

**Corporate Information as on 31st March, 2012**

<b>BOARD OF DIRECTORS</b>	: Mr. Hemendra Prasad Barooah <i>Wholetime Director &amp; Executive Chairman</i> Mr. Ranadurjoy Roy Choudhury, <i>Managing Director</i> Mr. Panchkari Banerjee Mr. Tarun Chandra Dutt Mr. Vijay Raghuram Shetty Mrs. Gargi Barooah Mr. Anjan Ghosh Mr. Sudipto Sarkar
<b>REGISTERED OFFICE</b>	: 1185/1186, Tankapani Road Bhubaneswar - 751 018
<b>CORPORATE OFFICE</b>	: 113, Park Street, 9th Floor Kolkata - 700 016
<b>FACTORY</b>	: 22, Balgopalpur Industrial Area Balasore - 756 020, Odisha
<b>AUDITORS</b>	: APS Associates Chartered Accountants 3C Madan Street, Kolkata - 700 072
<b>BANKER</b>	: State Bank of India Industrial Finance Branch 11, Dr. U. N. Brahmachari Street Kolkata - 700 017
<b>SHARE TRANSFER AGENT</b>	: MCS Limited 77/2A, Hazra Road Kolkata - 700 029

## NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of B & A Packaging India Limited will be held on Thursday, 28th June, 2012 at 12:00 noon at the Registered Office of the Company at 1185/1186, Tankapani Road, Bhubaneswar – 751 018 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Panchkari Banerjee, who retires by rotation and being eligible offers himself for re -appointment.
4. To appoint a Director in place of Mr. Vijay Raghuram Shetty, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint 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 M/s. APS Associates, Chartered Accountants (Registration No. 306015E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

### SPECIAL BUSINESS

6. To re-appoint Mr. Hemendra Prasad Barooah as a Whole Time Director and Chairman and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 198,269,309 and 317 , read with Schedule XIII and all other applicable provisions, if any, of the Companies, Act 1956 or any statutory modification(s) or re-enactment thereof, approval of members be and is hereby accorded

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*(Formerly B&A Multiwall Packaging Limited)*



to the re- appointment of Mr. Hemendra Prasad Barooah as the Whole-Time Director and Chairman of the Company for a period of 5 (five) years with effect from 1st November, 2011 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Date : 23rd May, 2012

Place : Kolkata

Regd. Office:

1185/1186, Tankapani Road

Bhubaneswar – 751 018, Odisha

By Order of the Board of Directors

Rajiv Gupta  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE AT LEAST FORTY-EIGHT HOURS BEFORE THE MEETING.
2. Corporate Members are requested to send to the Company's Share Department, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
3. Members are requested to inform changes, if any, in their mailing address immediately to the Company or to the Registrar and Share Transfer Agent M/s. MCS Limited, 77/2A, Hazra Road, Kolkata – 700 029.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday 19th June, 2012 to Thursday 28th June, 2012 (both days inclusive).
5. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
6. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of Directors retiring by rotation and seeking re-appointment under item No. 3 and Item No. 4 of the Notice respectively, are annexed herewith.
7. Members desirous of obtaining any information concerning the accounts of the Company are requested to send their queries to the Company at least seven days before the meeting so that the information required by the members may be made available at the meeting.
8. Members / Proxy-holders are requested to produce at the entrance, the attached Attendance Slip duly completed for admission to the meeting hall.
9. Members can avail the nomination facility by submitting Form No.2B of the Companies (Central Government's) General Rules and Forms, 1956 with the Company or its Registrar & Share Transfer Agents. Blank forms will be made available on request.
10. Members are requested to carry the copy of this Annual Report at the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 6**

Mr. Hemendra Prasad Barooah , (Mr. H.P Barooah) was appointed as Whole-Time Director & Executive Chairman of the Company effective 1st November,2011 at the meeting of Board of Directors held on 25th October, 2011 for a period of five years.

Mr. Hemendra Prasad Barooah , was born on 1st April, 1926 after obtaining his M.B.A from the Harvard Business School, U.S.A ( Class of '49) the first person from the North East to get this Degree, Mr. Barooah joined the family Tea Plantation Business in 1950. He is also having major interest in Tea Broking, Packaging and Tourism Industry. Further, he is Executive Chairman of B & A Limited, the holding Company.

Being the Chairman of Indian Tea Association (ITA) from 1991 – 1994 Mr. Barooah had a substantial contribution in setting up Assam Cultural Centre in Guwahati.

In 1996, Mr. Barooah was elected President of the Bengal Chamber of Commerce & Industry. Thereafter, Mr. Barooah had taken the initiative to open an Independent Chamber of Commerce in Guwahati named North East Chamber of Commerce & Industry with the founder members like Tata Group, Williamson Magor & Co. Ltd, Oil India Limited, Oil & Natural Gas Corporation Limited, Indian Oil Corporation , Numaligarh Refinery Limited etc.

Mr. Barooah's managerial capacity had been recognized by all and from all sectors – from the Tea Industry to Banking and Management. Mr. Barooah had a string of high positions – Member of Tea Board for 3 terms and Vice Chairman for one term, Director of Indian Airlines, Director of State Bank of India, Assam Industrial Development Corporation and Chairman of Tea Research Association.

Mr. Hemendra Prasad Barooah is presently holding Directorship in B & A Limited, Kaziranga Golf Club Private Limited & Heritage North East Private Limited.

That apart, he is also associated with the National Committee of Indian Tea Association as permanent invitee.

Principal Terms and Condition of the proposed Agreement :

- i) Period – 1st November, 2011 to 31st October, 2016
- ii) Remuneration Rs. 80,000/- per month.

None of the Directors except Mr. H.P. Barooah, Mrs. Gargi Barooah and Mr. V. R. Shetty are concerned or interested in this resolution.

Your Board recommends the resolution for your approval.

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**Information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, relating to Code of Corporate Governance, regarding Directors seeking appointment and re-appointment. (Item 3 and 4)**

**Item No 3**

Mr. Panchkari Banerjee

Mr. Panchkari Banerjee is about 84 years old and have Rich Experience in Tea and Packaging Industry.

He is having an I.A Qualification.

He presently holds Directorship in Rockland Realty Private Limited & Assam Tea Brokers Private Limited.

He is not related to any of the Directors. He holds 110 Equity Shares of the Company.

**Item No 4**

Mr. Vijay Raghuram Shetty,

Mr. Vijay Raghuram Shetty, aged 48 years is a Bachelor of Engineering in Production. Mr. Shetty is on Board since 25th Feburary, 2008. He holds directorship in Buxton Holdings Private Limited, Cavel Investment and Trading Company Private Limited, Smyl Aviation Private Limited, Nuhart Hair Clinics (INDIA) Private Limited.

None of the Directors, except Mr. Shetty and Mr. Hemendra Prasad Barooah, Chairman of the Company are concerned or interested in this resolution.

By Order of the Board of Directors

Date : 23rd May, 2012

Place : Kolkata

**Rajiv Gupta**  
Company Secretary

Regd. Office:

1185/1186, Tankapani Road

Bhubaneswar – 751 018, Odisha

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the audited accounts for the year ended 31st March, 2012.

**OPERATING RESULTS**

(₹ In Lakh)

Particulars	Period ended 31st March, 2012 consisting of 12 months (From 01.04.2011 to 31.3.2012)	Period ended 31st March, 2011 consisting of 15th months (From 1.1.2010 to 31.03.2011)
<b>Net Sales and Other Income</b>	<b>2955.48</b>	2745.34
Less : Total Expenditure	<b>2571.36</b>	2397.32
<b>Profit before Interest, Depreciation and Tax</b>	<b>384.12</b>	348.02
Less: Interest	<b>116.93</b>	105.42
<b>Profit before Depreciation and Taxation</b>	<b>267.19</b>	242.60
Less: Depreciation	<b>16.33</b>	19.47
<b>Profit before Tax</b>	<b>250.86</b>	223.13
Less: Current Taxation	<b>78.00</b>	74.10
Tax for earlier Years	<b>(5.39)</b>	NIL
Deferred Taxation	<b>1.45</b>	3.60
<b>Profit after Tax (PAT) available for appropriation</b>	<b>176.80</b>	145.43
Proposed Dividend	<b>(14.88)</b>	NIL
Corporate Dividend Tax	<b>(2.41)</b>	NIL
Add: Balance of Profit / (Loss) brought forward	<b>75.72</b>	(69.71)
Balance of Profit carried to Balance Sheet	<b>235.23</b>	75.72

**YEAR IN RETROSPECT**

The net sales and other income for the period under review were ₹ 2,955.48 lakhs as against ₹ 2,745.34 lakhs during the previous financial year ended 31st March, 2011 comprising of 15 months from 01.01.2010 to 31.03.2011. Profit after tax for the period under review registered an increase of approximately 22 %.

