

BOARD OF DIRECTORS

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

STATUTORY AUDITORS

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

BANKERS

The Karnataka Bank Ltd.

REGISTERED OFFICE

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

LISTING

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

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms.C.RUBAVATHY

WORKS

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

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

REGISTRARS AND SHARE TRANSFER AGENT

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

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NOTICE

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

ORDINARY BUSINESS:

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

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

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

“RESOLVED THAT pursuant to the provision of section 224 of the Companies Act, 1956, M/s. M. Srinivasan & Associates, Chartered Accountants, (Registration No. 004050S) be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be determined by the Board of Directors.”

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

Place : Chennai
Date : 09th August 2012.

C. RUBAVATHY
COMPANY SECRETARY

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of the Annual Report, no additional copies will be provided at the venue.
3. Members are requested to intimate the Company, queries, if any, regarding the accounts/notice, not

less than seven days before the meeting to enable the management to keep the required information readily available at the meeting.

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

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

Name	Qualification & Experience in Field	Suitability to the Post	No. of shares held in the Company
Sri. Sanjay Ramaswami	LLB at the University of Hull, United Kingdom	He has wide practice in civil, criminal, Company law, banking, labour administrative laws, municipal laws and arbitration laws.	Nil

8. Shareholders are requested to check whether they have en-cashed Dividend Warrants for earlier years. If the Dividend Warrants are lost or not encashed, please apply for Demand Draft in lieu of those Dividend Warrants before the last dates indicated below:

Dividend for the year ended	Rate of Dividend	Dividend warrant dated	Date on which Unpaid amounts required to be paid to the Central Government	Shareholders should apply latest by
31.03.2005	5%	27.09.2005	11.10.2012	11.09.2012
31.03.2006	5%	14.10.2006	27.10.2013	27.09.2013

Note:

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

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

Place :Chennai
Date : 09th August 2012

C. RUBAVATHY
COMPANY SECRETARY

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

To

The Members,

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

FINANCIAL RESULTS:

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

(Rs. in Lakhs)

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

DIVIDEND:

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

INDUSTRIAL STRUCTURE AND DEVELOPMENT

BUSINESS OPERATIONS:

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

OVERALL INDUSTRY OUTLOOK AND MARKET OUTLOOK

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

SECTOR AND INDUSTRY-WISE DEVELOPMENTS

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

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

SWOT ANALYSIS

Strengths and Opportunities

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

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

Weaknesses and Threats

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

Risks and Concerns

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

Risk Mitigation

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. Internal Audit is conducted by

M/s.J.V.Ramanujam & Co, Chartered Accountants, Chennai, and their report are placed before the Audit Committee.

The Audit Committee also evaluates the adequacy and effectiveness of the internal control systems and monitors the action taken pursuant to audit observations. All the shortcomings in the regular activities are brought to the notice of the Committee and the Board based on which corrective actions are taken.

INDUSTRIAL RELATIONS:

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

FIXED DEPOSITS:

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

DIRECTORS:

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

PARTICULARS OF EMPLOYEES:

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

CORPORATE GOVERNANCE:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. followed the applicable Accounting Standards in the preparation of the annual accounts along with proper explanation relating to material departures;
- ii. selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of

affairs of the Company at the end of the Financial Year and of the profits of the Company for the year under review:

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

STATUTORY AUDITORS:

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

FORWARD LOOKING STATEMENTS:

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Place : Chennai
Date : 09th August 2012

G.V.Gopinath
Director Finance & Marketing

G.Radhakrishna
Managing Director

ANNEXURE-I

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

- a) Measures taken for conservation of energy:
 - Air compressor of 20 HP motor was replaced with 10 HP motor leading to a reduction in consumption from 11.50 units/hour to 5.0 units /hour resulting in energy saving of 6.5 units/hour.
- b) In lighting of 990 watts sodium light replaced with 640 watts CFL light leading to a reduction in consumption from 0.99 units/hour to 0.64 units /hour resulting in energy saving of 0.35 unit /hour.

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

FORM-A

Sl. No.	Particulars	Current Year 2011-12	Previous Year 2010-11
1	Electricity purchased from Electricity Boards		
	a. Total units purchased / consumed	17,57,209	2,753,152
	b. Total amount of Electricity bill (in Rs.)	1,08,46,426	1,39,98,941
	c. Rate per unit (in Rs.)	6.17	5.08
2	Own generation through Diesel generator		
	Diesel generator (in unit)	267,574	376,006
	Fuel (in ltrs.)	90,113	1,17,741
	Average unit generated per ltr.	2.97	3.19
	Rate per unit (in Rs.)	15.17	12.53

B. TECHNOLOGY ABSORPTION

FORM-B

RESEARCH AND DEVELOPMENT (R&D)

(Rs. in lakhs)

Expenditure on R&D	2011-12	2010-11
a) Capital Rs.	NIL	NIL
b) Revenue Rs.	1.83	NIL
c) Total Rs.	1.83	NIL
d) Total R & D expenditure as a percentage of total turnover	0.08%	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2011-12	2010-11
Foreign Exchange outgo		
Imports (CIF)	NIL	29.99
Travel	NIL	NIL
Foreign Exchange Earned:		
F.O.B. Value of Exports	142.77	126.81

For and on behalf of the Board

Place : Chennai
Date : 09th August 2012

G.V.Gopinath
Director Finance & Marketing

G.Radhakrishna
Managing Director

REPORT ON CORPORATE GOVERNANCE

1. Company'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. Robust corporate governance can be catalyst in achieving the desired credibility by ensuring transparency across the business through independent and unbiased review mechanisms facilitated by prescribed norms across various economies, sectors and industries. Corporate governance framework aims among other things to provide credibility to an entity's decisions and initiatives. Your Company is always in the pursuit to achieve better internal control and higher risk management which shall be possible with the help of Corporate Governance.

2. BOARD OF DIRECTORS:

Board Composition:

The Board consists of nine Directors with one Non- Executive Chairman, five Independent Directors and three Executive Directors.

