



**STANPACKS (INDIA) LTD**

**ANNUAL REPORT  
2013-2014**



**WE SHARE OUR JOY**



# ANNUAL REPORT

## 2013-14

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### CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	<p>SRI G.P.N.GUPTA SRI G.RADHAKRISHNA SRI S.RAMAKRISHNAN SRI M.V.CHANDRASHEKAR SRI M.RAVINDRA REDDY SRI SANJAY RAMASWAMI SRI G.S.SRIDHAR SRI G.V.GOPINATH</p>	<p>Chairman Managing Director Director Director Director Director Director – Operations Director – Finance</p>
<b>REGISTERED OFFICE</b>	<p>‘S.K. ENCLAVE’ New No. 4, (Old No. 47), Nowroji Road, Chetpet, Chennai – 600 031 Phone: 044-26451722, 26461415, 26452325 Fax: 91-44-26451720, E-Mail: info@blissgroup.com Website: www.blissgroup.com CIN: L36991TN1991PLC021888</p>	
<b>STATUTORY AUDITORS</b>	<p>M/s. M.SRINIVASAN &amp; ASSOCIATES, Chartered Accountants, No.5, 9th Floor, B Wing Parsn Manere, 602, Anna Salai, Chennai - 600 006</p>	
<b>COST AUDITOR</b>	<p>SRI. RAJESH SAI IYER, NO.25/13,MADHUBAN, RITHERDON ROAD, CHENNAI-600 007</p>	
<b>COMPANY SECRETARY AND COMPLIANCE OFFICER</b>	<p>Sri. S. Chandrasekar</p>	
<b>REGISTRARS AND SHARE TRANSFER AGENT</b>	<p>Cameo Corporate Services Limited, ‘Subramaniam Building’, No. 1, Club House Road, Mount Road, Chennai – 600 002. Phone: 044–28460390, Fax: 044-28460129</p>	
<b>BANKERS</b>	<p>Karnataka Bank Limited</p>	
<b>LISTING</b>	<p>Bombay Stock Exchange Limited</p>	
<b>WORKS</b>	<p>Sholiyapalayam Village, Sholavaram, Ponneri Taluk, Thiruvallur District Chennai – 600 067, Tamil Nadu.</p>	

### IMPORTANT COMMUNICATION

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars, stating that service of notice/ documents including Annual Report can be sent by e – mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e – mail addresses, so far, are requested to register their e – mail addresses in respect of electronic holdings with the depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their mail address with the Registrar and Share Transfer Agent viz. Cameo Corporate Services Ltd, Chennai.

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Members of the Stanpacks (India) Limited is scheduled to be held at 11.00 A.M. on Monday, the 29<sup>th</sup> September 2014 at Narada Gana sabha trust Mini hall, No. 314, T.T.K. Road, Chennai- 600018 to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 01: Adoption of Annual Accounts:

To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the Financial Year ended on that date and the report of the Board of Directors' and Auditor's thereon.

#### Item No. 02: Re-appointment of Director:

To appoint a Director in place of Sri G.P.N. Gupta who retires by rotation and being eligible, offers himself for re-appointment

#### Item No. 03: Appointment of Auditors:

To re-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 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. M. Srinivasan & Associates, Chartered Accountants, (Firm Registration No. 004050S) be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of the twenty sixth AGM of the Company (subject to ratification of the appointment by Members at every AGM held after this AGM) on such remuneration as shall be determined by the Board of Directors."

### SPECIAL BUSINESS:

#### Item No. 04:

To re-appoint Sri. G.Radhakrishna (DIN 00279233) as Managing Director and in this regard, considers and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force of any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, of any amendments thereto) in that the approval of the Company be and is hereby accorded for the appointment of Sri. G.Radhakrishna, as a Managing Director of the Company with effect from 19<sup>th</sup> November, 2014 for a period of three years, on such terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice"

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter and vary the terms and conditions, in accordance with the law in force from time to time and to take such steps and to perform all such actions, matters and things as may be considered necessary to give effect to this resolution."

#### Item No. 05:

To re-appoint Sri. G.S.Sridhar (DIN: 01966264) as Director (Operations) and in this regard, consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force of any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, of any amendments thereto) in that, the approval of the Company be and is hereby accorded for the appointment of Sri. G.S.Sridhar, as a Whole Time Director (Operations) of the Company with effect from 25<sup>th</sup> September, 2014 for a period of three years, on such terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter and vary the terms and conditions, in accordance with the law in force from time to time and to take such steps and to perform all such actions, matters and things as may be considered necessary to give effect to this resolution.”

**Item No. 06:**

To re-appoint Sri. G.V. Gopinath (DIN:02352806) as Director (Finance) in this regard, consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force of any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, of any amendments thereto) in that the approval of the Company be and is hereby accorded for the appointment of Sri. G.V. Gopinath, as a Whole Time Director (Finance) of the Company with effect from 25<sup>th</sup> September, 2014 for a period of three years, on such terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter and vary the terms and conditions, in accordance with the law in force from time to time and to take such steps and to perform all such actions, matters and things as may be considered necessary to give effect to this resolution.”

**Item No. 07:**

To appoint Sri. M.V. Chandrashekar as an Independent Director and in this regard, considers and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Sri. M.V. Chandrashekar (DIN: 00085744), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, not liable to retire by rotation.”

**Item No. 08:**

To appoint Sri. S.Ramakrishnan as an Independent Director 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 provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Sri. S.Ramakrishnan (DIN: 00075368), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent

Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, not liable to retire by rotation.”

**Item No. 09:**

To appoint Sri. Ravindra Madupu Reddy as an Independent Director 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 provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Sri. Ravindra Madupu Reddy (DIN: 00220508), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, not liable to retire by rotation.”

**Item No. 10:**

To appoint Sri. Sanjay Ramaswami as an Independent Director 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 provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Sri. Sanjay Ramaswami (DIN: 01868786), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, not liable to retire by rotation.”

**Item No. 11:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 73 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the Members, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, from time to time.

**“RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorized to finalize the scheme for invitation and acceptance of fixed deposits from the Members and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

**Item No.12:**

To consider and if thought to fit to pass with or without modification(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** in supersession of the Ordinary Resolution passed at the Annual General Meeting held on September 12, 2005 and pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, (including any statutory modifications, amendments or re-enactments thereto for the time being in force) and in terms of Articles of Association of the Company, the Board of Directors of the Company be and hereby authorized and empowered

to borrow, from time to time, any sum or sums of money from one or more banks, Financial Institutions, Investment Institutions, Non-Banking Financial Companies ('NBFC'), Corporations, Central or State Government, Body Corporate, Firms or any other person (s), in one or more tranches, at such intervals, and on such terms and conditions, whether by way of term loan, working capital facility, cash credit facility, inter corporate loan, bill discounting, issue of debenture or bonds or any other fund based or non-fund based facility, in Indian Rupee or in Foreign Currency, whether secured or unsecured, notwithstanding, that the money to be borrowed together with the money already borrowed by the Company (apart from interest and charges accrued on the monies borrowed and the temporary loans obtained from the Company's Bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital and free reserves (the reserves not set apart for any specific purpose) of the Company, subject to the condition that the aggregate amount of such borrowings made and outstanding, at any point of time shall not exceed Rs.50 Crores (Rupees Fifty Crores), exclusive of interest and other charges.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to execute all such agreements, papers, deeds and other instruments or writings containing such conditions and covenants as it may think fit to give effect to the above mentioned resolution and to do all such acts, deeds, things, take all such steps, negotiate, discuss, finalize, accept, modify, execute, sign and deliver all such deeds, documents, writings, and papers as may be desired / required to facilitate borrowing, of moneys, upto the limits as mentioned above, under the name and seal of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to exercise and / or delegate all or any of the aforesaid powers to a Committee of Directors / Officers, one or more Director / Managing Director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this resolution."

**Item No: 13:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made there under, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to lease, mortgage or otherwise dispose the whole or substantially the whole of the Company's any one or more undertakings / assets or all undertakings / assets, including the present or future properties, whether movable or immovable, as the case may be, in such form and manner and on such terms and conditions as the Board may think fit"

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to negotiate and to finalize the above mentioned lease, mortgage or disposal of undertakings / assets of the Company, as the case may be, which the Board of Directors, in its absolute discretion deem fit and to do all such acts, deeds and things, in the manner as may be necessary or proper for giving effect to such lease / mortgage of undertakings / assets as aforesaid"

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

Place : Chennai  
Date : 12.08.2014

**S.CHANDRASEKAR**  
**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. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The proxy form duly stamped and executed should be deposited / lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Limited Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
3. 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.
4. As per the provision of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 7 to 10. The relevant details of Directors seeking re-appointment are provided in this Annual Report
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September 2014 to 29<sup>th</sup> September 2014 (both days inclusive) in connection with the AGM.
7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.
8. 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.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Cameo Corporate Services Limited, the Registrar & Share Transfer Agent of the Company.
10. The Shareholders may note that a sum of Rs.210,649/- which was lying as balance under unpaid dividend account for the year ended 31<sup>st</sup> March 2006 was credited to the Investor Education and protection fund on 28<sup>th</sup> October 2013 as required under Section 205A of the Companies Act, 1956.
11. E Voting & its procedures:

**Voting through Electronic Means:**

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its

shareholders to enable them to cast their votes electronically at the 23<sup>rd</sup> Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The Company has appointed Smt. Lakshmmi Subramanian, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case either of the details is not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from s. no. (i) to s. no. (xvii) above to cast vote.
- (B) The voting period begins on 23.09.2014 and ends on 25.09.2014. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

- (i) The manner of voting for the members being present in the General Meeting will be on ‘proportion principle’ i.e. one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relating to demand for poll will not be relevant.
- (ii) The option of voting by show of hands will not be available for members present in the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, i.e. voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- (iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**
**Item No. 4:**

As per Sections 196, 197 and 203, read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, the Managing Director is re-appointed and the remuneration is being so fixed. Sri. G.Radhakrishna, was re-appointed for a period of three years as Managing Director on 19.11.2011. His term of three years expires on 18.11.2014.

Sri G. Radhakrishna, was born on 22.05.1952 and aged about 62 years is a Promoter-Director of the Company. He has been associated with the Company ever since its incorporation and held important position in the Company. His array of exposure has extended to areas like Project Planning, Costing and Cost Control, Finance, Legal Matters, Management Quality Systems etc.

Sri. G. Radhakrishna has been instrumental in the growth of the Company to its present level and by his rich and varied experience the company has benefited. It may also be noted that, considering the tough financial position of the Company, Sri. G. Radhakrishna, Managing Director has waived off his remuneration and considered taking Re.1 per month (with effect from 01.04.2013) as a token remuneration.

Considering his rich experience, valuable services, contributions and achievements for the benefit of the Company, the Nomination and Remuneration Committee recommended to the Board, the re-appointment of Sri. G. Radhakrishna as a Managing Director for a further period of three years with effect from 19.11.2014. The Board of Directors in their Meeting held on 12.08.2014 has approved the re-appointment of Sri. G.Radhakrishna as Managing Director and recommended the said resolution for the approval of the Shareholders.

The terms and conditions, including remuneration payable to Sri G. Radhakrishna are set out below. He is a Director in Jumbo Bag Ltd and Pravan Designers and Constructions Private Limited.

He is holding 242900 (3.98%) Equity Shares in the Company as on 30.06.2014.

**SALARY:-** Re.1/- per month.

**PERQUISITES:-**

- a. Housing: Furnished/ unfurnished residential accommodation or house rent allowance of 60% of salary in lieu thereof.
- b. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax rules, 1962.
- c. Medical reimbursement: Expenses incurred for director and his family as per company's rules.
- d. Leave travel concession: For director and his family, once a year, incurred in accordance with the company's rules.
- e. Club fees: Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.
- f. Personal accident insurance: Premium as per the company's rules.
- g. Contribution to provident fund, superannuation fund, annuity funds and gratuity / contribution to gratuity fund under Company's rules.
- h. Encashment of leave not availed of by Director as per the Company's rules.
- i. Provision of car and telephone at his residence for his use and such other benefits, amenities and facilities as per the Company's rules
- j. The Director will not be entitled to a sitting fee for meetings of the Board/Committee attended by them.

The above salary and perquisites shall be subject to the limits specified in Part II of the Schedule V of the Companies Act, 2013. Provided that in case of loss or inadequacy of profit in any financial year, the above remuneration will be treated as the minimum remuneration payable to the Managing Director since the same is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

The Board recommends the said resolution for approval by the shareholders as a Special resolution. Shareholders are requested to treat this as an abstract under Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel except Sri G.P.N.Gupta, Chairman is interested in this resolution.

The Agreement entered into by the Company with Sri. G. Radhakrishna, is available for inspection to the Members of the Company between 11.00 a.m. to 1.00 p.m. from Monday to Friday up to 29<sup>th</sup> September 2014 at the Registered Office of the Company.

#### **Item no. 5:**

Sri. G.S. Sridhar is a Graduate in B.E. Electronics. He has more than 23 years of successful career behind him and has served as Director (Operation) for a period of more than 6 years in the Company. His array of exposure has extended to areas like Production Planning, Operational techniques, Legal Matters, Management Quality Systems etc. He is taking care of Production and the Operations of the Company. Sri. G.S. Sridhar was born on 04.12.1966 and aged about 48 years. He is holding 26,568 (0.43%) Equity Shares in the Company as on 30.06.2014. He is not holding Directorship in any Company.

Sri. G.S. Sridhar has been associated with Stanpacks (India) Limited as Director from the year 2008. He was appointed as Whole time director on 25.09.2008 for a period of three years and subsequently re-appointed on 25.09.2011. His term of three years expires on 24.09.2014.

Considering his rich experience and achievements for the benefit of the Company, the Nomination and Remuneration Committee recommended to the Board, the re-appointment of Sri. G.S.Sridhar as Director (Operations), with the remuneration and terms and conditions as detailed below with effect from 25.09.2014 for a period of three years. The Board of Directors in their Meeting held on 12.08.2014 has approved the re-appointment of Sri. G.S.Sridhar as Director (Operations) and recommended the said resolution for the approval of the Shareholders.

