

# ANNUAL REPORT 2008



**B&A Multiwall Packaging Limited**

**BOARD OF DIRECTORS**

- : Mr. Hemendra Prasad Barooah  
*Wholetime Director & Executive Chairman*  
Mr. Ranadurjoy Roy Choudhury, *Managing Director*  
Mr. Panchkari Banerjee  
Mr. Tarun Chandra Dutt  
Mr. Basant Kumar Goswami  
Mr. Vijay Raghuram Shetty  
Mrs. Gargi Barooah  
Mr. Brajamohan Sahoo, *IPICOL Nominee Director*

**COMPANY SECRETARY**

- : Mr. Balaram Bose

**REGISTERED OFFICE**

- : 1185/1186, Tankapani Road  
Bhubaneswar - 751 018, Orissa

**CORPORATE OFFICE**

- : 113 Park Street, 9th Floor,  
Kolkata - 700 016

**FACTORY**

- : 22 Balgopalpur Industrial Area  
Balasore - 756 020, Orissa

**AUDITORS**

- : APS Associates  
Chartered Accountants  
3C Madan Street, 1st Floor  
Kolkata - 700 072

**BANKER**

- : State Bank of India  
Industrial Finance Branch

**SHARE TRANSFER AGENT**

- : MCS Limited  
77/2A, Hazra Road  
Kolkata - 700 029
-

**NOTICE**

**NOTICE** is hereby given that Twenty Third Annual General Meeting of the members of B&A Multiwall Packaging Limited will be held on Tuesday, the 26th day of May, 2009 at the Registered Office of the Company at 1185/1186, Tankapani Road, Bhubneswar – 751 018 at 12-00 P.M. to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Profit & Loss Account for the year ended 31st December, 2008 and the Balance Sheet as at that date together with the Directors and Auditors' Report thereon.
2. To appoint Mr. Hemendra Prasad Barooah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Mr. Basant Kumar Goswami, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. APS Associates, Chartered Accountants, the retiring Auditors as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to conduct the audit of the accounts of the Company for the year ended 31st December, 2009 and to fix their remuneration.

By Order of the Board of Directors

**Balaram Bose**

**Company Secretary & Senior Manager (Finance)**

Date : 28th January, 2009

Place : Kolkata

**Registered Office :**

1185/1186, Tankapani Road

Bhubneswar – 751 018, Orissa

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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. 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.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 22nd day of May, 2009 to Tuesday, 26th day of May, 2009 (both days inclusive).
4. 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.
5. Members / Proxy-holders are requested to produce at the entrance, the attached Attendance Slip duly completed for admission to the meeting hall.
6. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a brief profile of the Director seeking re- appointment at the Annual General meeting is annexed to this Notice.
7. 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.
8. Members are requested to carry the copy of this Annual Report at the meeting.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company together with the audited accounts for the year ended 31st December, 2008.

### OPERATING RESULTS

(Rs. In Lakh)

Particulars	31.12.2008	31.12.2007
<b>Net Sales and Other Income</b>	<b>2,055.76</b>	<b>1,756.65</b>
Less: Total Expenditure	<b>1,778.84</b>	<b>1,518.18</b>
<b>Profit before Interest, Depreciation and Tax</b>	<b>276.92</b>	<b>238.47</b>
Less: Interest	<b>116.89</b>	<b>115.93</b>
<b>Profit before Depreciation and Taxation</b>	<b>160.03</b>	<b>122.54</b>
Less: Depreciation	<b>56.94</b>	<b>52.43</b>
<b>Profit before Tax</b>	<b>103.09</b>	<b>70.11</b>
Less: Current Taxation including FBT	<b>13.52</b>	<b>8.81</b>
Deferred Taxation	<b>28.20</b>	<b>8.21</b>
<b>Profit after Tax (PAT)</b>	<b>61.37</b>	<b>53.09</b>
Less: Income Tax for earlier years	<b>NIL</b>	<b>NIL</b>
Prior period adjustment	<b>NIL</b>	<b>NIL</b>
<b>Profit available for appropriation</b>	<b>61.37</b>	<b>53.09</b>
Add: Balance of loss brought forward	<b>(192.33)</b>	<b>(245.42)</b>
<b>Balance of loss carried to Balance Sheet</b>	<b>(130.96)</b>	<b>(192.33)</b>

### YEAR IN RETROSPECT

The net sales and other income for the year under review were Rs.2,055.76 lakh as against Rs.1,756.65 lakh for the previous financial year registering an increase of 17.02%. The profit after tax for the year under review was Rs.61.37 lakh in comparison to Rs.53.09 lakh in previous fiscal, registering a growth of 13.49% in profitability.

Controlling the cost without impairing the quality of the products continues to be prime focus of your Company.

### DIRECTORS

Mr. Hemendra Prasad Barooah, Chairman and Mr. Basant Kumar Goswami, Director will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

During the year under review Mr. Somnath Chatterjee resigned from the post of Director with effect from 15th April, 2008. Mr. Vijay Raghuram Shetty and Mrs. Gargi Barooah were introduced to the Board on 25th February, 2008.

Industrial Promotion and Investment Corporation of Orissa Limited, vide their letter No. Secy/ND-28/2008/5547 dated 12th March, 2008 has nominated Mr. Brajamohan Sahoo as the Nominee Director in Board of Company in place of Mr. B. C. Pati.

## **AUDITORS**

Statutory Auditors Report regarding a short term loan taken and repaid during the year has been noted by the Board and the Board offered no further comments in this respect.

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 28th January, 2009 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.

## **CORPORATE GOVERNANCE**

Your Company is endeavoring to attain the core objective of Corporate Governance as is enumerated in the Listing Agreement. As required by Clause 49 of the Listing Agreement with the Stock Exchange, a report on Corporate Governance and a certificate of the Statutory Auditors of the Company is annexed with the report.

## **NEW PROJECT**

Consequent upon the policy of modernisation and backward integration, the new Lamination machine was commissioned during the year under review. After the initial teething trouble, the machine has settled down. This should be an effective tool for cost reduction during the coming year.

## **ISO 22000 CERTIFICATION**

Your Company is already certified to ISO 9001:2000 Quality-System. Since paper sacks for tea industry is a major item in our product portfolio, it is felt that over and above Quality Systems Certification, the Company should prepare for ISO 22000:2005 standard for Food Safety Management. This will not only ensure that tea produces are offered packaging material conforming to food safety systems, but also this should stand the Company in good stead for developing new markets in food product packaging. The preparatory work has started and the Company is aiming for certification by the first half of 2009.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) In the preparation of Annual Accounts for the year ended 31st December, 2008, 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.
- ii) 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 December, 2008 and of the Profit or Loss on that date.
- iii) 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 safe guarding the assets of the Company and detecting fraud and other irregularities.
- iv) The Annual Accounts for the year ended 31st December, 2008 have been prepared on a going concern basis.

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

The production process is not power intensive and the consumption of electricity is also minimal. Hence, 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.