## **DIVIDEND**

Your Board of Directors are pleased to recommend a dividend of 3% (30 paise) on equity share capital of the Company for the financial year 2011-12. The distribution of dividend will result in payout of ₹ 14.88 lakh excluding tax on dividend.

## **DIRECTORS**

Mr. Panchkari Banerjee and Mr. Vijay Raghuram Shetty, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Hemendra Prasad Barooah has been re-appointed as the Chairman-cum-Wholetime Director of the Company, subject to your approval in the ensuing Annual General Meeting, for a period of five years commencing 1st November, 2011 to 31st October, 2016.

The proposals regarding the appointment/re-appointment of the aforesaid Directors are placed for your approval.

## **CHANGE IN COMPANY SECRETARY**

During the year under review Ms. Nabagataa Choudhury resigned w.e.f 15th February, 2012 and the place was filled by appointment of Mr. Rajiv Gupta as Company Secretary w.e.f 8th May 2012.

## **AUDITORS**

M/s. APS Associates, Chartered Accountants, the Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Audit Committee at its meeting dated 23rd May, 2012 has recommended their re-appointment and they also confirm that their re-appointment, if made, would be in conformity with the limits specified under section 224(1B) of the Companies Act, 1956.

## **FIXED DEPOSITS**

No deposit has been accepted from the public during the year under review.

## **CHANGE IN FINANCIAL YEAR**

The Directors of your Company has decided to change the financial year of your Company to commence from the month of April every year and end on March of the succeeding year.

Accordingly, in order to give effect to the change, the previous period for comparing is of 15 months commencing from 1st January 2010 and ending on 31st March 2011.

## **CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a separate report on Corporate Governance forms part of the Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed to this report.

## **NEW PROJECT**

2200 MT Flexible Packaging project has been taken in hand and is well on its way towards completion. The plant has been commissioned from 1st April 2012.

The plant is expected to reach 70% of its rated capacity by 2013 leading to an additional turnover of ₹ 25 Cr.

## **QUALITY SYSTEMS CERTIFICATION**

Your Company is recipient of ISO 9001:2008 Quality System Certification. Additionally the Company has also achieved certification to ISO 22000:2005, standard for Food Safety Management. Your Company's focus on sustainable development will continue to be reinforced by improving standards of safety and environmental protection. Various proactive measures have been adopted and implemented which inter alia include conservation of resources, adoption of cleaner technology, training of employees and others.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- In the preparation of Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards issued by The Institute of Chartered Accountants of India had been followed and in case of material departures, proper explanations has been given in the accounts and notes thereon.
- The accounting policies adopted in the preparation of the annual accounts have been applied consistently and reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the Profit or Loss on that date.
- Proper and sufficient care has been taken 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 other irregularities.
- The Annual Accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A) Conservation of Energy**

Electricity is the only form of energy being used in the existing production process which is also very minimal. As the whole manufacturing process is not power intensive, the details required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not given. However, continuous efforts are being put to conserve energy at its maximum possible level. The Flexible Packaging unit will also be using HSD besides electricity. Superior quality boiler has been chosen to make most efficient consumption of fuel.

**B) Foreign Exchange Earnings and outgo:**

(₹ In Lakh)

<b>PARTICULARS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Earnings in Foreign Currency	94.23	7.82
Expenditure in Foreign Currency	1049.65	1033.69

**SAFETY, HEALTH AND ENVIRONMENT PROTECTION**

Paper sacks and its manufacturing process are both eco friendly and do not generate pollution. Your Company accords highest priority towards environment, occupational health and safety. Recipient of ISO 22,000:2005 food grade certification, your Company is committed towards highest degree of safety, health and environment protection.

To maintain our safety leadership so as to help our customers for export to European countries the Company is also in the process of implementing OHSAS 18001- Occupational Health & Safety Standard and ISO 14001- Environment Management System Certification.

**PARTICULARS OF EMPLOYEES**

None of the employees employed throughout the year or part of the year was in receipt of remuneration the aggregate of which exceeds the limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, for disclosure in the report of the Board of Directors.

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#### **ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation for the continuous assistance and co-operation received from Bank, Government Authorities, Customers, Shareholders, Vendors and other business associates during the year under review.

Your Directors place on record their deep appreciation for the dedicated efforts and contribution of the employees at all levels and look forward to their continued support in the future as well.

Your Directors look forward to the future with confidence.

For and on behalf of the Board of Directors

**P. Banerjee**  
*Director*

**R. Roy Choudhury**  
*Managing Director*

Place: Kolkata

Date : 23rd May, 2012

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. Industry Structure and Development

During the year 2012 tea industry continued to do well buoyed by the domestic demand growth and soaring prices. For tea sacks we could achieve a growth of 25.65% by turnover on 2011 (year to year basis). This has been accomplished through intense retail push at Jorhat and Cochin, tapping Nepal and Siliguri market and adding new customers. The tea market overview for 2012 is good so far and maintaining this trend we envisage considerable growth in our tea sack business during this year. We have established a distribution centre at Coimbatore to support this business growth.

Carbon Black Industry has not done well due to global recession and threat imposed by imported cheaper carbon black from China. Big projects that are on the anvil get stalled due to unfavourable market condition.

We planned to take a closer look this year in Chemicals market for speciality sacks which apparently is growing in India. We could successfully capture the market through import substitution of some specialized paper sacks

### 2. Opportunity and Threats

- Growing quality consciousness of tea producers resulting in growth in volume.
- The growth of 2 ply paper sack in tea is slower amongst agency houses where it is getting popularized among small and medium buyer. In that way 50% of paper sacks that we supply to tea industry can be changed. The change to 2 ply paper sacks in carbon black industry is gaining momentum and by end of the year 30-40% of the total consumption will be converted to 2 ply.
- This stringent specification will definitely increase the qualitative gap with our competitors and discourage manufacturers in unorganized sector.
- We have already received the order from Kenya. Initial order quantity 1,20,000 pcs value \$1,26,600 which is a miniscule part of the total order of 3.5 million Full Size Tea Sack. Upon completion of this our target is to complete at least half the quantity of the total order during this year.
- We are poised on the verge of entering flexible packaging market which shows double digit growth for decades.

- Sri Lankan paper sack import in the country continues unabated piggy-backing on the advantage of exemption of 10% Customs duty due to Indo Sri Lankan Trade Agreement.
- Carbon Black Industry is under serious threat from the cheap import from China. Gradual conversion to bulk bags from paper bag is also to be considered as threat.

### **3. Outlook**

Based on the projected GDP growth and predicted normal monsoon, our outlook for the business in 2012-13 remains quite positive. Utilizing successfully our market-share expansion programme, capacity development for flexible packaging and efficient cost-conscious operations, the Company plans to realize sustainable growth and profitability.

### **4. Internal Control System and Their Adequacy**

Your Company has an adequate internal audit and control system commensurate with the size and nature of business.

The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board of Directors.

### **5. Financial Performance**

The Company has registered a Net Sales of ₹ 29.55 Cr as against the turnover achieved for the Fifteen month Financial period ended 31.03.2011 has been ₹ 27.32 Crore, a growth of approximately 8% over the previous financial year. Profit after tax has been ₹ 176.80 lakh as against ₹ 145.43 lakhs, an increase of approximately 22%.

**Cautionary Statement** : *Statement in the Directors Report and Management Discussion & Analysis describing the Company's expectations may be forward-looking within the meaning of applicable securities laws & regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demands and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their costs, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business of the Company.*

**REPORT ON CORPORATE GOVERNANCE****Company's Philosophy:**

Being a responsible corporate citizen, the Company ensures continuous adherence to the prescribed corporate practices as per various clause including clause 49 of the Listing Agreement ensuring accountability, transparency, fairness in all its transactions with shareholders, bankers, customers and other stakeholders.

Details of compliances under Clause 41 are given below:

**Board of Directors****A) Composition as on 31st March, 2012**

The Board comprises 8 (eight) Directors of which 6 (six) are non-executives. The Chairman of the Company is an executive director.

**B) Board Meetings held during the last Financial Year ended 31st March, 2012**

The Board met 4 (Four) times on following dates:

21.05.2011, 13.08.2011, 25.10.2011 and 04.02.2012.

**C) Composition, Other Directorships/Committee memberships held as on 31st March, 2012**

Name of the Directors	Category	Number of other Directorship & Committee Membership*		
		Other Directorship	Committee Membership	Committee Chairmanship
Mr. Hemendra Prasad Barooah	Promoter & Executive Chairman	1	1	–
Mr. Ranadurjoy Roy Choudhury	Managing Director	3	–	–
Mr. Panchkari Banerjee	Non-Executive & Independent	–	–	–
Mr. Tarun Chandra Dutt	Non-Executive & Independent	3	–	–
Mr. Vijay Raghuram Shetty	Non-Executive & Non-independent	–	–	–

Name of the Directors	Category	Number of other Directorship & Committee Membership*		
		Other Directorship	Committee Membership	Committee Chairmanship
Mrs. Gargi Barooah	Non-Executive & Non-independent	–	–	–
Mr. Anjan Ghosh	Non-Executive & Independent	1	–	–
Mr. Sudipto Sarkar	Non-Executive & Independent	8	6	–

\*Excludes directorships held in Private Limited Companies; only membership/chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.