**SALARY:-** Rs. 40,000/- per month.

#### **PERQUISITES:-**

- a. Housing: Furnished/ unfurnished residential accommodation or house rent allowance of 60% of salary in lieu thereof.
- b. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax rules, 1962.
- c. Medical reimbursement: Expenses incurred for director and his family as per company's rules.
- d. Leave travel concession: For director and his family, once a year, incurred in accordance with the company's rules.
- e. Club fees: Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.
- f. Personal accident insurance: Premium as per the company's rules.
- g. Contribution to provident fund, superannuation fund, annuity funds and gratuity / contribution to gratuity fund under Company's rules.
- h. Encashment of leave not availed of by Director as per the Company's rules.
- i. Provision of car and telephone at his residence for his use and such other benefits, amenities and facilities as per the Company's rules
- j. The Director will not be entitled to a sitting fee for meetings of the Board/Committee attended by them.

The above salary and perquisites shall be subject to the limits specified in Part II of the Schedule V of the Companies Act, 2013. Provided that in case of loss or inadequacy of profit in any financial year, the above remuneration will be treated as the minimum remuneration payable to the Directors since the same is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

The Board recommends the said resolution for approval by the shareholders as a Special resolution. Shareholders are requested to treat this as an abstract under Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel or their relatives except Sri G.P.N.Gupta, Chairman, Sri. G.Radhakrishna, Managing Director and Sri. Gopinath G.V., Director (Finance) is interested in this resolution.

The Agreement entered into by the Company with Sri. G.S.Sridhar, is available for inspection to the Members of the Company between 11.00 a.m. to 1.00 p.m. from Monday to Friday up to 29<sup>th</sup> September 2014 at the Registered Office of the Company.

**Item No.6:**

Sri. G.V.Gopinath is a Post Graduate in Commerce with Advanced Diploma in Computer Applications taking care of Finance and Marketing of the Company. He has 20 years of successful career behind him. His array of exposure has extended to areas like Finance, Costing and Cost Control, Project planning and Execution, Management Quality System, etc. He is taking care of both Finance and Marketing and plays an important role in the Company. Sri. G.V. Gopinath was born on 24.07.1972 and aged about 42 years. He is holding 4,967 (0.08%) Equity Shares in the Company as on 30.06.2014. Pursuant to Section 203 of the Companies Act, 2013, he holds the position of Chief Financial Officer in the Company.

He is holding Directorship in Magic Land Ventures Private Limited. In accordance with Section 203(3) of the Companies Act, 2013, his directorship was permitted by the Board in their meeting held on 29.05.2014.

Sri. G.V.Gopinath has been associated with Stanpacks (India) Limited as Director from the year 2008. He was appointed as Whole time director on 25.09.2008 for a period of three years and subsequently re-appointed on 25.09.2011. His term of three years expires on 24.09.2014.

Considering his rich experience and achievements for the benefit of the Company, the Nomination and Remuneration Committee recommended to the Board, the re-appointment of Sri. G.V.Gopinath as Director (Finance), with the remuneration and terms and conditions as detailed below with effect from 25.09.2014 for a period of three years. The Board of Directors in their Meeting held on 12.08.2014 has approved the re-appointment of Sri. G.V.Gopinath as Director (Finance) and recommend the said resolution for the approval of the Shareholders.

**SALARY:-** Rs. 40,000/- per month.

**PERQUISITES:-**

- a. Housing: Furnished/ unfurnished residential accommodation or house rent allowance of 60% of salary in lieu thereof.
- b. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax rules, 1962.
- c. Medical reimbursement: Expenses incurred for director and his family as per company's rules.
- d. Leave travel concession: For director and his family, once a year, incurred in accordance with the company's rules.
- e. Club fees: Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.

- f. Personal accident insurance: Premium as per the company's rules.
- g. Contribution to provident fund, superannuation fund, annuity funds and gratuity / contribution to gratuity fund under Company's rules.
- h. Encashment of leave not availed of by Director as per the Company's rules.
- i. Provision of car and telephone at his residence for his use and such other benefits, amenities and facilities as per the Company's rules
- j. The Director will not be entitled to a sitting fee for meetings of the Board/Committee attended by them.

The above salary and perquisites shall be subject to the limits specified in Part II of the Schedule V of the Companies Act, 2013. Provided that in case of loss or inadequacy of profit in any financial year, the above remuneration will be treated as the minimum remuneration payable to the Directors since the same is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

The Board recommends the said resolution for approval by the shareholders as a Special resolution. Shareholders are requested to treat this as an abstract under Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel except Sri G.P.N.Gupta, Chairman, Sri. G. Radhakrishna, Managing Director and Sri. G. S. Sridhar, Director (Operations) is interested in this resolution.

The Agreement entered into by the Company with Sri. G.V.Gopinath, is available for inspection to the Members of the Company between 11.00 a.m. to 1.00 p.m. from Monday to Friday up to 29<sup>th</sup> September 2014 at the Registered Office of the Company.

#### **Additional Disclosure for Item No:4,5,6:**

As required under Part II, Section II of Schedule V of the Companies Act, 2013, the following information is furnished:

##### I. General Information about the Company and Appointee:

- Nature of Industry : Manufacturing – PP Bags
- Financial Performance: During the year 2013-14, the Company's sales and other income was Rs. 2976.42 lakhs. However, due to tough competition and high material prices, the Company ended up with a loss.

##### II. General Information about the Appointees:

##### ➤ Background details & Job Profile:

- Sri. G. Radhakrishna, aged about 62 years has vast experience in the field of packaging industry. He has served as a Managing Director for a period of more than 5 years in the Company and has handled various assignments with valuable results. His job profile and responsibility in the Company includes planning and monitoring the growth of the Company, achieving optimum utilization of resources and enhancing customer, employee and shareholders' value.
- Sri. G.S. Sridhar, aged about 48 years is a Graduate in B.E. Electronics. He has more than 23 years of successful career behind him and has served as Director (Operations) for a period of more than 6 years in the Company. His job profile and responsibility has extended to areas like Production Planning, Operational techniques, Legal Matters, Management Quality Systems etc. He is taking care of Production and the Operations of the Company.
- Sri. G.V.Gopinath, aged about 42 years is a Post Graduate in Commerce with Advanced Diploma in Computer Applications taking care of Finance and Marketing of the Company. He has 20 years of successful career behind him. His job profile and responsibility has extended to areas like Finance, Costing and Cost Control, Project planning and Execution, Management Quality System, etc. He is taking care of both Finance and Marketing and plays an important role in the Company.

➤ Remuneration proposed to the Appointees and comparative remuneration payable with respect to Industry, size of the Company, profile of the position and person:

Considering the adverse business scenario and performance of the Company during the previous two years, Sri. G.Radhakrishna revised his remuneration as Re.1 per month with effect from 01.04.2013 and Sri. G.S.Sridhar and Sri. G.V.Gopinath has withdrawn their net payable remuneration amounting to Rs. 15,31,620/- for the year 2013-14.

Taking into consideration the size and level of operations of the Company, the invaluable experience of the appointee, difficult scenario faced by the Company and tight market situation, the industrial norms on remuneration package to Managing Director and whole time director, the remuneration package is considered very reasonable.

**III. Other Information:**

Reason for loss or inadequate profits, Steps taken or proposed to be taken for improvement, Expected increase in productivity and profits in measurable terms:

The Company has faced a tough situation and had incurred losses during the preceding three years. This is due to various factors such as global economic crisis, labour resources resulting in net realizations, shortage of power etc. The Company has initiated various plans to bring higher productive efficiency into the process. There has been various cost reduction exercises to optimize the process and for attaining better results by encouraging innovation and inflict ownership to the employees. The Company has implemented modern management initiatives aimed at exercising tighter controls on cost and overhead expenses. The Company is hoping for improved performance in the Financial Year 2014-15.

**Item No.7**

Sri. M.V.Chandrashekar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 23.12.1994. Sri. M.V.Chandrashekar is the chairman of the Audit Committee of the Board of Directors of the Company. He holds 75,759 shares in the Company.

Sri. M.V.Chandrashekar is a Director in the following Companies in India:

S.No	Name of the Company	Designation
1	Celebro Consultancy Services Private Limited	Director
2	Smilee Green NR Projects Private Limited	Director

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

Sri. M.V.Chandrashekar, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri. M.V.Chandrashekar, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director, to hold office for a term of five years up to March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Sri. M.V.Chandrashekar as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.



Based on the declaration received from the appointee director and in the opinion of the Board, Sri. M.V.Chandrashekar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri. M.V. Chandrashekar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. M.V.Chandrashekar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. M.V.Chandrashekar, as an Independent Director, for the approval by the shareholders of the Company.

Except Sri. M.V.Chandrashekar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **Item No:8**

Sri. S. Ramakrishnan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 29.05.2002. Sri. S. Ramakrishnan is the member of Audit Committee and Nomination and Remuneration Committee, of the Board of Directors of the Company. Sri. S. Ramakrishnan is not holding Directorship in any Companies in India. He is not holding any shares in the Company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an Independent director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

Sri. S. Ramakrishnan, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri. S. Ramakrishnan, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director, to hold office for a term of five years up to March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Sri. S. Ramakrishnan as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Sri. S. Ramakrishnan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri. S. Ramakrishnan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. S. Ramakrishnan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. S. Ramakrishnan, as an Independent Director, for the approval by the shareholders of the Company.

Except Sri. S. Ramakrishnan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No.9**

Sri. Ravindra Madupu Reddy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 23.12.1994. Sri. M. Ravindra Reddy is not holding directorship in other Companies in India. He is holding 3500 shares in the Company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

Sri. Ravindra Madupu Reddy, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri. Ravindra Madupu Reddy, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director, to hold office for a term of five years up to March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Sri. Ravindra Madupu Reddy as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Sri. Ravindra Madupu Reddy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri. Ravindra Madupu Reddy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. Ravindra Madupu Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. Ravindra Madupu Reddy, as an Independent Director, for the approval by the shareholders of the Company.

Except Sri. Ravindra Madupu Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No:10**

Sri. Sanjay Ramaswami is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 27.05.2010. Sri. Sanjay Ramaswami is the member of Nomination and Remuneration Committee of the Board of Directors of the Company. He is not holding any shares in the Company.

Sri. Sanjay Ramaswami is a Director in the following Companies in India:

S.No	Name of the Company	Designation
1	RAS Adyar Hotels Private Limited	Director
2	Aptus Centre for Excellence Training Academy Private Limited	Director

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up

to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

Sri. Sanjay Ramaswami, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri. Sanjay Ramaswami, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director, to hold office for a term of five years up to March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Sri. Sanjay Ramaswami, as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Sri. Sanjay Ramaswami fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri. Sanjay Ramaswami as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. Sanjay Ramaswami as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. Sanjay Ramaswami, as an Independent Director, for the approval by the shareholders of the Company.

Except Sri. Sanjay Ramaswami, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**As required under Clause 49 of the Listing Agreement a brief profile of the Director getting appointed / reappointed along with the nature of their expertise, is provided in this Annual Report.**

**SRI. M.V.CHANDRASHEKAR:**

Sri. M. V. Chandrashekar is a graduate in B.Sc. with a degree in B.E. (Mech.). He is also an Executive in MBA finance. He is an Industrialist at Bangalore and has an experience of over 50 years. He is a Committee member of Srirama Vidyalaya trust. He holds 75,759 shares in the Company. He is a Chairman of Audit Committee of the Board.

**SRI. S.RAMAKRISHNAN:**

Sri. S. Ramakrishnan, aged 78 years, has been in the Board of the Company since 2002. He is a Science Graduate. He was a past Member of Indian Society of Training and Development. He was a Director in M/s. Abbott Laboratories and a Member of OPPI Marketing Committee, is a Member of the Audit Committee and Nomination and Remuneration Committee of the Company. He is expert in handling production and workforce problems and HRD needs.

**SRI. M.RAVINDRA REDDY:**

Sri. M. Ravidra Reddy is a Science and Law Graduate. He is an Advocate and has vast experience in legal field. His experience in the legal field has been supplementary to the functioning of the Company. He has been the Director of the Company since 1994.

**SRI. SANJAY RAMASWAMI:**

Sri. Sanjay Ramaswami is an L.L.B at the University of Hull United Kingdom. He has wide practice in civil, criminal, company law, banking, labor administrative laws, municipal laws and Arbitration laws. He has been the Director of the Company since 2010.

**SRI. G.P.N GUPTA:**

Sri. G.P.N Gupta, Chairman and Non –executive Director of the Company is a Commerce Graduate having over 40 Years of experience in the Packaging Industry. He has been associated with the company since his appointment as Director in the year 2010. He is currently the Managing Director of Jumbo Bag Limited, one of the group companies. He is member of the Audit Committee and Nomination and Remuneration Committee. He is holding 1,89,800 shares in the Company.

**SRI. G. RADHAKRISHNA:**

Sri. G. Radhakrishna, aged about 62 years has vast experience in the field of packaging industry. He has served as a Managing Director for a period of more than 5 years in the Company and has handled various assignments with valuable results. His job profile and responsibility in the Company includes planning and monitoring the growth of the Company, achieving optimum utilization of resources and enhancing customer, employee and shareholders' value.

**SRI. G.S. SRIDHAR:**

Sri. G.S. Sridhar, aged about 48 years is a Graduate in B.E. Electronics. He has more than 23 years of successful career behind him and has served as Director (Operations) for a period of more than 6 years in the Company. His job profile and responsibility has extended to areas like Production Planning, Operational techniques, Legal Matters, Management Quality Systems etc. He is taking care of Production and the Operations of the Company.

**SRI. G.V.GOPINATH:**

Sri. G.V.Gopinath, aged about 42 years is a Post Graduate in Commerce with Advanced Diploma in Computer Applications taking care of Finance and Marketing of the Company. He has 20 years of successful career behind him. His job profile and responsibility has extended to areas like Finance, Costing and Cost Control, Project planning and Execution, Management Quality System, etc. He is taking care of both Finance and Marketing and plays an important role in the Company.

**Item no. 11:**

The Board of Directors at their meeting held on August 12, 2014, have in-principle approved and recommended the invitation and acceptance of Fixed Deposits from the members pursuant to Section 73 of the Companies Act, 2013 ("Act") and Companies (Acceptance of Deposits) Rules, 2014 ("Rules") as one of the modes to meet the ongoing fund requirements of the Company.

