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13th ANNUAL REPORT

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STANPACKS (INDIA) LIMITED

BOARD OF DIRECTORS

Sri G. Sudhakar	Chairman
Dr. G.V. Chalapathi	Managing Director
Sri G. Radhakrishna	Joint Managing Director
Sri G. Muralidhar	Director
Sri M. Ravindra Reddy	Director
Sri M.V. Chandrasekar	Director
Sri M. Rajasekara Sastry	Director
Sri B. Surender	Director
Sri S. Ramakrishnan	Director

AUDITORS

M/s.M. Srinivasan & Associates,
Chartered Accountants,
No.20, 46th Street, Ashok Nagar,
Chennai - 600 083.

REGISTERED OFFICE

No.46, Halls Road, Kilpauk,
Chennai - 600 010.
Phone: 26451722, 26461415, 26452325
Fax: 91-44-26451720
E-Mail: info@blissgroup.com
Website: <http://www.blissgroup.com>

WORKS

Sholiyapalayam Village,
Sholavaram, Thiruvallur Dist.
Chennai - 600 067, Tamil Nadu.

6-6, Assisted Pvt. Industrial Estate,
Nellore - 524 004. A.P.

No. 256/A, Bommasandra Industrial Area,
Hosur Main Road,
Bangalore - 560 099.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Sri N. Gopalsamy

BANKERS

The Karnataka Bank Ltd.

SOLICITOR

Sri R. Sundarrajan,
Advocate, Chennai.

SHARES LISTED WITH

The Madras Stock Exchange Ltd.
The Stock Exchange, Mumbai.

REGISTRARS AND SHARE TRANSFER AGENT

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

DEPOSITORY SYSTEM

The trading of the Company's shares in dematerialised form has been made compulsory for all investors w.e.f. June, 2001. The Company has already established connectivity with NSDL and CDSL through M/s.Cameo Corporate Services Limited, Chennai. The shareholders may dematerialise their shares under **ISIN.INE457D01018**

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 13TH ANNUAL GENERAL MEETING of the members of the Company will be held at 10.25 a.m. on Monday, the August 30th, 2004 at Sri P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai - 600 017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2004 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 M.V.Chandrasekar 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 and being eligible, offers himself for re-appointment.
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."

Registered Office:

No.46, Halls Road,
Kilpauk, Chennai-600 010.
Date : June 26, 2004

By Order of the Board

for **STANPACKS (INDIA) LIMITED**
N. GOPALSAMY
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 ATLEAST 48 HOURS BEFORE THE TIME FOR THE COMMENCEMENT OF THE 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.



Stanpacks (India) Limited

4. Members are requested to intimate to the Company, queries, if any, regarding the accounts/ notice, atleast 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 26th August, 2004 to 30th August, 2004 (both days inclusive).
6. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during normal business hours on any working day.
8. As required under Clause 49 of the Listing Agreement a brief background of the Directors proposed for reappointment are furnished below:

Sri M.V.Chandrasekar has been serving as a Director of the Company since 1994. He is an Industrialist at Bangalore and has an experience of over 40 years. He is also a director of Progressive Orchards Pvt.Ltd. He is a member of Audit Committee and Remuneration Committee of the Company.

Sri B. Surender has been serving as a Director of the Company since 2001. He is a Partner of a leading Firm of Chartered Accountants M/s. B. B.Naidu & Co., Chennai and has an experience of over 40 years. He is also a director of Vibgyor Graphics & Research Centre Limited, QPRO Infotech Limited, Reputech Systems Pvt.Limited and Alternate Director in Kautex Textron India Pvt.Limited. He is a member/Chairman of Audit Committee, Remuneration Committee and Shareholders/Investors Grievances Committee of the Company. He is a member of the Share Transfer Committee of the Company.

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

N. GOPALSAMY
COMPANY SECRETARY

Chennai
Date : June 26, 2004



REPORT OF THE DIRECTORS

Your Directors are pleased to present the 13th Annual Report along with the Audited Accounts for the year ended March 31, 2004.