*D) Particulars of change in directorship during the period under review*

Name of Director	Category	Appointment/ Cessation	Remarks
Mr. Hemendra Prasad Barooah	Whole-Time Director & Executive Chairman	1st November 2011*	For a period of 5 years from the date of appointment

\* This is a re-appointment and is subject to the approval of the members in the forthcoming Annual General Meeting scheduled to be held on 28th June, 2012.

*E) Attendance of Directors at Board Meetings during the Financial year ending 31st March, 2012 and last Annual General Meeting*

Name of the Directors	Attendance Particular		Name of the Directors	Attendance Particular	
	Board Meeting	Last AGM		Board Meeting	Last AGM
Mr. Hemendra Prasad Barooah	3	Yes	Mr. Tarun Chandra Dutt	4	Yes
Mr. Ranadurjoy Roy Choudhury	4	Yes	Mr. Vijay Raghuram Shetty	–	No
Mr. Panchkari Banerjee	4	No	Mr. Anjan Ghosh	1	No
Mrs. Gargi Barooah	-	No	Mr. Sudipto Sarkar	4	No

- F) Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 26th Annual General Meeting and Explanatory Statement, attached thereto.

#### **Audit Committee**

The composition and terms of reference of Audit Committee is in compliance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange. During the year under review, four meetings of the Committee were held on 21.05.2011, 13.08.2011, 25.10.2011 and 04.02.2012.

Composition of Audit Committee as on 31.03.2012 together with number of meetings attended by its members is given as under:

<b>Name of the Members</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Mr. Tarun Chandra Dutt	Chairman	4
Mr. Panchkari Banerjee	Member	4
Mr. Hemendra Prasad Barooah	Member	3
Mr. Anjan Ghosh	Member	1

The brief terms of reference of Audit Committee includes:

- Reviewing internal control and internal audit function and their adequacy with the management/ internal auditors.
- Reviewing the quarterly, half yearly and annual accounts of the Company before submission to the Board for approval.
- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Investigate any matter referred to it by the Board or within its terms of reference.
- Recommending the appointment, replacement, removal of statutory auditors and fixation of their audit fees and fees for other services.
- In general, all the items mentioned in Clause 49(II)(d) of the Listing Agreement.

#### **Remuneration Committee**

Remuneration Committee comprises three Directors of which two are non-executive and independent. Scope of the Committee extends to recommending to the Board, the appointment and compensation terms of the Executive Directors.

During the year under review, one meeting was held on 25th October, 2011 by the Committee. All the members were present.

The composition of Remuneration Committee is as under:

Name of the Members	Designation
Mr. Tarun Chandra Dutt	Chairman
Mr. Hemendra Prasad Barooah	Member
Mr. Panchkari Banerjee	Member

#### Remuneration of Whole-time Directors

As required by Clause 49(IV) of the Listing Agreement with the Stock Exchange, the details of remuneration of Managing Director and Whole-time Director along with sitting fees paid to Non-executive Directors during the financial year ended 31st March, 2012 are stated as under:

Name of Director	Salary	Perquisites/ Re-imbusement	Sitting Fees	Total
Mr. Hemendra Prasad Barooah	8,90,000	—	—	8,90,000
Mr. Ranadurjoy Roy Choudhury	12,66,250	3,66,101	—	16,32,351
Mr. Panchkari Banerjee	—	—	25,000	25,000
Mr. Tarun Chandra Dutt	—	—	25,000	25,000
Mr. Vijay Raghuram Shetty	—	—	—	—
Mrs. Gargi Barooah	—	—	—	—
Mr. Anjan Ghosh	—	—	8,000	8,000
Mr. Sudipto Sarkar	—	—	14,000	14,000

No Severance Fee is payable.

#### Investors' Grievance Committee

The Investors' Grievance Committee, as a sub-committee of the Board, inter-alia, reviews shareholders / investors grievances and overviews the activities of Registrar and Share Transfer Agent. During the year under review no complaints were received from the shareholders of the Company. The Committee ordinarily meet when there is any issue relating to non-disposal of Investors' grievance.

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The composition of the Committee is as under:

Name of the Members	Status
Mr. Panchkari Banerjee	Chairman
Mr. Ranadurjoy Roy Choudhury	Member

**Share Transfer Committee**

The Share Transfer Committee was constituted with the objective of giving approval for allotment, transfer & transmission of Shares/Debentures or any other securities including issue of duplicate certificates and new certificates on mutilation/split /consolidation/renewal etc.

The Committee met 11 (eleven) times during the year under review on 15.04.2011, 16.05.2011, 30.06.2011, 16.08.2011, 19.08.2011, 11.11.2011, 30.11.2011, 15.12.2011, 30.01.2012, 28.02.2012, & 30.03.2012. The details of meeting attended by each member of the Committee are given as under :

Name of the Members	Status	No. of Meetings attended
Mr. Panchkari Banerjee	Chairman	11
Mr. Tarun Chandra Dutt	Member	11
Mr. Hemendra Prasad Barooah	Member	10

**General Body Meeting**

The details of the last 3 General Meetings are held as under :

Financial Year ended	Type of Meeting	Date	Venue	Special Resolutions
31st December, 2011	AGM	08.07.2011	Regd. Office: 1185/1186, Tankapani Road, Bhubneswar - 751 018	NIL

Financial Year ended	Type of Meeting	Date	Venue	Special Resolutions
31st December, 2009	AGM	14.06.2010	-do-	Special resolution u/s 21 of the Companies Act, 1956 for change of name of the Company from B & A Multiwall Packaging Limited to "B & A Packaging India Limited"
31st December, 2008	AGM	26.05.2009	- Do -	NIL

**Code of Conduct**

The Code of Conduct and ethics for directors and management personnel ("the Code"), as laid down by the Board is a comprehensive code applicable to all directors and management personnel. A copy of the Code has been put on the Company's website [www.bampl.com](http://www.bampl.com). The members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Conduct for the effective period. A declaration signed by the Managing Director of the Company to that effect forms part of this Report.

**Disclosure**

A periodical report on compliances of various relevant laws is placed before the meeting of the Board on every quarter in order to facilitate periodical review by the Board members and for taking steps to rectify non-compliances, if any.

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital market.

No such materially significant related party transactions have been entered into between the Company and its promoters, the directors or the management or their relatives etc., which may have potential conflict with the interest of the Company at large. A separate report on related party transactions have been furnished in the Notes to Annual Accounts of the Company.

**Means of Communication**

As an usual practice, the quarterly, half yearly and annual financial results, audited/unaudited, were submitted to the stock exchange soon after these were approved in the Board meeting and the same were also published in two newspapers, viz., "Sambad" in vernacular language having circulation in the state of Odisha, where the Registered Office of the Company is situated and "Business Standard" in English having nationwide circulation as per the requirements of Clause 41 of the Listing Agreement with the stock exchange.

**General Shareholder Information**

Day, date and time of 26th Annual General Meeting	:	Thursday, the 28th day of June 2012 at 12.00 noon
Venue	:	Registered Office of the Company, 1185/1186, Tankapani Road, Bhubneswar – 751 018.
Financial calendar (tentative) for the year 2012-2013	:	April to March
Date of Book Closure	:	Tuesday, 19th June, 2012 to Thursday, 28th June, 2012 (both days inclusive)
Dividend payment date	:	The Dividend as recommended by the Board of Directors, if declared in the Annual General Meeting, will be paid on or after 3rd July, 2012
Listing of Equity Shares on Stock Exchange	:	Bombay Stock Exchange Limited. Listing Fees for FY 2012-2013 have been paid to stock exchange
Stock Code / ID	:	523186.
Stock price data	:	The shares of the Company are in physical form and there was no trading during the period under review through stock exchange. Hence the data relating to stock price are not available.
Registrar and Share Transfer Agent	:	MCS Limited, 77/2A, Hazra Road, Kolkata – 700 029.
Share Transfer System	:	To expedite the transfer of shares, the power to authorise the transfers have been delegated to Share Transfer Committee of the Board. The transfers are processed within the reasonable time from the date of receipt, if the documents are completed in all respect.