Board Meetings:

During the financial year, the Board met six times on 26th May 2011, 28th July 2011, 22nd September 2011, 03rd November 2011, 09th February 2012 and 27th March 2012.

Attendance of each Director at the Board Meetings and Last AGM and details of other Directorship as on 31st March 2012:

Name of the Directors	Category of Directorship	No of shares held as on 31 st March 2012	Attendance Particulars		No. of other Directorship and Committee membership	
			Board Meeting	Last AGM	Other Directorships*	Other Committee membership #
Sri. G.P.N.Gupta	Chairman (NE) Promoter	1,89,800	5	Yes	1	1
Sri. G.Radhakrishna	Managing Director (E) Promoter	2,42,900	6	Yes	3	1
Sri. M.Ravindra Reddy	Director (NEI)	3,500	6	Yes	Nil	Nil
Sri. M.V.Chandrashekar	Director (NEI)	71,424	6	Yes	2	Nil
Sri. S.Ramakrishnan	Director (NEI)	Nil	6	Yes	Nil	Nil
Sri. Raju Swamy	Director (NEI)	Nil	6	Yes	Nil	Nil
Sri. Sanjay Ramaswami	Director (NEI)	Nil	5	Yes	2	Nil
Sri. G.S.Sridhar	Whole-time Director(E) Promoter	26,568	6	Yes	Nil	Nil
Sri. G.V.Gopinath	Whole-time Director(E) Promoter	18,000	6	Yes	1	Nil

E-Executive, NE-Non Executive, NEI-Non Executive Independent

* Includes Private Limited Companies

Audit Committee, Share holders/Investors Grievance Committee and Selection & Remuneration Committee are alone considered for this purpose.

3. AUDIT COMMITTEE:

As per Sec 292A of the Companies Act, 1956 read with Clause 41 and 49 of the Listing Agreement, the Company is required to have an Audit Committee. The scope of the Audit Committee is as given in the clause 49 (II) D of the listing agreement.

During the financial year, the Audit Committee met four times on 26th May 2011, 28th July 2011, 03rd November 2011, and 09th February 2012 and not more than four months lapsed between two meetings.

Composition of the Committee as on 31st March, 2012 and attendance during the year:

Particulars	Name of the Chairman/Member	No of Meetings attended
Chairman	Sri. Raju Swamy	4
Members	Sri. M.V.Chandrashekar	4
	Sri. S.Ramakrishnan	4

Company Secretary is the Secretary to the Audit Committee.

4. SELECTION & 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 staff members 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.

During the year a Selection and Remuneration Committee Meeting was held on 26th May 2011 for recommendation of re-appointment of Sri. G. Radhakrishna, Managing Director, Sri. G.V Gopinath, Director Finance and Marketing and Sri. G.S Sridhar, Director Operations to the Board.

The Remuneration Committee under the provisions of the Schedule XIII of the Companies Act, 1956, was reconstituted with a board resolution passed on 30.05.2012 with

1. Sri. S.Ramakrishnan Non Executive, Independent Director as Chairman
2. Sri. G.P.N Gupta Non Executive Director, as member
3. Sri. Sanjay Ramaswami Non Executive, Independent Director as member.”

REMUNERATION PAID TO EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2011-12:**1. Sri. G.Radhakrishna, Managing Director** (Rs. in Lakhs)

Fixed Components	2011-2012	2010-2011
Salary/Allowances	10.20	10.20
Perquisites	0.28	0.28
Retirement Benefits	0.90	0.90
Provision for Leave salary	0.24	0.29
Total	11.62	11.67

2. Sri. G.S.Sridhar, Director Operations

Fixed Components	2011-2012	2010-2011
Salary/Allowances	7.68	7.68
Perquisites	0.33	0.36
Retirement Benefits	0.72	0.72
Provision for Leave salary	0.19	0.23
Total	8.92	8.99

3. Sri. G.V.Gopinath, Director Finance & Marketing

Fixed Components	2011-2012	2010-2011
Salary/Allowances	7.68	7.68
Perquisites	-	--
Retirement Benefits	0.72	0.72
Provision for Leave salary	0.19	0.23
Total	8.59	8.63

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 2011-12 are given below:

(Rs. in Lakhs)

Name of the Director	Amount
Sri.G.P.N.Gupta	0.10
Sri.M.V.Chandrashekar	1.10
Sri.S.Ramakrishnan	1.10
Sri.M.Ravindra Reddy	0.6
Sri.Raju Swamy	1.10
Sri.Sanjay Ramasami	0.5

5. SHARE HOLDERS/INVESTORS GRIEVANCE COMMITTEE

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 was reconstituted with a board resolution passed on 30.05.2012 with Sri.GPN. Gupta, Non Executive Director, as Chairman and Sri. Radhakrishna, Managing Director, as Member and Ms. C. Rubavathy Company Secretary as the Secretary of the Committee.

6. SHARE TRANSFER

In pursuance to the listing agreement, the power to approve the transfer of shares and to redress the complaints pertaining to share transfer was delegated to Sri. G.Radhakrishna vide Board resolution dated 30.05.2012 and the Share transfer committee stands dissolved from that date.

7. COMPLIANCE OFFICER:

Ms. C. Rubavathy was appointed as Company Secretary cum Compliance Officer in the Board Meeting held on 30.05.2012. Her e-mail I.D. is cs-sl@blissgroup.com. The Company received nil complaints during the year.

8. GENERAL BODY MEETINGS:

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

Financial Year Ended	Date	Time	Venue	Whether Special Resolution passed
31 st March, 2009	29.09.2009	10.30 A.M	Sri. P.Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T.Nagar, Chennai - 600 017.	Yes
31 st March, 2010	29.07.2010	10.30 A.M	TAMILNADU FOUNDATION INC.USA, 27, Taylors Road, Kilpauk, Chennai – 600 010	No
31 st March, 2011	22.09.2011	10.30 A.M	Narada Gana Sabha trust, Mini Hall, No.314, TTK Road, Chennai-600018	Yes

9. WHISTLE BLOWER POLICY

Whistle Blower Policy has not been mandatory established but the employees have complete access to the members of the Audit Committee. There has not been any complaint received from the Employees.

