

**ANNUAL REPORT
2008-2009**



B&A LIMITED



CHAIRMAN & MANAGING DIRECTOR

Mr. Hemendra Prasad Barooah

DIRECTORS

Mr. Gautam Prasad Barua

Mr. Tarun Chandra Dutt

Mr. Basant Kumar Goswami

Mr. Sudipto Sarkar

Mr. Shyamal Kumar Mitra

Mr. Vijay Raghuram Shetty

Mr. Somnath Chatterjee - Whole Time Director

AUDITORS

P. K.Nandy & Associates

Chartered Accountants

BANKERS

United Bank of India

State Bank of India

State Bank of Hyderabad

SHARE TRANSFER AGENT

MCS Limited

77/2A, Hazra Road

Ground Floor

Kolkata - 700 029

REGISTERED OFFICE

Indu Bhawan

Mahatma Gandhi Road

Jorhat - 785 001

CORPORATE OFFICE

113, Park Street, 9th Floor,

Kolkata - 700 016

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Members of B&A LIMITED will be held at Indu Bhawan, Mahatma Gandhi Road, Jorhat, Assam- 785001 on 14th August 2009, at 10 am. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended as on that date together with the reports of the Directors and the Auditors thereon.
2. To declare dividend on the equity shares of the Company.
3. To appoint a Director in place of Mr. Tarun Chandra Dutt who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Basant Kumar Goswami who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditor in place of M/s. P.K. Nandy & Associates, Chartered Accountants, Kolkata, who retire by rotation, and being eligible, offer themselves for re-appointment, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at a remuneration fixed by the Board of Directors.

SPECIAL BUSINESS**To pass with or without modification the following Ordinary Resolutions**

6. **"RESOLVED THAT** pursuant to section 257 and other applicable provisions of the Companies Act' 1956, Mr. Sudipto Sarkar, be and is hereby appointed a Director of the Company, liable to retire by rotation."
7. **"RESOLVED THAT** pursuant to section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act,
 - (i) Tenure of office of Mrs. Usha Barooah as the Whole Time Director of the Company be reduced to three years i.e. from 1st April, 2006 to 31st March, 2009.
 - (ii) Salary payable to Mrs. Usha Barooah (Mrs. Barooah) as the Whole Time Director of the Company be increased from Rs.25,000/- to Rs.30,000/- per month with effect from 1st November, 2008.

RESOLVED FURTHER THAT the Supplemental Service Agreement executed with Mrs. Barooah on 26th November 2008 with the Company in this effect, a copy whereof placed before the meeting and initialled by the Chairman be and is hereby approved."

8. **"RESOLVED THAT** pursuant to section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act,
 - (i) Tenure of office of Mr. Somnath Chatterjee as the Whole Time Director of the Company be reduced to three years i.e. from 28th June 2007 to 27th June 2010.
 - (ii) Salary payable to Mr. Chatterjee as the Whole Time Director of the Company be increased from 25,000/- to Rs.35,000/- per month with effect from 1st November, 2008, and also he be allowed a Children's Education Allowance of Rs.5,000/- with effect from the same date.



"RESOLVED FURTHER THAT the Supplemental Service Agreement executed with Mr. Chatterjee on 26th November 2008 with the Company in this effect, a copy whereof placed before the meeting and initialed by the Chairman be and is hereby approved."

To pass with or without modification the following Special Resolutions

9. **"RESOLVED THAT** pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, the Company hereby approves the appointment and payment of remuneration of Mr. H.P. Barooah as Chairman and Managing Director of the Company for a period of three years with effect from 1st January 2009 upon terms and conditions set out in the Agreement entered into between the Company and Mr. H.P. Barooah on 26th November 2008, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the meeting, which Agreement be and is hereby specifically approved.

RESOLVED FURTHER THAT the Board/Remuneration Committee of the Company be and is hereby authorized to vary and increase remuneration and perquisites thereof as specified in the said Agreement to the extent the Board/Remuneration Committee may consider appropriate, as may be permitted or authorized in accordance with any provisions under the said Act for the time being in force provided, however, that the remuneration and perquisites to be provided to Mr. H.P. Barooah shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification or statutory re-enactments thereof and/or any rules or regulations framed there under and for the time being in force and the terms of this aforesaid Agreement between the Company and Mr. H.P. Barooah shall be suitably modified to give effect to such variation or increase as the case may be, without further reference to Shareholders in the General Meeting.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained in the event of loss or inadequacy of profits in any financial year of the Company during the tenure of office of Mr. H.P. Barooah as "Chairman & Managing Director" the remuneration and perquisites set out in the aforesaid draft agreement be paid or granted to Mr. H.P. Barooah as minimum remuneration and perquisites subject to the ceiling provided in Section II of Part II of the Schedule XIII of the said Act."

10. **RESOLVED THAT** pursuant to section 17 of the Companies Act, 1956 the Objects Clause 3 of the Memorandum of Association of the Company be altered by insertion of the undermentioned sub-clauses after sub-clause (t):
- (u) To establish, conduct, manage and carry on business of Resorts, Clubs, Motels, Holiday Camps, Apartment Houses, Hotels, Restaurants, Taverns, Refreshment and Tea Rooms, Cafes, Milk and Snacks Bars, Road House, Autocourts, Farms, Gardens, Orchards, Laundries, Reading, Writing and News paper rooms, Libraries, Smoke Rooms, Pleasure Grounds, and Place of Amusements, Recreation, Sports Entertainment, Health Club and Gym, Massage Centres, Beauty Spa, Heath Spa, Beauty Salons, Aurvedic Massage and Health Centers, Yoga Centers, Beauty Parlors and to carry on Business as Bakers, Confectioners, Green Grocers, Ice Cream manufacturers and Fruiters.
 - (v) To construct, fit up, equip, decorate and furnish any Building, Houses, Bungalows, Cottages, Structures or Constructions and any property for the purpose of letting the same to visitors, Customers, Members, Guests or to persons doing business with the Company whether in



single room suits, chalets, cottages, or otherwise and to establish and provide all kinds of curios and attractions for customers, members, or persons doing business with the company and/or for other requirements.

- (w) To acquire and take over as a going concern any business of Hoteliers, Tourist Resorts, Bungalows, meant for letting to customers, visitors, or persons doing business, and all or any of its assets and liabilities of those business used in connection with or belonging thereto and with a view thereto enter into agreement with the promoters, owners, partners, company or shareholders of such business concern and carry into effect with or without modification such as may be decided upon.
- (x) To establish Hotels, restaurants, clubs, refreshment bars and shops anywhere in India or elsewhere as may be determined and to erect, purchase or lease all necessary buildings for the purpose thereof and carry on any business relating to Tourism, Hotelier or guest entertainment.
- (y) To carry on the business of Hotel- Keepers, lodging and boarding, house- keepers, wine, beer and spirit merchants, sodawater and other aerated water manufacturers, bakers, butchers, confectioners, livery stable keepers.
- (z) To own establish, manage and conduct Farms, Orchards, Gardens and Grounds to carry on business of farmers, graziers, fruit preservers, lanterns, brewers, millers and market gardeners and to manufacture, produce, sell and deal in farm and garden produce of all kind including of condensed milk, jam, pickles, cider, canned or tinned or preserved foods and provisions and also carry on business of florists.
- (aa) To acquire, erect, own, establish, manage and conduct any property, farms, building, grounds, play-grounds meant for playing of golf and to take over as a going concern from any owner, promoter, company, sole proprietor, the business of and manage and conduct club, real estates or country houses, resting rooms, for golf courses and to entertain and provide all kind of facilities and amusements meant for guests, members or other persons doing business with the Company and for/or other requirements.
- (ab) To arrange for and to act, as contractors, and caterers to conferences, exhibitions, seminars and shows of all kinds, board or other meetings of any Companies, Corporations, Bodies Corporate or any other unincorporated bodies or associations of persons.
- (ac) To own, hire, lease, equip, maintain and work minibuses, lorries, motor cars, chartered planes, choppers and other road and ariel vehicles or means of transport appropriate for carriage of passengers and/or goods, and to construct garage and store houses, and other buildings, for housing, fueling and the repair of such vehicles, storage of fuel and other oils and maintain repair shops for such vehicles and to provide all kind of transportation facilities to passengers, guests, members, or any goods meant for any hotel, club, country house, bungalows, resorts, motels owned and/or maintained by the Company.

By Order of the Board

D. Chowdhury
Company Secretary

Place : Kolkata
Date : 18th June 2009

**Notes:**

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting. A proxy so appointed shall not have any right to speak at the meeting. The blank proxy form is enclosed with this Annual Report.
2. The Register of Members and the Share Transfer Books of the company shall remain closed from 6th August 2009 to 14th August 2009 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid, subject to the provisions of Section 206A of the Companies Act, 1956 to those member or their mandates whose names stand registered on the Company's Register of Members.
 - a) As Beneficial owners as at the end of business hours on 5th August 2009 as per prelist to be furnished by NSDL and CDSL with respect to shares held in Electronic Form.
 - b) As members in the Register of Members of the company after giving effect to valid share transfers in physical form lodged with the Company or the Share Transfer agent MCS Limited, 77/2A, Hazra Road, Ground Floor, Kolkata- 700 029 on or before 5th August 2009.
4. Members are requested to notify immediately any change in their addresses, to their DP in respect of their Electronic Share Accounts and to the Registrar in respect of their physical shares, as the case may be.
5. The dividend shall be distributed vide ECS or direct credit to the Members' bank account. Members are requested to furnish details of ECS Mandate as per details attached at the end of the Annual Report 2008-09.
6. Shareholders who are interested in making nominations in respect of their shareholding in the company in physical form as permitted under Section 109-A of the Companies Act, 1956 are requested to submit the form 2B to the Registrar & Share Transfer Agent of the company.
7. Queries on Accounts of the company , if any, may please be sent to the registered office of the company seven days in advance of the meeting , so as the answer may be made available at the Meeting.
8. For the convenience of members and for proper conduct of the meeting entry to the place of the meeting will be regulated by attendance slip. Members are requested to affix their signature at the place provided on the attendance slip and hand it over at the entrance to the venue.
9. Appointment/Re-appointment of Director
At the ensuing Annual General Meeting Mr. Tarun Chandra Dutt and Mr. Basant Kumar Goswami, retire by rotation and being eligible, offer themselves for re-appointment. Mr. Sudipto Sarkar, Additional Director, retires at this Annual General Meeting. Proposal has been received from a



member to appoint Mr. Sarkar as Director in the ensuing Annual General Meeting. During the year the Board of Directors reappointed Mr. H.P. Barooah as Chairman and Managing Director for a period of three years with effect from 1st January 2009 subject to the approval of the members in this Annual General Meeting.

The information or details pertaining to them pursuant to Clause 49 (IV) (E) & (G) of the Listing Agreement with the Stock Exchange are furnished in the statement on Corporate Governance published in the Annual Report.

The main and supplemental agreements for appointment/variation of terms of appointment/remuneration etc. of Managing /Whole Time Directors as enumerated in the accompanying notice is available for inspection by the members of the Company at the corporate office of the Company between 11 am. and 1 pm. on any working day.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act' 1956

Item No. 6. APPOINTMENT OF DIRECTOR

Mr. Sudipto Sarkar was appointed Additional Director by the Board in its meeting held on 18th June 2009. He holds office upto this Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956 individual notice has been received by a member of the Company to reappoint him as a Director of the Company. None of the Directors except Mr. Sarkar is interested or concerned in this resolution. Your Directors propose this resolution to be passed by the members in the best interest of the Company.

Item No.7 & 8. REVISION OF TENURE OF OFFICE AND REMUNERATION OF WHOLE TIME DIRECTORS

Mrs. Usha Barooah was re-appointed Whole Time Director by the Board in its meeting held on 26th April 2006 and her appointment was ratified by the members in the Extra-Ordinary General Meeting held on 4th August 2006 for a period of five years with effect from 1st April 2006. During the year the Remuneration Committee in its meeting held on 30th October 2008 and the Board in its meeting held on 31st October 2008 revised her tenure of office by reducing it to three years and increased her remuneration by revising her salary at Rs. 30,000 per mensem. A supplemental agreement was also entered into between the Company and Mrs. Barooah on 26th November 2008 to incorporate these changes in the main agreement executed between the Company and Mrs. Barooah on 5th May 2006. Mrs. Barooah resigned from Directorship on 2nd February 2009. This revision of tenure and increased remuneration paid to Mrs. Barooah from 1st November 2008 to 2nd February 2009 requires approval of the members in terms of Companies Act, 1956.

Hence resolution No. 7 of the accompanying notice is proposed by the Directors to be passed by the members for the best interest of the Company. None of the Directors except Mr. H.P. Barooah is interested or concerned in this resolution.