## Distribution of Shareholdings as on 31st March, 2012

Range of shares held	Shares		Shareholders	
	Nos.	% total	Nos.	% total
1 to 500	4,55,571	9.1840	2671	95.5635
501 to 1000	61,500	1.2398	76	2.7191
1001 to 2000	43,900	0.8850	28	1.0018
2001 to 3000	15,200	0.3064	6	0.2147
3001 to 4000	15,100	0.3044	4	0.1431
4001 to 5000	5,100	0.1028	1	0.0358
5001 to 10000	15,400	0.3105	2	0.0716
10001 to 50000	32,400	0.6532	2	0.0716
50001 to 100000	1,00,000	2.0159	1	0.0358
100000 and above	42,16,329	84.9981	4	0.1431
<b>TOTAL</b>	<b>49,60,500</b>	<b>100.00</b>	<b>2,795</b>	<b>100.00</b>

## Shareholding Pattern as on 31st March, 2012

Sl.	Category of Shareholders	No. of Shareholders	No. of Shares	% to total paid up capital
<b>A.</b>	<b>Promoters' holding</b>			
1.	Indian Promoters	8	35,90,129	72.37
	Foreign Promoters	1	1,00,000	2.02
2.	Persons acting in concert	—	—	—
	<b>Sub-total</b>	9	36,90,129	74.39
<b>B.</b>	<b>Non-promoters holding</b>			
3.	Institutional Investors Mutual Funds, Banks, Financial Institutions Insurance Companies (Central/ State Govt. Institution/Non-Govt. Institutions) and FIIs.	2	5,41,000	10.91
	<b>Sub-total</b>	2	5,41,000	10.91
4.	<b>Others</b>			
	Private Corporate Bodies	7	1,24,300	2.50
	Indian Public	2777	6,05,071	12.20
	NRIs/OCBs	—	—	—
	Any other	—	—	—
	<b>Sub-total</b>	2,784	7,29,371	14.70
	<b>Grand total</b>	<b>2,795</b>	<b>49,60,500</b>	<b>100.00</b>

### **Location of Manufacturing Division**

The manufacturing division of the Company is located at 22, Balgopalpur Industrial Area, Balasore – 756 020.

### **Non-mandatory Requirements**

- **Chairman's Office (Non-executive)**

The Chairman of the Company is Executive, hence this provision is not applicable.

- **Remuneration Committee**

The details about the composition and terms of reference of remuneration committee have been provided separately in this Corporate Governance Report.

- **Audit Qualification**

No audit qualification is given by the Statutory Auditors in their Audit report.

- **Whistle Blower Policy**

The Company has not adopted any Whistle Blower Policy as yet but promoted an ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour.

- **Others**

The other non-mandatory requirements as laid down in Annexure – ID of Clause 49 of the Listing Agreement will be introduced as and when the circumstance warrants.

For and on behalf of the Board of Directors

**P. Banerjee**  
Director

**R. Roy Choudhury**  
Managing Director

Place : Kolkata

Date : 23rd May, 2012

## **CEO / CFO CERTIFICATION**

The Board of Directors,  
B & A Packaging India Limited  
Kolkata

Dear Sirs,

I do hereby certify that:-

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and that to the best of my knowledge and belief:-
  - i) these statements do not contain any materially untrue statement or omit any material fact or 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.
- b) There are to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control system of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take rectify these deficiencies.
- d) I have indicated to the auditors and Audit Committee regarding
  - i) non-occurrence of any significant changes in internal control during the year;
  - ii) non-occurrence of any significant changes in accounting policies during the year; and
  - iii) non-existence of any significant fraud of which I have become aware and the involvement there, if any, of the management or an employee having a significant role in the Company's internal control system.

Date: 23rd May, 2012  
Place: Kolkata

**Ranadurjoy Roy Choudhury**  
Managing Director

## **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

The Members of B & A Packaging India Limited:  
*(Formerly B&A Multiwall Packaging Limited)*

We have examined the compliance of the conditions of Corporate Governance by B & A PACKAGING INDIA LIMITED for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 Clause 49 of the above mentioned Listing Agreement.

We state that there are no shareholders' grievances remaining unattended / pending for a period exceeding one month as per the records maintained by the Company.

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 APS ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No. 306015E)

**( A. DUTTA )**

Partner

Membership No. 017693

Kolkata,  
Dated the 23rd May, 2012

**Annual Report 2011-12**

**B & A PACKAGING INDIA LIMITED**  
*(Formerly B&A Multiwall Packaging Limited)*



To

The Shareholders,

**Affirmation of Compliance with Code of Conduct**

I, Ranadurjoy Roy Choudhury, Managing Director, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors in respect of the the Financial Year ended 31st March, 2012.

**Ranadurjoy Roy Choudhury**  
*Managing Director*

Date: 23rd May, 2012  
Place: Kolkata

## **AUDITORS' REPORT**

To

The Members of B&A Packaging India Limited  
(Formerly B&A Multiwall Packaging Limited)

1. We have audited the attached Balance Sheet of B & A PACKAGING INDIA LIMITED as at 31st March, 2012, the Statement of Profit & Loss for the year ended on that date and also the Cash Flow Statement for the said year 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 statement. 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 issued by the Central Government of India 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.
4. Further to our comments in the Annexure referred to above, we report that :
  - i) 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.
  - ii) 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.
  - iii) 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.
  - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v) On the basis of written representations received from all the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 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.
  - vi) in our opinion and to the best of our information and according to the explanations given to us, the accounts read with Notes annexed thereto, give the information

required by the Companies Act, 1956, in the manner so required and also 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 31st March, 2012 ;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;
- and
- c) in the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

**For APS ASSOCIATES**  
**Chartered Accountants**  
(Registration No. 306015E)  
**A. Dutta**  
Partner  
Membership No. 017693

Place : Kolkata

Dated : the 23rd May, 2012

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## **ANNEXURE TO AUDITORS' REPORT**

To

The members of B & A PACKAGING INDIA LIMITED  
(Formerly B&A Multiwall Packaging Limited)

*Refer Paragraph 3 of our report of even date*

1. i) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - ii) During the year the fixed assets were physically verified by the management.
  - iii) No part of the fixed assets of the Company was disposed off during the year.
2. i) During the year, inventories were physically verified by the management at reasonable intervals.
  - ii) In our opinion, the procedure of physical verification of inventories followed by the management is adequate considering the size of the Company and the nature of its business.
  - iii) Based on examination of records, we are of opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
3. According to the information and explanations given to us, the Company has not granted any loan, 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 interest free loans from a Private Limited Company and a Director, who are covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion the terms and conditions of these loans are prima facie not prejudicial to the interest of the Company and the repayments were not due during the year under audit.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods. During the course of our audit, we have not come across any instance of major weakness in the internal controls.
5. a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for manufacture of paper sacks and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained.
9. i) According to the records of Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty and excise duty have generally been regularly deposited with the appropriate authorities.  
ii) According to the information and explanations given to us, the following are the particulars of disputed dues on account of sales tax and employees' state insurance matters which have not been deposited by the Company :-

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount (Rs.)</b>	<b>Relevant Period</b>	<b>Forum where dispute is pending</b>
Central Sales Tax Act.	Sales Tax	64,515	1995-1996	Asst. Commissioner of Sales Tax, (Appeal) Balasore Range
Central Sales Tax Act.	Sales Tax	27,54,267	1998-1999	Sales Tax, Tribunal Cuttack
Central Sales Tax Act	Sales Tax	7,83,904	2002-2003	Sales Tax, Tribunal Cuttack
Central Sales Tax Act.	Sales Tax	7,72,449	2003-2004	Sales Tax, Tribunal Cuttack
Central Sales Tax Act.	Sales Tax	22,72,291	2005-2006	Commissioner of Sales Tax, Cuttack
Central Sales Tax Act.	Sales Tax	28,46,586	2006-2007 & 2007-2008	Commissioner of Sales Tax, Cuttack

Name of the Statute	Nature of dues	Amount (Rs.)	Relevant Period	Forum where dispute is pending
Central Sales Tax Act.	Sales Tax	17,47,350	2008-2009 & 2009-2010	Commissioner of Sales Tax, Cuttack
Orissa Value Added Tax Act	VAT	1,38,204	2006-2007 & 2007-2008	Commissioner of Sales Tax, Cuttack
Employees' State Insurance Act	E.S.I	61,398	2002-2003	Employees' Insurance Court, Kolkata

- 10) The Company has no accumulated loss as on 31st March, 2012. Further, the Company has not incurred cash loss during the year ended 31st March, 2012 or in the immediately preceding financial year ended 31st December 2011.
- 11) According to the records of the Company and the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers.
- 12) According to the information given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- 14) In our opinion, the Company does not deal or trade in shares, securities, debentures or other investments.
- 15) According to the information given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
- 16) The term loan obtained by the Company during the year from its banker is being utilised for the purpose for which the said loan was received.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no fund raised on short term basis were used for long term investment.
- 18) The Company has not made any preferential allotment of shares during the period.
- 19) The Company has not issued any debentures during the period.
- 20) The Company has not raised any money by way of public issue during the period.
- 21) In our opinion and according to the information and explanations given to us no fraud on or by the Company was reported during the period.