10. MEANS OF COMMUNICATION:

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

11. GENERAL SHAREHOLDERS INFORMATION:

AGM Date	: 26 th September 2012
Time and venue	: 10.30 a.m. Narada Gana Sabha Trust, Mini Hall, No.314, T.T.K. Road, Chennai – 600 018.

FINANCIAL CALENDAR 2012-13

(Tentative Dates):

Unaudited results for the first Quarter ending June 30, 2012	: On 9 th August, 2012
Unaudited results for the second Quarter ending September 30, 2012	: On or before 14 th November, 2012
Unaudited results for the third Quarter ending December 31, 2012	: On or before 14 th February, 2013
Audited results for the year ending March 31, 2013	: On or before 30 th May, 2013
Book closure Dates	: 20 th September 2012 to 26 th September 2012 (Both Days inclusive)
Listing on Stock Exchanges	: The Bombay Stock Exchange Ltd The Madras Stock Exchange Ltd
Stock Code	: 530931(BSE)
ISIN	: INE457D01018

12. MARKET PRICE DATA IN BSE**(HIGH, LOW DURING EACH MONTH IN THE YEAR 2011-12):**

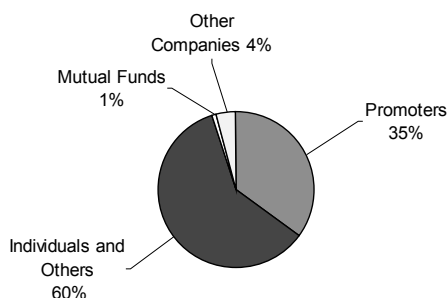
Month	High (Rs.)	Low (Rs.)
April 2011	6.46	5.71
May 2011	5.43	5.17
June 2011	5.42	4.85
July 2011	5.00	4.76
August 2011	5.25	4.95
September 2011	4.95	4.95
October 2011	5.46	4.85
November 2011	5.00	4.75
December 2011	5.00	4.35
January 2012	4.56	4.45
February 2012	4.67	4.44
March 2012	4.25	3.66

13. SHARE TRANSFER SYSTEMS:

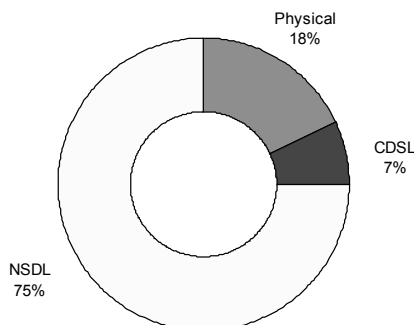
Shares lodged in physical form with the Company/Registrar and Share Transfer Agent are processed and returned, duly transferred, within 30 days from the date of receipt, if the documents submitted are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through their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

14. DISTRIBUTION OF SHAREHOLDING (AS ON 30TH JUNE 2012):

No. of shares held	Folio		Shares	
	Number	%	Number	%
Upto - 500	2192	70.66	507499	8.33
501 - 1000	375	12.09	316809	5.20
1001 – 2000	144	4.64	218350	3.58
2001 – 3000	159	5.13	401541	6.59
3001 – 4000	86	2.77	300228	4.92
4001 – 5000	34	1.10	161971	2.66
5001 – 10000	49	1.58	371025	6.09
10001 – 20000	20	0.65	277123	4.54
20001 - 50000	23	0.74	716259	11.75
50001 – 100000	10	0.32	779038	12.78
100001 & above	10	0.32	2046157	33.56
Total	3102	100	6096000	100

15. SHAREHOLDING PATTERN AS ON 30TH JUNE 2012:

16. DEMAT/PHYSICAL STATUS OF SHARES (% TO PAID-UP CAPITAL) AS ON 30TH JUNE 2012:

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



17. PLANT LOCATIONS:**Unit I**

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

Unit II

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

18. ADDRESS FOR CORRESPONDENCE:

“S.K.Enclave” New No.4, (Old No.47) Nowroji Road, Chetpet, Chennai – 600 031.

19. CODE OF CONDUCT:

The Board of Directors have 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 of this report.

20. DISCLOSURE:

During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relative etc., which were in conflict with the interest of the Company. The necessary disclosure regarding the transactions with related parties is given in Note No.12 of notes on annual accounts for the year 2011-12.

There was no instance of non compliance by the Company on any matters relating to the capital markets, nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters, during the last three years.

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

21. CEO/CFO CERTIFICATION:

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

22. COMPLIANCE CERTIFICATE OF THE AUDITORS:

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

For and on behalf of the Board

Place : Chennai
Date : 09th August 2012

G.V.Gopinath
Director Finance & Marketing

G.Radhakrishna
Managing Director

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 & Marketing of Stanpacks (India) Limited (the Company), certify to the best of our knowledge and belief that:

1. We have reviewed the Balance Sheet and Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statement and Directors' Report for the year ended March 31, 2012.
 - i. 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.
 - ii. 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
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. 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).

Place: Chennai
Date : 09th August 2012

G.V.Gopinath
Director Finance & Marketing

G.Radhakrishna
Managing Director

**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 March 31st 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 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. 004050S

Place : Chennai

Date : 30th, May 2012

R.MOHAN

Partner

Membership No.022460

ANNEXURE IV

DECLARATION FOR CODE OF CONDUCT

We hereby affirm that in pursuant to the clause 49 (1) D of listing agreement that the Board Members & 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.