Mr. Somnath Chatterjee was appointed Whole Time Director by the members in the Annual General Meeting held on 28th June 2007 for a period of five years with effect from 28th June 2007. During



the year the Remuneration Committee in its meeting held on 30th October 2008 and the Board in its meeting held on 31st October 2008 revised his tenure of office by reducing it to three years and increased his remuneration by revising his salary at Rs. 35,000 and adding an allowance of Rs. 5,000 per mensem. A supplemental agreement was also entered into between the Company and Mr. Chatterjee on 26th November 2008 to incorporate these changes in the main agreement executed between the Company and Mr. Chatterjee on 10th September 2007. This revision of tenure and increase in remuneration requires approval of the members in terms of Companies Act, 1956.

Hence resolution No. 8 of the accompanying notice is proposed by the Directors to be passed by the members for the best interest of the Company. None of the Directors except Mr. Somnath Chatterjee is interested or concerned in this resolution.

Item No. 9. REAPPOINTMENT OF CHAIRMAN AND MANAGING DIRECTOR

Mr. H.P. Barooah (Mr. Barooah) was reappointed Chairman and Managing Director with effect from 1st January 2009 by the Board of Directors in its meeting held on 31st October 2008 in anticipation of the maturity of his initial tenure of office of Executive Chairman on 31st December 2008. The terms and conditions of his appointment including remuneration payable in the capacity of Chairman and Managing Director which was recommended by the Remuneration Committee in its meeting held on 30th October 2008, is subject to the approval of the members in this general meeting. An agreement which was executed by the Company with Mr. Barooah on 26th November 2008 ascribing to the terms and conditions including remuneration payable to him contains the following principal terms and conditions-

- (1) Mr. Barooah will be appointed as Chairman and Managing Director for three years with effect from 1st January 2009.
- (2) Mr. Barooah will be paid salary of Rs.1,00,000/- per month with authority to the Board to revise it from time to time upto a maximum limit of Rs.3,00,000/- per month.
- (3) Perquisites
 - (a) Housing: Free furnished accommodation. In case no accommodation is provided Mr. Barooah will be paid house rent allowance at 60% of his salary.
 - b) Car: Chauffeur driven car alongwith the cost of running and maintenance.
 - c) Medical : Re-imbursement of actual cost for self and family including medical insurance.
 - d) Personal Accident Policy: As per the Rules of the Company.
 - e) Leave Travel Consession : For self and family as per the Rules of the Company.
 - f) Club Fees : Re-imbursement of club expenses as per the Rules of the Company.
 - g) Gas, Electricity and Water : Actual cost will be borne by the Company
 - h) Telephone : Telephone including mobile phone for official use.
 - i) Leave :As per the Rules of the Company.



- (4) Minimum Remuneration: If in any financial year, during the currency of the tenure of Mr. Barooah as the Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company will pay Mr. Barooah the above remuneration as the minimum remuneration so far such remuneration does not exceed the limit laid down in Section II of Part II of Schedule XIII to the Act.
- (5) Mr. Barooah will not retire by rotation till he continues to hold office of Chairman and Managing Director; his office will mature if he ceases to hold office of director for any reason.
- (6) Mr. Barooah will work under the superintendence, control and direction of the Board of Directors of the Company.
- (7) Mr. Barooah is entrusted with substantial powers of management of the affairs of the Company except those powers exercisable exclusively by the Board in terms of Companies Act, 1956 or Articles of Association of the Company.

Your Directors recommend this resolution to be passed by the Members for the best interest of the Company. None of the Directors except Mr. H.P. Barooah is concerned or interested in this resolution.

Item No. 10. AMENDMENT TO MEMORANDUM OF ASSOCIATION

Your Company is engaged in tea plantation and marketing and owns seven tea estates in upper Assam. The Company has been considering developing of golf course(s) by introducing golfing facility in suitable area(s) within these tea estates which will include golf grounds, golf clubs, residential Bungalows, resting rooms and Resorts meant for guests and members, other entertainment facility for these guests, like health clubs, gyms, spa etc., and suitable transportation facility for these guests and visitors.

The induction of golf course in these spots could be made substantial tourist attraction. For visitors to Assam these will be ideal destinations for golfing experience. It is felt that this new line of businesses could be undertaken conveniently under existing circumstances and advantageously be combined with the existing business lines and facilities of the Company.

Pursuant to section 17(1) of the Companies Act, 1956 this matter needs approval of the members by a Special Resolution. Hence, Resolution No. 10 of the accompanying notice is recommended by the Directors for your consideration. The Directors feel this resolution be passed for the best interest of the Company. None of the Directors except those as individual shareholders are interested or concerned in this resolution.

Place : Kolkata
Date : 18th June 2009

By Order of the Board

D. Chowdhury
Company Secretary

**DIRECTORS' REPORT**

Your Directors are pleased to present the Annual Report together with the audited accounts of the Company for the year ended March 31, 2009.

FINANCIAL RESULTS

| PARTICULARS | (Rs. In lacs) | |
|---|--|--|
| | 12 months ended 31st March 2009 | 15 months ended 31st March 2008 |
| Profit before Depreciation and Interest | 1058.83 | 92.03 |
| Less: Interest | 366.02 | 463.61 |
| Profit after Interest | 692.81 | (371.58) |
| Less: Depreciation | 124.88 | 157.74 |
| Profit before tax | 567.93 | (529.32) |
| Less: Provision for Tax | | |
| Current Tax | 111.00 | 5.84 |
| Deferred Tax | 88.13 | 201.84 |
| Fringe Benefit Tax | 2.63 | 4.10 |
| Profit After Tax | 366.16 | (741.10) |
| APPROPRIATIONS | | |
| Proposed Dividend | 31.00 | - |
| Corporate Dividend Tax | 5.27 | - |
| Amount carried to General Reserve | - | - |
| Balance carried to Balance Sheet | (656.65) | (986.53) |

PERFORMANCE

Your company achieved revenue of Rs. 56.95 cr. this financial year as against Rs. 47.57 cr. for the previous fifteen months period ended on 31st March 2008. The profits of your Company after providing for tax increased to Rs. 3.67 cr. as compared to the loss of Rs. 7.41 cr. in the previous fifteen months period ended on 31st March 2008.

The detailed analysis of your Company's operations and industry vis-à-vis company's performance is covered under 'Management Discussion & Analysis Report.'

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% on equity share capital of the Company for the financial year 2008-09. The distribution of dividend will result in a payout of Rs. 31 lacs excluding tax on dividend.

**FUTURE PROSPECTS**

The Indian tea industry is witnessing an increasing trend in price realization, domestic consumption and export. Production and consumption of CTC in India, the main product of the Company, has reached near 1000 million Kgs, this fiscal and is showing increasing trend. The average price realization during the period was Rs. 116 per kg, as against Rs. 92 per kg, in the last year. These indicators support the good prospect of the tea industry after witnessing recessionary pressure for almost a decade.

However, increase in input costs, replacement cost of older corps, adverse climatic conditions namely lower rainfall and droughts, and increasing social commitment costs have been major concerns to the Company. Your Directors feel that better yield in the production and higher price realization by increasing quality will be the key factors for sustainable growth.

HUMAN RESOURCES

Our success is fundamental to our ability to recruit and retain qualified and motivated people at all levels. Our talent pool of employees has college degrees and some of them has advanced degrees including, Degree in Agriculture, Productivity, Accountancy and Management. Our goal is to recruit and retain people who are the best at what they do, people who are motivated to achieve results, have high standards of quality and integrity, possess a flexible, entrepreneurial spirit and are committed to develop to their full potential.

FIXED DEPOSITS

There was no unclaimed deposit as on 31st March, 2009.

RESEARCH & DEVELOPMENT

Your Management recognizes that Research & Development plays a critical role in supporting current operations as well as creating future growth. The Company uses the findings of Tea Research Association for maximizing yield and improving quality.

AUDITORS REPORT

The Report of the Statutory Auditors pertaining to the Financial Accounts in respect of the year ended 31st March, 2009 read with Notes on Accounts are self explanatory and therefore do not require further clarification.

DIRECTORS

By virtue of Section 255 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. T.C. Dutt and Mr. B.K. Goswami retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

During the year, Mr. H.P. Barooah has been appointed as Chairman and Managing Director with effect from 1st January 2009 vide resolution passed by the Board on 31st October 2008 subject



to the approval of the members in this General Meeting. Mrs. Usha Barooah resigned from Whole Time Directorship on 2nd February 2009.

Mr. Sudipto Sarkar has been appointed Additional Director in the meeting of the Board of Directors on 18th June 2009 and he will be retiring in the ensuing Annual General Meeting. The Company has received proposal under section 257 of the Companies Act, 1956 to appoint Mr. Sarkar as a Director of the Company.

A brief resume, expertise, shareholding in your Company and details of other directorship of these directors to be appointed/ reappointed, are given in the Corporate Governance Report. Suitable resolutions for the approval of shareholders are incorporated in the notice convening the Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

The Report on Management Discussion & Analysis has been attached and forms part of the Annual Report.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with the Certificate from the Statutory Auditors certifying the compliance of Corporate Governance enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges is included in the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) They have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March 2009 and of the profit of your Company for the financial year ended 31st March 2009.
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- iv) They have prepared the accounts on a 'going concern' basis.

AUDITORS

M/s. P.K. Nandy & Associates, Chartered Accountants, Kolkata will retire at the conclusion of the forthcoming Annual General Meeting as Statutory Auditors of the Company and being eligible offer themselves for reappointment.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The reports on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217 (1)(e) of the Companies Act, 1956 are enclosed as Annexure-A and forms part of the Directors' Report.

INDUSTRIAL RELATIONS

Industrial relations have remained harmonious at all levels. Your Directors place on record the co-operation extended by the employees in maintaining congenial employee relations.

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 limit as prescribed under 217 (2A) of the Companies Act, 1956 for disclosure in the report of Board of Directors.

ACKNOWLEDGEMENT

Your Directors take on record their sincere appreciation to the contribution made by the employees through their hard work, dedication, competence, support and co-operation towards the success of your Company. Last but not the least, your Directors are also thankful for consistent co-operation and assistance received from the investors, regulatory and government authorities.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 18th June 2009

H.P.Barooah
Chairman & Managing Director

**ANNEXURE A TO THE DIRECTORS' REPORT**

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 for the year ended 31st March, 2009.

1. CONSERVATION OF ENERGY

The Company is committed to and continues its efforts towards conservation of energy. The Audit Committee continued its study into further possible and feasible means and methods by which the company optimizes the use of energy. The Committee is dedicated towards implementation of strategy for superior energy management with tools and resources to help each step of the way.

a) Energy conservation measures taken:

In addition to the existing measures being practiced, the following steps were taken.

- i) Education of workforce at the Head Office regarding use of various office equipments, especially computers in a manner that use less energy.
 - ii) Installation of energy efficient equipments, such as Compact Fluorescent Light Bulbs (CFLs) and Battery Charging Systems at all offices.
 - iii) Adoption of policy of having our heating and cooling equipment serviced regularly.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
- i) Rationalization of machines to save and optimize use of energy.
 - ii) Means of conservation of energy currently being utilized in machines is being studied.
- c) Energy usage has been controlled due to above mentioned efforts being undertaken.
- d) Total energy consumption & energy consumption per unit of production is enclosed in Form A.

2. TECHNOLOGY ABSORPTION

Technology Absorption is enclosed in Form B.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to export, initiatives taken to increase exports, development of new export markets for products and services and export plans: Company is making serious efforts for marketing of its products in overseas markets. Effective steps have been taken in this regard.
- b) Total Foreign Exchange used and earned

| | (Rs. In lacs) | |
|-------------------------------|---|--|
| | Twelve months ended 31.03.2009 | Fifteen months ended 31.03.2008 |
| Total Foreign Exchange earned | Nil | Nil |
| Total Foreign Exchange used | Nil | 18.48 |



FORM A

Disclosure of particulars with respect to conservation of energy

| | | Twelve months ended 31.03.2009 | Fifteen months ended 31.03.2008 |
|--|-------------|-----------------------------------|------------------------------------|
| A. Power and Fuel Consumption | Unit | | |
| 1. Electricity | | | |
| a) Purchased | | | |
| Unit | KWH | 23,71,310.00 | 23,55,467.00 |
| Total amount | Rs. | 1,50,30,266.00 | 1,49,22,663.00 |
| Rate/Unit | Rs./KWH | 6.34 | 6.34 |
| b) Own Generation(through diesel generator) | | | |
| Units | KWH | 15,50,949.00 | 16,59,846.00 |
| Unit/Ltr. of Diesel Oil | Rs. | 3.25 | 3.26 |
| Rate/Unit (Average) | Rs./KWH | 10.92 | 11.14 |
| 2. Furnace Oil | | | |
| Quantity | K. LTR | 91.05 | 179.97 |
| Total Amount | Rs. | 32,18,178.00 | 46,93,267.00 |
| Average Rate | Rs./K.LTR | 35,345.95 | 26,078.85 |
| 3. Natural Gas | | | |
| Quantity | CUM | 18,40,241.00 | 19,59,753.00 |
| Total amount | Rs. | 1,24,08,745.00 | 1,28,52,841.00 |
| B. Consumption per Unit of Production | | | |
| Product- Tea (Gross) | Kgs. * | 60,86,731.00 | 49,45,738.00 |
| Electricity | KWH/KG | 0.64 | 0.81 |
| Furnace Oil | LTR/KG | 0.01 | 0.04 |
| Natural Gas | Rs./KG | 2.04 | 2.60 |

* Inclusive of 1,65,707 Kg. of Tea Produced for others (Previous period 1,72,114 Kgs.)