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

	<b>(Rs. In Lakh)</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>
Earnings in Foreign Currency	32.77	43.88
Expenditure in Foreign Currency	1,139.87	811.63

**SAFETY, HEALTH AND ENVIRONMENT PROTECTION**

The product of the Company is totally eco friendly and the production process does not generate pollution. In spite of this fact, being its corporate vision, your Company has undertaken environment friendly measures in its production unit for promoting better environment.

Some of our products are being used for bulk packaging of 'Food', thereby bringing these under the purview of food safety chain. Your Company is contemplating to get the relevant production process certified under ISO – 22000 (Food Safety Management System) by the year 2009.

**PARTICULARS OF EMPLOYEES**

There was no employee who received remuneration of Rs.24,00,000/- or more per annum or at a rate of Rs.2,00,000/- or more per month during the financial year under review. Therefore, the disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not given.

**ACKNOWLEDGEMENT**

Your Directors are grateful and pleased to place on record their appreciation for the excellent support, guidance and co-operation extended by the Government, other regulatory authorities and Bank who are closely associates with the business of the Company. The Board also express its appreciation of the understanding and support extended by the shareholders and employees of the Company.

For and on behalf of the Board of Directors

**P. Banerjee**  
*Director*

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

Place : Kolkata

Date: 28th January, 2009



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **1. Industry Structure and Development**

Tea industry had a good year during 2008 and most of the companies did well at their bottom line. This induced a shift towards use of paper sacks for bulk packaging of tea particularly in quality conscious sector like exports and high priced tea. Such usage is estimated to have grown by about 7-8%. PP laminated sacks have made deeper inroads mainly replacing Jute bags in tea industry.

Though tea industry could hold its ground in 2008, Carbon Black industry succumbed to the global recession. Induced by the slow-down in automobile industry paper sacks for carbon black dried up during the last quarter of the year. Manufacturers of carbon black are not in a position to predict as to when their production is likely to regain pre-recession level.

There could be a possibility of introducing paper sack in Spice Industry since quite a few of the spices could gainfully use barrier plies to protect their quality.

### **2. Opportunity and Threats**

- Price of pulp has eased off internationally and as a result kraft paper price is showing marginal downward trend.
- Loophole in the import rules for paper sacks for additional duties has been plugged.
- Imports from Sri Lanka are still having an advantage of at least 10% in view of Indo Sri Lankan Trade Agreement.
- While South Indian operations for tea sacks have improved during 2008 we plan for deeper inroads in small tea growing organizations.

### **3. Outlook**

The Company plans to achieve considerable growth during 2009 in spite of recession setting in. In this regard marketing of Laminates will play an important role.

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

The Company has a strong internal audit and control system. The Internal Auditors independently evaluate adequacy of internal controls and concurrently audit the majority of transactions in value term. Independence of audit and compliance function is ensured by interaction of the Internal Auditors with the Audit Committee of the Board. The internal control includes amongst others, strategic planning, regular monitoring of performance, control over capital expenditure and investments, review of significant issues arising from internal and external audits and setting of high standards and targets for safety, health, energy conservation and environmental performance.

### **5. Financial Performance**

The Company achieved a net profit after tax of Rs.61.37 lacs on a turnover of Rs.2,043.97 lacs during 2009. There had been a substantial growth compared to net profit after tax of Rs.53.09 lacs and turnover of Rs.1,742.30 lacs during 2008.

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Corporate Governance

Adherence to the Corporate Governance Code is merely a compliance part of its objective. The objective should be to institutionalise the spirit it entails. Company perceives the Corporate Governance as the establishment of best management practices, mechanism to comply with the applicable laws and adherence to ethical standards to achieve Company's objective of enhancing the stakeholders' value and discharge of social responsibilities.

### Board of Directors

The composition of Board is commensurate with the requirement of Clause 49 of the Listing Agreement with the Stock Exchange. It consists of experts of different fields of commerce and administration. Presently, the Board comprises of eight directors of which four are non-executive and independent. The Chairman of the Company is an executive director.

During the year under review, the Board met 5 (five) times on following dates: 25.02.2008, 25.04.2008, 24.06.2008, 31.07.2008 and 30.10.2008.

The details of composition of Board of Directors and their attendance at the Board Meetings held during the year ended 31st December, 2008 and Annual General Meeting and the number of other Directorship and Board Committee membership / Chairmanship are as follows:

Name of the Directors	Category	Attendance Particular		Number of other Directorship & Committee Membership		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Hemendra Prasad Barooah	Promoter & Executive Chairman	5	Yes	1	2	-
Mr. Ranadurjoy Roy Choudhury	Managing Director	5	Yes	1	1	-
Mr. Tarun Chandra Dutt	Non-Executive & Independent	5	Yes	3	3	2
Mr. Somnath* Chatterjee	Promoter & Non-Executive	1	Yes	2	-	-
Mr. Panchkari Banerjee	Non-Executive & Independent	5	Yes	2	4	2
Mr. Basant Kumar Goswami	Non-Executive & Independent	1	No	13	6	-

Name of the Directors	Category	Attendance Particular		Number of other Directorship & Committee Membership		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Vijay Raghuram Shetty	Non-Executive & Non-Independent	2	No	1	-	-
Mr. Brajamohan Sahoo	Non-Executive & Independent (Nominee of Industrial Promotion & Investment Corp. of Orissa Ltd.)	-	Yes	-	-	-
Mrs. Gargi Barooah	Non-Executive & Non-Independent	-	No	-	-	-
Mr. Bimal Charan Pati**	Non-Executive & Independent (Nominee of Industrial Promotion & Investment Corp. of Orissa Ltd.)	-	No	-	-	-

\* Mr. Somnath Chatterjee resigned from the Directorship w.e.f. 15.04.2008.

\*\* Mr. Bimal Charan Pati resigned from the Nominee Directorship from 12.03.2008 and in his place Mr. Brajamohan Sahoo has been appointed on and from that date.

The above Directorship and Committee Membership/Chairmanship of Directors include directorship and membership/chairmanship held in Public Limited Company.

### Audit Committee

The composition and terms of reference of Audit Committee is in line with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange. The committee consists of three Directors of which two are independent. The members of the committee met 4 (four) times during the year under review on 25.02.2008, 25.04.2008, 31.07.2008 and 30.10.2008.

The composition of the committee and the details of attendance of members at the meetings are as under :

Name of the Members	Designation	No. of Meetings attended
Mr. Tarun Chandra Dutt	Chairman	4
Mr. Panchkari Banerjee	Member	4
Mr. Hemendra Prasad Barooah	Member	4

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.
- 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**

There is an independent Remuneration Committee comprising three Directors of which two are non-executive and independent. The brief terms of reference of the committee is to review, asses and recommend the appointment of Executive and Non-executive Directors and their remuneration package and compensation and to approve, in the event of loss or inadequacy of profit in any financial year, the minimum remuneration payable to the Managing Director and Whole-time Directors within the limit and subject to the parameters prescribed in Schedule XIII to the Companies Act, 1956.

