DEPRECIATION	94.10	97.97
PROFIT BEFORE TAX	(4.09)	8.51
DEFERRED TAX	-	-
PROFIT / (LOSS) AFTER TAX	(4.09)	8.51
PROFIT/ (LOSS) OF EARLIER YEARS	(66.64)	(75.15)
PROFIT / LOSS	(70.73)	(66.64)

DIVIDEND:

The Directors of the Company keeping in view the performance of the Company have not recommended any dividend for the period under review.

INDUSTRIAL STRUCUTRE AND DEVELOPMENT

BUSINESS OPERATIONS:

The Company made a turnover of Rs.2162.00 lakhs as against the turnover of Rs.2973.15 lakhs during the previous year. The frequent power shutdown in Tamil Nadu during the year 2011-12 had caused great impact on the performance of the Company, another major factor that played an important role for the reduced performance of the Company is extreme volatility in the raw material prices. The raw material price fluctuations have also been frequent and on increasing trend making it difficult for the Company to pass the said increase in rates to the customers.

OVERALL INDUSTRY OUTLOOK AND MARKET OUTLOOK

The Plastic industry in India symbolizes a promising industry and is creating new employment opportunities for the people. The per capita consumption of plastic products in India is growing and is moving towards 2.5 times GDP growth. Weaker industrial development activity and investment, along with persistent inflationary pressures, have affected the growth prospects.

SECTOR AND INDUSTRY-WISE DEVELOPMENTS

Indian packing industry is currently growing at a rate of 15% per annum. Growth rate is expected to double

in next two years. India's per capita packaging consumption is less than \$ 15 against world wide average of nearly \$ 100, because of which there is a wide scope of growth potential to the Indian Packaging Industry for expanding their market.

SWOT ANALYSIS

Strengths and Opportunities

The Company firmly believes in the following as the strengths and opportunities and also emphasizes on optimal utilization of the same;

- The ability to cater to the varied segments
- Customer base, that makes it possible to develop value added products.

Weaknesses and Threats

The operation of the Company are dependent on two main factors "Power and Manpower". Power shortage in Tamil Nadu has been the major threat which has forced to run on generator thereby increasing the cost. The Agronit market has seen the emergence of number of local players all over the country. The major market for this is West & North east markets. This has made it difficult to cater to these markets as freight rates are very high.

Risks and Concerns

The major factor that played a role for the reduced performance of the Company during the year is increased raw material prices. Frequent fluctuations in raw materials prices caused difficulties in passing the said increased rates to the customer.

Risk Mitigation

The Company is focusing on the following, to mitigate risk;

- a. To increase the volume of clients.
- b. To reduce wastages.
- c. To dispose unproductive machinery which will increase the flow of funds, that can be utilized effectively.

Apart from the above, the Company has a well planned route to recovery in the bottom line from the forth coming financial year. The Company has expanded foreign clientele with export orders from South American countries are very promising since their requirements are high. The focus is to increase volume of sales which will enable continuity in production, reduced downtime & wastage. The Company has in place an in-detailed power planning which will enable the Company to run on power more than on generator. Presently the Company has come out of optimum demand.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company believes in constant improvement and strives for better system and control 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 control to ensure that all the 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, and their report are 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 audit observations. All the shortcomings in the regular activities are brought to the notice of the Committee and the Board based on which corrective actions are taken.

INDUSTRIAL RELATIONS:

Industrial relations continued to be cordial. The Directors place on record their deep appreciation for the sincere and dedicated teamwork by all employees at all levels to meet the quality, cost and delivery requirements of the customers.

FIXED DEPOSITS:

The total amount of fixed deposits from public and shareholders of the Company as at 31st March 2012 was Rs.31.75 Lakhs. There was no default in repayment of the deposits or interest on the due dates and there was no overdue/unclaimed deposit at the end of the year.

DIRECTORS:

Sri. Sanjay Ramaswami, Director retire by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Further Sri. Raju Swamy, Director due to personal reasons does not seeks reappointment in the ensuing AGM. The Company would like to place on records its sincere appreciation for the valuable contribution renders by Sri. Raju Swamy as a Director and Chairman of Audit Committee.

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 Annexure-I of 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 in 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 along with proper explanation relating to material departures;
- 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:

- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and irregularities;
- iv. prepared the accounts for the Financial Year on a “going concern” basis.

STATUTORY AUDITORS:

The Directors recommend the re-appointment of the Auditors of the Company to hold office from the conclusion of the 21st Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The present Auditors M/s M.Srinivasan & Associates whose tenure comes to an end at the ensuing Annual General Meeting are eligible for re-appointment.

FORWARD LOOKING STATEMENTS:

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards incorporated in the listing agreement with Stock Exchanges and such statements may be “forward-looking” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their gratitude to the Central Government, the Government of Tamil Nadu and Karnataka Bank Ltd., for their continued support during the year. Your Directors also wish to convey their thanks to the valued customers, employees, suppliers, dealers and all those associated with the Company for their continued patronage during the year.

For and on behalf of the Board

Place: Chennai
Date : 09th August 2012

G.V.Gopinath
Director Finance & Marketing

G.Radhakrishna
Managing Director

ANNEXURE-I

INFORMATION UNDER 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.

A. CONSERVATION OF ENERGY

- a) Measures taken for conservation of energy:

Air compressor of 20 HP motor was replaced with 10 HP motor leading to a reduction in consumption from 11.50 units/hour to 5.0 units /hour resulting in energy saving of 6.5 units/hour.

- b) In lighting of 990 watts sodium light replaced with 640 watts CFL light leading to a reduction in consumption from 0.99 units/hour to 0.64 units /hour resulting in energy saving of 0.35 unit /hour.