**FORM B**

Disclosure of particulars with respect to technology absorption

RESEARCH & DEVELOPMENT**a) Specific areas in which R & D is carried out by the company.**

The Company subscribes to Tea Research Association (TRA) which is registered under Section 35 (1) (ii) of the Income Tax Act, 1961. TRA's findings are experimentally tried out under local conditions for final adoption by the Company.

b) Benefits derived as a result of R&D.

Efficiency and yield improvement, loss reduction, improving quality and modernization program.

c) Future Plan of Action.

Present programs are proposed to be continued.

d) Expenditure on R&D.

| | Twelve months ended 31.03.2009 | Fifteen months ended 31.03.2008 |
|-----------------------------------|---|--|
| | <u>Rs.</u> | <u>Rs.</u> |
| Capital | Nil | Nil |
| Recurring | 4,01,885 | 5,30,436 |
| Total R & D Expenditure | 4,01,885 | 5,30,436 |
| As a percentage of total turnover | 0.07 | 0.11 |

Technology absorption, adoption and innovation

- a) Efforts, in brief, made towards technology absorption, adoption and innovation : Seminars and training programmes were held for the Managerial staff in addition to periodic discussions with advisors. Circulars were also issued from time to time to update the technical knowledge of the staff.
- b) Benefits derived as a result of the above efforts: Increase in productivity and cost reduction by optimisation of inputs.
- c) No import of technology was carried out during the last 5 years from the beginning of financial year.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. India Advantage

Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis. Despite the global slowdown, the Indian economy is estimated to have grown at close to 6.7 per cent in 2008-09. The Confederation of Indian Industry (CII) pegs the GDP growth at 6.1 per cent in 2009-10. This scenario factors in sectoral growth rates of 2.8-3 per cent, 5-5.5 per cent and 7.5-8 per cent, respectively, for agriculture, industry and services.

1.1 Tea Industry

The tea production in the country increased to 981 million kg in 2008 as compared to 945 million kg in 2007. The total production is expected to cross 1000 million kg this year. The total tea export during January to December 2008 touched 196 million kg compared with 178.75 million kg in the same time of the previous year. Therefore it is expected that Indian Tea Industry is in a position to leverage this increasing trend in consumption and exports in the next few years.

China still tops the world tea production followed by India, Sri Lanka and Kenya. However, Indian tea exports figures at number four preceded by China, Sri Lanka and Kenya. Indian Tea got a price advantage over other tea producing nations as the average prices of Indian Tea at Indian Auctions stood at 1.99 US.\$ as against 2.83 US.\$ for Sri Lankan Tea and 2.18 US.\$ for African Tea. With Tea Board of India taking steps to boost up this sector by seeking newer destinations for export and gearing of indigenous consumption, it is expected that Tea Industry will perform well in the coming years barring unforeseen events.

1.2 Industry Structure and Development, Opportunities and Threats

Your Company performs in one business segment, manufacture and sale of tea. The Indian tea industry is witnessing an increasing trend in price realization, higher domestic consumption and export. Production and consumption of CTC in India, the main product of the Company, is expected to reach 1000 million Kgs, this fiscal. The average price realization during the period was Rs.116 per kg, as against Rs. 92 per kg, in the last year. These indicators support the good prospect of the tea industry after witnessing recessionary pressure for almost eight years.

However, increase in input costs, replacement cost of older crops, climatic conditions in Assam and increasing social commitment costs have been a concern to the Company. Lower rainfall and periodic droughts are the major threats to tea cultivation and production. Your Directors feel that better yield in the production and higher price realization by increasing quality will be key factors for sustainable growth.

**2. Product wise Operational Performance**

The Saleable production of Tea for the current year was 48, 25,437 Kgs, as against 46, 87,889 Kgs, for the previous fifteen months ended 31st March 2008. The Sales stood to 48, 04,411 Kgs, of tea this year as against 50, 33,773 Kgs, for the last fifteen months ended 31st March 2008.

3. Outlook

Indian Economy is envisaging 6.7% growth in GDP, the Agriculture and Plantation contribute 18.5% of our GDP. Agriculture and Plantation draws its significance from the vital supply and demand links with the manufacturing sector and is a source of livelihood for the rural population of India. Tea Industry after witnessing a recessionary pressure for nearly eight years has been performing well in the domestic market as well as globally. However, with increase in input costs, narrowing margin of profits, decreasing productivity resulting from lower yield per plantation area, this sector needs further fiscal stimuli from the Government. Future outlook of the tea industry is dependent on regional climate, global consumption pattern of tea and better yield through advanced plantation methods.

The Management of your company is very much familiar with both opportunities and threats and will continue to work to maintain competitiveness by reducing costs and improving quality as well as growth of sales. The Company has been continuously trying to grab new opportunities and the results under review support the efforts made in this direction. The Company has been continuously improving its distribution channels, boosting up its sales promotion activities and invest in the facilities that would give it cost advantage over its' competitors.

4. Risks and Concerns**4.1 Business Risks**

Lower volumes resulting from climatic pressure and lower productivity of old crops will have an impact on the Company's revenues and profits. Similarly, increasing trend of production of tea worldwide over demand pattern, for the last few years has put tremendous pressure over bottom lines of tea producing entities. However, the management feels that increased focus on sales into various overseas markets and demand recovery in domestic market will help to reduce supply side pressures. Your Company's focus on cost reduction, which has yielded positive results, will be the critical factor in mitigating margin pressures. Further, alternative cultivation, increase in productivity and long term relationship will aid in stabilizing cash flows.

**4.2 Operational & Financial Risks**

Company has established a risk management strategy that comprise reasonable use of insurance products, derivative and non-derivative financial instruments primarily to manage its exposure to financial risks resulting from natural calamities and adverse fluctuations in interest rates on borrowings.

5. Internal Control System and their Adequacy

Internal Control system continues to be prime focus area for the Company. Currently all the operations of the company are carried out in conformity with the defined process. The Company also has policy of periodic audits and reviews of all business activities viz. purchase, stores, marketing, personnel, production, maintenance, finance and accounts, IT systems, through independent audit firm of repute. The reports of audit finding and action taken are tabled at each Audit Committee meeting. Further, the Company is in the process of implementing Enterprise Resource Plan (ERP) to consolidate all its operation as well as strengthen its Internal Control System.

6. Financial Performance & Analysis**6.1 Capital Structure**

The total shareholders' funds as at March 31, 2009 aggregated Rs. 38.95 cr. of which equity capital was Rs. 3.1 cr. comprising of 31,00,000 equity shares of Rs. 10 each.

6.2 Dividend

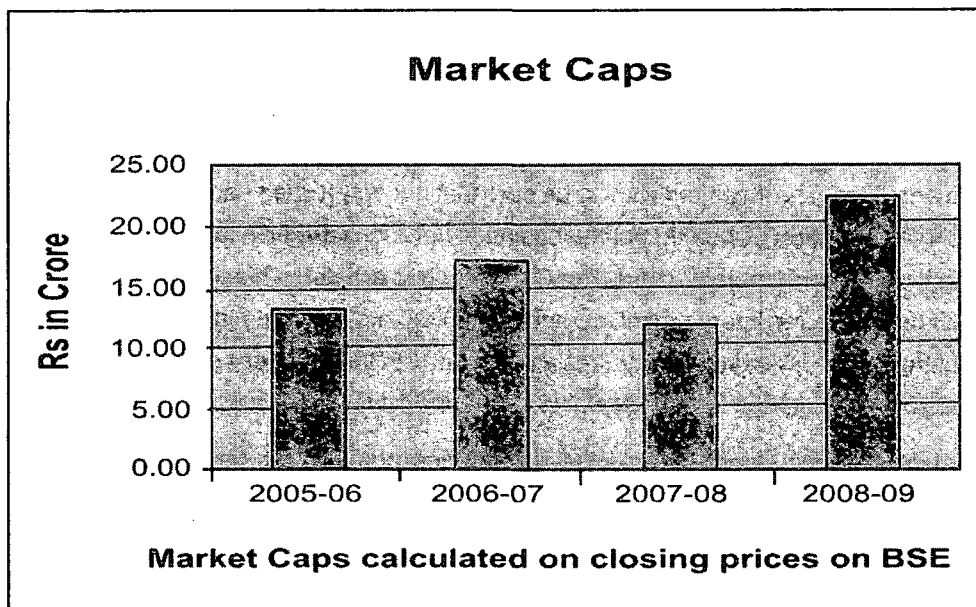
Board of Directors have recommended an equity dividend of 10% i.e. Rs. 1 per share of Rs. 10 each. The Dividend outflow will aggregate to Rs. 31 lacs (excluding dividend tax).

6.3 Revenue and Profits

During the year under review, the Company's net revenue aggregated Rs. 56.95 cr. compared to Rs. 47.57 cr. in the previous fifteen months period. Profit before tax and provisions stood to Rs. 5.67 cr. compared to a loss of Rs. 5.29 cr. in the previous fifteen months period.

7. Shareholders Value

The shares of B&A Ltd. is listed in the Bombay Stock Exchange Ltd. The Company has consistently sustained shareholders' value over the last four years as is evident from the steady market capitalization of the Company.



8. Human Resources

We strongly believe that it is *"the people of B & A"* who make *"the difference"*. Hence, every employee is encouraged to optimize his/her full potential by availing of opportunities that exist across multiple functions, disciplines as well as geographies. Over a period of time, we have built and nurtured a dedicated and excellent workforce. Being a human capital industry, we need unique skill sets. We therefore offer our employees an excellent platform to learn, grow and excel in myriad fields of expertise. The efficiency of our human capital therefore, is consistent and reinforces our competitive edge.

9. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, adverse climatic conditions, certain presumptions on which estimates are based and other incidental factors.



REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY OF THE COMPANY

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard. The Company has created a niche for top quality Assam Tea in both domestic and international markets. The Directors are committed to serve fairly and in proper balance in the interests of all groups associated with the Business customers, employees, suppliers, government, and the society in which it conducts business.

Your Company perceives good corporate governance practices as key driver of sustainable corporate growth and long term shareholder value creation. The five core values that drive the Company's business are:

- Excellence** : **Strive relentlessly and constantly improve ourselves in our offerings**
- Creativity** : **Allow minds to reach beyond conventional and predictable solutions**
- Integrity** : **Conduct our business fairly, with honesty and transparency**
- Responsibility** : **For our words and actions**
- Respect** : **For our employees, business partners and stakeholders**

The Company has three tier governance structure:

- **Strategic Supervision** : The Board of Directors occupies the topmost tier in the governance structure. The Board lays down strategic goals and exercises control to ensure that the Company is progressing to fulfill stakeholders' aspirations.
- **Strategic Management** : The Management Committee is composed of the senior management of the Company and operates upon the directions of the Board.
- **Executive Management** : The function of executive management is to execute and realize the goals laid down by the Board and the Management Committee.

I. BOARD OF DIRECTORS

The Board of Directors consists of two Whole Time Directors and Six Non-Executive Directors. Five Non-Executive Directors are also independent Directors. Mr. H.P. Barooah is the Chairman



and Managing Director. During the FY 2008-09, eight Board Meetings were held on 1st April 2008, 4th June 2008, 3rd July 2008, 29th July 2008, 15th September 2008, 31st October 2008, 30th January 2009, and 25th February 2009. The composition of the Board of Directors, attendance of the Directors in Board or Annual General Meeting and their shareholding details in the Company are as follows-

| Name | Designation | Board Meetings attended | Whether attended AGM | Directorship in other Companies # | Committee Membership & (Chairmanships) in other Companies | No of Shares held in the Company |
|--|--|-------------------------|----------------------|-----------------------------------|---|----------------------------------|
| Mr. H.P. Barooah | Executive Chairman & Managing Director | 7 | Yes | 1 | 2 | 864518 |
| Mrs. Usha Barooah^ | Whole Time Director | 7 | No | - | - | 104528 |
| Mr. G.P. Barua * | Non-Executive Director | 6 | Yes | 1 | - | - |
| Mr. Shyamal Kr. Mitra | * Non-Executive Director | 6 | No | 1 | - | - |
| Mr. B.K. Goswami | * Non-Executive Director | 1 | Yes | 10 | 2 | - |
| Mr. T.C. Dutt * | Non-Executive Director | 6 | Yes | 3 | 1 | - |
| Mr. V.R. Shetty | Non-Executive Director | 2 | Yes | 1 | - | 27500 |
| Mr. S. Chatterjee | Whole Time Director | 6 | No | 1 | - | - |
| Mr. Sudipto Sarkar * (Joined on 18/06/09) | Non-Executive Director | - | - | 4 | - | - |

* Independent Directors as defined in Clause 49 of Listing Agreement.

The Directorship in other Companies excludes private limited cos' foreign cos' and section 25 cos'.