The Fixed Deposit program would be credit rated on an annual basis and the Company may provide deposit insurance cover, if required under the Act read with the said Rules. It is proposed to authorize the Board or a committee thereof to negotiate and finalize the terms of Fixed Deposit Scheme and to do such other acts and deeds as may be necessary or incidental thereto. In compliance with the provisions of Section 73 of the Act, read together with Rule 2(e) of the Companies (Acceptance of Deposits) Rules, 2014, approval of the Members by way of special resolution is being sought.

The Board commends the Resolution set out at Item No.11 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said resolution, except to the extent of any Fixed Deposits that may be placed with company by them, their relatives or by the companies/institutions in which they are directors.

**Item No.12:**

In order to meet the requirements of Section 293 (1) (d) of the Companies Act, 1956 the shareholders had, in the Annual General Meeting held on September 12, 2005, authorized the Company to borrow sums in excess of paid capital and free reserves of the Company subject to a ceiling of Rs.50 Crores (other than temporary borrowings).

Section 180 of the Companies Act, 2013 (notified as on September 12, 2013) mandates that the aforementioned powers of the Board shall be exercised only through Special Resolution passed in the meeting of shareholders as compared to the requirement of ordinary resolution under the previous Act. Further the Ministry of Corporate Affairs vide its circular no. 04/2014 dated 25/03/2014 have stated that the resolution passed under section 293 of the Companies Act, 1956 , prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

Consequently, the Board recommends to the shareholders to pass a special resolution under Section 180(1)(c) of the Companies Act, 2013, without altering the borrowing limits already approved by way of the resolution passed earlier in the earlier Annual General Meeting.

Accordingly, the proposed resolution is placed before the shareholders for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No: 13**

The Company is facing difficult operating environment. The accumulated losses have resulted in more than 50% erosion of net worth. While the management is taking every effort to ensure Company's recovery, it may be necessary to lease, mortgage some assets to provide the company with liquidity to run day to day operations. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at item no.13 of the notice, to authorize the Board of Directors to lease, mortgage the whole or any part of the undertaking of the company, if required, at their discretion and such activity may be regarded as disposal of the company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.13. The Board commends the Special Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

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

Place : Chennai  
Date : 12.08.2014

**S.CHANDRASEKAR**  
**COMPANY SECRETARY**

## REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

To  
The Members

Your Directors present the Twenty Third Annual Report, together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2014

### FINANCIAL RESULTS:

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

(Rs. in Lakhs)

PARTICULARS	2013-14	2012-13
SALES AND OTHER INCOME	2976.42	2046.75
PROFIT BEFORE INTEREST, DEPRECIATION & TAXES	193.55	47.76
INTEREST	224.76	224.27
DEPRECIATION	70.70	79.80
PROFIT BEFORE TAX	(103.10)	(257.77)
DEFERRED TAX	-	-
PROFIT / (LOSS) AFTER TAX	(103.10)	(257.77)
PROFIT/ (LOSS) OF EARLIER YEARS	(328.50)	(70.73)
PROFIT / (LOSS)	(431.60)	(328.50)

### DIVIDEND:

Considering the current and accumulated losses of your Company, the Board of Directors is not recommending any dividend for the year 2013-14

### REVIEW OF OPERATIONS:

During the year under review, the Company's gross sales amounted to Rs. 3,305.83 lakhs as against Rs. 2,381.95 lakhs in the year 2012-13. During the year, your Company was able to increase the turnover by 1.4 times and there was a marginal improvement in the overall performance as compared to the previous year.

Your Company has recorded a Net loss after tax of Rs. 103.10 lakhs as against the net loss of Rs. 257.77 lakhs incurred in the previous year. The accumulated losses have increased to Rs. 431.60 lakhs resulting in an erosion of 71% of the Networth of the Company.

Your Company had faced tough situations during the previous two financial years. Lack of orders, global scenario and liquidity were the major factors for the difficult situation and the resultant erosion. The setback faced was also due to under-utilization of capacity which resulted in low production and low sales till Sept' 2013. However, the Company was able to increase its performance by increasing its production and sales from the second half of the financial year 2013-14 which resulted in a profitable fourth quarter.

Your Company is thriving hard to improve their Operational performances by implementing various cost-cutting and value engineering measures in the manufacturing operations. During the year, a detailed study was made on the categorization of the customers, based on the orders and realizations, and the Company concentrated on identifying the customers / orders which gave prompt realizations and the resultant profits.

Further, the Company is taking necessary action for sale of land at Nellore that shall bring long term liquidity into the Company. Your Promoters are continuing their support by bringing funds into the Company.

Considering the above factors and scope during the immediate future, the Management is confident that the performances from the year 2014-15 will see an upward trend.

**DIRECTORS:**

The Company has, pursuant to the provisions of clause 49 of the Listing Agreement entered into with the Stock Exchange and Section 149 of the Companies Act 2013 has appointed Sri. M.V.Chandrashekar, Sri. S. Ramakrishnan, Sri. Ravindra Madupu Reddy and Sri. Sanjay Ramaswami as an Independent Directors of the Company, to hold office for a term of five years up to March 31, 2019 subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has received declarations from the appointee independent directors, that they meet the criteria of independence, as prescribed both under sub-section (6) of Section 149 of the Companies Act 2013 and under the said clause 49.

Sri. G.P.N. Gupta retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment.

The tenure of Sri. G.Radhakrishna, Managing Director comes to an end on 18<sup>th</sup> November 2014. The tenure of Sri. G.V. Gopinath and Sri. G.S. Sridhar comes to an end on 24<sup>th</sup> September 2014. The Board has approved and recommended to the Shareholders, their re-appointment for a further period of three years.

**STATUTORY AUDITORS:**

The Statutory Auditors of the Company, M/s. M.Srinivasan & Associates, Chartered Accountant, Chennai, retire at the ensuing Annual General Meeting, and have confirmed their eligibility and willingness to accept office, if re-appointed.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors recommend the re-appointment of the Auditors, M/s. M.Srinivasan & Associates, Chartered Accountants, Chennai, to hold office from the conclusion of the 23<sup>rd</sup> Annual General Meeting until the conclusion of the twenty sixth AGM of the Company subject to ratification of their re-appointment by the Shareholders at every AGM. A resolution proposing re-appointment of M/s. M.Srinivasan & Associates as the Statutory Auditors of the Company forms part of the Notice.

**INDEPENDENT AUDITOR'S REPORT:**

Clarification on Auditor's observation is given below:

'Emphasis of Matters' of the Independent Auditor's Report:

*We draw attention to Note No. 3 of the financial statements in this regard on the erosion of 71% of the Networth as on the balance sheet date. The Management is confident of bringing in long term funds by selling the idle land and buildings at Nellore which will results in liquidation of some of the borrowings thereby saving substantial interest cost. The company is also confident of better performance in the current financial year. Our opinion is not qualified in respect of this matter.*

As mentioned in note no. 3 of notes on accounts, the accumulated losses as on 31<sup>st</sup> March 2014 has resulted in erosion of 71% of Networth of the Company. The performance of the Company during the last two financial years was not good. Lack of orders, liquidity issues and global scenario were the major factors for such performance. However, the Company has taken various cost-cutting and value engineering measures in the manufacturing operations during the financial year 2013-14 which has improved its performance resulting with a profit in the last quarter of the year.

The Company is hoping to get continuous good orders from the year 2014-15. With the change in the political scenario, the Company is confident of having a good sale opportunity of its land at Nellore which will bring long term liquidity resulting in reducing the interest burden. Considering the scope during the immediate future and continuous financial support from the promoters, the management is confident that the performances from the year 2014-15 will see an upward trend.

**COST AUDITORS:**

Sri Rajesh Sai Iyer, Cost Accountant of Chennai was appointed as a Cost Auditor for the year 2013-14 to conduct Cost Audit and the Cost Audit Report for the year 2013-14 will be filed before the due date.

**PERSONNEL:**

None of the employees of the Company drew 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:**

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Sec.217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are enclosed as part of the 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:**

As required under Section 217 (2AA) of the Companies Act, 1956 the Directors hereby state and confirm that they have:

- a) In the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) They 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 loss of the Company for the year ended on that date.
- c) They 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; and
- d) They have prepared the annual accounts on a going concern basis

**FIXED DEPOSITS:**

The total amount of fixed deposits from public and shareholders of the company as at 31<sup>st</sup> March 2014 was Rs.65.75 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.



With the provisions of the Companies Act, 2013 coming into effect from 01.04.2014, your Company shall repay all the deposits accepted under Companies Act, 1956 before the prescribed due dates as mentioned in Section 74 of the Companies Act, 2013 and the rules notified thereunder.

#### **INTERNAL COMPLAINTS COMMITTEE:**

The Ministry of Child Development and Women have notified the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with effect from 09.12.2013.

As required under section 4 of the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules notified thereunder, an Internal Complaints Committee has been constituted at Stanpacks (India) Limited, Sholavaram Unit on 29.05.2014. The Members of the Committee are as under:

1. Ms. Shobana – Presiding Officer
2. Shri. Anderson – Member Cum HR
3. Shri. Thalamuthu Natarajan – Independent Member
4. Ms. Charumathi – Member
5. Ms. P.Pushpavathy – Member

A Policy of Internal Complaints Committee was approved by the Board of Directors in their Meeting held on 29.05.2014. There have been no cases reported since the time of constitution of the Committee.

#### **QUALITY MANAGEMENT SYSTEMS:**

Your Directors are happy to resort that as a commitment in meeting global quality standards, your company continues to have ISO 9001:2008 quality management systems a certificate from Intertek Certification Limited.

#### **FORWARD LOOKING STATEMENTS:**

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or 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 sincere gratitude to the encouragement, assistance, co-operation, and support given by the Central Government, the Government of Tamil Nadu and Karnataka Bank Ltd. during the year. The Directors appreciate your whole hearted efforts during the year and solicit your continued support and co-operation. They also wish to convey their gratitude to the valued customers, Auditors, customers, suppliers, dealers and all those associated with the company for their continued patronage during the year.

Your Directors also wish to place on record their appreciation for the hard work put in by the employees at all levels.

For and on behalf of the Board

Place : Chennai  
Date : 12<sup>th</sup> August 2014

**G. Radhakrishna**  
Managing Director

**G.V. Gopinath**  
Director Finance

**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**

Total energy consumption per unit of production as per Form-A:-

**FORM-A**

Sl. No.	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Electricity purchased from Electricity Boards		
	a. Total units purchased / consumed	1,161,924	637,542
	b. Total amount of Electricity bill (in Rs.)	8,111,807	4,810,726
	c. Rate per unit (in Rs.)	6.98	7.55
2	Own generation through Diesel generator		
	Diesel generator (in unit)	258,188	284,966
	Fuel (in ltrs.)	83,658	89,012
	Average unit generated per ltr.	3.07	3.20
	Rate per unit (in Rs.)	17.9	15.22

**B. TECHNOLOGY ABSORPTION**

Efforts made in technology absorption as per Form-B

**FORM-B****RESEARCH AND DEVELOPMENT (R&D)**

(Rs. in lakhs)

Expenditure on R&D	2013-14	2012-13
a) Capital	Nil	Nil
b) Revenue	Nil	Nil
c) Total	Nil	Nil
d) Total R & D expenditure as a percentage of total turnover	Nil	Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. in lakhs)

Particulars	2013-14	2012-13
<b>Foreign Exchange outgo</b>		
Imports (CIF)	Nil	44.82
Travel	Nil	Nil
<b>Foreign Exchange Earned:</b>		
F.O.B. Value of Exports	122.80	120.76

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRIAL TREND AND MARKET OUTLOOK:**

India has the second largest GDP among emerging economies based on purchasing power parity (PPP). The country is the 4<sup>th</sup> largest economy in terms of purchasing power parity (PPP). The packaging industry in India is one of the fastest growing industries which have its influence on all industries, directly or indirectly.

The Indian packaging industry is growing continuously. The total worth is about USD 24.6 billion. The average annual growth rate is about 13 - 15%. However, there is a great growth potential since India's per capita packaging consumption is merely 4.3 kg per person compared to China's 6 kgs and Taiwan's 19 kgs which offers a huge business opportunity to Indian Packaging Industry.

Moreover, the Indian retail market is the 5<sup>th</sup> largest retail destination, globally and has been ranked the second most attractive emerging market for investment. The market is currently valued at USD 350 million and is expected to rise to USD 1.3 trillion by 2015.

The overall Indian economy is expected to revive and grow between 6.1-6.7% during the year 2014-15 on account of relaxed interest rates, higher government spending and consumption revival catalyzed by acceleration in the agricultural sector (*source: India Pack 2014*)

The large growing middle class and organized retail sector are catalysts to the growth in packaging. There will be ten times increase of middle class population by 2025 in India which will further trigger the consumption of packaging material and thus, the packaging industry will grow further (*as per the Mckinsey report*).

#### **SWOT ANALYSIS:**

##### **OPPORTUNITIES AND STRENGTHS:**

PP bags are the traditional bags in packaging industry due to their wide variety of usage, flexibility and strength. Polypropylene bags are specializing in packing and transporting bulk commodities. Due to strength, flexibility, durability and lower cost, polypropylene bags are most popular products in industrial package, which are widely used in packing grain, feeds, fertilizer, seeds, powders, sugar, salt, powder, chemical in granulated form. Hence, the opportunities for the product in the market are enormous.

Stanpacks (India) Limited strongly believes in being close to the customers and working towards for customers' satisfaction. The Company ensures on best quality products matching with the global standards and specifications which is the strength in the growing scenario. Customers are serviced by a professional set of Sales & Marketing executives as well as technical service team offering solutions and help to upgrade product performance by suggesting and working alongside Customer's production units.

##### **WEAKNESSES AND THREATS:**

Constant fluctuation in the raw material (Polypropylene) prices can be the major hindrance in the Company growth. Shortage of Power in the State for the past two years had posted a serious threat to the production capacity of the Company. Shortage of manpower is also the most important factor which affects the Company's production at large. Despite these constraints the Company managed to increase its turnover in the year 2013-14. Hence, with proper planning and implementation, the Company could manage to keep these uncertainties under control.