Place : Chennai

Date : 09th August 2012

G.V.Gopinath

Director Finance & Marketing

G.Radhakrishna

Managing Director

AUDITORS' REPORT**To the Members of Stanpacks (India) Limited**

1. We have audited the attached Balance Sheet of Stanpacks (India) Limited ("the Company") as at 31st March 2012, the Statement of Profit and Loss and also the Cash Flow statement for the year ended on that date are annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Ministry of Corporate Affairs in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as at 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2012;
- ii. In the case of the statement of profit and loss, of the loss of the Company for the year ended on that date; and
- iii. In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

for M.SRINIVASAN & ASSOCIATES

Chartered Accountants

Firm Registration No. 004050S

Place : Chennai

Date : 30th May, 2012

R.MOHAN

Partner

Membership No.022460

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

- (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 programme of physical verification of its fixed assets by which all fixed assets are annually verified by the management. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) 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 and have been properly dealt with in the books of account.
- (iii) 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 covered in the register maintained under Section 301 of the Companies Act, 1956. aggregating to Rs.157.59 Lakhs (Maximum amount outstanding during the year Rs.157.59 Lakhs) The rate of interest and the terms and conditions are not prima facie, prejudicial to the interest of the Company.
- (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, for the purchase of inventory and fixed assets and for 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 explanations given to us, there are contracts or arrangements and the particulars of transactions are entered into the register referred to in 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 provisions of the Act and the Companies (Acceptance of Deposit) rules, 1975 with regard to deposits accepted from public.
- (vii) The Company has an internal audit system commensurate with its size and nature of business.

- (viii) The Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products manufactured or services rendered by the Company.
- (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, Income-tax, Sales tax, Customs duty, Service tax and other material statutory dues have been generally regularly deposited, during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Employees' State Insurance, Excise duty and Wealth tax.

(b) According to the information and explanations given to us, no undisputed amounts payable 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 March 2012 for a period of more than six months from the date they became payable.

(c) Details of dues towards sales tax and excise duty that have not been deposited on account of dispute are as stated in Note 7 of notes to the accounts forming part of the financial statements.
- (x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. No cash loss incurred by the Company during and in the immediately preceding financial 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 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 explanations 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 of 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 or 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 issues 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

Firm Registration No. 004050S

Place : Chennai

Date : 30th May, 2012

R.MOHAN

Partner

Membership No.022460

BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. in Lakhs)

Particulars	Note	31 st March 2012	31 st March 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2.1	609.60	609.60
Reserves and surplus	2.2	(70.73)	(66.64)
Non-Current Liabilities			
Long-term borrowings	2.3	534.48	405.77
Other long term liabilities	2.5	56.28	29.08
Long term provisions	2.6	71.23	61.40
Current liabilities			
Short-term borrowings	2.7	838.71	821.87
Trade payables	2.8	313.47	476.06
Other current liabilities	2.9	200.04	307.13
Short term provisions	2.10	126.14	94.98
		2,679.22	2,739.25
ASSETS			
Non current assets			
Fixed assets			
- Tangible assets	2.11	896.31	1,033.55
- Intangible assets			
- Capital work in progress			
- Intangible assets under development			
Deferred tax assets (net)	2.4	30.15	30.15
Long term loans and advances	2.12	3.59	1.44
Other non current assets	2.13	158.60	160.48
Current assets			
Inventories	2.14	1,245.55	1,081.09
Trade receivables	2.15	313.72	361.76
Cash and cash equivalents	2.16	18.82	54.29
Short term loan and advances	2.17	12.48	14.14
Other current assets	2.18	0.00	2.35
		2,679.22	2,739.25

Significant accounting policies & 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

G.RADHAKRISHNA

Managing Director

G.V.GOPINATH

Director Finance & Marketing

R Mohan

Partner

Membership No.022460

Place : Chennai

Date : 30th May, 2012**C.RUBAVATHY**

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)			
Particulars	Note	31 st March 2012	31 st March 2011
Revenue from operations			
Sale of manufactured products		2,508.21	3,402.99
Less: Excise duty		265.40	335.87
Less: Sales Tax		80.81	93.97
Total revenue from operations		2,162.00	2,973.15
Other income	2.19	35.22	4.41
Total Revenue		2,197.22	2,977.56
Expenses			
Cost of materials consumed	2.20	1,469.59	2,149.85
Change in inventory of finished goods	2.21	(217.97)	(268.79)
Employee benefits expense	2.22	177.63	201.41
Finance costs	2.23	215.55	197.24
Depreciation and amortisation expense		94.10	97.97
Other expenses	2.24	460.78	575.47
Total expenses		2,199.68	2,953.15
Profit / (Loss) before exceptional and extraordinary items and tax		(2.46)	24.41
Exceptional items		0.00	0.00
Profit / (Loss) before extraordinary items and tax		(2.46)	24.41
Extraordinary items			
Prior period items	2.25	1.63	15.90
Profit / (Loss) before tax		(4.09)	8.51
Tax expense		0.00	0.00
Profit / (Loss) for the period from continuing operations		(4.09)	8.51
Profit / (Loss) from discontinuing operations		0.00	0.00
Tax expense of discontinuing operations		0.00	0.00
Profit / (Loss) from discontinuing operations after tax		0.00	0.00
Profit / (Loss) for the period		(4.09)	8.51
Earning per equity share			
Basic and Diluted		(0.07)	0.14
Number of shares used in computing earnings per share			
Basic and Diluted		6,09,600	6,09,600

Significant accounting policies & 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

G.RADHAKRISHNA
 Managing Director

G.V.GOPINATH
 Director Finance & Marketing
R Mohan

Partner

Membership No.022460

Place : Chennai

Date : 30th May, 2012
C.RUBAVATHY
 Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2011 TO 31.03.2012
(Pursuant to Clause 32 of the Listing Agreement)
(Rs. in Lakhs)