^ Resigned on 2nd February 2009.

**DIRECTORS WITH MATERIALLY SIGNIFICANT, PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY**

As required under Accounting Standard 18 transactions with related parties are furnished under Note 19 of Schedule 15 to the Notes to the Accounts appended to the Balance Sheet for the year ended 31st March 2009, there were no transactions of material nature with the Promoters, Directors or their relatives, etc. that may have potential conflict with the interest of the Company, other than those, disclosed in the said note with regards to payment of remuneration to whole time directors, payment of interest on fixed deposits and pension to a family member of a deceased director.

II COMMITTEES OF THE BOARD**1. AUDIT COMMITTEE**

The Company has Audit Committee constituted in accordance with the requirements of Section 292A of the Companies Act' 1956 and clause 49 of the Listing Agreement entered into with the Stock Exchange. The primary objective of the Audit Committee of the Board of Directors of your Company is to discharge responsibilities relating to accounting and reporting of financial practices adopted by the Company, surveillance of internal controls as well as accounting and audit activities.

The terms of reference of the Audit Committee include:

1. Review of the Company's financial reporting process and the disclosure of its financial information.
2. Recommending the appointment and removal of external auditor.
3. Reviewing with the management, the periodical financial statements.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems, frequency of internal control systems, frequency of internal audit, significant findings by internal auditors and follow up there on.
5. Discussion with the external auditors, nature and scope of audit as well as have post audit discussions.
6. Reviewing the Company's financial and risk management policies.
7. Reviewing Whistle Blower Mechanism
8. Reviewing Management Discussion and Analysis Report, Statement of significant Related Party transactions, Internal Audit Reports.
9. Reviewing of financial statements and investments made by the Company.

**Composition and Meetings**

The Committee comprises of Four Directors, three of them are Independent. Mr. S.K. Mitra, Chairman of the Committee is a Non-Executive Independent director having adequate accounting and management expertise. The Company Secretary acts as the Secretary to the Committee. Audit Committee met four times during FY 2008-09 on 4th June 2008, 28th July 2008, 31st October 2008 and 30th January 2009. The composition of the Audit Committee and attendance at Committee meetings are as follows:

| Name | Category | Number of meetings attended |
|------------------|---------------------------|------------------------------------|
| Mr. S.K. Mitra | Non-Executive Independent | 4 |
| Mr. H.P. Barooah | Executive | 3 |
| Mr. G.P. Barua | Non-Executive Independent | 4 |
| Mr. T.C. Dutt * | Non-Executive Independent | - |

* Appointed on 25th February 2009.

2. REMUNERATION COMMITTEE

The Remuneration Committee of the Board lays down remuneration payable to the Executive Directors of the Company. The purpose of the Committee is to discharge Board's responsibilities relating to compensation of the Company's Executive Directors.

Composition and Meetings

The Committee comprises of three directors, all of them are independent. Mr. T.C. Dutt acts as the Chairman of the Committee. The other members are Mr. G.P. Barua and Mr. S.K. Mitra. In the FY 2008-09 one meeting of the Committee was held on 30th October 2008.

Details of Remuneration Paid to the Directors

Currently the Non-Executive Directors of the Company are being paid a sitting fees of Rs. 5,000/- for attending each meeting of the Board of Directors and Audit Committee and Rs. 2,000/- for attending meetings of Investor Grievances Committee and Remuneration Committee. Besides sitting fees, the Non-Executive Directors of the Company were not paid any other remuneration or commission except reimbursement of conveyance expenses. However, Managing Director and Whole Time Directors are being paid remuneration as approved by the shareholders. The details of the payments made to the Directors during the year are given below-



| Name | Designation | Sitting fees (Rs.) | Salarys Perks (Rs.) | Commission (Rs.) | Total (Rs.) |
|--------------------|--|--------------------|---------------------|------------------|-------------|
| Mr. H.P. Barooah | Executive Chairman & Managing Director | - | 10,20,334 | - | 10,20,334 |
| Mrs. Usha Barooah | Whole Time Director | - | 7,05,111 | - | 7,05,111 |
| Mr. S.K. Mitra | Non-Executive Director | 35,000 | - | - | 35,000 |
| Mr. G.P. Barua | Non-Executive Director | 37,000 | - | - | 37,000 |
| Mr. T.C. Dutt | Non-Executive Director | 24,000 | - | - | 24,000 |
| Mr. B.K. Goswami | Non-Executive Director | 3,000 | - | - | 3,000 |
| Mr. V.R. Shetty | Non-Executive Director | 6,000 | - | - | 6,000 |
| Mr. Sudipto Sarkar | Non-Executive Director | - | - | - | - |
| Mr. S. Chatterjee | Whole Time Director | - | 8,09,562 | - | 8,09,562 |

3. INVESTOR GRIEVANCES COMMITTEE

Investor Grievances Committee comprises of Mr. Gautam Prasad Barua (Chairman) and Mr. Somnath Chatterjee (Committee Member). The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement of the quality of investor services. The Committee meets as and when required to look into complaints of the shareholders/investors relating to non-receipt of annual reports, notices, transfer of shares, dematerialization of shares and other grievances. During the year one meeting was held on 4th June 2008. During the year one investor compliant was received and it was resolved.

4. SHARE TRANSFER COMMITTEE

The Board has delegated the share transfer power to a Committee consisting of Mr. Gautam Prasad Barua and Mr. Somnath Chatterjee. The Committee meets once in a fortnight to attend to share transfer formalities.

**III. PROFILE OF DIRECTORS NEWLY APPOINTED/REAPPOINTED**

1. **Mr. H.P.Barooah** joined the family tea plantation business in 1950 after completing his MBA from Harvard Business School, USA in 1949. Later on he was elected president of Bengal Chamber of Commerce and Industry. During his career, he held several prestigious 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 of Central Advisory Council for Industrial Development, New Delhi. He has also remained the Chairman of Tea Research Association, Assam Tea Corporation Ltd. Presently he is Chairman and Managing Director of B&A Ltd. and Director of B&A Multiwall Packaging Ltd. He currently holds 8,64,518 equity shares in the Company.
2. **Mr. B.K.Goswami**, born in 1935, is a retired I.A.S. Officer. He did masters in English securing first position in the Punjab University. Mr. Goswami during his long career, held very senior positions such as Chief Secretary, Govt. of Jammu and Kashmir, Secretary, Tourism, Govt. of India, Advisor to the Governor of Jammu and Kashmir, Director General, Tourism, Govt. of India. Mr. Goswami also held Chairmanship in Tea Board of India for over five years. Presently he is a director in the board of Jaiprakash Power Venture Ltd, Jaiprakash Associates Ltd, Taj Kerala & Resource Ltd, Global Trust Capital Finance Ltd, Great India Aviation Ltd, New Kennilworth Hotels Ltd, Unisons Hotels Ltd, LH Sugar Factories Ltd, Blue Coast Hotels & Resources Ltd, B & A Multiwall Packaging Ltd and member in audit committee of Jaiprakash Power Venture Ltd and Jaiprakash Association Ltd. Currently he doesn't hold any shares in the Company.
3. **Mr. T.C. Dutt** born, in 1933, a retired I.A.S. Officer, was the Chief Secretary to the Govt. of West Bengal and remained the Election Commissioner of West Bengal. He also held the post of Chairman of Calcutta Port Trust, Food Corporation of India and West Bengal Industrial Development Corporation. Mr. Dutt, an Ex-Asst. Professor of Economics of Presidency College, Calcutta, is a Fellow of Princeton University. Currently he is a director in the board of Bengal Ambuja Metro Development Company Ltd, B & A Multiwall Packaging Ltd, Bengal AK Infrastructure Ltd and audit committee member in B & A Multiwall Packaging Ltd. He also serves as a member of the Board of Governors of Indian Institute of Management, Calcutta, Indian Institute of Social Welfare and Business Management, Calcutta, Institute of Engineering and Management, Calcutta. Currently he doesn't hold any shares in the Company.
4. **Mr. Sudipto Sarkar** born in 1946 is an eminent legal counsel. He did his B.Sc. in Mathematics from Presidency College, Calcutta and B.A. (Law, Tripos) and L.L.M. in International Law from Jesus College, Cambridge University, U.K. He is also a Master in Law (M.A.) from Cambridge University, U.K. He is a barrister from Gray's Inn, London, U.K. He has contributed to several books on legal jurisprudence, namely, Sarkar on Evidence, Sarkar's Law of Civil Procedure, Sarkar on Specific Relief Act. He is the collaborating editor of Ramaiya's Companies Act. He has contributed to several volumes of International Law Reports



(Cambridge). Currently he is Director of JSW Steel Ltd, Vesuvius India Ltd, Bombay Stock Exchange Ltd and Descon Ltd. He doesn't hold any shares in the Company.

IV. DISCLOSURES

i) Disclosures on materially significant related party transactions

There were no transactions of material nature between the company and the promoters, the directors or the management or its subsidiaries or relatives during the period, which would have potential conflict with the interest of the Company at large.

ii) **Details of noncompliance**

No penalties/strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authority, on any matter related to capital markets, during the last three years.

iii) The Company has adopted a 'Whistle Blower Policy' which has been communicated to all the employees at all level along with Code of Conduct. The Whistle Blower Policy is the mechanism to help the employees to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage. The employees can directly contact the Chief Executive Officer or report directly to the Audit Committee of any concern in this regard.

iv) The Company has complied with the entire mandatory requirement to Clause 49 of the Listing Agreements executed with the Stock Exchanges. Comments on adoption of non-mandatory requirements are given at the end of this report.

v) The CEO/CFO certificate as required under clause 49(V) of the Listing Agreement, was laid before the Board of Directors and was taken on record by the Board.

V. GENERAL SHAREHOLDERS INFORMATION

i) Details of last three Annual General Meetings

| Date | Location | Time | Special Resolutions Passed |
|------------------|--|-------------|---|
| 29th June 2006 | Rukmini Nagar, G.S. Road, Guwahati- 781006 | 11 a.m. | No Special Resoluiton was passed |
| 28th June 2007 | Rukmini Nagar, G.S. Road, Guwahati- 781006 | 11 am | No Special Resoluiton was passed |
| 19th August 2008 | Rukmini Nagar, G.S. Road, Guwahati- 781006 | 11 am | Special Resolution u/s 314 of the Companies Act' for payment of pension to the wife of deceased Managing Director of the Company. |

**ii) Postal Ballot**

Two Special Resolutions were passed through Postal Ballot during the financial year ended 31st March, 2009, as per the procedures prescribed in the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. The results of Postal Ballot were as under:

| Particulars of Resolution | Date of passing of special resolution | Applicable Section of the Companies Act, 1956 | No. & % votes in favour of the resolution | No. & % votes against the resolution | No. & % of invalid votes |
|--|---------------------------------------|---|---|--------------------------------------|--------------------------|
| Authority to the Board of Directors to give consent on shifting the Registered Office of the Company from Rukmini Nagar, G.S. Road, Guwahati-781 006 to Indu Bhawan, Mahatma Gandhi Road, Jorhat-785 001 | 19.08.2008 | 146 | 1536457 (100%) | Nil | Nil |
| Authority to the Board of Directors to give guarantee and provision of security to State Bank of India to secure the credit facilities extended to its subsidiary B&A Multiwall Packaging Ltd. | 20.09.2008 | 372A | 1535712 (100%) | Nil | Nil |

Person who conducted the Postal Ballot exercise: Dr. Sanjay Sarbadhikary, Chartered Accountant, was appointed as the Scrutinizer for conducting the Postal Ballot voting process.

Procedure for Postal Ballot: The procedures as prescribed in the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 were followed for passing the Resolutions by Postal Ballot.

Special Resolution proposed through Postal Ballot: No Special Resolution is proposed to be passed through postal ballot.

iii) Means of Communication

- Quarterly Financial Results are published in English in Business Standard, Kolkata Edition, and in Assamese, namely Dainik Agrodoot.
- Management Discussion & Analysis is a part of Annual Report.

**iv) Implementation of Code of Conduct**

The Company has adopted the 'Code of Conduct' for its employees at all levels including Senior Management and Directors. The code has been circulated among all employees. As required under clause 49 of the listing agreement, the affirmation as regards compliance with the Code from Directors and Senior Management personnel has been obtained for FY 2008-09.

v) Compliance with SEBI (Prohibition of Insider Trading Regulations, 2002)

In pursuance of these regulations, the Company has formulated Insider Trading Code for its employees and Directors for dealing in shares of the Company. Various forms have been designed for the purpose of receiving information from the employees and directors of the Company. Further, the Trading Window for dealing in shares of the Company has been closed for the Directors and employees of the Company as per the insider Trading Code in force in the Company.

vi) Annual General Meeting

Day, Date, Time : Friday, 14th August 2009, 10 am.