##### **INTERNAL CONTROL SYSTEM:**

Your Company has adequate internal control procedures in respect of all its operations. It has laid down internal control procedures to ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly.

Internal Audit is being carried out by Independent Audit Firm of Chartered Accountants on an ongoing basis and it recommends appropriate improvements apart from ensuring adherence in company policies as well as regulatory compliance. The adequacy and effectiveness of the Internal Control procedures and the audit findings are being periodically reviewed and monitored by the Audit Committee.

##### **CAUTIONARY STATEMENT:**

Statements in the Directors' Report and Management Discussion & Analysis contain forward looking statements. Actual results, performances or achievements may vary materially from those expressed or implied, depending upon the economic conditions, Government policies, subsequent developments and other incidental factors.

##### **HUMAN RESOURCES:**

Your company is glad to announce that the industrial relations continue to be very cordial. Your Company has designated and implemented a large number of initiatives to build and improve knowledge base and competencies of employees at all levels. Stanpacks (India) limited has been encouraging its employees to come out with innovative suggestions, which will pave way for significant cost savings as well as overall development of the company.

For and on behalf of the Board

Place : Chennai  
Date : 12<sup>th</sup> August 2014

**G. Radhakrishna**  
Managing Director

**G.V. Gopinath**  
Director Finance

## REPORT ON CORPORATE GOVERNANCE

### 1. INTRODUCTION:

Corporate Governance is an ongoing process that ensures that the Company displays the highest standard of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics, in its dealings. Good Corporate Governance is a critical doctrine to the global economic system, enabling the business to not only effectively and efficiently achieve its corporate objectives but also develop a structure and methodology to sustain in a globally competitive environment.

#### COMPANY PHILOSOPHY:

Your Company firmly believes that implementation of good Corporate Governance will help the company achieve goals and enhance shareholder value. It has been our endeavor to give importance on ensuring fairness, transparency, accountability and responsibility to shareholders besides implementing practices voluntarily that would give optimum information and benefit to the shareholders and Board of Directors. The company has complied with the requisite mandatory and certain non-mandatory requirements of the Clause 49 of the Listing Agreement. The Company has also adopted Code of Conduct for Board of Directors and Senior Management which is strictly adhered to, by them. The Company is always in the pursuit to achieve better internal control and higher risk management which shall be tangible with the help of Corporate Governance.

### 2. BOARD OF DIRECTORS:

The Company is managed and controlled by professional Board of Directors comprising of Executive and Non-Executive Independent Directors. The composition of the Board of Directors as on 31.03.2014 is as under:

Name of the Directors	Category of Directorship	Designation	No. of Shares in the Company
Sri G.P.N.Gupta	Promoter – Non Executive	Chairman & Director	1,89,800
Sri G.Radhakrishna	Promoter – Executive	Managing Director	2,42,900
Sri M.Ravindra Reddy	Non Executive Independent	Director	3,500
Sri M.V.Chandrashekar	Non Executive Independent	Director	75,759
Sri S.Ramakrishnan	Non Executive Independent	Director	Nil
Sri Sanjay Ramaswami	Non Executive Independent	Director	Nil
Sri G.S.Sridhar	Whole-time Director (Executive - Promoter)	Director	26,568
Sri G.V.Gopinath	Whole-time Director (Executive - Promoter)	Director	4,967

#### BOARD MEETING:

During the financial year, the Board met 7 times on 29<sup>th</sup> April 2013, 30<sup>th</sup> May 2013, 12<sup>th</sup> August 2013, 25<sup>th</sup> September 2013, 12<sup>th</sup> November 2013, 11<sup>th</sup> February 2014 and 26<sup>th</sup> March 2014.

Attendance of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorship and Membership of Committee of each Director in various companies as on 31<sup>st</sup> March 2014:

Name of the Director	Attendance Particulars		No. of Directorships and Committee Membership	
	Board Meeting	Last AGM	Other Directorships (*)	Other Committee Memberships (#)
Sri G.P.N.Gupta	7	Yes	2	3
Sri G.Radhakrishna	4	No	2	2
Sri M.Ravindra Reddy	6	Yes	Nil	Nil
Sri M.V.Chandrashekar	7	Yes	2	Nil
Sri S.Ramakrishnan	7	Yes	Nil	Nil
Sri Sanjay Ramaswami	5	No	2	Nil
Sri G.S.Sridhar	6	Yes	Nil	Nil
Sri G.V.Gopinath	7	Yes	1	Nil

Note: None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director

(\*) Includes Private Limited Companies

(#) Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee are alone considered for this purpose.

### 3. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, the Audit Committee has been constituted with the following members:

Sri M.V.Chandrashekar - Chairman cum Member

Sri S.Ramakrishnan - Member

Sri G.P.N.Gupta - Member

The Company Secretary of the Company is the Secretary of the Committee

The scope of the Audit Committee is as mentioned in the clause 49(II)d of the listing agreement.

The Audit Committee met four times during the period from 01<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 on the following dates, 30<sup>th</sup> May 2013, 12<sup>th</sup> August 2013, 12<sup>th</sup> November 2013 and 11<sup>th</sup> February 2014 and not more than four months lapsed between two meetings.

Attendance particulars of each director at the Audit Committee Meeting as follows:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Sri M.V.Chandrashekar	Non Executive –Independent	4	4
Sri S.Ramakrishnan	Non Executive –Independent	4	4
Sri G.P.N.Gupta	Non Executive	4	4

**4. NOMINATION AND REMUNERATION COMMITTEE (FORMERLY TERMED AS REMUNERATION COMMITTEE):**

The scope of the committee is as below:

- To deal with appointments, remuneration, promotion and other related aspects in respect of the Managing Director, Whole-time Director and other Senior Management Personnel of the Company.
- To review the remuneration policy of the company from time to time which is in consonance with the existing industry practice i.e., directed towards rewarding performance based on review of achievement on periodical basis.

The Selection & Remuneration Committee is constituted with the following members:

Sri S.Ramakrishnan	-	Chairman cum Member
Sri G.P.N Gupta	-	Member
Sri Sanjay Ramaswami	-	Member

During the financial year, the Committee met on 26<sup>th</sup> March 2014 for appointment of Company Secretary and the attendance particulars is as follows:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Sri S.Ramakrishnan	Non Executive – Independent	1	1
Sri G.P.N. Gupta	Non Executive – Non Independent	1	1
Sri Sanjay Ramaswami	Non Executive – Independent	1	1

**REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2013-14**
**(i) Sri G.Radhakrishna, Managing Director**

(Rs in lakhs)

Fixed Components	2013-2014 (Amount in Rs.)	2012-2013 (Amount in Rs.)
Salary/Allowances	-	10.20
Perquisites	-	0.28
Retirement Benefits	-	0.90
Provision for Leave salary	0.24	0.19
<b>Total</b>	<b>0.24</b>	<b>11.58</b>

**(ii). Sri G.S.Sridhar, Whole Time Director (Operations)**

(Rs in lakhs)

Fixed Components	2013-2014 (Amount in Rs.)	2012-2013 (Amount in Rs.)
Salary/Allowances	-	7.68
Perquisites	-	0.22
Retirement Benefits	0.72	0.72
Provision for Leave salary	0.19	0.15
<b>Total</b>	<b>0.91</b>	<b>8.77</b>

**(iii) Sri G.V.Gopinath, Whole Time Director (Finance)**

(Rs in lakhs)

Fixed Components	2013-2014 (Amount in Rs.)	2012-2013 (Amount in Rs.)
Salary/Allowances	-	7.68
Perquisites	-	-
Retirement Benefits	0.72	0.72
Provision for Leave salary	0.19	0.15
<b>Total</b>	<b>0.91</b>	<b>8.55</b>

**NOTE**

There is no notice period and severance fee. The Company does not have a scheme for grant of Stock Option to the Directors.

Remuneration by way of Sitting fee of Rs.10,000/- is paid to the Non-Executive Directors for attending Board / Committee Meetings. Apart from the sitting fees, travel, accommodation and out-of-pocket expenses incurred by them for attending the meetings are also reimbursed.

**SITTING FEE**

The details of sitting fees paid to Non-Executive Directors for the year 2013-14 are given below:

(Rs in lakhs)

NAME OF THE DIRECTOR	AMOUNT (RS.)
Sri.G.P.N.Gupta	Nil
Sri.M.V.Chandrasekar	1.10
Sri.S.Ramakrishnan	1.20
Sri.M.Ravindra Reddy	0.60
Sri Sanjay Ramasami	0.60

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE (FORMERLY TERMED AS SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE):**

The role of the Committee is to look into the redressal of shareholders and investors complaints. The Share holders and Investors' Grievance Committee looks into redressal of shareholders' / investors' complaints to the extent they are unresolved. The Committee oversees performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

The Committee is constituted with Sri. G.P.N. Gupta, Non Executive Director, as Chairman and Sri. G.Radhakrishna, Executive Director, as Member.

**COMPLIANCE OFFICER:**

Sri. S.Chandrasekar, Company Secretary is the Compliance Officer of the Company. His e-mail address is cs-sl@blissgroup.com. The Company received "Nil" complaints during the year.

**6. SHARE TRANSFER:**

Pursuant to Clause 49(IV)(G)(iv) of the Listing Agreement, Sri. G. Radhakrishna has been authorized with the power to transfer shares and to redress the complaints pertaining to share transfer, as designated Share Transfer Officer.

## 7. GENERAL BODY MEETINGS

Date, Time & Venue of the last three Annual General Meetings:

Financial Year	Date	Time	Venue	Whether Special Resolution passed
2010-11	22.09.2011	10.30 a.m.	Narada Gana Sabha trust, Mini Hall, No.314, TTK Road, Chennai- 600018	Yes
2011-12	26.09.2012	10.30 a.m.	Narada Gana Sabha trust, Mini Hall, No.314, TTK Road, Chennai- 600018	No
2012-13	25.09.2013	10.30 a.m.	Narada Gana Sabha trust, Mini Hall, No.314, TTK Road, Chennai- 600018	No

## 8. POSTAL BALLOT:

No special resolution was put through postal ballot during last 3 years. The provisions relating to postal ballot will be complied as per the provisions of the Companies Act, 1956 as and when situation may arise. Similarly, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

## 9. WHISTLE BLOWER POLICY:

The Company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, violations of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. It is affirmed that during the Financial Year 2013-14, no employee has been denied access to the Audit Committee.

## 10. RISK ASSESSMENT AND MINIMIZATION PROCEDURES:

As per Clause 49 IV (C), the company shall lay down procedures to inform Board of Directors about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Accordingly, a system has been developed and procedures have been laid down, on risk assessment and minimization. The scope of the Audit Committee includes review of company's financial and risk management policies.

## 11. INTERNAL CONTROL SYSTEM:

The Company has adequate internal control procedures in respect of all its operations. It has laid down internal control procedures to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly to the Board as per Clause 49V.

## 12. MEANS OF COMMUNICATION:

The half yearly/quarterly financial results are published in newspapers viz., "The Financial Express" and "Malaisudar" (Tamil). The half yearly/quarterly financial results are also displayed on the Company's website [www.blissgroup.com](http://www.blissgroup.com). The Company's website also displays several other details/information of interest to various stakeholders.



**13. GENERAL SHAREHOLDERS INFORMATION**

(A) Financial Year Calendar (tentative and subject to change) 01.04.2014 to 31.03.2015

Unaudited Results for the First Quarter Ending 30.06.2014	12 <sup>th</sup> August 2014
Unaudited Results for the Second Quarter Ending 30.09.2014	Between 01 <sup>st</sup> and 14 <sup>th</sup> November 2014
Unaudited Results for the Third Quarter Ending 31.12.2014	Between 01 <sup>st</sup> and 14 <sup>th</sup> February 2015
Audited Results for the year ending 31.03.2015	Between 15 <sup>th</sup> May and 30 <sup>th</sup> May 2015
AGM for 2014-15	During September 2015

(B) Annual General Meeting

Date &amp; Time : 29.09.2014 @ 11.00 a.m.

Venue : Narada Gana Sabha Trust, Mini Hall,  
No. 314, T.T.K. Road, Chennai – 600018

(C) Book Closure Date : From 23.09.2014 to 29.09.2014 (both days inclusive)

(D) Financial Calendar : April 1<sup>st</sup> to March 31<sup>st</sup>

(E) Dividend : Nil

(F) Listing on Stock Exchange : Bombay Stock Exchange (BSE)  
(During the year, the Company's Shares were delisted from Madras Stock Exchange (MSE). MSE vide their letter dated 28.11.2013 confirmed the delisting of Securities).

(G) Stock Exchange Code

Trading symbol on the BSE : 530931

ISIN Code at NSDL / CDSL : INE457D01018

(H) Registrar and Transfer Agent : M/s. Cameo Corporate Services Limited,  
'Subramaniam Building', No. 1, Club House Road,  
Mount Road, Chennai – 600002(I) Plant Location : Sholiyapalayam Village, Sholovaram, Ponneri Taluk  
Thiruvallur District, Chennai – 600067, Tamil Nadu(J) Address for Correspondence : 'S.K.Enclave', New No. 4, (Old No. 47), 1<sup>st</sup> Floor,  
Nowroji Road, Chetpet, Chennai - 600031

**STOCK MARKET DATA:**

The monthly high and low share prices of equity shares of the company traded at The Bombay Stock Exchange Limited, Mumbai from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 is given below:

Month	High	Low	Volume
April 2013	6.40	5.88	13037
May 2013	-	-	-
June 2013	6.50	6.50	40
July 2013	-	-	-
August 2013	6.20	5.32	1610
September 2013	5.06	4.81	1517
October 2013	-	-	-
November 2013	-	-	-
December 2013	5.05	5.00	11
January 2014	4.99	4.99	5
February 2014	-	-	-
March 2014	5.49	5.23	11

**SHARE TRANSFER SYSTEMS**

Shares lodged in physical form with the Company / RTA are processed and returned, duly transferred, within 30 days from the date of receipt, if the documents submitted are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through their respective Depository Participants.