A. FINANCIAL PERFORMANCE

(Rs.in Lakhs)

	2003-2004	2002-2003
INCOME		
Sales and Other Income	1450.85	1208.94
PROFIT		
Profit before Depreciation	118.01	100.84
Less: Depreciation	55.18	46.82
Profit Before Tax	62.83	54.02
Less: Provision for Taxation	5.06	9.40
Provision for Deferred Taxation	23.82	1.44
Profit After Tax	33.95	43.18
Add: Profit b/f from previous year	20.05	(23.13)
Balance retained in the Profit and Loss Account	54.00	20.05

PERFORMANCE

Your Company has achieved a total turnover of Rs.1450.85 Lakhs vis-a-vis Rs.1208.94 Lakhs the previous year marking a 20.01% increase. With the production for the year at 1865 MTs, we have emerged as one of the leading manufacturers of Polymer Products including AGRONIT Bags. The Company is keeping up its tempo in adapting the best technology and commitment to deliver the best quality. This year has also seen a notable widening of the customer base. The Profit Before Taxes has brightened at Rs.62.83 Lakhs as against Rs.54.02 Lakhs of the previous year. With better prospects both in the domestic and international market and with upgraded technology and improved productivity, we look forward a promising future for the Company.

B. DIVIDEND

The Board of Directors have decided not to recommend any dividend with a view to conserve resources.

C. SUBSIDIARY COMPANIES

Your company has no subsidiary company.

D. FIXED DEPOSITS

Your company has accepted deposits from the Public. The total amount of Fixed Deposit of the company outstanding as at the 31st March, 2004 was Rs 23 Lakhs.

E. DIRECTORS

Sri M.V.Chandrasekar and Sri B.Surender retire by rotation and being eligible offer themselves for re-appointment.

F. 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.



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(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.

G. PARTICULARS OF EMPLOYEES

There is no case for report under Section 217(2A) of the Companies Act, 1956.

H. 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 is given in the Annexure I forming part of this report.

I. AUDITORS

Your company's auditors M/s.M.Srinivasan & Associates retire at the ensuing Annual General Meeting and are eligible for re-appointment. The declaration under section 224 (1)(B) of the Companies Act, 1956 has been received from them.

J. AUDIT COMMITTEE

Your Directors have constituted the Audit Committee of the Board of Directors in line with the Clause 49 of the listing agreement and the provisions of the Companies Act, 1956. The Audit Committee consists of the following Directors: 1. Sri B.Surender, 2. Dr.G.V.Chalapathi, 3. Sri M.Rajasekara Sastry and 4. Sri M.V.Chandrasekar.

Sri B. Surender is the Chairman of the Audit Committee. The Audit Committee met three times during the year.

K. CORPORATE GOVERNANCE

The Company has complied with all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the Company is registered.

The Management Discussion and Analysis Report and the Corporate Governance Report are produced as part of the Annual Report.

L. ISO 9001 CERTIFICATION

The Company has been awarded ISO 9001:2000 Certification by Quality Registrars KPMG.

M. INDUSTRIAL RELATIONS

Your Company recognizes its employees as its main asset. Various initiatives have been taken up for improving the employee performance and productivity. Industrial Relations at all levels are cordial. Our efforts are to keep a lean productive and highly motivated workforce.

N. ACKNOWLEDGEMENT

The Directors place on record their great appreciation of the fine performance of all Executives and Employees of the Company which was instrumental in achieving improved profitable financial results. The Directors also express their sincere thanks to the Government of India, Government of Tamilnadu, The Karnataka Bank Ltd., and valued customers for their understanding, guidance and assistance at all times.