Venue : Indu Bhawan, Mahatma Gandhi Road, Jorhat- 785 001

vii) Financial Calendar for FY 2009-10

First Quarter Results : End of July, 2009

Half yearly Results : End of October, 2009

Third Quarter Results : End of January, 2010

Fourth Quarter/Annual Result : April/May, 2010

viii) Book Closure Dates : 6th August 2009 to 14th August 2009 (Both days inclusive)

ix) Dividend Payment Dates : The dividend as recommended by the Board of Directors, if declared in the Annual General Meeting, will be paid on or after 19th August 2009.

x) Listing of shares on Stock Exchange

The equity shares of the Company listed in Bombay Stock Exchange Limited. Listing fees for the FY 2009-10 have been paid to the stock exchange. The Stock Code of the Exchange is 508136.

**xi) Stock Price Data**

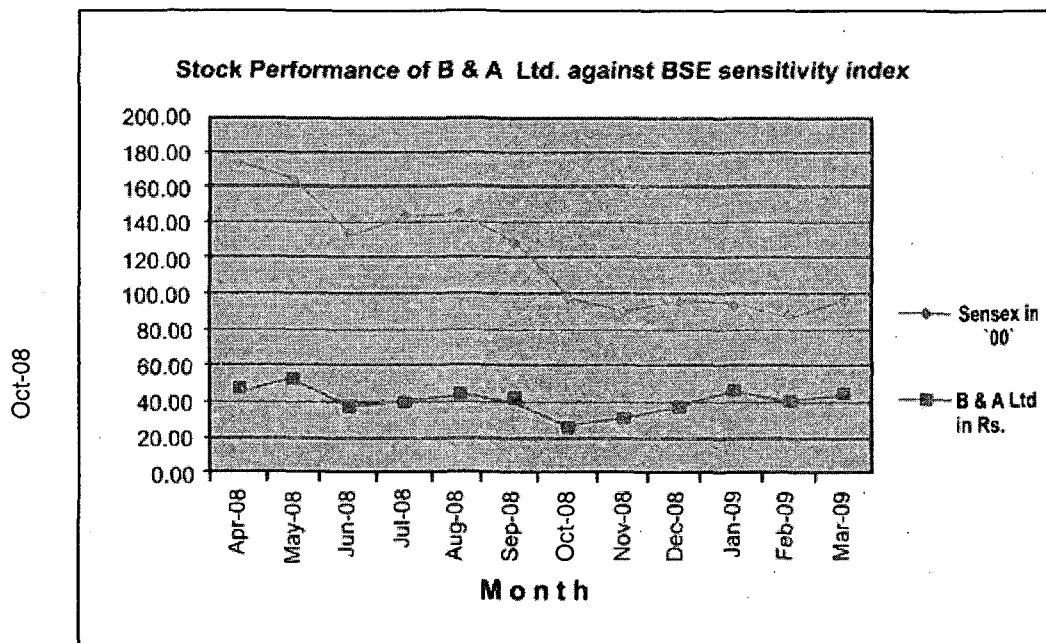
Stock Price data for the period 1st April 2008 to 31st March 2009 were as detailed below-

| Month | Monthly high (Rs.) | Monthly low (Rs.) | Month | Monthly high (Rs.) | Monthly low (Rs.) |
|----------|--------------------|-------------------|--------|--------------------|-------------------|
| April 08 | 52.05 | 40.70 | Oct 08 | 42.70 | 25.55 |
| May 08 | 62.45 | 44.40 | Nov 08 | 32.70 | 25.15 |
| June 08 | 55.35 | 37.25 | Dec 08 | 37.95 | 25.10 |
| July 08 | 44.40 | 33.50 | Jan 09 | 47.95 | 36.50 |
| Aug 08 | 48.90 | 41.75 | Feb 09 | 47.00 | 39.05 |
| Sept 08 | 44.50 | 38.20 | Mar 09 | 47.00 | 39.00 |

Sources: Data Compiled from BSE official website

xii) Stock Performance

The Performance of the Company's Stock prices against BSE sensex is given in the chart below:





xiii) Distribution of Shareholding as at March 31, 2009

| Share Range | No. of shareholders | % As to total No. of holders | No. of Shares held | % As to total No. of shares |
|----------------|---------------------|------------------------------|--------------------|-----------------------------|
| 1-500 | 2412 | 91.19 | 379305 | 12.24 |
| 501-1000 | 104 | 3.94 | 85644 | 2.76 |
| 1001-2000 | 54 | 2.04 | 83280 | 2.69 |
| 2001-3000 | 18 | 0.68 | 46564 | 1.50 |
| 3001-4000 | 11 | 0.42 | 38917 | 1.26 |
| 4001-5000 | 11 | 0.42 | 51299 | 1.65 |
| 5001-10000 | 11 | 0.42 | 80782 | 2.61 |
| 10001-50000 | 15 | 0.55 | 395366 | 12.75 |
| 50001-100000 | 3 | 0.12 | 226846 | 7.32 |
| 100001 & above | 6 | 0.23 | 1711997 | 55.23 |
| Total | 2645 | 100.00 | 3100000 | 100.00 |

xiv) Equity Shareholding pattern as at March 31, 2009

| Category | No of Shares | % |
|-------------------------------|----------------|------------|
| A) Promoter | | |
| (i) Individuals/HUF | 1611922 | 51.99 |
| (ii) Bodies Corporate | 5600 | 0.19 |
| B) Public Shareholding | | |
| (i) Mutual funds/UTI | 115 | 0.01 |
| (ii) FI/Banks/Insurance Cos'. | 141200 | 4.55 |
| (iii) Bodies Corporate | 182882 | 5.90 |
| (iv) Others | 10405 | 0.34 |
| (v) Individuals | | |
| a) holding upto Rs.1 lac | 693221 | 22.36 |
| b) Rs. 1 lac & above | 454655 | 14.66 |
| Total | 3100000 | 100 |

**xv) Dematerialization of shares and liquidity**

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2009, 22,86,659 shares representing 73.77 % of total equity capital was held in electronic form. The shareholders can hold the shares in demat form either through NSDL or CDSL. The ISIN number allotted to the Company is INE489D01011.

xvi) Investor Grievance Redressal System

The Investor grievances are handled by the Company's Registrar and Share Transfer Agent, M/s.MCS Ltd, Kolkata, in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances.

Further any kind of grievances may be specifically addressed to Company Secretary and sent to the corporate office of the company for speedy redress.

xvii) Registrar & Transfer Agent:

M/s. MCS Limited (Unit B&A Ltd), 77/2A, Hazra Road, Kolkata- 700 029
Ph: 033-2476-7350, Fax: 033-2454-1961, email: mcs@cal2.vsnl.net.in

xviii) Registered Office: Indu Bhawan, Mahatma Gandhi Road, Jorhat, Assam - 785001**xix) Tea Estates:** The Company owns seven tea estates, all situated in Upper Assam as follows-**Salkathoni T.E.**

P.O. Sapekhati
Assam

Mokrung T.E.

P.O. Furkating
Assam

Samaguri T.E.

P.O. Gatonga
Assam

Gatoonga T.E.

P.O. Gatonga
Assam

Barasali T.E.

P.O. Borhat, Assam

Kuhum T.E.

P.O. Titabar, Assam

Sangsua T.E.

P.O. Gatonga, Assam

xx) Non-mandatory requirements of Corporate Governance

As required under non-mandatory requirements the Company has constituted Remuneration Committee. The Company's policies as regards to adoption of other non-mandatory requirements shall be disclosed in this report from time to time.

xxi) DECLARATION

As provided under Clause 49 of the Listing Agreement of the Stock Exchange, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company during the year ended March 31, 2009.

For B&A Limited

Place : Kolkata

Date : 18th June 2009

H.P. Barooah

Chairman & Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
B&A LIMITED

We have examined the compliance of conditions of Corporate Governance by **B&A Limited**, for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, 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 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 P. K. Nandy & Associates

Chartered Accountants

P. K. Nandy

Partner

Membership No. 11505

Place : Kolkata

Date : 18th June, 2009

**AUDITORS' REPORT**

To

The Members of
B&A Limited

1. We have audited the attached Balance Sheet of **B&A Limited** as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit ;
 - b) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of those books ;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;



- e) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Accounting Policies, Notes and Schedules annexed thereto, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 ;
 - (ii) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For P. K. Nandy & Associates

Chartered Accountants

P. K. Nandy

Partner

Membership No. 11505

Place : Kolkata

Date : 18th June, 2009



ANNEXURE TO THE AUDITORS' REPORT
(Referred to in Paragraph 3 of our report of even date)

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
 - (b) As represented by the Management to us, the Fixed assets have been physically verified by the Management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the fixed assets disposed of during the year, do not constitute a substantial part of the fixed assets of the Company and such disposal has not affected the going concern status of the Company.
2.
 - (a) As explained to us, inventories have been physically verified by the Management at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such clauses (iii) (b) to (iii) (d) of the Order are not applicable.
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 the sale of goods.
5. In respect of contracts and arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956
 - (a) To the best of our knowledge and belief and according to the information and explanations



given to us, particulars of contracts or arrangement that needed to be entered into the register maintained under the said section have been so entered.

- (b) According to the information and explanations given to us where the transactions made in pursuance of such contracts or arrangements during the year are in excess of Rs. 5,00,000/-, they have been made at prices, which are, *prima facie*, reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there-under, to the extent applicable, have been complied with.
7. A firm of Chartered Accountants appointed by the Management as well as the internal audit department of the Company carried out internal audit during the year. The firm of Chartered Accountants have submitted their internal audit report and discussed the same by the Audit Committee. In our opinion, the internal audit system of the Company is 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 Order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
9. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion undisputed statutory dues such as Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and other statutory dues excepting Provident Fund and Green Leaf Cess had generally been regularly deposited with the appropriate authorities. Our verification of books and records reveals that *undisputed Provident Fund Dues of Rs. 84,77,742.06 and Green Leaf Cess dues of Rs. 1,02,73,065.93 were in arrear, as at 31st March, 2009 for a period of more than six months from the date they became payable though the due installments of P.F. dues sanctioned by the P.F. Authority and a substantial amount of arrear Green Leaf Cess have been deposited besides depositing the current P.F. during the year under audit.*



- b) According to the information and explanations given to us there was no disputed dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess as on 31st March, 2009
10. The Company earned profit during the financial year though its accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company incurred cash losses during the last financial period ending 31st March, 2008 i.e. immediately preceding financial year.
 11. The Company has not defaulted in repayment of dues to any financial institutions or banks.
 12. The Company has not granted loans and 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 nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
 14. The Company is not dealing or trading in shares, securities, debentures and other investments.
 15. The Company has given guarantee favouring the banker of its subsidiary company relating to credit accommodation provided to them. In our opinion, the terms and conditions of the guarantee are not prima facie prejudicial to the interest of the Company.
 16. In our opinion, the term loans have been applied for the purpose for which they were raised.
 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 the Company has not used funds raised on short-term basis for long-term investment.
 18. The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised any money through a public issue during the year.
 21. Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For P. K. Nandy & Associates

Chartered Accountants

P. K. Nandy

Partner

Membership No. 11505

Place : Kolkata

Date : 18th June, 2009



BALANCE SHEET AS AT 31ST MARCH, 2009

| | Schedule | As at | | As at | |
|--|----------|------------------|---------------|------------------|--------------|
| | No. | 31st March, 2009 | | 31st March, 2008 | |
| | | Rs. | Rs. | Rs. | Rs. |
| SOURCES OF FUNDS | | | | | |
| Shareholders' Funds | | | | | |
| Capital | 1 | 3,10,00,000 | | 3,10,00,000 | |
| Reserves and Surplus | 2 | 35,85,95,084 | 38,95,95,084 | 36,16,80,136 | 39,26,80,136 |
| Loan Funds | | | | | |
| Secured Loans | 3 | 27,61,35,407 | | 34,61,98,020 | |
| Unsecured Loans | 4 | 3,48,94,025 | 31,10,29,432 | 2,24,23,707 | 36,86,21,727 |
| TOTAL | | | 70,06,24,516 | | 76,13,01,863 |
| APPLICATION OF FUNDS | | | | | |
| Fixed Assets | | | | | |
| Gross Block | 5 | 77,34,02,212 | | 76,29,16,002 | |
| Less: Depreciation | | 19,75,12,459 | | 18,36,01,309 | |
| Net Block | | | 57,58,89,753 | | 57,93,14,693 |
| Investments | 6 | | 3,80,47,480 | | 3,80,47,480 |
| Deferred Tax Assets / (Liabilities) | | | (1,68,03,014) | | (79,89,966) |
| Current Assets, Loans & Advances | | | | | |
| Inventories | 7 | 3,26,22,021 | | 3,09,69,896 | |
| Sundry Debtors | 8 | 1,57,33,907 | | 1,66,17,172 | |
| Cash & Bank Balances | 9 | 49,63,678 | | 47,38,623 | |
| Loans & Advances | 10 | 14,36,65,631 | | 16,91,30,240 | |
| | | 19,69,85,237 | | 22,14,55,931 | |
| Less : Current Liabilities & Provisions | | | | | |
| Liabilities | 11 | 14,42,65,255 | | 16,82,93,295 | |
| Provisions | 12 | 1,54,72,904 | | 7,19,182 | |
| | | 15,97,38,159 | | 16,90,12,477 | |
| Net Current Assets | | | 3,72,47,078 | | 5,24,43,454 |
| Miscellaneous Expenditure | | | | | |
| Deferred Revenue Expenses (To the extent not written off or adjusted) | | | 5,78,446 | | 8,32,189 |
| Profit & Loss Account | | | 6,56,64,773 | | 9,86,54,013 |
| TOTAL | | | 70,06,24,516 | | 76,13,01,863 |