During the year under review no such meeting was held by the Committee.

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 are stated as under:

<b>Name</b>	<b>Mr. H. P. Barooah</b>	<b>Mr. R. Roy Choudhury</b>
Designation	Executive Chairman	Managing Director
Salary (Annual) (Rs.)	6,70,000/-	11,57,500/-
Perquisites (Annual) (Rs.)	NIL	2,69,597/-
Service contracts	5 years	3 years
Notice period	6 months	3 months
Severance Fee (Rs)	NIL	NIL

#### **Sitting fees of Non-executive Directors**

<b>Name</b>	<b>Annual Sitting Fees (Rs.)</b>
Mr. Tarun Chandra Dutt	23,000
Mr. Panchkari Banerjee	23,000
Mr. Somnath Chatterjee	3,000
Mr. Basant Kumar Goswami	3,000
Mr. Bimal Charan Pati	NIL
Mr. Braja Mohan Sahoo	NIL
Mr. Vijay Raghuram Shetty	6,000
Mrs. Gargi Barooah	NIL

#### **Investors' Grievance Committee**

The Board has formed a Committee known as Investors' Grievance Committee on 30th October, 2002. The objectives of the Committee is to provide speedy redressal of investors' grievances and over viewing the activities of Registrar and Share Transfer Agent. During the year 7 (seven) complaints were received from the shareholders of the Company and the same were resolved immediately. The Committee ordinarily meet when there is any issue relating to non-disposal of Investors' grievance.

The composition of the Committee is as under:

<b>Name of the Members</b>	<b>Status</b>
Mr. Panchkari Banerjee	Chairman
Mr. Ranadurjoy Roy Choudhury	Member

#### **Share Transfer Committee**

The objective of the Committee is to give approval for allotment, transfer & transmission of Shares/ Debentures or any other securities and issue of duplicate certificates and new certificates on split / consolidation/ renewal etc.

During the year under review 7 (Seven) meetings were held on 15.02.2008, 15.05.2008, 31.05.2008, 16.06.2008, 30.06.2008, 16.08.2008 and 30.09.2008. The details of meeting attended by each member of the Committee are given as under :

Name of the Members	Status	No. of Meeting attended
Mr. Panchkari Banerjee	Chairman	7
Mr. Tarun Chandra Dutt	Member	7
Mr. Hemendra Prasad Barooah	Member	7

### General Body Meeting

The details of locations, dates and time of General Meetings held during the last 3 years are as under :

Financial Year ended	Types of Meeting	Date	Venue	Details of Spl. Resolution passed under the Companies Act, 1956
31st December 2007	AGM	27.06.2008*	Regd. Office: 1185/1186, Tankapani Road, Bhubneswar - 751 018	NIL
31st December 2006	AGM	15.06.2007	- Do -	i) Special Resolution u/s 198, 269 & 309 of the Companies Act, 1956 for appointment of Mr. Hemendra Prasad Barooa has the Wholetime Director and Executive Chairman for a period of 5 years w.e.f. 1st November, 2006.  ii) Special Resolution u/s 198, 269 & 309 of the Companies Act, 1956 for re-appointment of Mr. Ranadurjoy Roy Choudhury as the Managing Director of the Company for a period of 3 years w.e.f. 1st September, 2007.
31st December, 2005	AGM	21.04.2006	- Do-	NIL

\*The scheduled date of 22nd Annual General Meeting was Friday, 20th June, 2008. Due to heavy rainfall and complete dislocation of communication the meeting was rescheduled on Friday, 27th June, 2008. The intimation regarding this event was given to the shareholders of the Company immediately.

### **Code of Conduct**

The company has laid down a comprehensive code of conduct for all Board Members and senior management personnel. The Code of Conduct is available on the website of the Company viz., [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. The declaration by the Managing Director to that effect forms part of this Report.

### **Postal Ballot**

During the year under review an ordinary resolution was passed under section 293(1)(a) of the Companies Act, 1956 through Postal Ballot procedure in terms of section 192A of the said Act.

### **Disclosure**

The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken 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**

The corporate website of the Company i.e. [www.bampl.com](http://www.bampl.com) provides a comprehensive details about the portfolio of its business. The quarterly, half yearly and annual financial results, audited/ unaudited, were submitted immediately of its approval by the Board, to the stock exchange and the same were published in two newspapers, viz., "Sambad" in vernacular language having circulation in the state of Orissa, 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 23rd Annual General Meeting	: Tuesday, the 26th day of May, 2009. 12-00 P.M.
Venue	: Registered Office of the Company 1185/1186, Tankapani Road, Bhubneswar – 751 018.
Financial calendar (tentative) for the year 2009	: January to December.  : The probable dates for the publication of the quarterly financial results for the financial year 2009 will be the last week of the month following the respective quarter and the audited results for the year will be published by the end of February, 2010.
Date of Book Closure	: Friday, 22nd day of May, 2009 to Tuesday, 26th day of May, 2009 (both days inclusive).
Dividend payment date	: Not Applicable.
Listing of Equity Shares on Stock Exchange	: Bombay Stock Exchange Limited.
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 December, 2008**

Range of shares held	Shares		Shareholders	
	Nos.	% total	Nos.	% total
1 to 500	457971	9.2324	2682	95.6491
501 to 1000	62100	1.2519	77	2.7461
1001 to 2000	40300	0.8124	26	0.9272
2001 to 3000	10400	0.2097	4	0.1427
3001 to 4000	15100	0.3044	4	0.1427
4001 to 5000	5100	0.1028	1	0.0357
5001 to 10000	20800	0.4193	3	0.1070
10001 to 50000	32400	0.6532	2	0.0713
50001 to 100000	100000	2.0159	1	0.0357
100000 and above	4216329	84.9981	4	0.1427
<b>TOTAL</b>	<b>49,60,500</b>	<b>100.00</b>	<b>2,804</b>	<b>100.00</b>

**Shareholding Pattern as on 31st December, 2008**

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	7	35,90,129	72.37
	Foreign Promoters	1	1,00,000	2.02
2.	Persons acting in concert	-	-	-
	<b>Sub-total</b>	<b>8</b>	<b>36,90,129</b>	<b>74.39</b>
<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.	3	6,61,500	13.34
	<b>Sub-total</b>	<b>3</b>	<b>6,61,500</b>	<b>13.34</b>
4.	<b>Others</b>			
	Private Corporate Bodies	6	3,800	0.08
	Indian Public	2787	6,05,071	12.19
	NRIs/OCBs	-	-	-
	Any other	-	-	-
	<b>Sub-total</b>	<b>2,793</b>	<b>6,08,871</b>	<b>12.27</b>
	<b>Grand total</b>	<b>2,804</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**

This has been dealt with in the Directors' Report.

- **Whistle Blower Policy**

The Company have 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: 28th January, 2009

## **CEO / CFO CERTIFICATION**

The Board of Directors,  
B & A Multiwall Packaging 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 December, 2008 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.