**DISTRIBUTION OF SHAREHOLDING (AS ON 30<sup>th</sup> JUNE 2014)**

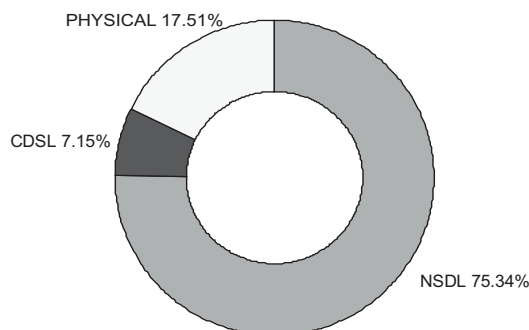
No. of shares held	No. of Shareholders	% of Shareholding	No. of shares	% of Shareholding
Upto 500	2208	70.72	501238	8.22
501-1000	373	11.95	315230	5.17
1001-2000	150	4.80	225752	3.70
2001-3000	161	5.16	406921	6.68
3001-4000	86	2.76	299938	4.92
4001-5000	35	1.12	167481	2.75
5001-10000	46	1.47	348650	5.72
10001- 20000	20	0.64	268353	4.40
20001 -50000	24	0.77	748392	12.28
50001 -100000	10	0.32	779238	12.78
100001 & above	9	0.29	2034807	33.38
<b>TOTAL</b>	<b>3122</b>	<b>100.00</b>	<b>6096000</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 30<sup>th</sup> JUNE 2014**

Category	No. of Shares Held	% of Shareholding
1. Promoters & Promoter group	2153922	35.33
2. Body Corporate	224102	3.68
3. Mutual Funds	87625	1.44
4. NRIs	217900	3.57
5. Individual & Others	3412451	55.98
<b>TOTAL</b>	<b>6096000</b>	<b>100.00</b>

**DEMAT/PHYSICAL STATUS OF SHARES (% TO PAID UP CAPITAL) AS ON 30<sup>TH</sup> JUNE 2014:**

The Company has entered into the necessary arrangements with NSDL and CDSL for dematerialization of the shares held by investors. SEBI has included the shares of the Company in the list of scrips for trading only in dematerialized form for all investors, with effect from June, 2001.


**DISCLOSURES:**
**Related Party Transactions**

Related Party Transactions are defined as transactions of the company of a material nature, with Promoters, Directors or the Management or their relatives etc, which may have potential conflict with the interest of the Company at large.

The company has not entered into any transaction of material nature with the Promoter, Directors or Management, their relatives that may have potential conflict of interest of the Company at large. There are no material transactions with related parties that may have any potential conflict with the interest of the Company at large. There is no pecuniary transaction with the independent / non-executive directors. All transactions covered under related party transactions are detailed under Note 13 – Notes annexed to and forming part of the Balance Sheet of the company.

**STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:**

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authority (ies) on all matters related to the capital market during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or by any Statutory Authority (ies) relating to the above.

The non mandatory requirements of Clause 49 of the Listing Agreement, wherever necessary have been complied with.

**CEO/CFO CERTIFICATION:**

The certificate as required under Clause 49(V) of the Listing Agreement is given as Annexure II infra.

**COMPLIANCE CERTIFICATE OF THE AUDITORS:**

A Certificate obtained from the Auditors of the Company, M/s. M.SRINIVASAN & ASSOCIATES, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated in Clause 49 (VII) of the listing agreement is given as Annexure III infra.

**CODE OF CONDUCT:**

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. The Managing Director's declaration as required under Clause 49 (1) (D) of the Listing Agreement is given as Annexure IV infra.

For and on behalf of the Board

Place : Chennai  
Date : 12<sup>th</sup> August 2014

**G. Radhakrishna**  
Managing Director

**G.V. Gopinath**  
Director Finance

**ANNEXURE II****CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF STANPACKS (INDIA) LIMITED**

We, G.Radhakrishna, Managing Director and G.V. Gopinath, Director-Finance of Stanpacks (India) Limited (the Company), certify to the best of our knowledge and belief that:

1. We have reviewed the Balance Sheet and Statement of Profit and Loss and all its Schedules and Notes on Accounts, as well as the Cash Flow Statement and Directors' Report for the year ended 31<sup>st</sup> March 2014.
  - (a) Based on our knowledge and information, these statements do not contain any untrue statements regarding any material fact or does not omit any material fact or does not contain statements that might be misleading.
  - (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and belief no transactions entered into by the Company, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.
4. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee:
  - (a) Significant changes in internal control over financial reporting during the year;
  - (b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (c) Instances, if any, of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
5. We affirm that we have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).
6. As required by Clause 49(1) (D) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the Website of the Company.

For and on behalf of the Board

Place : Chennai  
Date : 12<sup>th</sup> August 2014

**G. Radhakrishna**  
Managing Director

**G.V. Gopinath**  
Director Finance

**ANNEXURE III****C E R T I F I C A T E****TO THE MEMBERS OF STANPACKS (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by Stanpacks (India) Limited for the year ended 31<sup>st</sup> March 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending during the year exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M.SRINIVASAN & ASSOCIATES**  
**Chartered Accountants**  
 Firm Registration No. 0040505

**M.SRINIVASAN**  
 Partner

**Membership No.022959**

Place: Chennai

Date : 12<sup>th</sup> August 2014

**ANNEXURE IV****DECLARATION FOR CODE OF CONDUCT****PHILOSOPHY**

The STANPACKS (INDIA) LIMITED code of conduct, as adopted by the Board of Directors, is applicable to Directors, Senior Management and Employees of the Company. The Code is derived from three interlinked fundamental principles viz., good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers STANPACKS (INDIA) LIMITED's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly work place, transparency and audit ability, legal compliance and the philosophy of leading by personal example.

**Declaration pursuant to Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct**

To

The Shareholders of Stanpacks (India) Limited

We hereby declare that all Members of the Board and Senior Management Personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company formulated by the Board of Directors for the financial year ended 31<sup>st</sup> March 2014. It is also confirmed that the code of conduct has already been posted on the website of the Company.

For Stanpacks (India) Limited

Place: Chennai

Date: 12<sup>th</sup> August 2014

**G.Radhakrishna**  
 Managing Director

## INDEPENDENT AUDITOR'S REPORT

To the Members of Stanpacks (India) Limited

### 1) Report on the Financial Statements

We have audited the accompanying financial statements of **Stanpacks (India) Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 2) Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3) Auditor's Responsibility

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- c) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

**5) Emphasis of Matters:**

*We draw attention to Note No. 3 of the financial statements in this regard on the erosion of 71% of the networth as on the balance sheet date. The management is confident of bringing in long term funds by selling the idle land and buildings at Nellore which will result in liquidation of some of the borrowings thereby saving substantial interest cost. The company is also confident of better performance in the current financial year. Our opinion is not qualified in respect of this matter.*

**6) Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the Balance Sheet and Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of Clause(g) of sub section (1) of section 274 of the Companies Act, 1956.

**For M.Srinivasan & Associates**  
Chartered Accountants,  
(FRN No: 004050S)

**M. Srinivasan**  
Partner  
M.No: 022959

Place: Chennai  
Date: 29<sup>th</sup> May, 2014

### Annexure to the Independent Auditor's Report

Referred to in paragraph 6 of our report of even date

- 4 (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of Physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
- (ii) (a) The Inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion, the procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However, the Company has taken unsecured loans from one party, Balaji Trading Private Limited covered in the register maintained under Section 301 of the Companies Act, 1956 aggregating to 202.48 lakhs (Maximum amount outstanding during the year 202.48 Lakhs).
- (b) The rate of interest and the terms and conditions are not prima facie, prejudicial to the interest of the Company.
- (c) The Company has paid the Interest at regular intervals.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) In our opinion and according to the information and explanation given to us, there are contracts and arrangements which require the particulars need to be entered into the register maintained under section 301 of the Companies act, 1956 and the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has complied with the provisions of section 58A and 58AA or any other relevant provision of the Act and the Companies (Acceptance of Deposit) rules, 1975 with regard to deposits accepted from Public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records.



- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted or accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales tax, Excise duty, Service tax, customs duty and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues in respect of Provident Fund, Income tax, Sales tax, Customs duty, Service tax and other material statutory dues that were in arrears as at 31<sup>st</sup> March 2014 for a period more than six months from the date they became payable.

- (b) Details of dues of Sales tax and Excise duty that have not been deposited on account of disputes are as stated in Note 8 of the notes to the accounts forming part of the financial statements.
- (x) In our opinion, the accumulated losses of the Company are more than 71% of its networth. The Company has incurred Cash loss of Rs 32.40 lakhs during the year as compared to the cash loss of Rs.177.97 lakhs during the previous year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions.
- (xii) The Company has not granted any loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) The Provisions of any special statute applicable to a chit fund, nidhi, mutual benefit fund/societies are not applicable to the company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us, term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, funds raised on short term basis have, prima facie not been utilised during the year for long-term investment/application and vice versa.
- (xviii) The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) Since the Company has not issued any debentures, the provisions of clause 4 (xix) of the Companies (Auditors report) order 2003 are not applicable to the Company.
- (xx) The Company has not raised any money by way of public issue, during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **M.Srinivasan & Associates**  
Chartered Accountants,  
(FRN No: 004050S)

Place: Chennai  
Date: 29<sup>th</sup> May, 2014

**M. Srinivasan**  
Partner  
M.No: 022959

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014**

(Rs. in Lakhs)

Particulars	Note	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share capital	2.1	609.60	609.60
Reserves and surplus	2.2	(431.60)	(328.50)
<b>Non-Current Liabilities</b>			
Long-term borrowings	2.3	645.38	543.51
Other long term liabilities	2.4	31.25	28.76
Long term provisions	2.5	76.17	72.55
<b>Current liabilities</b>			
Short-term borrowings	2.6	990.03	905.90
Trade payables	2.7	1,104.12	499.13
Other current liabilities	2.8	37.60	40.03
Short term provisions	2.9	147.67	136.63
		<b>3,210.22</b>	<b>2,507.61</b>
<b><u>ASSETS</u></b>			
<b>Non current assets</b>			
Fixed assets			
– Tangible assets	2.10	589.79	672.61
– Intangible assets		-	-
– Capital work in progress		-	-
– Intangible assets under development		-	-
Deferred tax assets (net)	2.3	30.15	30.15
Long term loans and advances	2.11	4.21	3.60
Other non current assets	2.12	184.29	136.50
<b>Current assets</b>			
Inventories	2.13	1,526.57	1,314.25
Trade receivables	2.14	853.04	327.32
Cash and cash equivalents	2.15	18.44	18.41
Short term loan and advances	2.16	3.73	4.77
Other current assets	2.17	-	-
		<b>3,210.22</b>	<b>2,507.61</b>

Significant accounting policies and Notes to accounts 1 to 23.

As per our report attached

For **M. SRINIVASAN & ASSOCIATES**

Chartered Accountants

FRN : 004050S

For and on behalf of the Board

**M.Srinivasan**

Partner

Membership No. 022959

Place : Chennai

Date : 29<sup>th</sup> May, 2014**G. RADHAKRISHNA**

Managing Director

**G.V. GOPINATH**

Director Finance

**S.CHANDRASEKAR**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

(Rs. in Lakhs)

Particulars	Note	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>Revenue from operations</b>			
Sale of manufactured products		3,305.83	2,381.95
Less: Excise duty		231.39	253.26
Less: Sales Tax		106.15	85.30
<b>Total revenue from operations</b>		<b>2,968.29</b>	<b>2,043.39</b>
Other income	2.18	8.13	3.36
<b>Total Revenue</b>		<b>2,976.42</b>	<b>2,046.75</b>
<b>Expenses</b>			
Cost of materials consumed	2.19	2,441.10	1,436.20
Change in inventory of finished goods	2.20	(101.20)	(97.35)
Employee benefits expense	2.21	117.76	158.28
Finance costs	2.22	224.76	224.27
Depreciation and amortisation expense		70.70	79.80
Other expenses	2.23	325.21	501.86
<b>Total expenses</b>		<b>3,078.33</b>	<b>2,303.06</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>(101.91)</b>	<b>(256.31)</b>
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(101.91)</b>	<b>(256.31)</b>
Extraordinary items		-	-
Prior period items	2.24	1.19	1.46
<b>Profit / (Loss) before tax</b>		<b>(103.10)</b>	<b>(257.77)</b>
Tax expense		-	-
<b>Profit / (Loss) for the period from continuing operations</b>		<b>(103.10)</b>	<b>(257.77)</b>
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations after tax		-	-
<b>Profit / (Loss) for the period</b>		<b>(103.10)</b>	<b>(257.77)</b>
<b>Earning per equity share</b>			
Basic and Diluted		(1.69)	(4.23)
<b>Number of shares used in computing earnings per share</b>			
Basic and Diluted		6,096,000	6,096,000

Significant accounting policies &amp; Notes to accounts 1 to 23.