**For APS ASSOCIATES****Chartered Accountants**

(Registration No. 306015E)

**A. Dutta**

Partner

Membership No. 17693

Place : Kolkata

Dated : 23rd May, 2012

**Annual Report 2011-12****B & A PACKAGING INDIA LIMITED**  
(Formerly B&A Multiwall Packaging Limited)**BALANCE SHEET AS AT MARCH 31st, 2012****EQUITY AND LIABILITIES**

(Figures in ₹ except share data)

	Note	2012	2011
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2.01	4,98,02,500	4,98,02,500
Reserves and Surplus	2.02	4,68,85,480	3,09,34,793
		<b>9,66,87,980</b>	<b>8,07,37,293</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	2.03	6,92,92,631	1,95,35,429
Deferred tax liabilities (Net)	2.04	28,53,174	27,07,857
Long term provisions	2.05	15,58,066	13,03,183
		<b>7,37,03,871</b>	<b>2,35,46,469</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	2.06	6,67,15,726	5,22,04,797
Trade payables	2.07	3,22,56,806	3,04,23,140
Other current liabilities	2.08	1,65,79,585	22,31,669
Short-term provisions	2.09	1,79,98,615	88,13,633
		<b>13,35,50,732</b>	<b>9,36,73,239</b>
		<b>30,39,42,583</b>	<b>19,79,57,001</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	2.10	3,20,03,475	3,15,08,768
Capital work-in-progress		10,96,96,039	73,351
Deposits	2.11	25,40,011	4,59,483
		<b>14,42,39,525</b>	<b>3,20,41,602</b>
<b>CURRENT ASSETS</b>			
Inventories	2.12	6,38,49,885	6,63,40,329
Trade receivables	2.13	5,72,36,134	4,43,55,431
Cash and cash equivalents	2.14	84,49,868	88,80,924
Short-term loans and advances	2.15	3,01,67,171	4,63,38,715
		<b>15,97,03,058</b>	<b>16,59,15,399</b>
		<b>30,39,42,583</b>	<b>19,79,57,001</b>
Significant Accounting Policies and Notes on Accounts	1 & 2		

In terms of our report of even date

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 23rd May, 2012

For and on behalf of the Board

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

**Rajiv Gupta**

Company Secretary &amp; Manager (Finance)

**Annual Report 2011-12****B & A PACKAGING INDIA LIMITED**  
(Formerly B&A Multiwall Packaging Limited)**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD**

*(Figures in ₹ except share data)*

	Note	12 months period Apr'11-Mar'12	15 months period Jan'10-Mar'11
Revenue from operations	2.16	<b>29,33,35,137</b>	27,38,63,774
Other Income	2.17	<b>22,13,496</b>	6,70,360
<b>Total Revenue</b>		<b>29,55,48,633</b>	27,45,34,134
<b>Expenses</b>			
Cost of materials consumed	2.18	<b>21,94,71,754</b>	19,16,96,521
Changes in inventories of finished goods and work-in-progress	2.19	<b>(90,41,395)</b>	(36,76,198)
Employee benefit expense	2.20	<b>2,07,72,027</b>	1,94,53,094
Financial costs	2.21	<b>1,16,92,912</b>	1,05,42,490
Depreciation and amortization expense	2.10	<b>16,32,583</b>	19,46,696
Other expenses	2.22	<b>2,59,34,042</b>	3,22,58,280
<b>Total Expenses</b>		<b>27,04,61,923</b>	25,22,20,883
<b>Profit before taxation</b>		<b>2,50,86,710</b>	2,23,13,251
Tax expense:			
Current tax	2.09	<b>78,00,000</b>	74,10,000
Deferred tax	2.04	<b>1,45,317</b>	3,59,397
Tax adjustment for Earlier Years		<b>(5,38,859)</b>	–
<b>Profit/(Loss) for the period</b>		<b>1,76,80,252</b>	1,45,43,854
Significant Accounting Policies and Notes on Accounts	1 & 2		
Earning per equity share:			
Basic & Diluted		<b>3.58</b>	2.93

*In terms of our report of even date*

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 23rd May, 2012

**For and on behalf of the Board**

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

**Rajiv Gupta**

Company Secretary & Manager (Finance)

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES :-****1.1 Accounting System**

These financial statements have been prepared on going concern assumptions under the historical cost convention on an accrual basis and in conformity with the relevant accounting standards as notified under the Companies (Accounting Standards) Rules, 2006 and the Companies Act, 1956.

**1.2 Fixed assets**

Fixed Assets are stated at cost ( or revalued amounts, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises purchase price inclusive of duties (net of Cenvat), taxes, incidental expenses, erection / commissioning / trial run expenses and interest etc, up to the date the assets are ready for intended use. Capital Work-in-Progress comprises of the Cost of fixed assets that are not yet ready for their intended use at the reporting date.

**1.3 Inventories**

Raw Materials and Stores and Spares - Valued at cost.

Finished Goods - Valued at cost or realisable price whichever is lower.

Materials-in-process - Valued at a percentage of cost or realisable price whichever is lower.

**1.4 Depreciation and Amortization**

Depreciation is provided on Straight Line Method in accordance with the provision of Schedule XIV to the Companies Act, 1956 effecting writing off upto ninety-five percent of original cost of individual Fixed Assets.

**1.5 Sales**

Gross Sales include Excise Duty and Central Sales Tax but does not include Value Added Tax.

Export sales are accounted for on the basis of actual Rupee realisation.

**1.6 Import of Raw Materials**

Import of Raw Materials are accounted for on the basis of actual rupee payments.

**1.7 Borrowing Cost**

Borrowing costs attributable to acquisition of fixed assets and capital work in progress, are treated as part of cost of such assets and Capitalised upto the stage of commercial production. All other borrowing costs are charged to revenue.

**1.8 Employees' benefits**

a) Short term benefits like Salaries, Wages, Contribution to Provident Fund and Pension Scheme and other non-monetary benefits are recognised on actual basis; pending final calculation of Allocable Surplus for the current year as required under the Payment of Bonus Act, 1965, provision for bonus is calculated on the basis of last year.

b) The Company's Rules do not provide for either accumulation or compensation for leave of its employees.

c) Long-term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable as per Actuarial valuations. Actuarial gains and losses in respect of such benefits are recognised in the Profit and Loss A/c.

**1.9 Foreign Currency Transactions**

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

(b) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account; exchange difference relating to acquisition of fixed assets are adjusted to the carrying cost of such assets.

**1.10 Tax**

(a) Current Tax payable for the year is computed as per provision of I. T. Act.

(b) Deferred Tax, being tax on difference between profit considered for income tax purpose and profit as per the financial Statement, is recognised as per requirement of Accounting Standard 22.

**1.11 Proposed Dividend**

Dividend proposed by the Board of Directors is provided for in the books of account pending approval at the Annual General Meeting.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31 ,2012

PARTICULARS	As at March 31, (in ₹)	
	2012	2011
<b>2.01 SHARE CAPITAL</b>		
<b>Authorized</b>		
8000000 Equity Shares of Rs.10/- each	<b>80,000,000</b>	80,000,000
<b>Issued, Subscribed and Paid up</b>		
4960500 Equity Shares of Rs.10/- each fully paid up (Previous Year : 49,60,500 Equity Shares)	<b>49,605,000</b>	49,605,000
Forfeited Shares ( 39,500/- Shares @ 10/- each but originally paid-up @ 5/- each)	<b>197,500</b>	197,500
	<b>49,802,500</b>	49,802,500
(i) 35,54,829 Shares(71.60%) are held by the holding company, B&A Limited,		
(ii) Shares in the company held by other Shareholders holding more than 5% shares - Industrial Promotion and Investment Corporation of Odisha Ltd. (3,00,000 shares)		
(iii) Shares issued during five years immediately preceding this Balance Sheet	- NIL	
<b>2.02 RESERVES AND SURPLUS</b>		
(a) Capital Reserve	<b>16,743,000</b>	16,743,000
(b) Other Reserves		
Central Investment Subsidy	<b>2,500,000</b>	2,500,000
State Subsidy	<b>241,700</b>	241,700
Revenue Reserve	<b>3,877,298</b>	3,877,298
	<b>6,618,998</b>	6,618,998
(c) Surplus :		
Balance as per Last Balance Sheet	<b>7,572,795</b>	(6,971,059)
Add: Profit as per Statement of Profit and Loss	<b>17,680,252</b>	14,543,854
	<b>25,253,047</b>	7,572,795
Less: Provision for proposed Dividend	<b>1,488,150</b>	-
Less: Provision for Dividend Distribution Tax	<b>241,415</b>	-
	<b>23,523,482</b>	7,572,795
Balance	<b>46,885,480</b>	30,934,793