Place: Kolkata

Date: 28th January, 2009

**Ranadurjoy Roy Choudhury**  
*Managing Director*

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of B & A Multiwall Packaging Limited:

We have examined the compliance of conditions of Corporate Governance by B & A Multiwall Packaging Limited for the year ended 31st December, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 were 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**  
**A. Dutta**  
**Partner**  
**Membership No. 17693**

Place: Kolkata

Date: 28th January, 2009

To

The Shareholders

B&A Multiwall Packaging Limited

**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.

**Ranadurjoy Roy Choudhury**  
*Managing Director*

Place: Kolkata

Date: 28th January, 2009

**Clause 49 of the Listing Agreement - Details of Directors to be appointed / re-appointed at the forthcoming Annual General Meeting (Item 2 of the Notice)**

Name of Director	Date of Birth	Nationality	Date of Appointment on the Board	Qualification	Shareholding in the Company	List of Directorship held in Other Companies	Other Details
Mr. Hemendra Prasad Barooah	01.06.1926	Indian	16.01.1986	M.B.A. From Harvard Business School, U.S.A. (Class of '49)	9,500	B&A LIMITED	Mr. Barooah joined the family tea plantation business in 1950. He was elected as President of Bengal Chamber of Commerce & Industry. During his career, he held several high positions viz., Member of Tea Board from 1963 to 1973, Chairman, Local Board (East) of State Bank of India for 13 years, Director of Indian Airlines Corporation and Member, Central Advisory Council for Industrial Development, New Delhi. He was also the Chairman of Tea Research Association, Assam Tea Corporation Ltd. Presently he is the Chairman & Managing Director of B & A Limited.
Mr. Basant Kr. Goswami	29.01.1935	Indian	23.03.2007	I.A.S. (Retd.) He Did his Masters in English securing first position from Punjab University	NIL	Jaiprakash Power Ventures Ltd. Jaiprakash Associates Ltd. Taj Kerala & Resorts Ltd., Cochin Global Trust Capital Finance Ltd. Greet India Aviation Ltd. New Kenilworth Hotels Ltd., Cal L. H. Sugar Factories Ltd. Blue Coast Hotels Ltd. B & A Ltd. Parsvnath Hotels Ltd. Parsvnath SEZ Ltd. Landmark Holdings Ltd. Nectar Life Science Ltd.	During his long career Mr. Goswami, held very senior positions viz., Chief Secretary, Government of Jammu & Kashmir, Secretary Tourism, Government of India, Advisor to the Governor of Jammu & Kashmir, Director General, Tourism, Government of India, etc. He was also the Chairman of the Tea Board of India for over five years.

**AUDITORS' REPORT**

To

The Members of B&A MULTIWALL PACKAGING LIMITED

- 1) We have audited the attached Balance Sheet of **B&A MULTIWALL PACKAGING LIMITED** as at 31st December, 2008, the Profit and Loss Account 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account 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 December, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st December, 2008 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 and Schedules 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 December, 2008 ;
- b) In the case of the Profit and Loss Account, 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**

**A. Dutta**

**Partner**

**Membership No. 17693**

Kolkata,

Dated, the 28th January, 2009

---

## **ANNEXURE TO AUDITORS' REPORT**

To

The members of 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 asset.
  - ii) During the year the fixed assets were physically verified by the Management.
  - iii) No substantial part of the fixed assets of the Company were disposed off during the year.
- 2) i) During the year, the 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 the 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 neither granted nor taken any loan, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.



- 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 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 thereunder except that, the Company has taken short term loans from individuals which were repaid within the year.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) According to the information given to us, the Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
- 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 :

Name of the Statute	Nature of dues	Amount (Rs.)	Relevant Period	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	64,565	1995 -1996	Commissioner of Sales Tax, Cuttack
Central Sales Tax Act	Sales Tax	27,54,267	1998 -1999	Commissioner of Sales Tax, Cuttack
Central Sales Tax Act	Sales Tax	5,50,397	2002-2003	Commissioner of Sales Tax, Cuttack
Central Sales Tax Act	Sales Tax	7,72,449	2003-2004	Commissioner of Sales Tax, Cuttack
Central Sales Tax Act	Sales Tax	3,61,452	2004-2005	Asst. Commissioner of Sales Tax, Balasore
Central Sales Tax Act	Sales Tax	22,72,291	2005-2006	Addl. Commissioner of Sales Tax, Cuttack
Employees' State Insurance Act	E.S.I.	61,398	2002-2003	Employees' Insurance Court, Kolkata

- 10) The Company's accumulated losses as on 31st December, 2008 are not more than 50% of its net worth and the Company has not incurred cash loss during the year ended 31st December, 2008 or in the immediately preceding financial year ended 31st December 2007.
- 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 year.
- 16) The Company has obtained further term loans from its bankers during the year and has utilised the same for the purpose for which the said load was obtained.
- 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 year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 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 year.

**For APS ASSOCIATES****Chartered Accountants****A. Dutta****Partner**

Membership No. 17693

Kolkata,

Dated, the 28th January, 2009

## BALANCE SHEET AS AT 31ST DECEMBER, 2008

	Schedule	As at 31st December, 2008 Rs.	As at 31st December, 2007 Rs.	As at 31st December, 2007 Rs.	As at 31st December, 2007 Rs.
<b>SOURCES OF FUNDS</b>					
Shareholders' Fund					
Capital	1	4,98,02,500		4,98,02,500	
Reserves and Surplus	2	2,33,61,998		2,35,44,547	
			7,31,64,498		7,33,47,047
Loan Funds					
Secured Loan	3	6,81,22,676		5,71,13,467	
Unsecured Loan		—	6,81,22,676	45,00,000	6,16,13,467
<b>TOTAL</b>			<b>14,12,87,174</b>		<b>13,49,60,514</b>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets	4				
Gross Block		13,06,16,714		11,31,97,408	
Less: Depreciation		9,86,84,777		9,29,91,003	
Net Block		3,19,31,937		2,02,06,405	
Add : Capital Work-in Progress		18,15,994	3,37,47,931	1,16,11,312	3,18,17,717
Current Assets, Loans & Advances					
Inventories	5	6,81,69,227		5,26,18,113	
Sundry Debtors	6	4,24,10,076		3,89,88,204	
Cash & Bank Balances	7	54,81,208		46,12,784	
Loans & Advances	8	1,20,14,361		1,03,25,998	
		12,80,74,872		10,65,45,099	
Less: Current Liabilities & Provision	9				
Liabilities		3,07,33,504		2,37,25,190	
Provisions		26,75,032		15,07,073	
		3,34,08,536		2,52,32,263	
Net Current Assets			9,46,66,336		8,13,12,836
Deferred Tax Assets			(2,23,403)		25,96,747
Profit & Loss Account			1,30,96,310		1,92,33,214
<b>TOTAL</b>			<b>14,12,87,174</b>		<b>13,49,60,514</b>
Notes on Accounts	15				