As per our report attached  
For **M. SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
FRN : 0040505

For and on behalf of the Board

**G. RADHAKRISHNA**  
Managing Director

**G.V. GOPINATH**  
Director Finance

**M.Srinivasan**  
Partner  
Membership No. 022959  
Place : Chennai  
Date : 29<sup>th</sup> May, 2014

**S.CHANDRASEKAR**  
Company Secretary

**CASH FLOW STATEMENT FOR THE PERIOD FROM 01<sup>ST</sup> APRIL 2013 TO 31<sup>ST</sup> MARCH 2014**  
(Pursuant to Clause 32 of the Listing Agreement)

(Rs. in Lakhs)

Particulars		Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Net Profit Before Tax and Extraordinary Items		(101.90)		(256.30)
	Adjustments for Depreciation	70.70		79.80	
	Preliminary Expenses W/Off	-		-	
	Share Issue Expenses W/Off	-		-	
	Prior Period Adjustments	(1.19)		(1.45)	
	Profit on Sale of Fixed Assets	-		(0.057)	
	Loss on Sale of Fixed Assets	9.35		129.55	
	Interest Earned	(2.13)		(1.77)	
	Interest Paid	224.76		224.26	
	Operating Profit before Working Capital Changes		301.49		430.33
	Adjustment for		199.59		174.03
	Trade Receivables -(Increase)/Decrease	(573.24)		16.22	
	Inventories - (Increase) / Decrease	(212.34)		(68.69)	
	Trade Payables - Increase / (Decrease)	621.42		106.71	
	<b>Cash Generated from Operations</b>		(164.16)		54.24
			<b>35.43</b>		<b>228.27</b>
	Interest Earned		2.13		1.77
	Interest Paid		(224.76)		(224.26)
	Less : Direct Tax Paid		-		-
	Cash Flow before Extraordinary Items		(187.20)		5.78
	Extraordinary Items		-		-
	<b>Net Cash from Operating Activities</b>		<b>(187.20)</b>		<b>5.78</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase of Fixed Assets	(0.58)		(5.41)	
	Sale of Fixed Assets	3.34		19.81	
	Net Cash used for Investing Activities		2.76		14.39
			<b>2.76</b>		<b>14.39</b>
<b>C</b>	<b>Cash flow from Financial Activities</b>				
	Proceeds from Long Term Borrowings	184.46		(20.58)	
	Dividend (Including Tax on dividend)	-		-	
	<b>Net Cash Used in Financing Activities</b>		<b>184.46</b>		<b>(20.58)</b>
	Net Increase in Cash & Cash equivalents A + B + C		0.02		(0.40)
	Opening Balance of Cash & Cash Equivalents		18.41		18.82
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>		<b>18.43</b>		<b>18.41</b>

As per our report attached  
For **M. SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
FRN : 004050S

For and on behalf of the Board

**G. RADHAKRISHNA**  
Managing Director

**G.V. GOPINATH**  
Director Finance

**M.Srinivasan**  
Partner  
Membership No. 022959  
Place : Chennai  
Date : 29<sup>th</sup> May, 2014

**S.CHANDRASEKAR**  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS

### SCHEDULE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with generally accepted accounting principles in India and materially comply with the Mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

The Company has recorded a net loss of Rs.103.10 lakhs for the year and the accumulated losses have eroded 71% of its entire net worth and the current Ratio is also not healthy. The Management is confident that the Company will be able to generate profits in future years and meet its financial obligation as they arise. The accompanying Financial Statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:

- The Company is working on supply side price control to match with sale side price realization so that there is no loss of margin on account of price fluctuations.
- Company is taking all the necessary efforts for sale of land that belongs to the Company at Nellore which will bring long term liquidity and subsequently reduce the interest burden. Due to bifurcation of the state of Andhra Pradesh and restructuring of Government, industrial growth is expected in the area resulting in a good sale opportunity.
- The Company concentrated on identifying the customers / orders which gave prompt realizations and resultant profits and had a detailed study on categorization of the customers, based on the orders and realizations which will help the Company to move forward in a right path.
- The Continued support by the Promoters by bringing in fund will also help the Company at large.

#### 1.2. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Policies (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 1.3. FIXED ASSETS AND DEPRECIATION

Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses relating to acquisition. Where fixed assets have been acquired from a country outside India, the cost of these fixed assets also includes exchange differences (favorable and unfavorable) arising in respect of foreign currency loans on other liabilities incurred specifically for the purpose of their acquisition. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or constructions are capitalized.

Depreciation is provided on the Straight Line Method from the beginning of the month in which the asset is ready for use. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life or

remaining useful life. Pursuant to this policy, depreciation on assets has been provided at the rates based on the estimated useful lives of fixed assets.

Assets individually costing Rs 5,000 or less are depreciated at the rate of 100%. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.

#### **1.4. REVENUE RECOGNITION**

Revenue from sale of manufactured goods, including scrap, is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is inclusive of excise duty, sales tax, and net of, trade and quantity discounts on accrual basis. Interest on deployment of surplus funds is recognized using the time proportionate method based on underlying interest rates.

#### **1.5. INVENTORIES**

Inventories are carried at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item by item basis.

Cost comprises of purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The method of determination of cost is as follows:

- a. Raw materials, valued at cost net of cenvat
- b. Finished goods at lower of cost or net realizable value and inclusive of excise duty.
- c. Goods in Transit valued at cost excluding excise duty and taxes.
- d. Stock of scrap at estimated realizable value.
- e. Stores and spares – landed cost on a first in first out method
- f. The provision for inventory obsolescence is assessed annually and is provided as and when considered necessary.

#### **1.6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year, except that exchange differences related to acquisition of fixed assets from a country outside India are adjusted in the carrying amount of the related fixed assets.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account except those related to acquisition of fixed assets from a country outside India which are adjusted in the carrying amount of the related fixed assets.

#### **1.7. PROVISIONS AND CONTINGENT LIABILITIES**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it

is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

#### **1.8. TAX ON INCOME**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year) provided in the books of accounts.

#### **1.9. EXCISE DUTY/CUSTOM DUTY**

Excise Duty in respect of goods manufactured by the company is being accounted for at the time of removal of goods from the factory for sale. Custom duty is accounted in the books as and when paid/incurred.

#### **1.10. EARNING PER SHARE**

The basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The company did not have any potentially dilutive equity shares outstanding during the year.

#### **1.11. RETIREMENT BENEFITS TO EMPLOYEES**

##### **I. Short Term employee benefits:**

Short term employee benefits falling due within are recognized as an expense as per the Company's Scheme based on expected obligations. The benefits like salaries, wages etc and the expected cost of bonus, ex-gratia are recognized in the period in which the employees renders the related service.

##### **II. Retirement benefits:**

Retirement benefits comprise of provident fund, superannuation and gratuity which are recognized as follows:

##### **a. Provident fund:**

This is a defined contribution plan. Contributions in respect of staff and workers are remitted to provident fund authorities in accordance with the relevant statute and are charged to statement of profit and loss as and when due. The Company has no further obligations for future provident fund benefits in respect of these employees other than its annual contributions.

##### **b. Superannuation:**

This is a defined contribution plan. The Company makes contribution as per the scheme to superannuation Fund administered by Life Insurance Corporation of India. The Company has no further obligation of future superannuation benefits other than its annual contributions and recognizes such contributions as expense as and when due.

##### **c. Gratuity:**

This is a defined benefit plan. Provision for gratuity is made based on actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognized immediately in the statement of profit and loss as income or expense.

### 1.12. INTANGIBLE ASSETS

#### Impairment of Assets:

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### 1.13. RESEARCH & DEVELOPMENT

Research & Development expenditure of revenue nature is charged to Profit & Loss A/c, while Capital Expenditure is added to the cost of fixed assets in the year in which they are incurred.

## 2. NOTES ON ACCOUNTS

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

### 2.1 Share capital

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Authorised</b>		
<b>Equity shares</b>		
70,00,000 (previous year 70,00,000), Rs.10 par value	700.00	700.00
	<b>700.00</b>	<b>700.00</b>
<b>Issued</b>		
<b>Equity shares</b>		
60,96,000 (previous year 60,96,000), Rs. 10 par value	609.60	609.60
	<b>609.60</b>	<b>609.60</b>
<b>Subscribed and fully Paid up</b>		
<b>Equity shares</b>		
60,96,000 (previous year 60,96,000), Rs.10 fully paid up	609.60	609.60
	<b>609.60</b>	<b>609.60</b>

The reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
	Number	Number
Shares outstanding at the beginning of the year	6,096,000	6,096,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>6,096,000</b>	<b>6,096,000</b>



The details of shareholder holding more than 5% equity shares is set below:

Name of Shareholder	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Balaji Trading Enterprises Private Limited	675,395	11.08	675,395	11.08

## 2.2 Reserves and surplus

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Surplus / (deficit) balance in the statement of profit and loss</b>		
Opening Balance	(328.50)	(70.73)
Add: Profit/ (Loss) for the year	(103.10)	(257.77)
Less: Amount utilised	–	–
Transfer to capital reserves, Capital redemption reserve and other reserves	–	–
Closing Balance	<b>(431.60)</b>	<b>(328.50)</b>
	<b>(431.60)</b>	<b>(328.50)</b>

## 2.3 Long term borrowings

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Secured- Considered good</b>		
<b>Term loans</b>		
from banks		
Karnataka Bank Limited	0.00	11.57
(secured by fixed assets of the Company and guaranteed by Directors in their personnel capacity)		
<b>Long term maturities of finance lease obligations</b>	1.35	3.54
(Secured by motor Vehicle under Hypothecation)		
Repayment tenure of 48 months ending Dec 2014		
	<b>1.35</b>	<b>15.11</b>
<b>Unsecured -considered good</b>		
<b>Public Deposits</b>	29.10	39.00
Repayable on maturity depending on the period of deposit more than 1 year		
<b>Loans and advances from others</b>	292.56	177.95
<b>Loans and advances from related parties</b>		
from Group Company-Balaji Trading Enterprises Pvt. Ltd.		
(Repayable in 3 years with the rate of Interest 14% PA)	202.48	168.66
(Maximum outstanding during the year Rs.202.48 lacs)		
Sales Tax Loan-IFST	119.89	142.79
(Repayable in 7(8) years and Rate of Interest NIL)		
	644.03	528.40
	<b>645.38</b>	<b>543.51</b>
<b>Deferred tax assets (Net)</b>		
As per last Balance Sheet	(30.15)	(30.15)
Add : Deferred tax liability for the year ( Net)	-	-
Closing Balance	<b>(30.15)</b>	<b>(30.15)</b>

**2.4 Other long term liabilities**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Trade Payables		
– due to micro and small enterprises	-	-
– others creditors	-	-
– acceptances	-	-
<b>Others</b>		
Advances from TIFAC for Research & Development	25.00	25.00
Advances from customers	6.25	3.76
	<b>31.25</b>	<b>28.76</b>

**2.5 Long term provisions**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Provision for employee benefits</b>		
Superannuation	-	-
Gratuity	28.03	25.01
Compensated absences	15.58	14.98
<b>Others</b>		
Provision for Income tax earlier years	32.14	32.14
Provision for pending sales tax forms and other disputes	0.42	0.42
	<b>76.17</b>	<b>72.55</b>

**2.6 Short term borrowings**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Secured- Considered good</b>		
<b>Loans repayable on demand</b>		
<b>Cash credit</b>		
from banks		
Karnataka Bank	953.38	893.00
(Secured by first charge on the entire current assets consisting of Raw Material, Stock in Progress, Finished Goods, Receivables, spares, consumables and other current assets of the Company and also Guaranteed by the directors in their personnel capacity)		
	<b>953.38</b>	<b>893.00</b>
<b>Unsecured - Considered Good</b>		
<b>Deposits</b>		
<b>Public Deposits</b>		
Repayable on maturity depending on the period of deposit less than 1 year	36.65	12.90
	<b>36.65</b>	<b>12.90</b>
	<b>990.03</b>	<b>905.90</b>

**2.7 Trade payables**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Trade Payables		
– due to micro and small enterprises		
– others creditors	1,104.12	497.19
(Includes a sum of Rs.116.21 (Rs. 123.67) lacs due to Jumbo Bag Limited a company under the same management in which directors are interested)		
– purchase of Fixed Assets	-	1.94
	<b>1,104.12</b>	<b>499.13</b>

**2.8 Other current liabilities**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Current maturities of long-term debt (secured by fixed assets of the Company and guaranteed by Directors in their personnel capacity)	-	-
– There is no continuing default		
Current maturities of finance lease obligations (Secured by motor Vehicle under Hypothecation)	2.19	1.95
Repayment tenure of 48 months ending Dec 2014		
Current maturities of Sales Tax loan	22.90	24.71
Other payables		
– Rent Payable	0.03	0.07
– Others	0.03	0.04
– Advances from customers	-	3.39
– Amounts liable to be deposited in Investor Education and Protection Fund not yet due for deposit	-	-
– unclaimed dividends	-	2.12
– Professional tax Payable	-	-
– Bonus payable	6.05	4.50
– Withholding and other tax payable	6.40	3.25
	<b>37.60</b>	<b>40.03</b>

**2.9 Short term provisions**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Provision for employee benefits</b>		
– Salary & Reimbursements	0.41	0.51
<b>Others</b>		
– Provision for Excise duty on Finished Goods	147.26	136.12
	<b>147.67</b>	<b>136.63</b>

**(Rs in Lakhs)**

Fixed Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				Net block			
	As at 1 <sup>st</sup> April 2013 (Rs.)	Additions (Rs.)	Sub total (Rs.)	Disposals (Rs.)	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 1 <sup>st</sup> April 2013 (Rs.)	Depreciation charge for the Year (Rs.)	Disposal through demergers (Rs.)	Adjustment due to impairments/ reversals (Rs.)	Deductions/ Other adjustments (Rs.)	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Tangible Assets</b>												
Land Owned	32.97	-	32.97	-	32.97	-	-	-	-	-	32.97	32.97
Buildings Owned	220.77	0.20	220.97	-	220.97	105.06	7.38	-	-	-	108.53	115.71
Leasehold improvements	1.00	-	1.00	-	1.00	0.17	-	-	-	-	0.83	0.83
<b>Plant and Equipment</b>												
Owned	1,144.78	0.38	1,145.16	210.36	934.80	694.59	49.52	-	199.25	-	389.94	450.19
<b>Furniture and Fixtures</b>												
Owned	38.11	-	38.11	1.36	36.75	31.55	2.33	-	1.36	-	4.23	6.56
<b>Vehicles</b>												
Owned	32.31	-	32.31	23.13	9.18	27.09	0.88	-	20.36	-	1.57	5.22
Assets under lease	9.39	-	9.39	-	9.39	1.18	0.89	-	-	-	7.32	8.21
<b>Air Conditioners</b>												
Owned	8.94	-	8.94	6.65	2.29	8.05	0.23	-	6.65	-	0.66	0.89
<b>Computers</b>												
Owned	48.47	-	48.47	33.11	15.36	45.43	1.97	-	33.11	-	1.07	3.04
<b>Electrical &amp; Electronic equipments</b>												
Owned	143.21	-	143.21	-	143.21	96.50	5.70	-	-	-	41.01	46.71
<b>Lab equipments</b>												
Owned	6.84	-	6.84	3.97	2.87	6.85	0.01	-	4.11	-	0.12	(0.01)
<b>VHF System</b>												
Owned	1.17	-	1.17	-	1.17	0.95	0.06	-	-	-	0.16	0.22
<b>Office equipment</b>												
Owned	11.96	-	11.96	6.02	5.94	9.89	0.55	-	5.87	-	1.37	2.07
	<b>1,699.92</b>	<b>0.58</b>	<b>1,700.50</b>	<b>284.60</b>	<b>1,415.90</b>	<b>1,027.31</b>	<b>69.52</b>	<b>-</b>	<b>270.71</b>	<b>-</b>	<b>589.79</b>	<b>672.62</b>
<b>Intangible Assets</b>												
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-	-	-