	31 st March 2012		31 st March 2011	
A. Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items		(2.46)		24.41
Adjustments for Depreciation	94.10		97.97	
Preliminary Expenses Written off	-		-	
Share Issue Expenses Written off	-		-	
Prior Period Adjustments	(1.63)		(15.90)	
Profit on Sale of Fixed Assets	(7.13)		-	
Loss on Sale of Fixed Assets	6.88		3.76	
Interest Earned	(1.44)		(4.67)	
Interest Paid	215.56		197.24	
		306.34		278.40
Operating Profit before Working Capital Changes		303.88		302.81
<u>Adjustment for</u>				
Trade Receivables -(Increase)/Decrease	51.77		49.88	
Inventories - (Increase) / Decrease	(164.44)		(265.01)	
Trade Payables - Increase / (Decrease)	(132.83)		235.24	
		(245.50)		20.10
Cash Generated from Operations		58.38		322.92
Interest Earned		1.44		4.67
Interest Paid		(215.56)		(197.24)
Less : Direct Tax Paid		-		-
Cash Flow before Extraordinary Items		(155.74)		130.34
Extraordinary Items		-		-
Net Cash from Operating Activities		(155.74)		130.34
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(14.45)		(9.01)	
Sale of Fixed Assets	57.85		3.39	
		43.39		(5.62)
Net Cash used for Investing Activities		43.39		(5.62)
C. Cash flow from Financial Activities				
Proceeds from Long Term Borrowings	76.88		(152.74)	
Dividend (Including Tax on dividend)	-		-	
Net Cash Used in Financing Activities	-		-	
		76.88		(152.74)
Net increase in Cash & Cash equivalents A + B + C		(35.47)		(28.01)
Opening Balance of Cash & Cash Equivalents		54.29		82.31
Closing Balance of Cash & Cash Equivalents		18.82		54.29

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 & Marketing

R Mohan
Partner
Membership No.022460
Place : Chennai
Date : 30th May, 2012

C.RUBAVATHY
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS**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,

1.2. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (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 those 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 statement of profit and loss 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. RESEARCH & DEVELOPMENT

Research & Development expenditure of revenue nature is charged to statement of profit & loss, while Capital Expenditure is added to the cost of fixed assets in the year in which they are incurred.

1.13. INTANGIBLE ASSETS

Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an assets 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.

2. Notes on accounts

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

Particulars	(Rs. in Lakhs)			
	As at 31 st March 2012		As at 31 st March 2011	
2.1 SHARE CAPITAL				
Authorised				
Equity shares				
70,00,000 (previous year 7,00,00,000), Rs.10 par value	700.00		700.00	
	700.00		700.00	
Issued				
Equity shares				
60,96,000 (previous year 60,96,000), Rs. 10 par value	609.60		609.60	
	609.60		609.60	
Subscribed and fully Paid up				
Equity shares				
60,96,000 (previous year 60,96,000), Rs.10 fully paid up	609.60		609.60	
The reconciliation of the number of equity shares outstanding is set out below;				
Shares outstanding at the beginning of the year	60,96,000		60,96,000	
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	60,96,000		60,96,000	
The details of shareholder holding more than 5% equity shares is set below;				
Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Balaji Trading Enterprises Private Limited	6,75,395	11.08	6,75,395	11.08

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2012	As at 31 st March 2011
2.2 Reserves and Surplus		
Surplus / (deficit) balance in the statement of profit and loss		
Opening Balance	(66.64)	(75.15)
Add: Profit/ (Loss) for the year	(4.09)	8.51
Less: Amount utilised	-	-
Transfer to capital reserves, Capital redemption reserve and other reserves	-	-
Closing Balance	(70.73)	(66.64)
	(70.73)	(66.64)
2.3 Long term borrowings		
Secured- Considered good		
Term loans (from banks)		
Karnataka Bank Limited (secured by fixed assets of the Company and guaranteed by Directors in their personnel capacity)	0.00	102.93
Long term maturities of finance lease obligations (Secured by motor Vehicle under Hypothecation) Repayment tenure of 36 months ending Dec 2014	5.49	0.00
	5.49	102.93
Unsecured -considered good		
Public Deposits Repayable on maturity depending on the period of deposit more than 1 year	28.90	15.75
Loans and advances from others (Repayable in 3 Years with Rate of Interest 12% PA)	175.00	0.00
Loans and advances from related parties from Group Company-Balaji Trading Enterprises Pvt.Ltd (Repayable in 3 years with the rate of Interest 14% PA) (Maximum outstanding during the year Rs.157.60 Lakhs)	157.60	100.83
Sales Tax Loan-IFST (Repayable in 7(8) years and Rate of Interest NIL)	167.49	186.26
	528.99	302.84
	534.48	405.77
2.4 Deferred tax assets (Net) As per last Balance Sheet	(30.15)	(30.15)
Add : Deferred tax liability for the year (Net)		
Closing Balance	(30.15)	(30.15)
2.5 Other long term liabilities		
Trade Payables		
- due to micro and small enterprises	0.00	0.00
- others creditors	25.88	0.96
- acceptances	-	-
Others		
Advances from TIFAC for Research & Development	25.00	25.00
Advances from customers	5.40	3.12
	56.28	29.08
2.6 Long term provisions		
Provision for employee benefits		
Superannuation	0.00	0.00
Gratuity	23.30	17.61
Compensated absences	15.37	11.63
Others		
Provision for Income tax earlier years	32.14	32.14
Provision for pending sales tax forms and other disputes	0.42	0.02
	71.23	61.40

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2012	As at 31 st March 2011
2.7 Short term borrowings		
Secured- Considered good		
Loans repayable on demand		
Cash credit (from banks)		
- Karnataka Bank	835.86	811.77
(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)		
	835.86	811.77
Unsecured - Considered Good		
Deposits		
Public Deposits		
Repayable on maturity depending on the period of deposit less than 1 year	2.85	10.10
	2.85	10.10
	838.71	821.87
2.8 Trade payables		
Trade Payables		
- due to micro and small enterprises		
- others creditors	313.41	474.75
(Includes a sum of Rs.83.70 (Previous year Rs.86.15 Lakhs) due to Jumbo Bag Limited a Company under the same management in which directors are interested)		
- purchase of Fixed Assets	0.06	1.31
	313.47	476.06
2.9 Other current liabilities		
Current maturities of long-term debt	102.93	170.30
(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	1.74	0.00
(Secured by motor Vehicle under Hypothecation)		
Repayment tenure of 36 months ending Dec 2014		
Current maturities of Sales Tax loan	18.77	21.80
Other payables		
Rent Payable	0.22	0.00
Others	0.03	0.03
Advances from customers	63.89	104.10
Amounts liable to be deposited in Investor Education and Protection Fund not yet due for deposit		
- unclaimed dividends	4.54	4.55
Professional tax Payable	0.20	0.20
Bonus payable	4.50	4.50
Withholding and other tax payable	3.22	1.64
	200.04	307.12
2.10 Short term provisions		
Provision for employee benefits		
Salary & Reimbursements	0.73	8.88
Others		
Provision for Excise duty on Finished Goods	125.41	86.10
	126.14	94.98