In terms of our report of even date

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 28th January, 2009

For and on behalf of the Board

**P. Banerjee**  
Director**R. Roy Choudhury**  
Managing Director**Balaram Bose**  
Company Secretary & Senior Manager (Finance)

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2008

		For the year ended 31st December, 2008		For the year ended 31st December, 2007	
	Schedule	Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Gross Sales		23,28,32,351		20,08,46,176	
Less : Excise Duty		<u>2,84,35,381</u>		<u>2,66,16,230</u>	
Net Sales			20,43,96,970		17,42,29,946
Other Income	10		11,78,678		14,35,156
Increase/(Decrease) in Finished Goods and Materials in Process	11		9,47,455		29,24,333
			<u>20,65,23,103</u>		<u>17,85,89,435</u>
<b>EXPENDITURE</b>					
Materials Consumed	12	14,81,56,029		12,84,08,327	
Sales Tax		68,45,741		72,52,990	
Operating Expenses	13	<u>2,38,29,605</u>		<u>1,90,81,159</u>	
			17,88,31,375		15,47,42,476
<b>Profit before Interest, Depreciation &amp; Taxation</b>			2,76,91,728		2,38,46,959
Interest and Financial Charges	14	1,16,89,400		1,15,93,367	
Depreciation		<u>56,93,772</u>		<u>52,42,579</u>	
			<u>1,73,83,172</u>		<u>1,68,35,946</u>
<b>Profit before Taxation</b>			1,03,08,556		70,11,013
Provision for Income Tax			11,67,959		7,22,134
Provision for Fringe Benefit Tax			1,83,543		1,59,219
Provision for Deferred Tax			<u>28,20,150</u>		<u>8,20,957</u>
<b>Profit after Taxation</b>			61,36,904		53,08,703
Balance brought forward			(1,92,33,214)		(2,45,41,917)
			<u>(1,30,96,310)</u>		<u>(1,92,33,214)</u>
<b>Notes on Accounts</b>					
Earnings per share - Basic & Diluted	15		1.24		1.07

In terms of our report of even date

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 28th January, 2009

For and on behalf of the Board

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

**Balaram Bose**

Company Secretary &amp; Senior Manager (Finance)

## SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st December, 2008 Rs.	As at 31st December, 2007 Rs.
<b>SCHEDULE -1</b>		
<b>CAPITAL</b>		
<b>AUTHORISED</b>		
80,00,000 Equity Shares of Rs.10/- each	8,00,00,000	8,00,00,000
Issued, Subscribed and Paid up		
49,60,500 Equity Shares of Rs. 10/- each fully paid up (Previous year : 49,60,500 Equity Shares)	4,96,05,000	4,96,05,000
Out of above 35,54,829 Equity Shares are held by the holding company, B&A Limited		
Add: Forfeited Shares	1,97,500	1,97,500
	<u>4,98,02,500</u>	<u>4,98,02,500</u>
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
Central Investment Subsidy	25,00,000	25,00,000
State Subsidy	2,41,700	2,41,700
Capital Reserve	1,67,43,000	1,67,43,000
Revenue Reserve	38,77,298	40,59,847
	<u>2,33,61,998</u>	<u>2,35,44,547</u>
<b>SCHEDULE-3</b>		
<b>LOAN FUNDS</b>		
<b>SECURED LOANS</b>		
<b>Loan from State Bank of India</b>		
Stand by Line of Credit (SLC)	—	50,00,000
(Secured by hypothecation on the Company's entire current assets)		
<b>Term Loan</b>	95,68,516	64,68,069
(Secured by hypothecation of Plant & Machinery and fixed assets created out of fresh Term Loan)		
<b>Cash Credit</b>	5,81,13,690	4,56,45,398
(Secured by hypothecation of Company's entire stocks and book debts)		
<b>All the above loans are collaterally secured by</b>		
a) Extension of charge over Factory Land, Building, Plant & Machinery		
b) Equitable mortgage of the Flat at Dover Place, 6, Dover Rd., Kolkata in the name of B&A Ltd. (Holding Co.)		
c) Personal guarantee of Shri H. P. Barooah, Director & Corporate Guarantee of B&A Ltd. (Holding Co.)		
<b>Loan From HDFC BANK LTD.</b>	4,40,470	—
(Secured by hypothecation of a Motor Car)		
	<u>6,81,22,676</u>	<u>5,71,13,467</u>
<b>UNSECURED LOANS</b>		
<b>From Companies</b>	—	45,00,000
	<u>6,81,22,676</u>	<u>6,16,13,467</u>

## SCHEDULES FORMING PART OF THE ACCOUNTS

## SCHEDULE-4

## FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.01.08	Addition during the Year	Sale/ Adjustment during the Year	Total as at 31.12.08	Upto 01.01.08	For the Year	Disposal/ Adjustment during the Year	Total as at 31.12.08	As at 31.12.08	As at 31.12.07
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	11,95,859	—	—	11,95,859	—	—	—	—	11,95,859	11,95,859
Building	68,07,762	13,53,479	—	81,61,241	33,18,406	2,51,985	—	35,70,390	45,90,851	34,89,356
Plant & Machinery	10,27,16,979	1,45,68,649	—	11,72,85,628	8,77,15,915	52,75,176	—	9,29,91,092	2,42,94,536	1,50,01,064
Electrical Installation	7,54,387	7,74,040	—	15,28,427	6,83,783	44,209	—	7,27,993	8,00,434	70,604
Furniture & Fixture	2,56,186	64,050	—	3,20,236	1,84,858	5,216	—	1,90,074	1,30,162	71,328
Office Equipment	11,19,318	1,19,474	—	12,38,792	8,15,385	79,957	—	8,95,343	3,43,449	3,03,933
Vehicle	3,46,917	5,39,614	—	8,86,531	2,72,656	37,229	—	3,09,885	5,76,646	74,261
Total	11,31,97,408	1,74,19,306	—	13,06,16,714	9,29,91,003	56,93,772	—	9,86,84,777	3,19,31,937	2,02,06,405
As at 31.12.2007	11,20,30,550	11,66,858	—	11,31,97,408	8,77,48,424	52,42,579	—	9,29,91,003	2,02,06,405	—