Notes on Accounts 15

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For P.K. NANDY & ASSOCIATES

Chartered Accountants

P.K. Nandy

Partner

Membership No. 11505

Kolkata

18th June, 2009

D. Chowdhury
Company Secretary**For and on behalf of the Board****H.P. Barooah**

Chairman & Managing Director

Somnath Chatterjee
Wholetime Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

| | Schedule No. | For the year ended 31.03.2009 | | For the fifteen months Period ended 31.03.2008 | |
|---|-----------------|----------------------------------|--------------|---|--------------|
| | | Rs. | Rs. | Rs. | Rs. |
| INCOME | | | | | |
| Sales | | 56,28,11,243 | | 46,23,79,455 | |
| Tea Manufacturing Income | | 55,53,453 | | 44,14,054 | |
| Other Income | 13 | 11,45,277 | | 89,51,628 | |
| | | | 56,95,09,973 | | 47,57,45,137 |
| EXPENDITURE | | | | | |
| Expenses | 14 | 51,06,07,476 | | 50,38,37,813 | |
| (Accretion)/Decretion to Stock of Tea | | 21,09,558 | | 2,48,39,462 | |
| | | | 51,27,17,034 | | 52,86,77,275 |
| Profit/(Loss) before Taxation | | 5,67,92,939 | | (5,29,32,138) | |
| Provision for Income Tax | | (1,11,00,000) | | (4,99,000) | |
| Provision for Fringe Benefit Tax | | (2,63,651) | | (4,10,175) | |
| Provision for Deferred Taxation | | (88,13,048) | | (2,01,84,058) | |
| Wealth Tax Payment | | — | | (84,802) | |
| Profit/(Loss) after Taxation | | 3,66,16,240 | | (7,41,10,173) | |
| APPROPRIATIONS | | | | | |
| Proposed Dividend | | (31,00,000) | | — | |
| Provision for Tax on Proposed Dividend | | (5,27,000) | | — | |
| | | (36,27,000) | | — | |
| Balance brought forward from previous year | | (9,86,54,013) | | (2,45,43,840) | |
| Balance carried forward to Balance Sheet | | (6,56,64,773) | | (9,86,54,013) | |
| Notes on Accounts | | | | | |
| | 15 | | | | |
| Earnings Per Share (Basic) | | | 11.81 | | (23.91) |

The Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our Report of even date.

For P.K. NANDY & ASSOCIATES

Chartered Accountants

P.K. Nandy

Partner

Membership No. 11505

Kolkata

18th June, 2009

D. Chowdhury

Company Secretary

For and on behalf of the Board**H.P. Barooah**

Chairman & Managing Director

Somnath Chatterjee

Wholtime Director



SCHEDULES FORMING PART OF THE ACCOUNTS

Schedule — 1

| | As at 31.03.2009 Rs. | As at 31.03.2008 Rs. |
|--|----------------------------|----------------------------|
| CAPITAL | | |
| Authorised | | |
| 50,00,000 Equity Shares of Rs. 10/- each | 5,00,00,000 | 5,00,00,000 |
| 5,00,000 Redeemable Cumulative Preference Shares of Rs 100/- each | 5,00,00,000 | — |
| | <u>10,00,00,000</u> | <u>5,00,00,000</u> |
| Issued and Subscribed | | |
| 31,00,000 Equity Shares of Rs. 10/- each fully paid up | <u>3,10,00,000</u> | <u>3,10,00,000</u> |

Of the above Shares-

- 1,43,210 Equity Shares of Rs. 10/- each fully paid up have been allotted as Bonus shares by Capitalisation of Reserves.
(Previous period - Same)
- Final Call on 30,000 Equity Shares amounting to Rs.1,48,425/- were fully paid up by way of Capitalisation of Reserves.
(Previous period - Same)
- 6,47,763 Equity Shares of Rs. 10/- each fully paid up have been allotted for consideration other than cash pursuant to Schemes of Amalgamation (Previous period - Same)

Schedule — 2

| RESERVES AND SURPLUS | Balance as at 31.03.2008 Rs. | Additions Rs. | Deductions Rs. | Balance as at 31.03.2009 Rs. |
|----------------------|------------------------------------|------------------|-------------------|------------------------------------|
| Capital Reserve | 1,24,27,906 | — | — | 1,24,27,906 |
| Securities Premium | 10,01,49,818 | — | — | 10,01,49,818 |
| Revaluation Reserve | 24,91,02,412 | — | 30,85,052 | 24,60,17,360 |
| | <u>36,16,80,136</u> | <u>—</u> | <u>30,85,052</u> | <u>35,85,95,084</u> |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 3**

| | As at 31.03.2009 Rs. | As at 31.03.2008 Rs. |
|---|-------------------------------------|-------------------------------------|
| LOAN FUNDS | | |
| Secured Loans | | |
| Cash Credit Accounts | | |
| United Bank of India (Cash Credit and O.D. Accounts) Secured by hypothecation of existing and future current assets including tea crop, with United Bank of India and additionally secured by Equitable Mortgage of Fixed Assets situated at the Tea Estates, besides personal guarantee of a Director | 11,53,94,289 | 20,21,66,648 |
| Term Loans | | |
| United Bank of India Secured by hypothecation of existing and future current assets including tea crop, with United Bank of India and additionally secured by Equitable Mortgage of Fixed Assets situated at the Tea Estates and at Kolkata (2C Hastings Park Road, Kolkata-27) of the company, besides the personal guarantee of a Director | 11,19,06,508 | 5,23,92,239 |
| Tea Board Secured / to be secured by assets purchased under the Tea Board Hire Purchase Scheme. | 3,30,36,915 | 4,30,97,264 |
| Auto Loans Secured by hypothecation of vehicles purchased | 7,03,199 | 5,22,600 |
| Loan from Companies Secured by mortgage of certain immovable properties situated at Guwahati and Kolkata | 1,50,94,496 | 4,80,19,269 |
| | 27,61,35,407 | 34,61,98,020 |

Schedule — 4**UNSECURED LOANS**

| | | |
|----------------|--------------------|-------------|
| From Companies | 2,71,22,830 | 1,05,16,757 |
| Fixed Deposits | 44,49,901 | 68,74,288 |
| For Vehicles | 33,21,294 | 50,32,662 |
| | 3,48,94,025 | 2,24,23,707 |

SCHEDULES FORMING PART OF THE ACCOUNTS

Schedule — 5

FIXED ASSETS

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------|--|--|--|-------------------------------------|----------------------------|------------------------|--|-------------------------------------|----------------------------|----------------------------|
| | Original/ Revalued Cost as at 31.03.2008 Rs. | Additions during the Year Rs. | Sale/ Adjustment during the Year Rs. | Total as at 31.03.2009 Rs. | Up to 31.03.2008 Rs. | For the Year Rs. | Disposal/ Adjustment during the Year Rs. | Total as at 31.03.2009 Rs. | As at 31.03.2009 Rs. | As at 31.03.2008 Rs. |
| LAND & PLANTATIONS | 28,92,57,447 | 40,04,638 | - | 29,32,62,085 | - | - | - | - | 29,32,62,085 | 28,92,57,447 |
| BUILDINGS | 24,23,43,810 | 23,93,579 | - | 24,47,37,389 | 5,76,78,599 | 49,11,123 | - | 6,25,89,722 | 18,21,47,667 | 18,46,65,211 |
| PLANT & MACHINERY | 14,38,64,699 | 13,69,506 | - | 14,52,34,205 | 7,55,72,831 | 60,67,207 | - | 8,16,40,038 | 6,35,94,167 | 6,82,91,868 |
| ELECTRICAL INSTALLATION | 2,80,09,179 | 25,34,297 | 35,553 | 3,05,07,923 | 1,38,51,860 | 13,36,883 | 11,866 | 1,51,76,877 | 1,53,31,046 | 1,41,57,319 |
| VEHICLES | 3,73,60,932 | 16,09,669 | 20,36,544 | 3,69,34,057 | 2,52,79,209 | 21,15,625 | 16,28,350 | 2,57,66,484 | 1,11,67,573 | 1,20,81,723 |
| OFFICE EQUIPMENT | 25,25,225 | 30,255 | - | 25,55,480 | 14,14,537 | 85,161 | - | 14,99,698 | 10,55,782 | 11,10,688 |
| COMPUTER | 28,79,589 | 2,55,389 | - | 31,34,978 | 19,55,110 | 2,17,084 | - | 21,72,194 | 9,62,784 | 9,24,479 |
| FURNITURE & FITTINGS | 1,66,75,121 | 4,28,507 | 67,533 | 1,70,36,095 | 78,49,163 | 8,40,245 | 21,962 | 86,67,446 | 83,68,649 | 88,25,958 |
| TOTAL | 76,29,16,002 | 1,26,25,840 | 21,39,630 | 77,34,02,212 | 18,36,01,309 | 1,55,73,328 | 16,62,178 | 19,75,12,459 | 57,58,89,753 | 57,93,14,693 |
| Previous Period | 74,22,81,474 | 2,60,16,614 | 53,82,086 | 76,29,16,002 | 16,74,87,729 | 1,96,30,739 | 35,17,159 | 18,36,01,309 | 57,93,14,693 | - |

Notes :

- Additions during the year to Land & Plantations include Rs. 21,40,793/- (Previous Period Rs. 27,21,585/-) on account of Replanting & Replacement.
- Furniture & Fittings includes Silverware, Original Cost Rs. 5,13,430/- on which no depreciation has been charged.
- A Revaluation (At net of replacement cost) of Land and Plantations, certain Buildings, Plant & Machinery, Electrical Installations and Vehicles situated at Company's Tea Estates carried out by an approved valuer as at 31st December 1993 has resulted in an increase in value by Rs. 2,134.64 lacs (Land & Plantations Rs. 13,25,55,536/-, Buildings Rs. 5,32,34,797/-, Plant & Machinery Rs. 1,66,74,540/-, Electrical Installations Rs. 75,70,432/-, and Vehicles Rs. 34,28,697/-) over and above Rs. 335.28 lacs increase which had arisen as a result of a revaluation of the Company's Land & Plantations, Buildings and Plant & Machinery at Tea Estate on 1.4.85 at net of replacement basis.
- Accounting Policies of Depreciation refer to note [25(c) on schedule-15]

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 6****INVESTMENTS (Long Term)****Other Investments**

Shares (Quoted at cost)

91 Equity shares of Rs.10/- each fully paid up
in ICICI Bank Ltd.**As at**
31.03.2009
Rs.**As at**
31.03.2008
Rs.**4,980****4,980****Shares (Unquoted at cost)**250 Shares of Rs.100/- each fully paid up
in Assam Financial Corporation**25,000****25,000**18,000 Equity Shares of Rs.10/- each fully paid up
in Heritage North East Pvt. Ltd.**3,60,000****3,60,000**National Savings Certificate (VI Issue)
(Lodged With Excise Authorities)**1,000****1,000****Investments in Subsidiary Company****Shares (Quoted at Cost)**35,54,829 Equity Shares of Rs.10/- each fully paid up
in B&A Multiwall Packaging Ltd.**3,76,56,500****3,76,56,500****3,80,47,480****3,80,47,480**Quoted Investments - Market value of Rs.1,21,15,812/-
(Previous Period Rs. 1,21,56,434/-)**3,76,61,480****3,76,61,480**

Other Unquoted Investments

3,86,000**3,86,000****3,80,47,480****3,80,47,480****Schedule — 7****INVENTORIES**

[For valuation of Inventories refer to

Note 25(e) of Schedule 15]

Stock of Tea

80,60,108**1,01,69,666**

Stock of Stores at Garden

2,45,61,913**2,08,00,230****3,26,22,021****3,09,69,896****Schedule — 8****SUNDRY DEBTORS**

(Unsecured, Considered good)