For and on behalf of the Board

Chennai
June 26, 2004

G. SUDHAKAR
CHAIRMAN.

**ANNEXURE TO REPORT OF THE DIRECTORS****FORM - A****ANNEXURE - I****Form of disclosure of particulars with respect to Conservation of Energy.**

1. Electricity purchased from Tamilnadu Electricity Board.

	Current Year 2003-2004	Previous Year 2002-2003
a. Total units purchased consumed	1887962	1816836
b. Total amount of Electricity bill	Rs.83,18,745	Rs.79,35,754
c. Rate per unit	Rs.4.74	Rs.4.37
2. Own generation through Diesel generator		
Diesel generator (In Units)	654262	238272
Fuel (in liters)	191150	70236
Average unit generated per liter	3.42	3.32
Rate per unit	Rs.6.31	Rs.5.96

A) Conservation of Energy**a. Energy Conservation measures taken.**

- i) Capacitor Bank - 25 KVAR added - PF improved .98 - .99 TNEB incentive more and M.D.controlled.
- ii) 20% energy savings on Factory lighting by adopting energy control measures.

b. Proposed areas of Energy Conservation.

Energy conservation measures are being taken within our plants as an ongoing exercise.

FORM - B

Disclosure of particulars with respect to Research and Development absorption, as required under the Companies Act (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the report of the Board of Directors for the year ended March 31, 2004.

RESEARCH AND DEVELOPMENT (R&D)

1. Special areas in which R&D was carried out by the Company: Development of improved variety of "Agronit" bags.
2. Benefits derived as a result of the above R&D : Reduction in cost and increase in demand.
3. Future plan of action: Proposals are under consideration to establish a separate R&D Department

	2003-04	2002-03
4. a) Expenditure on R&D:	Rs.2,30,641/-	Rs 70,333/-
b) Total R&D expenditure as a percentage of total turnover	0.16%	0.05%



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TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts made : Development and better outlook for PP Bags/Fabric and Agronit Bags.
2. Benefits : Helped to improve our sales in the existing market and also developed new markets.

FOREIGN EXCHANGE EARNINGS AND OUTGO	2003-04	2002-03
	(Rs.in Lakhs)	
Foreign Exchange earned	28.46	57.87
Foreign Exchange outgo	0.90	11.15

For and on behalf of the Board

Chennai
June 26, 2004.

G. SUDHAKAR
CHAIRMAN.

Annexure to Report of the Directors (Contd...)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. FINANCIAL AND OPERATIONAL PERFORMANCE

The Company is keeping up its tempo in adapting the best technology and commitment to deliver the best quality. This year has also seen a notable widening of the customer base. Total turnover during the year 2003-2004 increased by 20.01%. The Profit Before Taxes has brightened at Rs.62.83 Lakhs as against Rs.54.02 Lakhs of the previous year.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

The price volatility of PP granules continues. This has been affecting the bottomline. Your company has been focussing on development to improve different segments and areas. This has led to increase in sales turnover. Overall growth of the industry has improved and there has been intensive competition. Your company has been refining the strategy to cope up with the competition.

3. OUTLOOK

With better prospects both in the domestic and international market and with upgraded technology and improved productivity, we look forward a promising future for the Company. Your company's ISO Certification has helped in lending credibility with the customers. There has been increase in customer satisfaction due to systems implemented by your company.

4. OPPORTUNITIES, THREATS AND RISKS

Your company has strengthened its position in its products. The concept of hygienic packing is caught on well in view of the change in the style of the Indian consumers and public at large. This has created full confidence and support for your company to bring in a variety of new models in the existing products and also to introduce new products in the Agri-based segment.

The main threats to your company are

1. The presence of spurious products in the international market.
2. The increase in raw material price.

Your company does not anticipate any other major concern.

5. INTERNAL CONTROL SYSTEMS

A well defined Internal Control System exist in the company. The Internal Auditors conducted regular audit during the year and submitted their report. Necessary actions are taken based on their



recommendations. The Audit Committee of the Board of Directors also meets regularly to review the reports of the Auditors and providing guidance

6. HUMAN RESOURCES

Your company has experienced, talented pool of human resource. Your company adopts a policy of promoting experienced personnel within the organisation to shoulder higher responsibilities. Adequate training by way of internal, external training programmes are provided to the employees for sharpening their skills and performance with dynamism and vigor. Award schemes to recognise best employee is implemented with the total involvement of the work force. Proper appraisal systems and adequate compensation packages to recognise the performance of employees against key result areas are implemented effectively.