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31st December, 2008		As at 31st December 2007	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE-5</b>				
<b>INVENTORIES</b>				
Raw Materials		5,28,37,067		3,87,36,867
Finished Goods		99,03,520		98,28,157
Materials -in-Process		33,88,915		25,16,823
Stores & Spares		20,39,725		15,36,266
		<u>6,81,69,227</u>		<u>5,26,18,113</u>
<b>SCHEDULE-6</b>				
<b>SUNDRY DEBTORS</b>				
<b>(Unsecured, Considered Good)</b>				
Debts outstanding for a period				
- Exceeding Six months	99,11,851		1,34,20,806	
- Other Debts	<u>3,24,98,225</u>		<u>2,55,67,398</u>	
		4,24,10,076		3,89,88,204
<b>(Unsecured, Considered Doubtful)</b>				
Debts Outstanding for a period				
- Exceeding six months	9,56,519		6,47,208	
Less : Provision	<u>9,56,519</u>	—	<u>6,47,208</u>	—
		<u>4,24,10,076</u>		<u>3,89,88,204</u>
<b>SCHEDULE-7</b>				
<b>CASH &amp; BANK BALANCES</b>				
Cash in Hand		36,758		55,301
Current Account balances with Scheduled banks		9,18,726		3,73,516
LC & BG Margin Money with State Bank of India		45,25,724		41,83,967
		<u>54,81,208</u>		<u>46,12,784</u>
<b>SCHEDULE-8</b>				
<b>LOANS &amp; ADVANCES</b>				
<b>(Unsecured, Considered Good)</b>				
Advances Recoverable in cash or in kind or for value to be received.		87,50,984		80,89,673
Deposits		28,10,310		19,44,074
Pre-paid Expenses		4,53,067		2,92,251
		<u>1,20,14,361</u>		<u>1,03,25,998</u>

## SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st December, 2008	As at 31st December 2007
	Rs.	Rs.
<b>SCHEDULE-9</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors for Goods	1,77,09,627	1,59,40,544
Sundry Creditors - Others	1,09,64,736	60,88,667
Deferred Sales Tax	8,23,134	8,23,134
Provision for Gratuity	12,36,007	8,72,845
	<u>3,07,33,504</u>	<u>2,37,25,190</u>
	For the year ended	For the year ended
	31st December, 2008	31st December, 2007
	Rs.	Rs.
<b>SCHEDULE-10</b>		
<b>OTHER INCOME</b>		
Scrap Sale	3,18,369	2,21,440
Miscellaneous Income	5,82,593	96,204
Interest	2,77,716	11,17,512
	<u>11,78,678</u>	<u>14,35,156</u>
<b>SCHEDULE-11</b>		
<b>INCREASE/(DECREASE) IN FINISHED GOODS &amp; MATERIAL IN PROCESS</b>		
<b>Opening Stock</b>		
Finished Goods	98,28,157	47,86,032
Materials-in-Process	<u>25,16,823</u>	<u>46,34,615</u>
	1,23,44,980	94,20,647
<i>Less:</i>		
<b>Closing Stock</b>		
Finished Goods	99,03,520	98,28,157
Materials-in-Process	<u>33,88,915</u>	<u>25,16,823</u>
	1,32,92,435	1,23,44,980
Increase/(Decrease)	<u>9,47,455</u>	<u>29,24,333</u>



**SCHEDULES FORMING PART OF THE ACCOUNTS**

	For the year ended 31st December, 2008		For the year ended 31st December, 2007	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE-12</b>				
<b>MATERIALS CONSUMED</b>				
Opening Stock		3,87,36,867		2,80,21,480
Add : Purchase		16,22,56,229		13,91,23,714
		<u>20,09,93,096</u>		<u>16,71,45,194</u>
Less : Closing Stock		5,28,37,067		3,87,36,867
Consumption of Raw Materials		<u>14,81,56,029</u>		<u>12,84,08,327</u>

**SCHEDULE-13****OPERATING EXPENSES****Employees Emoluments**

Salary, Wages & Benefits	97,90,309		85,49,928	
Contribution to PF & Other Funds	4,67,766		4,32,889	
Gratuity	2,08,738		1,53,515	
Welfare Expenses	<u>9,16,725</u>		<u>6,96,685</u>	
		1,13,83,538		98,33,017
Power & Fuel		15,93,656		12,34,436
Consumption of Stores & Spares		17,74,314		14,79,783
Repairs & Maintenance				
Building	74,304		72,611	
Machinery	3,65,700		83,948	
Others	<u>3,15,460</u>		<u>1,47,592</u>	
		7,55,464		3,04,151
Rent, Rates & Taxes		2,17,422		2,06,849
Insurance		3,99,700		4,62,770
Travelling & Conveyance		14,72,092		14,39,326
Commission		2,54,060		92,101
Postage & Communication		5,49,360		4,88,051
Directors' Fees		58,000		88,000
Carriage Outwards		18,64,132		11,51,077
Clearing and Forwarding		47,578		96,028
Miscellaneous Expenses		34,60,289		22,05,570
		<u>2,38,29,605</u>		<u>1,90,81,159</u>

**SCHEDULE-14****INTEREST & FINANCIAL CHARGES**

Interest on Working Capital Loan	84,32,085		71,44,587	
Interest on Term Loan	9,05,076		—	
Bank Commission & Charges	16,43,916		20,09,801	
Interest-Others	7,08,323		24,38,979	
	<u>1,16,89,400</u>		<u>1,15,93,367</u>	

**SCHEDULE FORMING PART OF THE ACCOUNTS****SCHEDULE-15****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A) SIGNIFICANT ACCOUNTING POLICIES :-****1) Accounting System**

The Company follows the concept of mercantile system of accounting in preparation of the accounts.

**2) Fixed Assets**

All Fixed Assets are stated at cost.

**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.

**4) Depreciation**

Depreciation is provided on Straight Line Method in accordance with the provision of Schedule XIV to the Companies Act, 1956 as amended.

**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.

**6) Import of Raw Materials**

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

**7) Borrowing Cost**

Borrowing cost 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.

**8) AS-15 (Employees' benefits)**

The Company has recognised AS-15 (Employees' benefits) as revised and accordingly:

- a) Paid/Provided for short term benefits like Salaries, Wages and Contribution to Provident Fund and Pension Scheme (as per the Employees' Provident Funds and Miscellaneous Provision Act, 1952 as amended); pending final calculation of Allocable Surplus for the current year as required under the payment of Bonus Act, 1965, provision for bonus has been calculated on the basis of last year; other non-monetary benefits have been provided for on actual basis

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

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

- 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.

## 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 except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets

## B) NOTES ON ACCOUNTS :

## 1. Licensed, Installed Capacities and Actual Production

Class of Goods	Units	Year ended	Annual Capacity		Actual Production
			Licensed	Installed	
Paper Sacks	Nos.	31.12.2008	60 Million	35 Million	8.12 Million
Paper Sacks	Nos.	31.12.2007	60 Million	35 Million	7.57 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. Particulars with respect to Stocks and Sales.

Class of Goods	Units	Year ended 31st December, 2008		Year ended 31st December, 2007	
		Quantity	Value	Quantity	Value
Opening Stock	Nos.	6,61,291	98,28,157	2,90,957	47,86,032
Sale	Nos.	83,09,236	23,28,32,351	71,99,531	20,08,46,176
Closing Stock	Nos.	4,67,175	99,03,520	6,61,291	98,28,157

## 3. Value of Imports on C.I.F basis -

Raw Materials	11,39,86,933	8,10,81,450
---------------	--------------	-------------

## 4. Earning in Foreign Currency -

Export of Goods (F.O.B Basis)	32,76,976	43,88,002
-------------------------------	-----------	-----------

## 5. Expenses in Foreign Currency

—	82,261
---	--------

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

## 6. Contingent Liabilities not provided for

Bank Guarantee	3,73,360	1,71,760
Sales Tax	70,08,928	66,47,476

## 7. Details of Imported and Indigenous Materials Consumed:-

(Qty. in M.T. and Value in Rs.)