Debts Outstanding for a period exceeding six months

1,31,94,157**1,56,58,508**

Other debts

25,39,750**9,58,664****1,57,33,907****1,66,17,172**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

| | As at 31.03.2009 Rs. | As at 31.03.2008 Rs. |
|--|-------------------------------------|-------------------------------------|
| Schedule — 9 | | |
| CASH AND BANK BALANCES | | |
| Cash in Hand | 6,22,163 | 16,67,917 |
| Balance with Scheduled Banks | | |
| In Current Accounts | 31,42,150 | 26,31,249 |
| In Unpaid Dividend Accounts | 21,527 | 33,831 |
| In Fixed Deposits (incl. accrued int.) | 4,12,838 | 4,05,626 |
| In Other Term Deposit Account | 7,65,000 | — |
| | <u>49,63,678</u> | <u>47,38,623</u> |
| Schedule — 10 | | |
| LOANS AND ADVANCES | | |
| (Unsecured, Considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 13,54,77,319 | 15,63,68,131 |
| Subsidies receivable from Government | 43,16,373 | 88,79,937 |
| Balance with Central Excise Authorities | 35,55,481 | 35,55,481 |
| Miscellaneous Deposits | 3,16,458 | 3,26,691 |
| | <u>14,36,65,631</u> | <u>16,91,30,240</u> |
| Schedule — 11 | | |
| CURRENT LIABILITIES | | |
| Creditors for Goods and Expenses | 7,36,56,542 | 10,43,13,360 |
| Advance against Sale of Tea | 40,44,251 | 10,12,616 |
| Other Liabilities | 27,68,267 | 5,40,622 |
| Provision for Gratuity | 6,37,96,195 | 6,24,26,697 |
| | <u>14,42,65,255</u> | <u>16,82,93,295</u> |
| Schedule — 12 | | |
| PROVISIONS | | |
| Provision for Income Tax | 1,17,99,000 | 6,99,000 |
| Provision for Fringe Benefit Tax (Net of Advance) | 46,904 | 20,182 |
| Proposed Dividend | 31,00,000 | — |
| Provision for tax on Proposed Dividend | 5,27,000 | — |
| | <u>1,54,72,904</u> | <u>7,19,182</u> |



SCHEDULES FORMING PART OF THE ACCOUNTS

| | For the year ended 31.03.2009 | | For the fifteen months Period ended 31.03.2008 | |
|---|----------------------------------|---------------------|---|---------------------|
| | Rs. | Rs. | Rs. | Rs. |
| Schedule — 13 | | | | |
| OTHER INCOME | | | | |
| Interest Received | | 68,784 | | 43,682 |
| Sundry Receipts | | 5,92,797 | | 14,06,794 |
| Insurance Claims | | 4,09,438 | | 19,92,392 |
| Liabilities no longer required written back | | 74,258 | | 55,08,760 |
| | | <u>11,45,277</u> | | <u>89,51,628</u> |
| Schedule — 14 | | | | |
| EXPENSES | | | | |
| Salaries,Wages, Bonus and Gratuity | | 14,16,04,034 | | 16,27,55,341 |
| Contribution to Provident & Other Fund | | 1,20,64,344 | | 1,29,16,722 |
| Labour and Staff Welfare | | 2,32,94,233 | | 2,90,86,681 |
| Purchase of Green Leaf | | 11,44,45,181 | | 7,16,76,299 |
| Consumption of Stores and Spares parts | | 2,81,28,250 | | 2,77,87,306 |
| Repairs to Buildings | | 30,32,413 | | 26,71,537 |
| Repairs to Machinery | | 77,22,080 | | 85,32,474 |
| Power and Fuel | | 5,00,32,091 | | 5,66,46,068 |
| Rent,Hire and Service Charges | | 11,17,277 | | 23,39,223 |
| Rates,Taxes and Association Subscription | | 88,36,931 | | 72,38,560 |
| Travelling and Conveyance | | 57,29,415 | | 70,11,629 |
| Professional Charges | | 28,83,473 | | 23,94,572 |
| Vehicle running and Maintenance | | 77,26,063 | | 84,83,963 |
| Freight, Brokerage and Selling Expenses | | 3,61,02,840 | | 2,25,43,001 |
| Excise Duty and Cess | | 13,79,447 | | 14,97,487 |
| Insurance | | 11,82,405 | | 16,24,677 |
| Miscellaneous Expenses | | 1,58,78,696 | | 1,56,27,916 |
| Directors Fees and Expenses | | 1,05,000 | | 1,08,000 |
| Auditors Remuneration | | 1,50,000 | | 1,50,000 |
| Interest and Financial Charges | 4,09,18,829 | | 4,63,61,155 | |
| Less : Interest Subsidy | 43,16,373 | 3,66,02,456 | — | 4,63,61,155 |
| Depreciation | 1,55,73,328 | | 1,96,30,739 | |
| Less: Transferred from Revaluation Reserve | 30,85,052 | 1,24,88,276 | 38,56,314 | 1,57,74,425 |
| Loss on Sale of Fixed Assets | | 1,02,571 | | 6,10,777 |
| | | <u>51,06,07,476</u> | | <u>50,38,37,813</u> |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15****NOTES ON ACCOUNTS**

1. Current year's Financial Statements have been prepared for twelve months ended 31st March 2009. Hence the figures for the previous period of fifteen months are not comparable with those of the current year.
2. Manufacturing Income of Rs. 55,53,453/- (Previous Period Rs. 44,14,054/-) is on account of Tea manufactured for other concern.
3. Other liabilities in Schedule 11 include Rs. 29,182/- (Previous Period Rs. 29,182/-) in respect of unclaimed dividends.

| | <u>Current Year</u> Rs. | <u>Previous Period</u> Rs. |
|---|----------------------------|-------------------------------|
| 4. Sundry Creditors (Schedule-11) | | |
| (a) Small Scale industrial undertakings (To the extent such parties have been identified as such from available information) | 1,76,988 | 2,49,153 |
| (b) Others | 7,34,79,554 | 10,40,64,207 |
| 5. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Period Rs. Nil) | | |
| 6. Interest paid includes Rs. 72,64,052/- on Fixed Period Loans.(Previous Period Rs. 1,28,65,168/-) | | |
| 7. No provision pursuant to the Accounting Standard for Investment (AS-13) of Companies (Accounting Standard) Rule, 2006 has made for diminuation if any in the value of long term investments as the management feels that there is no permanent diminuation in value. | | |
| 8. Amount paid and /or payable to Auditors: | <u>Current Year</u> Rs. | <u>Previous Period</u> Rs. |
| Audit fees | 1,20,000 | 1,20,000 |
| Tax Audit fees | 30,000 | 30,000 |
| Certification work fees | 53,000 | 83,822 |
| Other fees | 60,000 | 1,50,000 |
| | <u>2,63,000</u> | <u>3,83,822</u> |
| 9. Contingent Liabilities | | |
| - Guarantee provided to State Bank of India in respect of working capital of Subsidiary Company | 10,45,00,000 | 10,20,00,000 |
| - Liability for Sales Tax | 26,01,601 | — |
| - Liability for Excise Duty | 12,61,660 | — |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd.)**

10. As per Accounting Standard-15 "Employees' Benefits" have been provided in the Accounts.
11. As per audit observation delay in deposit of provident fund and green leaf cess was due to fund shortage resulting from losses in earlier years. However Provident Fund Authorities have allowed instalment payment of arrear dues. Green Leaf Cess dues are being paid at priority basis as and when fund permits. This has no effect on the financial accounts as the dues have already been provided in the accounts.
12. Quantitative information in respect of Tea

| | <u>Current Year</u> | <u>Previous Period</u> |
|--|-----------------------|------------------------|
| i) Capacity | Not Applicable | Not Applicable |
| a) Licensed | | |
| b) Installed (As certified by Management) | 80 Lac Kg. | 80 Lac Kg. |
| | <u>Kgs.</u> | <u>Kgs.</u> |
| ii) Production | 49,21,024 | 47,73,624 |
| iii) Staff & Labour Tea | 49,521 | 55,115 |
| iv) Tea Waste | 46,066 | 30,620 |
| v) Saleable Production | 48,25,437 | 46,87,889 |
| vi) Opening Stock | 1,08,780 | 4,54,664 |
| vii) Sales | 48,04,411 | 50,33,773 |
| viii) Closing Stock | 1,29,806 | 1,08,780 |
| ix) Green Leaf Plucked, Purchased & Consumed | 2,21,79,235 | 2,14,64,309 |

| 13. a) Value of stores and spare parts consumed | <u>Current Year</u> | | <u>Previous Period</u> | |
|---|---------------------|-------------|------------------------|------------|
| | <u>Value (Rs.)</u> | <u>(%)</u> | <u>Value (Rs.)</u> | <u>(%)</u> |
| i) Indigenous | 2,81,28,250 | 100% | 2,77,87,306 | 100% |
| ii) Imported | Nil | Nil | Nil | Nil |
| b) Raw Materials | | | | |
| i) Green leaf plucked (Value cannot be attributed as the same is produced in the Company's own gardens) | | | | |
| | <u>Rs.</u> | | <u>Rs.</u> | |
| ii) Green leaf purchased (inclusive of Carrying charges) | 11,44,45,181 | | 7,16,76,299 | |
| 14. Earning in Foreign exchange | | | | |
| – Value of Export at F.O.B. (Net) | Nil | | Nil | |
| 15. Expenditure in Foreign Currency | | | | |
| – Foreign Travel | Nil | | 18,47,551 | |



SCHEDULES FORMING PART OF THE ACCOUNTS

| Schedule — 15 (Contd.) | | Current Year | Previous Period |
|------------------------|---|----------------------|--------------------|
| | | Rs. | Rs. |
| 16. | Directors Remunerations | | |
| a) | Salary | 13,88,100 | 17,04,835 |
| b) | Provident fund | 1,47,000 | 1,61,300 |
| c) | Perquisites | 9,99,907 | 14,49,676 |
| | | <u>25,35,007</u> | <u>33,15,811</u> |
| 17. | The Components of the Deferred tax liabilities and Deferred tax assets accounted for during the year are as below : | As on | As on |
| | Deferred Tax Liabilities | 31.03.2009 | 31.03.2008 |
| | Being Tax Impact on difference between WDV of Block of assets as per Income Tax Laws and book WDV of Fixed Assets. | Rs. | Rs. |
| | | <u>3,69,60,060</u> | <u>3,62,35,691</u> |
| | Deferred Tax Assets | | |
| | Being Tax Impact on Unabsorbed losses and/or depreciation carried forward as per Income Tax Laws, recognised on the basis of estimated Taxable income for future years as per existing provisions of law. | — | 85,21,386 |
| | Expenses charged in the books but allowance deferred under Income Tax laws | 2,01,57,046 | 1,97,24,339 |
| | Net Deferred Tax (Liability) / Assets | <u>(1,68,03,014)</u> | <u>(79,89,966)</u> |
| 18. | The Company has only one business segment of manufacture and sale of black tea, hence AS 17 of Companies (Accounting Standard) Rules 2006 is not applicable. | | |
| 19. | Earnings per Share as per AS 20 of Companies (Accounting Standard) Rules 2006 :- | | |
| i) | Basic | | |
| a) | Numbers of Equity Shares at the beginning of the year | 31,00,000 | 31,00,000 |
| b) | Numbers of Equity Shares at the end of the year | 31,00,000 | 31,00,000 |
| c) | Weighted average number of Equity Shares outstanding during the year | 31,00,000 | 31,00,000 |
| d) | Face Value of each Equity Shares | 10 | 10 |
| e) | Profit / (Loss) for the year | 36,616,240 | (74,110,173) |
| f) | Basic Earnings per share | 11.81 | (23.91) |
| ii) | Diluted | | |
| a) | Dilutive potential equity shares | 31,00,000 | 31,00,000 |
| b) | Diluted earning per share [Same as i(f) above] | 11.81 | (23.91) |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd.)****20. Related party disclosure - pursuant to AS 18 of Companies (Accounting Standards) Rules 2006**

- a) Where control exists :
 Related Parties
 Name : B&A Multiwall Packing Ltd. Relationship
 Subsidiary Company
- b) Others
 Mr. H. P. Barooah Key Management Personnel
 Mrs. Usha Barooah Key Management Personnel
 Mr. Somnath Chatterjee Key Management Personnel

Particulars of transaction during the year ended 31st March 2009

| Particulars | Subsidiary Company Rs. | Key Management Personnel Rs. | Relatives of Key Management Personnel Rs. |
|--|---------------------------|---------------------------------|--|
| a) Purchase of Paper Sacks | 53,98,771 | — | — |
| b) Interest on Fixed Deposits | — | 4,00,008 | — |
| c) Directors Remuneration | — | 25,35,007 | — |
| d) Pension | — | — | 3,00,000 |
| e) Advance Given | — | — | — |
| f) Rent Received | 36,000 | — | — |
| g) Balance outstanding at the year end | — | — | — |
| i) Sundry Creditors | 69,997 | 25,91,745 | — |
| ii) Unsecured Loans | — | 29,32,324 | — |

21. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956

- i) **Registration Details**
 Registration No. 200 State code 02
 Balance Sheet Date 31.03.2009
- ii) **Capital Raised during the year**
 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 | 8,60,363 | Total Assets | 8,60,363 |
| Sources of Funds | | Application of Funds | |
| Paid up Capital | 31,000 | Net Fixed Assets | 5,75,890 |
| Reserves and Surplus | 3,58,595 | Investments | 38,047 |
| Secured Loan | 2,76,135 | Net Current Assets ** | 37,247 |
| Unsecured Loan | 34,894 | Deferred Tax Assets | (16,803) |
| | | Miscellaneous Exp. | 578 |
| | | Profit & Loss Account | 65,665 |