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

PARTICULARS	As at March 31, (in ₹)	
	2012	2011
<b>2.03 LONG-TERM BORROWINGS</b>		
(a) TERM LOANS		
SECURED		
<b>State Bank of India, I.F. Branch, Kolkata</b>	<b>43,313,384</b>	–
(i) Secured by 1st charge over the entire Plant & Machinery and other fixed Assets pertaining to the Flexible Packaging Material Project and also collaterally secured by :		
a) Extension of charge over Factory Land, Building, Plant & Machinery.		
b) Equitable mortgage of Flat No.1 & 2 , 3rd Floor at 55/24 , Bimannagar, Sardarpara, Kaikhali, P.S. Rajarhat, North 24 Parganas in the name of Barooahs & Associates Pvt. Ltd.		
c) Personal guarantee of Shri H.P. Barooah, Director, & Corporate Guarantee of Barooahs & Associates Pvt. Ltd.		
(ii) Terms of Repayment: In Quarterly installments each of ₹ 34.50 Lacs		
<b>HDFC Bank Ltd. Kolkata</b>	<b>179,247</b>	135,429
(i) Secured by hypothecation of a Motor Car		
(ii) Terms of Repayment: In equated monthly installments		
(b) LOAN FROM RELATED PARTIES		
UNSECURED		
From Barooahs & Associates Pvt. Ltd.	<b>20,400,000</b>	14,000,000
From a Director	<b>5,400,000</b>	5,400,000
[Repayable on completion of repayment of Term Loan from State Bank of India as stated in (a) above]	<b>69,292,631</b>	19,535,429
<b>2.04 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Assets</b> Deferred Sales Tax Liabilities	<b>254,348</b>	254,348
Provision for Retirement Benefit	<b>832,709</b>	635,047
	<b>1,087,057</b>	889,395
<b>Liabilities</b>		
Difference between Written Down Value of assets as per Income Tax Laws and written down value of assets as per books	<b>3,940,231</b>	3,597,252
Deferred Tax Liabilities (Net)	<b>2,853,174</b>	2,707,857
Deferred Tax Liabilities for the year :	<b>145,317</b>	359,397

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

As at March 31, (in ₹)

PARTICULARS	2012	2011
<b>2.05 LONG TERM PROVISIONS</b>		
Provision for Employees' Benefits:		
Provision for Gratuity	<u>1,558,066</u>	<u>1,303,183</u>

Company's Long Term benefit Scheme presently consist of Gratuity only. Following are the details of amount recognised in the financial Statements in respect of gratuity as per actuarial valuation :

**TABLE 1**

Actuarial calculations for AS 15 (Rev.2005) for the purpose of Net Asset / Liability, Recognised in the Balance Sheet.

Sl.	Description	31st March, 2011	31st March, 2012
i)	Present Value of Defined Benefit Obligation	2,055,169.00	2,694,852.00
ii)	Fair Value of Plan Assets	-	-
iii)	Funded Status [ Surplus / (Deficit)]	(2,055,169.00)	(2,694,852.00)
iv)	Unrecognised Past Service Cost	-	-
v)	Net Asset / (Liability) recognized in the Balance Sheet	(2,055,169.00)	(2,694,852.00)

**REVISED SCHEDULE VI COMPANIES ACT**

a)	Current Liability	31st March, 2011	31st March, 2012
i)	Current Liability on retirement	711,681.00	1,088,598.00
ii)	Current Liability on attrition	40,305.00	48,188.00
	<b>Total Current Liability</b>	<b>751,986.00</b>	<b>1,136,786.00</b>
b)	<b>Non Current Liability</b>	<b>1,303,183.00</b>	<b>1,558,066.00</b>

**TABLE 2**

Actuarial calculations for AS 15 (Rev.2005) for the purpose of Disclosure of employer expense for the year ending 31st March 12

Sl.	Description	Period 2011-12
i)	Current Service cost (including risk premium for fully insured benefits)	265,113
ii)	Interest Cost	190,000
iii)	Expected Return of Asset(-)	-
iv)	Curtailment Cost (+)	-
v)	Settlement Cost	-
vi)	Past Service Cost	-
vii)	Actuarial Gains(-) / Loss (+)	(+ 1,84,570)
viii)	Appreciation/Depreciation of Plan Assets	-
	<b>Total</b>	<b>639,683</b>
	<b>Total employer expenses recognized in P &amp; L</b>	<b>639,683</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**
**2.5 LONG TERM PROVISIONS (Contd.)**
**TABLE 3**

Actuarial calculations for AS 15 (Rev.2005) purpose change in obligations / assets in the year ending 31.03.2012

**A. Change in Obligation in the period ended 31.03.2012**

Sl.	Description	Period 2011-12
i)	Present Value of Defined Benefit Obligation at the beginning of the year	2,055,169
ii)	Employer Service Cost (+)	265,113
iii)	Interest Cost (+)	190,000
iv)	Curtailment Cost (+)	—
v)	Settlement Cost	—
vi)	Plan Amendments	—
vii)	Acquisitions	—
viii)	Actuarial Gains(-) / Loss (+)	(+) 1,84,570
ix)	Benefit Payments (-)	—
x)	Present Value of DB obligations at the end of the year	2,694,852.00

**B. Change in Assets**

Sl.	Description	Period 2011-12
i)	Fair Value of Plan Assets at the beginning of the year	—
ii)	Acquisition adjustments	—
iii)	Actual return on Plan Assets (+)	—
iv)	Actual Company Contribution (+)	—
v)	Benefit Payments (-)	—
vi)	Appreciation/Depreciation of Plan Assets	—
vii)	Fair Value of Plant Assets at the end of the period	—

**TABLE 4**

Reconciliation of Net assets / (Liability) recognized in the Balance Sheet as at 31 st March, 2012

Sl.	Description	Year 2011-12
i)	Net Asset / (Liability) recognized in the Balance Sheet at the beginning of the Year	(2,055,169)
ii)	Employer Expenses	639,683
iii)	Employer Contributions.	—
iv)	Acquisitions.	—
v)	Net Asset / (Liability) recognized in the Balance Sheet at the ending of the year	2,694,852.00

## Summary of Membership Date

Active Members	31st March 2011	31st March 2012
Number of Employees	49	66
Total Monthly Salaries ( ₹ )	327,090	548,370
Avg. Monthly Salary per employees ( ₹ )	6675	8309
Average past Services (yrs. )	13.00	10.89
Average future services (yrs.)	15.73	16.76
Average age at valuation date (yrs.)	42.96	41.83

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

As at March 31, (in ₹)

PARTICULARS	2012	2011
<b>2.06 SHORT TERM BORROWINGS</b>		
LOAN REPAYABLE ON DEMAND		
<b>SECURED</b>		
<b>Cash Credit from State Bank of India, I.F.Branch , Kolkata</b>	<b>66,715,726</b>	<b>52,204,797</b>
Secured by hypothecation of Company's stock, receivables and entire Assets both present and future and also collaterally secured by :		
a) Extension of charge over Factory Land, Building, Plant & Machinery.		
b) Equitable mortgage of the Flat No.1 & 2 , 3rd Floor at 55/24 , Bimannagar, Sardarpara, Kaikhali, P.S. Rajarhat, North 24 Parganas in the name of Barooahs & Associates Pvt. Ltd.		
c) Personal guarantee of Shri H.P.Barooah, Director, & Corporate Guarantee of Barooahs & Associates Pvt.Ltd.		
<b>2.07 TRADE PAYABLES</b>		
Sundry Creditors for Goods *	<b>15,192,830</b>	23,956,433
Sundry Creditors – Freight	<b>5,155,152</b>	3,565,222
Sundry Creditors – Others**	<b>11,908,824</b>	2,901,485
	<b>32,256,806</b>	30,423,140
*This includes Bill Liabilities which are used in the manufacturing process.		
**This includes Bill Liabilities provided for contractors, workers, misc.bills etc.		
<b>2.08 OTHER CURRENT LIABILITIES</b>		
CURRENT MATURITIES OF LONG-TERM DEBTS		
<b>(a) Term Loan from State Bank of India, I.F.Branch, Kolkata</b>	<b>13,800,000</b>	25,532
(i) Secured by 1st charge over the entire Plant & Machinery and other fixed Assets pertaining to the Flexible Packaging Material Project and also collaterally secured by :		
a) Extension of charge over Factory Land, Building, Plant & Machinery.		
b) Equitable mortgage of the Flat No.1 & 2 , 3rd Floor at 55/24 , Bimannagar, Sardarpara, Kaikhali, P.S. Rajarhat, North 24 Parganas in the name of Barooahs & Associates Pvt.Ltd.		
c) Personal guarantee of Shri H.P.Barooah, Director, & Corporate Guarantee of Barooah & Associates Pvt.Ltd.		
(ii) Terms of Repayment : In Quarterly installments each of ₹ 34.50 Lacs		
<b>(b) Term Loan from HDFC Bank Ltd; Kolkata</b>	<b>173,414</b>	108,530
(i) Secured by hypothecation of a Motor Car		
(ii) Terms of Repayment: In equated monthly installments		
OTHER PAYABLE		
Deferred Sales Tax *	<b>823,134</b>	823,134
Other Statutory Dues	<b>1,783,037</b>	1,274,473
* In terms of Industrial Policies of 1986 and 1989 declared by Government of Orisa, the Company opted for the Sales Tax Deferment Scheme upto 30.11.1996 and the deferred Sales Tax balance stands at ₹ 8,23,134 as on 31.03.2012 (As on 31.03.2011 - ₹ 8,23,134)		
	<b>16,579,585</b>	2,231,669