(Rs in Lakhs)

2.11 - Fixed assets

Fixed Assets	GROSS BLOCK					ACCUMULATED DEPRECIATION			Net block	
	As at 1st April 2011	Additions	Sub total	Disposals	As at 31st March 2012	As at 1st April 2011	Depreciation charge for the Year	Deductions/ Other adjustments	As at 31st March 2012	As at 31st March 2011
Tangible Assets										
Land Owned	50.84		50.84	17.87	32.97				32.97	50.84
Buildings Owned	220.26		220.26		220.26	90.32	7.38		122.56	129.94
Leasehold improvements	1.00		1.00		1.00	0.17			0.83	0.83
Plant and Equipment										
Owned	1,333.58	5.48	1,339.06	38.00	1,301.06	578.05	65.87	1.62	655.52	755.53
Furniture and Fixtures										
Owned	38.14		38.14	0.01	38.13	26.89	2.33	0.02	8.89	11.25
Vehicles										
Owned	36.90		36.90	3.99	32.91	23.77	1.65	0.60	6.89	13.13
Assets under lease		9.39	9.39		9.39		0.30		9.09	-
Air Conditioners										
Owned	8.71	0.25	8.96		8.96	7.03	0.74		1.19	1.68
Computers										
Owned	47.96	0.71	48.67		48.67	39.74	3.21		5.72	8.22
Electrical & Electronic equipments										
Owned	140.55		140.55		140.55	81.51	9.38		49.66	59.04
Lab equipments										
Owned	6.86		6.86		6.86	6.74	0.09	0.03	-	0.12
VHF System										
Owned	1.17		1.17		1.17	0.84	0.05		0.28	0.33
Office equipment										
Owned	11.13	0.89	12.02		12.02	8.48	0.83		2.71	2.65
Intangible Assets										
	1,897.10	16.72	1,913.82	59.87	1,853.95	863.54	91.83	2.27	896.31	1,033.56
Intangible assets under Development										

Particulars	(Rs in Lakhs)	
	As at 31 st March 2012	As at 31 st March 2011
2.12 Long term loans and advances		
Capital Advances		
For purchase of fixed assets		
Unsecured, considered good	2.15	0.00
	2.15	0.00
Security Deposits		
Unsecured, considered good	1.44	1.44
	3.59	1.44
2.13: Other non current assets		
Long term trade receivables (including trade receivables on deferred credit terms)		
Unsecured, considered good	26.45	20.67
	26.45	20.67
Other loans and advances		
unsecured, considered good		
Sales Tax deposit	12.71	12.81
MAT credit entitlement	37.47	40.81
Earnest Money deposit	1.57	2.74
CENVAT receivable	1.53	1.52
Electricity & other deposits	36.06	36.99
Rental deposits	42.28	44.41
Telephone deposits	0.53	0.53
	132.15	139.81
	158.60	160.48
2.14: Inventories		
Raw Materials and components (Valued at lower of cost or net realisable value)	52.17	109.90
	52.17	109.90
Finished goods (Valued at lower of cost or net realisable value)	1,140.03	922.05
	1,140.03	922.05
Stores and spares (Valued at lower of cost or net realisable value)	53.35	49.15
	53.35	49.15
	1,245.55	1,081.10
2.15: Trade receivables		
Debts outstanding for period exceeding six months		
Unsecured, considered good	51.99	54.38
	51.99	54.38
Other debts		
Unsecured, considered good	261.73	307.39
	313.72	361.77
2.16: Cash and cash equivalents		
Cash on hand	2.20	3.97
Other Bank balances		
Unclaimed Dividends	4.54	4.55
Bank deposits with more than 12 months maturity	12.08	45.77
	18.82	54.29
2.17 Short term loan and advances		
Others		
Unsecured, considered good		
Sales Tax Deposit	1.97	1.83
Travelling Advances	0.13	0.06
CENVAT receivable	3.47	6.11
Staff advances	3.32	2.65
Service tax receivable	0.40	0.99
Prepaid expenses	3.19	2.51
	12.48	14.15

(Rs in Lakhs)

Particulars	As at 31 st March 2012	As at 31 st March 2011
2.18 Other current assets		
Claims receivables-TUFF	0	2.35
	0	2.35
2.19 Other income		
Interest income	1.44	4.67
Exchange gain (net)	4.16	(0.31)
Profit on sale of Land	7.13	0
Export benefit receivable	22.41	0
Other Income	0.08	0.05
	35.22	4.41
2.20 Cost of material consumed		
Raw materials and packing materials consumed		
Opening stock	79.65	120.66
Add: Purchases	1,442.12	2,139.09
Less: Closing stock	52.18	109.90
Raw materials and packing materials consumed	1,469.59	2,149.85
2.21 Change in inventory of finished goods.		
Opening stock		
Finished goods	922.05	653.26
Less: Closing stock		
Finished goods	1,140.02	922.05
Increase in inventory of Finished goods	(217.97)	(268.79)
2.22 Employee benefits expense		
Salaries & wages	99.62	124.96
Bonus and incentives	4.85	7.61
Leave Travel & Medical Expenses	1.05	0.78
Compensated absences	5.25	0.56
Contribution to provident fund and other funds	20.33	19.21
Workmen and staff welfare expenses	20.59	22.41
Directors remuneration	25.94	25.88
	177.63	201.41
2.23 Finance Cost		
Interest expense		
- Term Loan	26.97	42.98
- working Capital	109.05	98.59
- Finance Lease & LC	0.54	0.00
Other borrowing costs	78.99	55.67
	215.55	197.24
2.24 Other expense		
Consumption of stores, loose tools and spare parts	45.22	117.64
Power and fuel	156.37	213.00
Rent	39.97	30.24