**Disclosure pursuant to Note no. I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956**

The following disclosure should be made for each class of asset as required

Particulars	2013 (Rs.)	2011 (Rs.)	2008 (Rs.)
<b>Asset details:</b>			
Balance as at 1 <sup>st</sup> April			
Revaluation increase / (reduction)			
Balance as at 31 <sup>st</sup> March			
	<b>No Revaluation done for the last 5 Years</b>		

**2.11 Long term loans and advances**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Capital Advances</b>		
<b>For purchase of fixed assets</b>		
Unsecured, considered good	2.76	2.15
	<b>2.76</b>	<b>2.15</b>
<b>Security Deposits</b>		
Unsecured, considered good	1.45	1.45
	<b>1.45</b>	<b>1.45</b>
	<b>4.21</b>	<b>3.60</b>

**2.12 Other non current assets**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Long term trade receivables</b> <b>(including trade receivables on deferred credit terms)</b>		
Unsecured, considered good	64.93	17.6
	<b>64.93</b>	<b>17.6</b>
<b>Other loans and advances</b> unsecured, considered good		
Sales Tax deposit	15.84	14.17
MAT credit entitlement	44.58	45.49
Earnest Money deposit	1.97	1.52
CENVAT receivable	1.23	-
Electricity & other deposits	20.59	18.47
Rental deposits	34.64	38.72
Telephone deposits	0.51	0.53
	<b>119.36</b>	<b>118.90</b>
	<b>184.29</b>	<b>136.50</b>

**2.13 Inventories**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Raw Materials and components (Valued at lower of cost or net realisable value )	136.35	34.23
Finished goods (Valued at lower of cost or net realisable value )	1,338.57	1,237.37
Stores and spares (Valued at lower of cost or net realisable value )	51.65	42.65
	<b>1,526.57</b>	<b>1,314.25</b>

**2.14 Trade receivables**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Debts outstanding for period exceeding six months</b>		
Unsecured, considered good	13.84	55.84
	<b>13.84</b>	<b>55.84</b>
<b>Other debts</b>		
Unsecured, considered good	839.20	271.48
	<b>839.20</b>	<b>271.48</b>
	<b>853.04</b>	<b>327.32</b>

**2.15 Cash and cash equivalents**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Cash on hand	3.04	3.14
Other Bank balances		
Unclaimed Dividends	-	2.12
Bank deposits with more than 12 months maturity	15.40	13.15
	<b>18.44</b>	<b>18.41</b>

**2.16 Short term loan and advances**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Others</b>		
<b>Unsecured, considered good</b>		
Sales Tax Deposit	-	0.03
Travelling Advances	0.03	0.06
CENVAT receivable	0.40	1.53
Staff advances	0.93	0.75
Service tax receivable	0.28	0.45
Prepaid expenses	2.09	1.95
	<b>3.73</b>	<b>4.77</b>

**2.17 Other current assets**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Claims receivables-TUFF	-	-
	-	-

**2.18 Other income**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Interest income	2.13	1.77
Exchange gain (net)	0.01	0.61
Profit on sale of Land	-	-
Export benefit receivable	5.97	-
Profit on sale of DEPB	-	0.92
Other Income	0.02	0.06
	<b>8.13</b>	<b>3.36</b>

**2.19 Cost of material consumed**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Raw materials and packing materials consumed</b>		
Opening stock	34.23	52.18
Add: Purchases	2,543.22	1,418.25
Less: Closing stock	136.35	34.23
Raw materials and packing materials consumed	<b>2,441.10</b>	<b>1,436.20</b>

**2.20 Change in inventory of finished goods**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
<b>Opening stock</b>		
Finished goods	1,237.37	1,140.02
<b>Less: Closing stock</b>		
Finished goods	1,338.57	1,237.37
<b>Increase in inventory of Finished goods</b>	<b>(101.20)</b>	<b>(97.35)</b>

**2.21 Employee benefits expense**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Salaries & wages	81.86	91.18
Bonus and incentives	4.63	4.20
Leave Travel & Medical Expenses	0.35	0.64
Compensated absences	2.34	1.03
Contribution to provident fund and other funds	17.30	19.11
Workmen and staff welfare expenses	11.24	16.56
Directors remuneration	0.04	25.56
	<b>117.76</b>	<b>158.28</b>

**2.22 Finance cost**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Interest expense		
– Term Loan	5.61	10.81
– working Capital	111.33	117.76
– Finance Lease & LC	11.52	8.90
Other borrowing costs	96.3	86.80
	<b>224.76</b>	<b>224.27</b>

**2.23 Other expense**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Consumption of stores, loose tools and spare parts	48.00	39.57
Power and fuel	129.51	150.22
Rent	13.38	24.29
Repairs and maintenance:		
– buildings	-	-
– plant and machinery	2.51	2.57
– others	2.43	1.15
Factory General Maintenance	6.02	12.71
Stereo Charges	0.29	2.83
Rates and taxes, excluding, taxes on income	3.43	4.08

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Security Expenses	11.38	16.05
Cartage Expenses	0.39	0.63
Insurance	3.01	3.01
Travelling and conveyance (includes Rs. 1.20 (0.79) Lakhs towards Travelling expenses of directors)	7.42	7.99
Communication expenses	2.67	3.48
Contract labor charges	9.49	10.07
Legal and professional fees	3.68	1.87
Auditor's remuneration	1.87	1.80
Rebate & discount	0.71	0.61
Freight outward	21.45	25.66
Brokerage and commission	2.21	-
Sales promotion and advertisement	0.45	0.81
Asset lease rentals and hire charges	-	3.32
Directors sitting Fees	3.50	3.40
Clearing & Forwarding Charges	3.42	11.84
Vehical Maintenance	4.28	6.66
Bank charges	8.79	5.60
Loss on sale of fixed assets	9.36	129.55
Research & Development Expenses	-	0.27
Provision for Excise duty on Finished Goods	11.27	12.24
Lab testing & research expenses	0.09	0.01
Training and seminar expenses	0.51	0.87
Postage & Telegrams	0.78	0.80
Service charges	6.61	10.93
Printing and stationery	1.47	1.77
Membership and subscriptions	0.83	1.04
Tax penalties & Interest	0.27	0.03
Office Maintenance Expenses	3.35	2.89
Bad debts written off	0.38	1.24
	<b>325.21</b>	<b>501.86</b>

**2.24 Prior period items**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2014 (Rs.)	As at 31 <sup>st</sup> March 2013 (Rs.)
Staff Leave Travel and Medical Reimbursement	0.75	0.40
Others	0.44	1.06
	<b>1.19</b>	<b>1.46</b>

3. The accumulated losses have increased to Rs. 431.60 lakhs resulting in an erosion of 71% of the Networth of the Company. Operational inefficiency, under-utilization of capacity, lack of orders, global economic scenario and liquidity issues are the major contributing factors for the losses incurred. In view of the change in the political scenario, the company will be in a better position to sell the unutilized land and buildings at Nellore which will



bring in long term funds to the Company to liquidate some of the borrowings resulting in substantial saving of interest cost.

4. With respect to the Balances of Debtors & Creditors and advances/deposits received from the customers as per books of account, confirmations of balances are awaited and adjustments if any will be made in the books on receipt of confirmations.

#### 5. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The management is currently in the process of identifying enterprises which have provided goods and services to the company which qualify under the definition of micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Act 2001. Accordingly, based on information available, the amount payable to such enterprises as on 31<sup>st</sup> March 2014 is Nil.

6. The computation of profit under section 349 of the Companies Act, 1956 is not considered necessary as the managerial remuneration that is paid is minimum remuneration based on the effective capital of the Company as prescribed under Schedule XIII of the said Act.

#### 7. DETAILS OF MANAGERIAL REMUNERATION

(Rs. in Lakhs)

Particulars	2013–2014 (Rs.)	2012–2013 (Rs.)
Salary and Allowances	-	25.56
Perquisites	-	0.50
Retirement Benefits	1.44	2.34
Provision for Leave Salary	0.63	0.50
<b>Total</b>	<b>2.07</b>	<b>28.90</b>

#### 8. SALES TAX & CENTRAL EXCISE DUTY PENDING DISPUTE

(Rs. in Lakhs)

S. No	Name of the Statute	Nature of Dues	Amount	Pertaining to the year	Present Status
i.	Sales Tax	Sales Tax Demand	3.53	1995-1996	On Appeal the case was remanded back to the assessing Officer
ii.	Sales Tax	Sales Tax Demand	1.28	1997-1998	- do -
iii.	Sales Tax	Sales Tax Demand	0.80	2001-2002	- do -
iv.	Central Excise	Excise Duty Demand	2.18	2007-2008	Appeal pending with The Assistant Commissioner of Central Excise, Chennai
v.	Central Excise	Excise Duty Demand	4.12	2008-2009	- do -

#### 9. LEASES

##### Operating leases

The company is obligated under cancelable operating leases for Kavarapet which are renewable at the options of the lessor and the lessee. The expense under the contracted lease amounts to Rs.22.53 lacs (previous year Rs.26.53 lacs)

**10. DISCLOSURE UNDER AS-15****(i) Defined Contribution Plans:**

(Rs. in Lakhs)

Particulars	2013–2014 (Rs.)	2012–2013 (Rs.)
(a) Contribution to Provident Fund	4.73	5.49
(b) Contribution to Superannuation Fund	1.75	2.57

Effective 1<sup>st</sup> April 2009, the company has adopted revised accounting standard AS15 – “Employee Benefits” issued by the ICAI.

**(ii) Defined Benefit Plans:****Gratuity:**

The Gratuity liability is covered by a Master Policy taken out with LIC of India under the Cash Accumulation Scheme. The Following table set out the status of the gratuity plan as required under AS 15.

(Rs. in Lakhs)

1	Table Showing changes in present value of obligation as on	31.03.2014	31.03.2013
	Particulars	Amount	Amount
	Present value of obligation as at beginning of year	27.73	26.69
	Interest Cost	2.22	2.13
	Current Service Cost	1.73	1.83
	Benefits Paid	(5.62)	(7.47)
	Actuarial (gain)/loss on obligations	2.17	4.54
	Present value of obligation as at end of year	28.23	27.73
<b>2</b>	<b>Table Showing changes in the fair value of plan assets as on</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	Fair value of plan Assets at beginning of year	1.09	2.29
	Expected return of plan Assets	0.05	0.27
	Contribution	4.82	6.00
	Benefits paid	(5.62)	(7.47)
	Actuarial (gain)/loss on plan Assets	Nil	Nil
	Fair value of plan Assets at the end of year	0.34	1.09
<b>3</b>	<b>Table Showing fair value of plan Assets as on</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	Fair Value of plan Assets at beginning of year	1.09	2.29
	Actual return of plan assets	0.05	0.27
	Contribution	4.82	6.00
	Benefits paid	(5.62)	(7.47)
	Fair value of plan Assets at the end of year	0.34	1.09
	Funded Status	(27.89)	(26.63)
	Excess of Actual over estimated return of plan Assets	Nil	Nil
	(Actual rate of return = Estimated rate of return as ARD falls as on 31 <sup>st</sup> March)		
<b>4</b>	<b>Actual Gain/loss recognized</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	Actuarial (gain)/loss on Obligations	(2.18)	(4.54)
	Actuarial (gain)/loss for the year – plan Assets	Nil	Nil
	Actuarial (gain)/loss on Obligations	2.18	4.54
	Actuarial (gain)/loss recognized in the year	2.18	4.54

5	The amounts to be recognized in balance sheet and statement of Profit & Loss	31.03.2014	31.03.2013
	Present Value of obligations as at the end of year	28.23	27.73
	Fair value of plan assets as at the end of year	0.34	1.09
	Funded Status	(27.89)	(26.63)
	Net asset/(liability) recognized in the balance sheet	(27.89)	(26.63)
6	Expenses Recognized in statement of Profit & loss	31.03.2014	31.03.2013
	Current service cost	1.72	1.83
	Interest cost	2.22	2.13
	Expected return on plan assets	(0.05)	(0.27)
	Net Actuarial (gain)/loss recognized in the year	2.18	4.54
	Expenses recognized in statement of Profit & loss	6.07	8.24

Estimated rate of return on the plan assets 8%

The estimate of future salary increments, contribution in actual valuation, taxing into account of inflation, seniority promotion and other factors in the employment

Salary escalation – 5%

11. As at 31st March, 2014, the company had Rs.566.46 lakhs unabsorbed depreciation and carried forward of losses under tax laws.

## 12. SEGMENTAL REPORTING

The Company currently operates in one business segment in manufacturing of PP bags and one geographical segment in India. In line with Accounting Standard 17, as the relevant information is available from the balance sheet and the profit and loss account itself, and therefore keeping in view of the objective of segment reporting, the company has not disclosed segment information.

## 13. DISCLOSURES UNDER ACCOUNTING STANDARD -18:

Related Parties with whom transactions have taken place during the year.