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

PARTICULARS	As at March 31, (in ₹)	
	2012	2011
<b>2.09 SHORT TERM PROVISIONS</b>		
(a) Provision for Employees' Benefits:		
Provision for Gratuity	1,136,786	751,986
(b) Others		
Provision for Income Tax	15,132,264	8,061,647
Provision for Proposed Dividend	1,488,150	—
Provision for Dividend Distribution Tax	241,415	—
	<b>17,998,615</b>	<b>8,813,633</b>

**2.10 FIXED ASSETS**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.01.2011	Addition during the Year	Sale/Adj during the Year	Total as at 31.03.2012	Upto 01.01.2011	For the Year	Disposals/ Adjustment during the Year	Total as at 31.03.2012	As at 31.03.2012	As at 31.12.2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land (Leasehold)	1,195,859	—	—	1,195,859	—	—	—	—	1,195,859	1,195,859
Building	8,893,949	1,264,743	—	10,158,692	4,225,307	334,138	—	4,559,445	5,599,247	4,668,642
Plant & Machinery	120,555,493	188,956	—	120,744,449	97,812,100	1,017,273	—	98,829,373	21,915,076	22,743,393
Electrical Installation	2,536,618	—	—	2,536,618	889,685	84,656	—	974,341	1,562,277	1,646,933
Furniture & Fixture	555,938	53,090	—	609,028	230,922	25,532	—	256,454	352,574	325,016
Office Equipment	1,569,184	210,859	—	1,780,043	1,091,704	98,764	—	1,190,468	589,575	477,480
Vehicle	559,614	409,642	—	969,256	108,169	72,220	—	180,389	788,867	451,445
<b>Total</b>	<b>135,866,655</b>	<b>2,127,290</b>	<b>—</b>	<b>137,993,945</b>	<b>104,357,887</b>	<b>1,632,583</b>	<b>—</b>	<b>105,990,470</b>	<b>32,003,475</b>	<b>31,508,768</b>
Previous Period	133,342,238	2,524,417	—	135,866,655	102,411,191	1,946,696	—	104,357,887	31,508,768	

**2.11 DEPOSITS**

PARTICULARS	Year ended March 31, 2012	15 Months ended March 31, 2011
Telephone	34,550	34,550
Gas cylinder	9,400	9,400
Electricity - Balasore	2,179,061	198,533
Others	317,000	217,000
	<b>2,540,011</b>	<b>459,483</b>

**2.12 INVENTORIES**

PARTICULARS	As at March 31, (in ₹)	
	2012	2011
Raw materials	36,371,465	49,226,575
Finished Goods	16,725,619	8,095,648
Work-in-Process	6,772,715	6,361,291
Stores & Spares	3,980,086	2,656,815
	<b>63,849,885</b>	<b>66,340,329</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

PARTICULARS	As at March 31, (in ₹)	
	2012	2011
<b>2.13 TRADE RECEIVABLES</b>		
Debts outstanding for a period exceeding six months		
UNSECURED		
Considered good	3,048,331	1,212,832
Considered doubtful	–	–
Less: Provision for doubtful debts	–	–
	<u>3,048,331</u>	<u>1,212,832</u>
<b>Other debts</b>		
UNSECURED		
Considered good	54,187,803	43,142,599
Considered doubtful	–	–
Less: Provision for doubtful debts	–	–
	<u>54,187,803</u>	<u>43,142,599</u>
	<u>57,236,134</u>	<u>44,355,431</u>
<b>2.14 CASH AND CASH EQUIVALENTS</b>		
Cash in Hand	48,023	30,269
Current Account balances with Scheduled banks	434,361	1,518,447
Fixed Deposit Account with State Bank of India	7,967,484	7,332,208
(Earmarked against Bank Guarantee and margin money of LC & LG)	<u>8,449,868</u>	<u>8,880,924</u>
<b>2.15 SHORT TERM LOANS AND ADVANCES</b>		
UNSECURED		
Advances Recoverable in cash or in kind or for value to be received	23,120,289	19,699,053
Capital Advance	2,707,680	23,210,822
Deposits for Sales Tax	3,800,000	3,200,000
Pre-paid Expenses	539,202	228,840
	<u>30,167,171</u>	<u>46,338,715</u>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

As at March 31, (in ₹)

PARTICULARS	Year ended March 31,2012	15 Months ended March 31,2011
<b>2.16 REVENUE FROM OPERATIONS</b>		
Gross Sales:		
Sale of Products	321,653,922	300,493,659
Scrap sale	804,627	619,048
	<u>322,458,549</u>	<u>301,112,707</u>
Less: Excise Duty	29,123,412	27,248,933
	<u>293,335,137</u>	<u>273,863,774</u>
<b>2.17 OTHER INCOME</b>		
Miscellaneous Income	1,781,354	141,551
Interest	432,142	528,809
	<u>2,213,496</u>	<u>670,360</u>
<b>2.18 COST OF MATERIALS CONSUMED</b>		
Opening Stock	49,226,575	40,662,909
Add:Purchase	206,616,644	200,260,187
	<u>255,843,219</u>	<u>240,923,096</u>
Less:Closing Stock	36,371,465	49,226,575
Consumption of Raw Materials	<u>219,471,754</u>	<u>191,696,521</u>
<b>2.19 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK – IN – PROGRESS</b>		
PARTICULARS	Year ended March 31,2012	15 Months ended March 31,2011
<b>Opening Stock</b>		
Finished Goods	8,095,648	8,288,960
Materials-in-Process	6,361,291	2,491,781
	<u>14,456,939</u>	<u>10,780,741</u>
Less:		
<b>Closing Stock</b>		
Finished Goods	16,725,619	8,095,648
Materials-in-Process	6,772,715	6,361,291
	<u>23,498,334</u>	<u>14,456,939</u>
Decrease/(Increase)	<u>(9,041,395)</u>	<u>(3,676,198)</u>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

PARTICULARS	As at March 31, (in ₹)	
	Year ended March 31,2012	15 Months ended March 31,2011
<b>2.20 EMPLOYEE BENEFIT EXPENSES</b>		
Salary,Wages & Benefits	17,843,255	16,664,758
Contribution to PF & Other Funds	815,565	596,718
Gratuity	639,683	546,144
Welfare Expenses	1,473,524	1,645,474
	<u>20,772,027</u>	<u>19,453,094</u>
<b>2.21 FINANCIAL COSTS</b>		
Interest on Working Capital Loan	9,383,318	7,665,959
Interest on Term Loan	–	387,256
Bank Commission & Charges	2,236,581	2,229,615
Interest-Others	73,013	259,660
	<u>11,692,912</u>	<u>10,542,490</u>
<b>2.22 OTHER EXPENSES</b>		
Power & Fuel	2,829,782	2,392,007
Sales Tax	7,581,580	7,627,395
Consumption of Stores & Spares	2,767,160	3,370,943
Repairs & Maintenance - Building	–	136,335
Repairs & Maintenance - Machinery	301,996	505,360
Repairs & Maintenance - Others	595,540	985,283
Rent, Rates & Taxes	445,507	320,659
Insurance	545,975	450,811
Travelling & Conveyance	3,353,086	4,469,562
Postage & Communication	574,574	621,292
Directors' Fees	72,000	80,000
Discount allowed	149,290	–
Carriage Outwards	2,327,106	2,662,818
Bad Debt Written Off	426,388	4,311,401
Miscellaneous Expenses	3,964,057	4,324,414
	<u>25,934,042</u>	<u>32,258,280</u>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

As at March 31, (in ₹)

**PARTICULARS**

**Year ended** 15 Months ended  
**March 31,2012** March 31,2011

**2.23 EARNING PER EQUITY SHARE**

Disclosure as per Accounting Standard 20 is as follows :-

a) Net Earnings ( in ₹ )	<b>17,680,252</b>	14,543,854
b) No. of Shares (in Nos.)	<b>4,960,500</b>	4,960,500
c) Earnings per Share (basic & diluted)	<b>3.56</b>	2.93

**2.24 The Company's current financial year represents twelve months i.e, April'11 – March'12, whereas earlier year represents fifteen months i.e, January 2010 – March 2011. Hence the figures for the current period are not comparable.**

Previous year's figures have been regrouped and rearranged , where ever necessary, in conformity with Revised Schedule VI

**2.25 LICENSED, INSTALLED CAPACITIES AND ACTUAL PRODUCTION:**

Class of Goods	Units	Period ended	Annual Capacity		Actual Production
			Licensed	Installed	
Paper Sacks	Nos.	31.03.2012	60 Million	35 Million	9.48 Million
Paper Sacks	Nos.	31.03.2011	60 Million	35 Million	9.78 Million

(Note: Capacity of Paper Sacks plant is dependant on the product-mix. Annual Installed capacity of 35 Million is based on production of cement sacks only. With the present product-mix annual capacity works out to 9 Million Sacks.)