(Rs in Lakhs)

Particulars	As at 31 st March 2012	As at 31 st March 2011
Repairs and maintenance:		
- buildings	0.15	-
- plant and machinery	4.30	7.16
- others	2.28	4.13
Factory General Maintenance	9.94	15.43
Stereo Charges	2.42	2.99
Rates and taxes, excluding, taxes on income	3.60	3.89
Security Expenses	17.13	15.88
Cartage Expenses	1.31	1.91
Insurance	3.83	5.94
Travelling and conveyance (includes Rs. 1.82 Lakhs towards Travelling expenses of directors)	7.43	3.82
Communication expenses	2.92	4.54
Contract labor charges	27.83	27.92
Legal and professional fees	2.30	7.88
Auditor's remuneration	2.05	2.39
Rebate & discount	1.87	2.32
Freight outward	25.13	30.47
Brokerage and commission	1.59	0.79
Sales promotion and advertisement	2.21	0.66
Asset lease rentals and hire charges	1.52	1.05
Directors sitting Fees	4.50	4.10
Clearing & Forwarding Charges	3.86	2.35
Vehical Maintenance	6.66	6.61
Bank charges	13.41	9.54
Loss on sale of fixed assets	6.88	3.76
Research & Development Expenses	1.84	0.28
Provision for Excise duty on Finished Goods	41.98	25.73
Lab testing & research expenses	0.02	0.01
Training and seminar expenses	1.13	0.81
Postage & Telegrams	1.30	1.41
Service charges	9.74	7.76
Printing and stationery	3.40	3.53
Membership and subscriptions	0.75	0.82
Tax penalties & Interest	0.55	-
Office Maintenance Expenses	3.39	4.27
Bad debts written off	-	4.44
	460.78	575.47
2.25 Prior period items		
Staff Leave Travel and Medical Reimbursement	1.13	1.28
Others	0.50	14.62
	1.63	15.90

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

4. 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 31st March 2012 is Nil.

5. 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.

6. DETAILS OF MANAGERIAL REMUNERATION

(Rs. in Lakhs)

Particulars	2011-12	2010-11
Salary and Allowances	25.56	25.56
Perquisites	0.62	0.65
Retirement Benefits	2.34	2.34
Provision for Leave Salary	0.62	0.75
Total	29.15	29.31

7. 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	8.25	1994-1995	On Appeal the case was remanded back to the assessing Officer
ii.	Sales Tax	Sales Tax Demand	3.53	1995-1996	- do -
iii.	Sales Tax	Sales Tax Demand	1.28	1997-1998	- do -
iv..	Sales Tax	Sales Tax Demand	0.80	2001-2002	- do -
v.	Central Excise	Excise Duty Demand	2.18	2007-2008	Appeal pending with The Assistant Commissioner of Central Excise, Chennai
vi.	Central Excise	Excise Duty Demand	4.12	2008-2009	- do -

8. LEASES**Operating leases**

The Company is obligated under cancelable operating leases for Kavarapet factory which are renewable at the options of the lessor and the lessee. The expense under the contracted lease amounts to Rs.29.73 Lakhs (previous year Rs.21.83 Lakhs)

9. DISCLOSURE UNDER AS-15

(Rs. in Lakhs)

(i)	Defined Contribution Plans:-	2011-12	2010 – 11
	(a) Contribution to Provident Fund	6.47	7.68
	(b) Contribution to Superannuation Fund	2.57	2.69

Effective 1st 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 section AS 15.

(Rs. in Lakhs)

1	Table Showing changes in present value of obligation as on	31/03/2012	31/03/2011
	Particulars	Amount	Amount
	Present value of obligation as at beginning of year	20.28	20.28
	Interest Cost	1.62	1.62
	Current Service Cost	1.88	1.88
	Benefits Paid	(2.92)	(3.39)
	Actuarial (gain)/loss on obligations	5.82	(0.11)
	Present value of obligation as at end of year	26.69	20.28
2	Table Showing changes in the fair value of plan assets as on	31/03/2012	31/03/2011
	Fair value of plan Assets at beginning of year	2.42	1.71
	Expected return of plan Assets	0.99	0.29
	Contribution	1.78	3.80
	Benefits paid	(2.92)	(3.39)
	Actuarial (gain)/loss on plan Assets	Nil	Nil

	Fair value of plan Assets at the end of year	2.29	2.42
3	Table Showing fair value of plan Assets as on	31/03/2012	31/03/2011
	Fair Value of plan Assets at beginning of year	2.42	1.71
	Actual return of plan assets	0.99	0.29
	Contribution	1.78	3.80
	Benefits paid	(2.92)	(3.39)
	Fair value of plan Assets at the end of year	2.29	2.42
	Funded Status	(24.40)	(17.85)
	Excess of Actual over estimated return of plan Assets	Nil	Nil
	(Actual return of return = Estimated rate of return as ARD fails as on 31 st March)		
4	Actual Gain/loss recognized	31/03/2012	31/03/2011
	Actuarial (gain)/loss on Obligations	(5.82)	0.11
	Actuarial (gain)/loss for the year – plan Assets	Nil	Nil
	Actuarial (gain)/loss on Obligations	5.82	(0.11)
	Actuarial (gain)/loss recognized in the year	5.82	(0.11)
5	The amounts to be recognized in balance sheet and statement of Profit & Loss	31/03/2012	31/03/2011
	Present Value of obligations as at the end of year	26.69	20.28
	Fair value of plan assets as at the end of year	26.69	2.42
	Funded States	(24.40)	(17.85)
	Net asset/(liability) recognized in the balance sheet	24.40	17.85
6	Expenses Recognized in statement of Profit & loss	31/03/2012	31/03/2011
	Current service cost	1.88	1.88
	Interest cost	1.62	1.62
	Expected return on plan assets	(0.99)	(0.29)
	Net Actuarial (gain)/loss recognized in the year	5.82	(0.11)
	Expenses recognized in statement of Profit & loss	8.33	3.09

Expended 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.