Your company has not lost a single day of work due to industrial strike. As your company considers its employees as the most important source to attain greater competitive advantage, it places special emphasis on the continuous human resource development. The industrial relation during the year was harmonious. Your Directors wish to place on record the excellent cooperation extended by employees in achieving the objectives of your company.

For and on behalf of the Board

Chennai
June 26, 2004.

G. SUDHAKAR
CHAIRMAN

FIVE YEARS AT A GLANCE

(Rs. in Lakhs)

OPERATING RESULTS	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Turnover	1,632.10	1,370.24	1,134.91	1,195.98	1,207.40
Profit before depreciation and tax	118.01	100.84	77.75	45.57	61.39
Depreciation	55.18	46.82	41.99	39.81	36.77
Provision for Tax	5.06	9.40	2.71	0.50	2.84
Provision for Deferred Tax	23.82	1.44	8.96	-	-
Profit after Tax	33.95	43.18	24.09	5.26	21.78
SOURCES OF FUNDS					
Share Capital - Equity	609.60	609.60	609.60	609.60	609.60
Reserves & Surplus	54.01	20.05	(23.14)	(47.23)	(52.49)
Shareholders Funds	663.61	629.65	586.46	562.37	557.11
Borrowings	872.02	811.06	508.44	520.02	518.76
Deferred Tax (Net)	34.22	10.40	8.96	-	-
Total	1,569.85	1,451.11	1,103.86	1,082.39	1,075.87
APPLICATION OF FUNDS					
Net Fixed Assets	889.57	839.59	682.49	691.28	709.31
Net Current Assets	675.65	604.19	411.35	378.38	351.12
Miscellaneous Expenses (To the extent not written off)	4.63	7.33	10.02	12.73	15.44
Total	1,569.85	1,451.11	1,103.86	1,082.39	1,075.87
Book Value per Equity Share (Rs.)	10.81	10.21	9.46	9.02	8.89
Earnings per Share (Rs.)	0.56	0.71	0.40	0.09	0.36



Stanpacks (India) Limited

CORPORATE GOVERNANCE

1. Philosophy on Code of Governance

Stanpacks (India) Limited believes that effective Corporate Governance is an essential component of a successful enterprise in a globalised economy. The Company has always held itself to high standards of accountability, auditing, disclosure and reporting. The philosophy of Governance adopted by your Board has at all times been based on integrity, transparency and fairness in all its dealings based on strong systems and procedures.

2. Board of Directors

The composition of the Board is given below:

Sri G.Sudhakar	Chairman-Non Executive Director-Non Independent
Dr. G.V.Chalapathi	Managing Director-Executive-Non Independent
Sri G.Radhakrishna	Joint Managing Director-Executive-Non Independent
Sri G.Muralidhar	Director-Non Executive-Non Independent
Sri M.Ravindra Reddy	Director-Non Executive-Independent
Sri M.V.Chandrasekar	Director-Non Executive-Independent
Sri M.Rajasekara Sastry	Director-Non Executive-Independent
Sri B.Surender	Director-Non Executive-Independent
Sri S.Ramakrishnan	Director-Non Executive-Independent

3. Details of Attendance at Board Meetings and last Annual General Meeting (AGM) and details of memberships in other Boards and Board Committees

The Board met six times during the financial year 2003-2004 on April 24th, 2003, July 28th, 2003, September 29th, 2003, October 29th, 2003, January 30th, 2004 and February 10th, 2004.

Name of the Director	No. of Board Meetings attended	Whether attended last AGM	Membership in Other Boards	Committee	
				Membership	Chairmanship
Sri G. Sudhakar	6	Yes	2	1	-
Dr. G.V. Chalapathi	6	Yes	1	2	-
Sri G. Radhakrishna	6	Yes	3	2	1
Sri G. Muralidhar	5	Yes	1	-	-
Sri M. Ravindra Reddy	3	Yes	-	-	-
Sri M.V. Chandrasekar	5	Yes	1	2	-
Sri M. Rajasekara Sastry	5	Yes	4	1	-
Sri B. Surender	6	Yes	4	4	3
Sri S. Ramakrishnan	6	Yes	1	2	-