**2.26 PARTICULARS WITH RESPECT TO STOCKS AND SALES :**

Class of Goods	Units	Year ended 31st March 2012		15 months period ended 31st March 2011	
		Quantity	Value	Quantity	Value
Opening Stock	Nos.	306,425	8,095,648	352,812	8,288,960
Sale	Nos.	9,225,233	293,335,137	9,829,743	273,863,774
Closing Stock	Nos.	557,378	16,725,619	306,425	8,095,648

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

As at March 31, (in ₹)

PARTICULARS	Year ended	15 months period ended
	31st March 2012	31st March 2011
<b>2.27 OTHER DETAILS</b>		
a) Value of Imports on C.I.F basis		
Raw materials	<b>104,687,094</b>	102,483,013
b) Earning in Foreign Currency - Export of Goods (F.O.B basis)	<b>9,422,668</b>	782,336
c) Expenditure in Foreign Currency -	<b>278,225</b>	885,600
d) Estimated amount of contracts remaining to be executed on capital account (net of advance)	<b>6,999,711</b>	66,597,476
e) Contingent Liabilities not provided for		
Bank Gurantee	<b>81,600</b>	81,600
Sales Tax	<b>7,579,566</b>	6,402,197
Bill discounting	-	561,466

**2.28 DETAILS OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED:-**

(Qty. in M.T. and value in ₹)

CLASS OF GOODS	OPENING		PURCHASE		CLOSING		CONSUMPTION		% Total
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
a) Paper Imported									
<b>2011-12</b>	<b>443</b>	<b>22,762,625</b>	<b>1558</b>	<b>87,771,032</b>	<b>240</b>	<b>13,916,208</b>	<b>1760</b>	<b>96,617,450</b>	<b>44.02</b>
Jan'10- Mar'11	290	16,514,037	1991	89,589,971	443	22,762,625	1838	83,341,382	43.48
Paper Indigenous									
<b>2011-12</b>	<b>190</b>	<b>11,448,879</b>	<b>1460</b>	<b>80,832,817</b>	<b>393</b>	<b>14,253,811</b>	<b>1257</b>	<b>78,027,885</b>	<b>35.55</b>
Jan'10- Mar'11	556	20,906,329	1243	74,601,939	190	11,448,879	1609	84,059,389	43.85
b) Other Imported									
<b>2011-12</b>	<b>38.84</b>	<b>5,012,296</b>	<b>171</b>	<b>25,096,026</b>	<b>14</b>	<b>1,709,839</b>	<b>195</b>	<b>28,398,483</b>	<b>12.94</b>
Jan'10- Mar'11	15.9	1,195,490	355	27,159,331	39	5,012,296	332	23,342,525	12.17
Other Indigenous									
<b>2011-12</b>	-	<b>10,002,775</b>	-	<b>12,916,769</b>	-	<b>6,491,607</b>	-	<b>16,427,937</b>	<b>7.49</b>
Jan'10- Mar'11	-	2,047,053	-	8,908,946	-	10,002,775	-	953,225	0.50
<b>2011-12</b>		<b>49,226,575</b>		<b>206,616,644</b>		<b>36,371,465</b>		<b>219,471,754</b>	<b>100.00</b>
Jan'10- Mar'11		40,662,909		200,260,187		49,226,575		191,696,521	100.00

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

As at March 31, (in ₹)

PARTICULARS	Year ended 31st March'12	15 months period ended 31st March'11
<b>2.29 PAYMENT TO WHOLE TIME DIRECTORS</b>		
Salary	2,156,250	2,499,688
Reimbursement (Medical & Others)	366,101	389,760
	<u>2,522,351</u>	<u>2,889,448</u>
<b>2.30 MISCELLANEOUS EXPENSES IN NOTE 2.20 (Other Expenses) INCLUDES:</b>		
Auditors Remuneration – (Including service Tax)		
Audit Fees	67,416	55,150
Tax Audit Fees	11,236	22,060
For certification	37,531	69,645
	<u>116,183</u>	<u>146,855</u>
<b>2.31 The Company has one business segment of manufacture and sale of paper sacks, hence no separate disclosure is necessary in respect of AS 17.</b>		
<b>2.32 During the Period ended 31st March, 2012, the Company entered into transactions with related parties as per details below.</b>		
a) B&A Ltd. - Holding Company		(₹)
Sale of Paper Sacks		5,881,176
Rent & Other Services		223,418
Outstanding Balance (Dr.)		1,520,225
b) Remuneration to key Management Personnel (including reimbursement) :		
Mr. H. P. Barooah, wholetime Director and executive Chairman		890,000
Mr. R. Roy Choudhury, Managing Director		1,632,351
c) Loan from Barooah & Associates Pvt. Ltd.		20,400,000
d) Loan from Mr.H.P.Barooah – Director		5,400,000

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****2.33 DISCLOSURE REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES**

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises pursuant to Sec22 of "The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

(Rupees in Lacs)

Sl.No.	D E S C R I P T I O N	31st March 2012	31st March 2011
i)	The principal amount remaining overdue for payment to suppliers as at the end of accounting year	<b>3.75</b>	1.94
ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	<b>0.23</b>	0.06
iii)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	–	–
v)	The amount of interest due and payable for the period of delay in making of payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	<b>0.28</b>	0.18
v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	<b>0.51</b>	0.24
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises	<b>0.09</b>	0.08

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

2.34 Balance Sheet Extract and Company's General Business Profile. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956

**i) Registration Details**

Registration No.	01624	State code	15
Balance Sheet Date	31.03.2012		

**ii) Capital Raised during the year (Amount in ₹ '000)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**iii) Position of Mobilisation and Deployment of Funds (Amount in ₹ '000)**

Total Liabilities	303,943	Total Assets	303,943
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid up Capital	49,803	Net Fixed Assets	141,700
Reserve and Surplus	46,885	Investments	–
Secured & Unsecured Loan	149,982	Net Current Assets **	109,653
Deferred Tax Liabilities (Net)	2,853		

\*\* Net of Current Liabilities and Provisions

**iv) Performance of the Company (Amount in ₹ '000)**

Turnover	295,549	Total Expenditure	270,462
Profit before Tax	25,087	Profit after Tax	17,680
Earning per share in ₹	3.56	Dividend	3%

**v) Generic Names of Three Principal Products / Service of the Company****( As per monetary term)**

Item code No. (ITC Code)	4819 30 00
Product Description	Sacks and Bags of paper

In terms of our report of even date

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 23rd May, 2012

**For and on behalf of the Board**

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

**Rajiv Gupta**

Company Secretary & Manager (Finance)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	<b>For the year ended March, 2012</b>	<b>For the fifteen months ended 31st March, 2011</b>
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary item	25,086,710	22,313,251
<b>Adjustments for:</b>		
Depreciation	1,632,583	1,946,696
Interest and Financial Charges	11,692,912	10,542,490
Deferred Revenue Exp./ Fixed Asset written off	-	-
Interest received	(432,142)	(528,809)
Operating Profit before Working Capital Change	37,980,063	34,273,628
<b>Adjustments for:</b>		
Trade and other Receivables	1,210,313	(44,802,874)
Trade Payable	2,791,389	14,302,680
Inventories	2,490,444	(12,775,680)
Cash Generated from Operations	44,472,209	(9,002,246)
Interest Paid	(11,692,912)	(10,542,490)
Cash Flow before Extraordinary items	32,779,297	(19,544,736)
Extraordinary Items	-	-
<b>Net Cash flow from operating activities</b>	<b>32,779,297</b>	<b>(19,544,736)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,127,290)	(2,524,417)
Increase/Decrease in Capital work in progress	(109,622,688)	233,715
Sale of Fixed assets/Fixed Assets written off	-	-
Interest received	432,142	528,809
<b>Net Cash used in Investing Activities</b>	<b>(111,317,836)</b>	<b>(1,761,893)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowing	78,216,185	26,456,695
Repayment of Borrowing	(108,702)	(5,589,728)
Increase in deferred Rev.Expenses	-	-
<b>Net Cash used in Financing Activities</b>	<b>78,107,483</b>	<b>20,866,967</b>
<b>Net Increase in Cash and Cash equivalents</b>	<b>(431,056)</b>	<b>(439,662)</b>
Cash and Cash Equivalents (Opening)	8,880,924	9,320,586
Cash and Cash Equivalents (Closing)	8,449,868	8,880,924

*In terms of our report of even date*

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 23rd May, 2012

**For and on behalf of the Board**

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

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Company Secretary & Manager (Finance)