10. As at 31st March, 2012, the Company had Rs.471.39 lakhs unabsorbed depreciation and carried forward of losses under tax laws.

11. 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 statement of profit and loss itself, and therefore keeping in view of the objective of segment reporting, the Company has not disclosed segment information.

12. DISCLOSURES UNDER ACCOUNTING STANDARD -18

Related Parties with whom transactions have taken place during the year. (Rs. in Lakhs)

Sl. No.	Name of the Party	Nature of Relationship	Nature of Transaction	Transaction During the year		Closing Balance	
				31.03.2012	31.03.2011	31.03.2012	31.03.2011
1	Jumbo Bag Ltd.	Associated Company	Conversion Charges Received	22.43	18.24		
			Purchase	68.59	49.60		
			Sales	61.20	30.60		
			Interest paid	11.63	1.71	83.70	18.07
2	Balaji Trading Enterprises Pvt.Ltd	Associated Company	Interest paid	20.00	11.35		
			Purchase	1.77	-		
			Loan Received	81.76	10.50		
			Loan Repaid	43.00	-	157.59	100.82
3	G F Impex Pvt.Ltd	Associated Company	Purchase	11.50	-	4.85	-
4	Sri. G..Sudhakar	Relative of key management personnel	Rent paid	1.85	1.68	-	-

13. CONTINGENT LIABILITIES

(Rs. in Lakhs)

Particulars		As at 31.03.2012	As at 31.03.2011
a)	Disputed Amount of Sales tax	13.88	13.88
b)	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 favour. 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.

14. 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, further Secured by personal guarantees of Sri. G.V.Chalapathi, and Sri. G. Muralidhar.
15. (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.

16. INTEREST FREE SALES TAX DEFERRAL (Rs. in Lakhs)

Due Within	1 year	:	18.76
Due Within	1 to 5 Years	:	139.08
Due more than	5 Years	:	28.41

17. Advances & Deposits includes an amount of Rs.16.55 Lakhs being Admitted and Disputed Sales Tax of Rs.14.27 Lakhs for various years paid and Income Tax for the Assessment Year 1996-97 of Rs.2.27 Lakhs 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.

18. 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.

19. EXPENDITURE IN FOREIGN EXCHANGE (Rs. in Lakhs)

Particulars	As at 31.03.12	As at 31.03.11
Imported Materials Purchase (CIF)	-	29.99
Foreign Travel Expenses	-	-

20. FOREIGN EXCHANGE EARNINGS

Export Sales (FOB)	142.76	126.80
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21. REMUNERATION TO AUDITORS

(Rs. in Lakhs)

i) Statutory Audit Fee	0.75	1
ii) Tax Audit Fee	0.25	0.25
iii) Service Tax	0.15	0.12
iv) Certification Fees & Other services	0.31	0.03

22. PREVIOUS YEAR FIGURES

Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. 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.

23. CAPACITY AND PRODUCTION DURING THE YEAR 2011-12**a) Product: Polymer Products**

Licensed Capacity : Not Applicable

Installed Capacity : 7920 Tons

Production : 3069 Tons

b) Raw - Materials and Intermediates Consumed:

(Rs. in Lakhs)

Particulars	Unit of Measurement	2011 - 12		2010 - 11	
		Qty	Value	Qty	Value
a. PP Granules	Kgs	2,711,849	1277.93	37,87,099	2007.59
b. Others			236.86		259.90

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

(Rs. in Lakhs)

Particulars	2011-12		2010-11	
	%	Value	%	Value
i. Raw Materials				
a. Imported	-	-	1	29.99
b. Indigenous	100	1502.03	99	2111.29
ii. Stores, Spares & Consumables				
a. Imported	-	-	-	-
b. Indigenous	100	43.80	100	123.26

d) **Stock Summary For The Year 2011-12:**

Name of the Commodity	Unit	Opening Balance	Receipts	Issues	Closing stock	
					2011-12	2010-11
Hessian	Meters	2,270	2,465	4,735	-	2,270
Paper	Kgs	22,110	295,931	280,558	37,483	22,110
Granules	Kgs	74,666	2,711,849	2,724,726	61,789	74,666
HDPE/PP Bags	Nos.	15,93,780	14,981,461	15,735,300	839,941	15,93,780
HDPE/PP Kraft Bags	Nos.	96,045	2,684,508	2,639,987	140,566	96,045

e) Closing Stock Value With Quantity As On 31.03.2012:

Name of the Commodity	Unit	Quantity		Value	
		2011-12	2010-11	2011-12	2010-11
Hessian	Meters	-	2,270	-	31,213
Paper	Kgs	37,483	22,110	1,318,614	6,48,660
Granules	Kgs	61,789	74,666	2,787,531	57,79,659
HDPE/PP Bags	Nos	839,941	15,93,780	90,671,141	7,05,28,327
HDPE/PP Kraft Bags	Nos	140,566	96,045	2,558,088	12,00,563
HDPE/PP Fabric & HDPE/ PP Kraft Fabric				6,157,888	80,59,867
Accessories for Bags				1,003,821	14,80,925
Miscellaneous Items Including Consumables				2,181,475	38,29,345
Provision for Excise Duty				12,540,600	86,10,200
Total Value of Closing Stock				119219157	100168757

f) Sales Summary For The Year 2011-12:

(Rs. in Lakhs)

Name of the Commodity	2011-12	2010-11
Poly Propylene Bags	2474.06	3384.41
Others	34.14	18.57

Signatories to Schedules 1 to 23

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 & Marketing

R Mohan
Partner
Membership No.022460
Place : Chennai
Date : 30th May, 2012

C.RUBAVATHY
Company Secretary