Class of Goods	Opening Qty.	Opening Value	Purchase Qty.	Purchase Value	Closing Qty.	Closing Value	Consumption Qty.	Consumption Value	% Total
<b>a) Paper Imported</b>									
31.12.08	530	1,76,87,616	1,868	9,80,45,325	611	3,41,88,986	1,787	8,15,43,955	55.04
31.12.07	359	1,26,16,917	1683	5,41,99,168	530	1,76,87,616	1512	4,91,28,469	38.26
<b>Paper Indigenous</b>									
31.12.08	238	1,62,08,341	963	5,08,06,310	213	1,41,64,397	988	5,28,50,254	35.67
31.12.07	226	1,14,41,925	787	7,10,78,533	238	1,62,08,341	775	6,63,12,117	51.64
<b>b) Other Imported</b>									
31.12.08	3.4	2,65,487	45	32,97,657	17.8	13,68,721	30.6	21,94,423	1.48
31.12.07	6.1	4,05,810	25	14,79,643	3.4	2,65,487	27.4	16,19,966	1.26
<b>Other Indigenous</b>									
31.12.08	—	45,75,423	—	1,01,06,937	—	31,14,963	—	1,15,67,397	7.81
31.12.07	—	35,56,828	—	1,23,66,370	—	45,75,423	—	1,13,47,775	8.84
31.12.08		<u>3,87,36,867</u>		<u>16,22,56,229</u>		<u>5,28,37,067</u>		<u>14,81,56,029</u>	<u>100.00</u>
31.12.07		<u>2,80,21,480</u>		<u>13,91,23,714</u>		<u>3,87,36,867</u>		<u>12,84,08,327</u>	<u>100.00</u>

## 8. Payment to Whole Time Directors

	31.12.2008	31.12.2007
	Rs.	Rs.
Salary	18,27,500	17,52,500
Contribution to Provident Fund	79,200	77,400
Other Perquisites	2,69,597	2,37,580
	<u>21,76,297</u>	<u>20,67,480</u>

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

9. In terms of Industrial Policies of 1986 and 1989 declared by Government of Orissa, the Company opted for the Sales Tax Deferment Scheme upto 30.11.1996 and the Deferred Sales Tax balance stands at Rs. 8,23,134/- as on 31.12.2008 (As on 31.12.2007 - Rs. 8,23,134)

10. Miscellaneous Expenses in Schedule 13 includes :

	<u>31.12.2008</u>	<u>31.12.2007</u>
	Rs.	Rs.
Auditors Remuneration (Including Service Tax)		
Audit Fees	33,708	33,708
Tax Audit Fees	11,236	11,236
For Certification	11,047	14,860
	<u>55,991</u>	<u>59,804</u>

11. As per Accounting Standard - 15 "Employees' Benefits" the disclosure of Employee Benefits as defined in the Accounting Standard are as follows.

The Company has with effect from 1st January, 2008 adopted Accounting Standard - 15, "Employees Benefits" notified under the Companies (Accounting Standards) Rules 2006.

In accordance with the stipulations of the said Accounting Standard, the Company has adjusted Rs. 1.83 lacs towards the additional liability for employee benefits upto 31st December, 2007 against the balance of General Reserve as at 1st January, 2008 as permitted under the transitional provision in the Accounting Standard - 15. Provision for Post retirement medical benefit to eligible employees has been made as per Company's calculation.

**Table 1 : Acturial calculations for AS 15 (Rev. 2005) for the purpose of Net Asset / Liability, recognised in the Balance Sheet**

SL.	Description	31st December 07	31st December 08
i)	Present Value of Defined Benefit Obligation	10,23,721.00	12,04,334.00
ii)	Fair Value of Plan Assets	0.00	0.00
iii)	Funded Status [Surplus /(Deficit)]	(10,23,721.00)	(12,04,334.00)
iv)	Unrecognised Past Service Cost	0.00	0.00
v)	Net Asset / (Liability) recognised in the Balance Sheet	(10,23,721.00)	(12,04,334.00)

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

Table 2 : Actuarial calculations for AS 15 (Rev. 2005) for the purpose of Disclosure of employer expense for the year ending 31st Dec. 08

Sl.	Description	Year 2008
i)	Current Service cost (including risk premium for fully insured benefits)	1,43,284.24
ii)	Interest cost	83,552.06
iii)	Expected Return of Asset (-)	0.00
iv)	Curtailment Cost (+)	0.00
v)	Settlement Cost	0.00
vi)	Past Service Cost	0.00
vii)	Actuarial Gains (-) / Loss (+)	(-) 18,098.30
viii)	Appreciation/Depreciation of Plan Assets	0.00
	<b>Total</b>	<b>2,08,738.00</b>

Table 3 : Actuarial calculations for AS 15 (Rev. 2005) purpose change in obligations / assets in the year ending 31.12.2008

## (A) Change in obligation in the year ended 31.12.2008

Sl.	Description	Year 2008
i)	Present Value of Defined Benefit Obligation at the beginning of the year	10,23,721.00
ii)	Employer Service Cost (+)	1,43,284.24
iii)	Interest Cost (+)	83,552.06
iv)	Curtailment Cost (+)	0.00
v)	Settlement Cost	0.00
vi)	Plan Amendments	0.00
vii)	Acquisitions	0.00
viii)	Actuarial Gains (-) Loss (+)	(-) 18,098.30
ix)	Benefit Payments (-)	(-) 28,125.00
x)	Present Value of DB obligations at the end of the year	(12,04,334.00)

**SCHEDULE FORMING PART OF THE ACCOUNTS****SCHEDULE-15 (Contd..)****(B) Change in Assets**

Sl.	Description	Year 2008
i)	Fair Value of Plan Assets at the beginning of the year	0.00
ii)	Acquisition adjustments	0.00
iii)	Actual return on Plan Assets (+)	0.00
iv)	Actual Company Contribution (+)	28,125.00
v)	Benefit Payments (-)	28,125.00
vi)	Appreciation/Depreciation of Plan Assets	0.00
vii)	Fair Value of Plan Assets at the end of the period	0.00

**Table 4 : Reconciliation of Net assets / (Liability) recognized in the Balance Sheet as at 31st December, 2008**

Sl.	Description	Year 2008
i)	Net Asset / (Liability) recognized in the Balance Sheet at the beginning of the year	(10,23,721.00)
ii)	Employer Expenses	2,08,738.00
iii)	Employer Contribution	28,125.00
iv)	Acquisitions	0.00
v)	Net Asset / (Liability) recognized in the Balance Sheet at the ending of the year	(12,04,334.00)

**Summary of Membership Data**

Active Members	31st Dec. 2007	31st Dec. 2008
Number of Employees	43	47
Total Monthly Salaries (Rs.)	2,67,600.00	2,90,410.00
Avg. Monthly Salary per employees (Rs.)	6,223.26	6,178.94
Average Past Services (Yrs.)	11.79	11.32
Average Future Services (yrs.)	16.02	17.32
Average age at Valuation date (Yrs.)	42.63	41.32

12. The Company has one business segment of manufacture and sale of paper sacks, hence no separate disclosure is necessary in respect of AS 17.