(Rs. in lakhs)

S. No.	Particulars	Nature of Relationship	Nature of Transaction	Amount	Closing Balance as on 31.03.14	Closing Balance as on 31.03.13
1	G.V.Chalapathi	Relative of Key management personal	Fixed Deposit	7.30	18.15	10.85
			Interest	1.90		
2	G.Sudhakar	Relative of Key management personal	Rent paid	1.96	-	-
3	G.S.Sridhar	Key Management personal	Salary & Allowances	0.91	13.45	6.50
			Fixed Deposit	13.45		
			Interest	1.44		
4	G.V.Gopinath	Key Management personal	Salary & Allowances	0.91	-	-
5	G.Radhakrishna	Key Management personal	Salary & Allowances	0.24	-	-
6	G.Radhakrishna(HUF)	Key Management personal	Fixed Deposits	1.00	10.00	9.00
			Interest	1.09		
7	Jumbo Bag Limited	Associated Company	Job work charges earned	21.18	116.22	123.67
			Sales	37.78		
			Purchase	24.55		

S. No.	Particulars	Nature of Relationship	Nature of Transaction	Amount	Closing Balance as on 31.03.14	Closing Balance as on 31.03.13
8	G.F.Impex Pvt.Ltd.,	Associated Company	Purchase	28.43	-	-
			Sales	-		
9	Balaji Trading Enterprises Pvt. Ltd.,	Associated Company	Unsecured Loan Received	13.00	202.48	168.66
			Unsecured Loan paid	3.00		
			Interest on Loan	26.47		
10	G.S.Jwala	Relative of Key management personal	Fixed Deposit	-	1.20	1.20
			Interest	0.13		
11	B.Sangeetha Lakshmi	Relative of Key management personal	Interest on FD	0.07	0.65	0.65

**14. CONTINGENT LIABILITIES**

(Rs. in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Disputed Amount of Sales tax	5.63	13.88
Disputed Amount of Central Excise	6.31	6.31

No provision has been made in the accounts in respect of disputed amount of sales tax as the company has contested the case and is hopeful of getting the verdict in its favor. During the year, the Company has received an order favoring them as no cost for the case filed for the year 1994-95. The Appellate Tribunal has issued certain claims/show cause notices disputed have neither been considered as contingent liability nor acknowledged as claim, based on the opinion obtained, since the possibility of loss is remote.

15. Secured Loans availed from The Karnataka Bank Limited are secured by first charge on specific assets acquired out of the loan and personal guarantees of directors Sri.G. Radhakrishna, Sri. G.S.Sridhar and Sri. G.V.Gopinath.
16. (a) Working capital facilities from The Karnataka Bank Limited are secured by first charge on the current assets consisting of stock of raw materials, finished goods, work-in-process, debtors and personal guarantees of directors Sri. G. Radhakrishna, Sri. G.S.Sridhar and Sri. G.V.Gopinath.
- (b) Working capital loan converted to Term Loan, repayable given a period of 3 years Secured by first charge on the current assets consisting of stock of raw materials, finished goods, work-in-process, debtors and personal guarantees of directors Sri. G. Radhakrishna, Sri. G.S.Sridhar and Sri. G.V.Gopinath.

**17. INTEREST FREE SALES TAX DEFERRAL**

(Rs. in Lakhs)

Particulars	Amount
Due Within 1 year	22.90
Due Within 1 to 5 Years	119.88
Due more than 5 Years	Nil

18. Advances & Deposits includes an amount of Rs.18,11,934/- being Admitted and Disputed Sales Tax of Rs.15,84,266/- for various years paid and Income Tax for the Assessment Year 1996-97 of Rs.2,27,668/- paid, but kept as Deposit in the books since the company has gone on appeal in respect of these matters. Necessary adjustments in the books of accounts will be made in the year in which the outcome of the appeal is known.

19. During the year deferred tax asset arising out of unabsorbed depreciation has not been recognized in the absence of virtual certainty supported by convincing evidence of future taxable income. Unrecognized deferred tax asset will be reassessed in future years.

**20. EXPENDITURE IN FOREIGN EXCHANGE**

(Rs. in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Imported Materials Purchase (CIF)	Nil	44.82
Foreign Travel Expenses	Nil	Nil

**21. FOREIGN EXCHANGE EARNINGS**

(Rs. in Lakhs)

	As at 31.03.2014	As at 31.03.2013
Export Sales (FOB)	122.80	120.75

**22. REMUNERATION TO AUDITORS**

(Rs. in Lakhs)

	As at 31.03.2014	As at 31.03.2013
i) Statutory Audit Fee	0.75	0.75
ii) Tax Audit Fee	0.25	0.25
iii) Service Tax	0.12	0.12
iv) Certification Fees & Other services	0.68	0.43

23. The company has reclassified previous year figures to conform to this year's classification. It significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

**24. CAPACITY AND PRODUCTION DURING THE YEAR 2013-14****a) Product: Polymer Products**

Licensed Capacity	:	Not Applicable
Installed Capacity	:	3800 Tons
Production	:	2399 Tons

**b) Raw – Materials and Intermediates Consumed:**

(Rs. in Lakhs)

Particulars	UOM	2013–14		2012–13	
		Qty	Rs.	Qty	Rs.
a. PP Granules	Kgs	2,333,824	2434.10	2,610,764	1283.73
b. Others			54.93		192.03

**c) Consumption of Imported & Indigenous Raw – Materials, Stores and spare parts and the percentage of each to the consumption:** (Rs. in Lakhs)

Particulars	2013-14		2012-13	
	%	Value	%	Value
i. Raw Materials				
a. Imported	-	-	3	44.82
b. Indigenous	100	2441.09	97	1391.37
ii. Stores, Spares & Consumables				
a. Imported	-	-	-	-
b. Indigenous	100	48.00	100	39.57

**d) Stock Summary for the year 2013-14:**

Name of the Commodity	Unit	Opening Balance	Receipts	Issues	Closing stock	
					2013-14	2012-13
Paper	Kgs	13,958	243,603	221,189	36,372	13,958
Granules	Kgs	26,022	2,333,824	2,265,156	94,690	26,022
HDPE/PP Bags	Nos.	457,677	8,114,169	8,198,959	372,887	457,677
HDPE/PP Kraft Bags	Nos.	46,400	2,045,681	2,009,092	82,989	46,400

**e) Closing Stock Value with Quantity As On 31st March 2014** (Rs. in Lakhs)

Name of the Commodity	Unit	Quantity		Value	
		2013-14	2012-13	2013-14	2012-13
Paper	Kgs	36,372	13,958	20.57	5.46
Granules	Kgs	94,690	26,022	105.64	17.42
HDPE/PP Bags	Nos	372,887	457,677	1019.53	1026.61
HDPE/PP Kraft Bags	Nos	82,989	46,400	28.56	8.09
HDPE/PP Fabric & HDPE/PP Kraft Fabric				109.20	44.28
Accessories for Bags				8.82	9.26
Miscellaneous Items Including Consumables				35.35	24.32
Provision for Excise Duty				147.25	136.11
Total Value of Closing Stock				1474.92	1271.59

**f) Sales Summary for the Year 2013–14** (Rs. in Lakhs)

Name of the Commodity	2013-14	2012-13
Poly Propylene Bags	3278.85	2352.48
Others	26.98	29.46

**Signatories to Schedules 1 to 23**

As per our report of even date  
For **M. SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
FRN : 004050S

**M.Srinivasan**  
Partner  
Membership No. 022959  
Place : Chennai  
Date : 29<sup>th</sup> May, 2014

For and on behalf of the Board

**G. RADHAKRISHNA**  
Managing Director

**G.V. GOPINATH**  
Director Finance

**S.CHANDRASEKAR**  
Company Secretary



CIN: L36991TN1991PLC021888

Regd Office: "S.K.Enclave" New No. 4(Old No. 47), Nowroji Road, Chetpet, Chennai - 600031

### PROXY FORM

(Form No: MGT-11)

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Registered Address:	
E-mail ID:	
Folio/DP ID - Client ID:	

I/We being the member(s), holding \_\_\_\_\_ shares of the above named Company hereby appoint:

(1) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him;

(2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Monday, the 29<sup>th</sup> September 2014 at 11:00 a.m. at Narada Gana Sabha Mini hall, T.T.K. Road, Chennai – 600018 and at any adjournment thereof, in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1	Adoption of Annual Accounts for the year ended 31 <sup>st</sup> March 2014			
2	Reappointment of Sri. G.P.N. Gupta as Director of the Company			
3	Appointment of M/s. M.Srinivasan & Co., Chartered Accountants as Auditor of the Company			
<b>Special Business:</b>				
4	Special Resolution for Reappointment of Sri. G.Radhakrishna as Managing Director			
5	Special Resolution for Reappointment of Sri. G.S.Sridhar as Whole-Time Director (Operations)			
6	Special Resolution for Reappointment of Sri. G.V.Gopinath as Whole-Time Director (Finance)			
7	Ordinary Resolution for Appointment of Sri. M.V.Chandrashekar as Independent Director			
8	Ordinary Resolution for Appointment of Sri. S.Ramakrishnan as Independent Director			

9	Ordinary Resolution for Appointment of Sri. M. Ravindra Reddy as Independent Director			
10	Ordinary Resolution for Appointment of Sri. Sanjay Ramaswami as Independent Director			
11	Ordinary Resolution under Section 73 of the Companies Act, for Invitation and Acceptance of deposit from Members			
12	Special Resolution under Section 180(1) (c) of the Companies Act, 2013			
13	Special Resolution under Section 180(1) (a) of the Companies Act, 2013			

**Note:**

1. \*It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' or Abstain column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this \_\_\_ day of \_\_\_\_\_ 2014

Affix Re.1/-  
Revenue  
Stamp

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 23<sup>rd</sup> Annual General Meeting.
4. Please complete all details including details of member(s) in above box before submission.

Affix Re.1/- Revenue Stamp





## STANPACKS (INDIA) LTD

CIN: L36991TN1991PLC021888

Regd Office: "S.K.Enclave" New No. 4(Old No. 47), Nowroji Road, Chetpet, Chennai - 600031

### ATTENDANCE SLIP

Name of the Member .....

Name of Proxy if attending on behalf of the member .....

I certify that I am a Registered Shareholder / proxy for the Registered Shareholder of the Company. I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company held at Narada Gana Sabha, Mini Hall, T.T.K. Road, Chennai – 600018 at 11.00 a.m. on Monday, the September 29<sup>th</sup> 2014.

Ledger Folio No.	
DP Id No. *	
Client Id No. *	
No. of shares held	
Mr. / Mrs. / Miss	

\* Applicable for members holding shares in dematerialized form

.....  
Members' / Proxy's name (IN BLOCK LETTERS)

.....  
Member's / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

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### "Grow Green Belt"

Bliss Group has started to increase the green belt by planting trees as a part of the project - Grow Green Belt. In this endeavour of ours, we request each one of you and your family members to plant a tree.

"Plant A Tree & Save Planet Earth"

### “பசுமையை வளர்ப்போம்”

ப்ளிஸ் நிறுவனம் தன் திட்டத்தில் ஒரு பகுதியாக, பசுமையை வளர்ப்பதை முயற்சியாக கொண்டுள்ளது. எங்களுடைய இந்த முயற்சியில் தாங்களும் தங்கள் குடும்பத்தினரும் பங்கெடுத்து மரங்களை நடடு வளர்க்குமாறு கேட்டுக் கொள்கிறோம்.

“மரம் நடுவோம். பூமியின் பசுமையைக் காப்போம்”.

### “పచ్చదనాన్ని పెంచండి”

పచ్చదనాన్ని అభివృద్ధి పరచుటకు ఐస్ గ్రూప్ సంస్థలు, మొక్కలు నాటు కార్యక్రమమును ప్రారంభించినది. ఈ కార్యక్రమములో మీరు మరియు మీ కుటుంబ సభ్యులు, కనీసం ఒక్క మొక్కనైనా పెంచవలసినదిగా కోరుచున్నాము. వృక్షములు పెంచండి. భూ పర్యావరణమును కాపాడండి.

### "हरियाली बढ़ाइये"

हरियाली बढ़ाने के लिये ब्लिस ग्रुप, पेढ पैदा करनेका कार्यक्रम शुरु किया इस कार्यक्रम के लिये, आप और आप का परिवार लोग कुछ न कुछ एक पेढ पैदा करने को चाहता था । "पेढ पैदा करो पृथ्वी को बचावो"

### "గిడ బిజీసి"

బ్లిస్ గ్రూప్ హేజ్ట్ గిడ నేడుచుదరల్ల ఒందు అంగవారిదే. నావు కేళికొళ్ళువుదు నిలవు చుత్తు నిమ్మ శలివార ఒందు గిడవన్ను నేడిలి. "గిడవన్ను నేడి భూమియన్ను ఊజిసి".

If undelivered, Please return to:



**STANPACKS (INDIA) LTD**

"S.K. Enclave" New No.4, (Old No.47),  
Nowroji Road, Chetpet, Chennai - 600 031.



# STANPACKS (INDIA) LTD.



AN ISO 9001 & 2008 COMPANY

CIN: L36991TN1191PLC021888

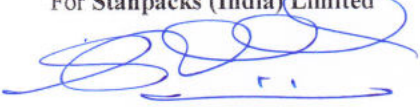
**STANPACKS (INDIA) LIMITED, CHENNAI**

**FORM A**

**Covering Letter of the Annual audit report to be filed with the stock exchanges under Clause 31 of the Listing Agreement**

1. Name of the company	<b>Stanpacks (India) Limited</b>
2. Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2014
3. Type of Audit Observation	<u>Emphasis of Matters:</u>  We draw attention to Note No. 3 of the financial statements in this regard on the erosion of 71% of the net worth as on the balance sheet date. The management is confident of bringing in long term funds by selling the idle land and buildings at Nellore which will result in liquidation of some of the borrowings thereby saving substantial interest cost. The company is also confident of better performance in the current financial year. Our opinion is not qualified in respect of this matter.
4. Frequency of observation	This is the first time occurrence of the above emphasis matter. Please refer to the reply in the Report of the Board of Directors' – Page No. 21 of Annual Report

5. Signature

<p>For Stanpacks (India) Limited</p>  <p><b>G. RADHAKRISHNA</b> Managing Director</p>  <p><b>G.V. GOPINATH</b> CFO / Director - Finance</p>  <p><b>M.V. CHANDRASHEKAR</b> Audit Committee Chairman</p>	<p><b>Auditor of the Company</b></p> <p>Refer to our Audit Report dated 29<sup>th</sup> May, 2014 to the Members of the company on the standalone Financial Statement for the FY-2013-2014</p> <p>For <b>M. SRINIVASAN &amp; ASSOCIATES</b> Chartered Accountants FRN No-004050S</p>  <p><b>M. SRINIVASAN</b> Partner M.No.022959</p> <p>Chennai 29<sup>th</sup> May, 2014</p>
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"IF YOU ARE SATISFIED TELL OTHERS, IF NOT TELL US"