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

- 13) During the year ended 31st December, 2008, the Company entered into transactions with related parties as per details below.

a) B&A Ltd. - Holding Company	(Rs.)
Sale of Paper Sacks	73,52,191
Outstanding Balance (Dr.)	59,60,234
b) Remuneration to Key Management Personnel	21,76,297

14. The Company has no taxable income for the year. Provision made in these accounts for the Current Tax represents Minimum Alternate Tax payable in accordance with Income Tax Act, 1961.

15. The Company has complied with the requirements of Accounting Standard 22. The major components of the Deferred Tax Assets and Liabilities based on the tax effect of timing difference are as under :

	31.12.2008 (Rs.)	31.12.2007 (Rs.)
<b>Assets</b>		
Deferred Sales Tax Liabilities	2,54,348	2,54,348
Provision for Retirement Benefit	3,81,926	2,69,709
Provision for Bad Debts	2,95,564	1,99,987
Unabsorbed Depreciation carried forward as per Income Tax Act.	23,02,816	62,26,947
	<u>32,34,654</u>	<u>69,50,991</u>
<b>Liabilities</b>		
Difference between written down value of assets as per Income Tax Laws and written down value of assets as per books	34,58,057	43,54,244
<b>Deferred Tax Assets (Net)</b>	<u>(2,23,403)</u>	<u>25,96,747</u>

16. Disclosure as per Accounting Standard 20 is as follows :

(a) Net Earning for the year	Rs.	61,36,904
(b) No. of Shares	Nos.	49,60,500
(c) Earnings per Share (Basic & Diluted)	Rs.	1.24

17. Disclosure regarding Micro, Small and Medium Enterprises

The Company has not received the required information from suppliers for their statue as required under the Micro, Small and Medium Enterprises Development Act, 2006 and accordingly the disclosure regarding the unpaid amount and interest paid and payable could not be given.



**SCHEDULE FORMING PART OF THE ACCOUNTS****SCHEDULE-15 (Contd..)**

18. Previous year's figures, have been regrouped and, rearranged, wherever necessary.
19. 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	31.12.2008		

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

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

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

Total Liabilities	1,74,696	Total Assets	1,74,696
-------------------	----------	--------------	----------

**Sources of Funds**

Paid up Capital	49,803
Reserve and Surplus	23,362
Secured & unsecured Loans	68,123

**Application of Funds**

Net Fixed Assets	33,748
Investment	—
Net Current Assets **	94,666
Deferred Tax Assets (Net)	(223)
Accumulated Losses	13,097

\*\* Net of Current Liabilities and Provisions

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

Turnover	2,06,523	Total Expenditure	1,96,215
Profit before Tax	10,309	Profit after Tax	6,137
Earning per share in Rs.	1.24		

**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, 28th January, 2009

For and on behalf of the Board

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

**Balaram Bose**

Company Secretary & Senior Manager (Finance)

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008

	For the year ended 31st Dec., 2008	For the year ended 31st Dec., 2007
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	1,03,08,556	70,11,013
<b>Adjustments for:</b>		
Depreciation	56,93,772	52,42,579
Interest & Financial Charges	1,16,89,400	1,15,93,367
Deferred Rev. Exp. / Fixed Assets written off	—	—
Interest Received	(2,77,716)	(11,17,512)
Operating Profit before Working Capital Change	2,74,14,012	2,27,29,447
<b>Adjustments for:</b>		
Trade and other Receivables	(51,10,233)	(42,70,984)
Trade Payable	68,25,765	(1,03,72,140)
Inventories	(1,55,51,114)	(1,37,73,583)
Cash Generated from Operations	1,35,78,430	28,54,708
Interest Paid	(1,16,89,400)	(1,15,93,367)
Cash Flow before Extraordinary Items	18,89,030	(87,38,659)
Extraordinary Items	(1,83,543)	(1,81,694)
<b>Net Cash flow from operating activities</b>	<b>17,05,487</b>	<b>(89,20,353)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,74,19,306)	(11,66,858)
Increase/Decrease in Capital work in progress	(97,95,318)	(1,15,02,746)
Sale of Fixed Assets / Fixed Assets written off	—	—
Interest Received	2,77,716	11,17,512
<b>Net Cash used in Investing Activities</b>	<b>(73,46,272)</b>	<b>(1,15,52,092)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowing	1,60,09,209	1,97,18,270
Repayment of Borrowing	95,00,000	—
Increase in Deferred Rev. Expenses	—	—
<b>Net Cash used in Financing Activities</b>	<b>65,09,209</b>	<b>1,97,18,270</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>8,68,424</b>	<b>(7,54,175)</b>
Cash and Cash Equivalents (Opening)	46,12,784	53,66,959
Cash and Cash Equivalents (Closing)	54,81,208	46,12,784

In terms of our report of even date

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 28th January, 2009

For and on behalf of the Board

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

**Balaram Bose**

Company Secretary &amp; Senior Manager (Finance)

# ANUAL GENERAL MEETING ATTENDANCE SLIP

DP ID No.....

Client ID.....

Folio No.....

(In case of physical shares only)

No. of Shares.....

I hereby record my presence at the Twenty Third Annual General Meeting being held at the Registered Office of the Company on Tuesday, the 26th day of May, 2009.

.....  
Signature of the Attending Member / Proxy

## Notes :

1. A Member / Proxy attending the meeting must complete this attendance Slip and hand it over at the entrance.
2. Member intending to appoint a proxy, should complete the Proxy form given below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

## B&A MULTIWALL PACKAGING LIMITED

Registered Office : 1185/1186, Tankapani Road, Bhubaneswar - 751 018

## ANUAL GENERAL MEETING PROXY

DP ID No.....

Client ID.....

Folio No.....

(In case of physical shares only)

No. of Shares.....

I/We.....being a Member/Members of B&A Multiwall Packaging Limited hereby appoint.....of.....in the district of.....or failing him of.....in the district of.....as my/our Proxy to vote on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on Tuesday, 26th May, 2009

Revenue  
Stamp

Signature this.....day of.....2009

- Notes :
- 1) The proxy must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
  - 2) A proxy need to be a member of the Company.



new-age packaging solutions

**Paper sacks per excellence  
Eco-friendly Packaging  
Versatile usage**

BOOK POST



*If undelivered please return to :*

**B&A MULTIWALL PACKAGING LIMITED**

113, Park Street, 9th Floor, Kolkata - 700 016