** Net of Current Liabilities and Provisions

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd.)****iv) Performance of the Company (Amount in Rs. '000)**

| | | | |
|---------------------------|----------|-------------------|----------|
| Turnover | 5,69,510 | Total Expenditure | 5,12,717 |
| Profit before Tax | 56,793 | Profit after Tax | 36,616 |
| Earnings per share in Rs. | 11.81 | Dividend Rate | 10% |

v) Generic names of three Principal Products / Services of the Company (As per monetary term)

| | | | |
|--------------------------|---------|---------------------|-----------|
| Item code No. (ITC Code) | 0902400 | Product Description | Black Tea |
|--------------------------|---------|---------------------|-----------|

22. Green leaf purchased & consumed during the year : 77,11,765 Kg. (Previous Period 67,87,580 kg.)

23. Computation of available profit for consideration of Dividend [Section 205 (1) (b)]

(A) Profit for FY - 2008-09 after providing for Depreciation Rs.
& current tax for the FY - 2008-2009 4,54,29,288

(B) Amount of loss incurred in the previous financial Period
Balance of accumulated losses as on 31.03.2008 9,86,54,013

(C) Adjustment for deferred tax / contingent liability

| <u>Years</u> | <u>Amount (Rs.)</u> | |
|--------------|---------------------|------------------|
| 2007-08 | (2,01,84,058) | |
| 2006 | (2,43,89,821) | |
| 2005 | 1,25,64,713 | |
| 2004 | (71,56,958) | |
| 2003-04 | <u>4,02,32,169</u> | <u>10,66,045</u> |

(D) Amount of loss remaining unadjusted from 01.04.04 to 1.04.08 (B+C) 9,97,20,058
(since necessary adjustment has already been given till 31.03.2003)

| Amount of Depreciation (absorbed) in the years / or loss where loss has been incurred-Amount of (loss)/Profit after providing for depreciation, but before adjustment of deferred tax | Year | Profit/(Loss) Rs. | Depreciation Rs. | Amount taken whichever is lower Rs. |
|---|---------|----------------------|---------------------|---|
| | | | | |
| | 2007-08 | (5,39,26,115) | 1,57,74,425 | 1,57,74,425 |
| | 2006 | 37,51,126 | N.A. | — |
| | 2005 | (38,24,948) | 1,21,05,508 | 3,82,49,948 |
| | 2004 | 2,03,36,366 | N.A. | — |
| | 2003-04 | (4,60,03,180) | 1,13,84,330 | 1,13,84,330 |
| TOTAL | | | | 3,09,83,703 |

Since dividend could be declared after adjusting the previous years' losses or depreciation in the year where there is a loss, whichever is lower, current year dividend has been provided for after adjusting of Rs 3,09,83,703 as (E) above as depreciation/ loss which ever is lesser for previous years.

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd.)**

| (F) Availability of Profit for Consideration of Dividend | <u>Rs.</u> | <u>Rs.</u> |
|--|-----------------|--------------------|
| Profit for the FY - 2008-09 as (A) above | | 4,54,29,288 |
| Less : Accumulated Loss/Depreciation as (E) above | 3,09,83,703 | |
| Less : Proposed Dividend @ 10% on equity Share Capital | 31,00,000 | |
| Less : Tax on proposed dividend @ 17% | <u>5,27,000</u> | <u>3,46,10,703</u> |
| Current year's retained profit after these adjustments | | <u>1,08,18,585</u> |

24. Previous Period's figures have been regrouped and rearranged, wherever considered necessary.

25. ACCOUNTING POLICIES**a) FIXED ASSETS**

- i) Land & Plantations, Buildings, Plant & Machinery, Electrical Installations and Vehicles situated at the Company's tea estates were revalued as at 31st December 1993, at net of replacement cost by approved valuers appointed for the purpose. The resultant incremental effect in the value of the related fixed assets arising from the aforesaid revaluation over and above the increase which had arisen as a result of prior revaluation of the Company's Land and Plantations, Buildings and Plant & Machinery at the tea estates on 1.4.85 at net of replacement cost was transferred to Revaluation Reserve.
- ii) Other Fixed Assets items [i.e. items not covered by revaluation referred to in (i) above] are stated at cost.
- iii) Additions to assets [referred to in (i) above] subsequent to the date of revaluation are stated at cost.
- iv) Assets acquired on hire purchase are capitalised at cash cost.
- v) Expenditure on Replanting and Replacement are capitalised under Land & Plantations as per consistent policy of the Company and Tea Board Replanting and Extension Planting Subsidy are deducted from the value of Land & Plantations as and when received.
- vi) Capital subsidy received from Statutory Authorities is treated as capital receipt and shown under Capital Reserve.
- vii) Loss on account of Impairment of Assets is to be recognised if and when the carrying amount of Fixed Assets exceeds the recoverable amount i.e. higher of net selling price and value in use.

b) CAPITAL WORK- IN- PROGRESS

These are stated at cost which includes payments for availing facilities in connection with the Work-in-progress.

c) DEPRECIATION

- i) Depreciation on Fixed Assets upto 31.3.85 has been provided for on Written Down Value Method.
- ii) From 1.4.85, depreciation on Fixed Assets covered by revaluation referred to in a(i) above is calculated at their revalued amounts on the Straight Line Method at rates specified in Schedule XIV to the Companies Act, 1956 and accordingly includes additional depreciation charge. An amount equivalent to the aforesaid additional depreciation charge is transferred to the credit of the year's Profit and Loss Account from Revaluation Reserve.

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd.)**

- iii) From 1.4.85, depreciation on other assets items [i.e. not covered by revaluation referred to in a(i) above] is calculated on Straight Line Method at rates specified in Schedule XIV to the Companies Act, 1956.
- d) **INVESTMENTS**
Investments in Shares are stated at cost less adjustment for permanent diminution in value thereof to the extent determined. Profit /Loss on disposals of such investments are recognised as income/ expenditure.
- e) **INVENTORIES**
Inventories are valued as under :
- Stores and Spare Parts : At lower of cost (determined under weighted average method) and net realisable value.
 - Stock of Tea : Valued at average cost or net realisable value, whichever is lower.
- f) **FOREIGN CURRENCY TRANSACTIONS**
Sales and expenditure in foreign currency are translated at rupee value at rates ruling on the date of transactions.
- g) **RETIREMENT BENEFITS**
i) Gratuity is accounted for on the basis of actuarial valuation.
ii) Provident funds payments are accounted for on accrual basis with contribution to recognised funds.
- h) **SALES**
Sales are inclusive of excise duty, other than export sales, and recognised on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sales.
- i) **RECOGNITION OF INCOME AND EXPENDITURE**
i) Items of Income are recognised on accrual basis except Dividend, Refund of Government dues, Taxes and sundry receipts which are treated on cash basis.
ii) Items of Expenditure are recognised on accrual basis.
- j) **RESEARCH AND DEVELOPMENT**
Contribution made to approved Research & Development Associations is charged as revenue on accrual basis.

For P.K. NANDY & ASSOCIATES*Chartered Accountants***P.K. Nandy***Partner*

Membership No. 11505

Kolkata

18th June, 2009

D. Chowdhury*Company Secretary***For and on behalf of the Board****H.P. Barooah***Chairman & Managing Director***Somnath Chatterjee***Wholetime Director*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

| | <u>For the Year ended 31.03.2009</u> | <u>For the Period ended 31.03.2008</u> |
|---|--|--|
| A) CASH FLOW FROM OPERATING ACTIVITIES | Rs. | Rs. |
| Net Profit before tax and extraordinary items | 5,67,92,939 | (52,932,138) |
| Adjustments for : | | |
| Depreciation | 1,24,88,276 | 1,57,74,425 |
| Loss on Sale of Fixed Assets | 1,02,571 | 6,10,777 |
| Interest Received | (68,784) | (43,682) |
| Deferred Revenue Expenditure written off | 4,23,804 | 7,02,940 |
| Liabilities no longer required written off | (74,258) | (55,08,760) |
| Interest Paid / Payable | 3,66,02,456 | 4,63,61,155 |
| Operating Profit before Working Capital Changes | 10,62,67,004 | 49,64,717 |
| Adjustments for : | | |
| Trade and other Receivables | 2,63,47,874 | 45,38,946 |
| Inventories | (16,52,125) | 1,26,38,880 |
| Trade Payable | (2,39,27,060) | 1,03,93,535 |
| Cash Generated from Operations | 10,70,35,693 | 3,25,36,078 |
| Interest paid | 3,66,02,456 | 4,63,61,155 |
| Direct Taxes Paid | — | 84,802 |
| Cash Flow before extraordinary items | 7,04,33,237 | (1,39,09,879) |
| Extraordinary Items | (2,63,651) | 35,70,258 |
| Net Cash from Operating Activities | <u>7,01,69,586</u> | <u>(1,03,39,621)</u> |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assts | (1,26,25,840) | (2,60,16,614) |
| Sale of Fixed Assets | 3,74,881 | 12,54,150 |
| Interest Received | 68,784 | 43,682 |
| Net cash used in Investing Activities | <u>(1,21,82,175)</u> | <u>(2,47,18,782)</u> |

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

| | For the Year ended 31.03.2009 | For the Period ended 31.03.2008 |
|---|--|--|
| | Rs. | Rs. |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowing | 2,91,80,064 | 2,61,47,413 |
| Proceeds from Short Term Borrowing | (8,67,72,359) | 94,15,335 |
| Increase in Deferred Revenue Expenses | (1,70,061) | (2,11,880) |
| Net Cash used in Financing Activities | <u>(5,77,62,356)</u> | <u>3,53,50,868</u> |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 2,25,055 | 2,92,465 |
| Cash and Cash Equivalents (Opening) | 47,38,623 | 44,46,158 |
| Cash and Cash Equivalents (Closing) | 49,63,678 | 47,38,623 |

This is the Cash Flow Statement referred to in our report of even date.

For P.K. NANDY & ASSOCIATES*Chartered Accountants***P.K. Nandy***Partner*

Membership No. 11505

Kolkata

18th June, 2009

D. Chowdhury*Company Secretary***For and on behalf of the Board****H.P. Barooah***Chairman & Managing Director***Somnath Chatterjee***Wholetime Director*

**AUDITORS' REPORT**

TO
THE BOARD OF DIRECTORS OF B&A LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF B&A LIMITED AND ITS SUBSIDIARY

1. We have examined the attached Consolidated Balance Sheet of **B&A LIMITED** as at 31st March, 2009 and its **subsidiary** as at 31st December, 2008 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of the Company for the year ended 31st March, 2009 and its subsidiary for the year ended 31st December, 2008 annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the 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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the subsidiary which in aggregate represent total assets as at 31st December, 2008 of Rs. 1,615.99 lakh and total revenues of Rs. 2,055.76 lakh for the year ended on that date and whose financial statements reflect the subsidiary's profit for the year ended on 31st December, 2008 of Rs. 61.37 lakh have been audited by other auditors and we have relied upon such audited financial statements for the purpose of our examination of the consolidated financial statements.



4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of B&A Limited and its subsidiary included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the consolidated balance sheet, of the consolidated state of affairs of the Company and its subsidiary as at 31st March , 2009 ;
 - (b) in the case of the consolidated profit and loss account, of the consolidated results of operations of the Company and its subsidiary for the year ended on that date ;
 - and
 - (c) in the case of Consolidated Cash flow statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date.

For P. K. Nandy & Associates

Chartered Accountants

P. K. Nandy

Partner

Membership No. 11505

Place : Kolkata

Date : 18th June, 2009

**BALANCE SHEET AS AT 31ST MARCH 2009**

| | Schedule No. | As at 31st March, 2009 | | As at 31st March, 2008 | |
|--|-----------------|---------------------------|---------------------|---------------------------|---------------------|
| | | Rs. | Rs. | Rs. | Rs. |
| SOURCES OF FUNDS | | | | | |
| Shareholders' Funds | | | | | |
| Capital | 1 | 3,10,00,000 | | 3,10,00,000 | |
| Reserves and Surplus | 2 | 35,85,95,084 | 38,95,95,084 | 36,16,80,136 | 39,26,80,136 |
| Forfeited Shares | | | 1,97,500 | | 1,97,500 |
| Loan Funds | | | | | |
| Secured Loans | 3 | 34,42,58,083 | | 40,33,11,487 | |
| Unsecured Loans | 4 | 3,48,94,025 | 37,91,52,108 | 2,69,23,707 | 43,02,35,194 |
| Minority Interest | | | 1,69,65,727 | | 1,52,78,424 |
| TOTAL | | | <u>78,59,10,419</u> | | <u>83,83,91,254</u> |
| APPLICATION OF FUNDS | | | | | |
| Fixed Assets | 5 | | | | |
| Gross Block | | 91,06,56,474 | | 88,26,20,139 | |
| Less: Depreciation | | 29,61,97,236 | | 27,65,92,312 | |
| Net Block | | | 61,44,59,238 | | 60,60,27,827 |
| Capital Work in Progress | | | 18,15,994 | | 1,16,11,312 |
| Investments | 6 | | 3,90,980 | | 3,90,980 |
| Current Assets, Loans & Advances | | | | | |
| Inventories | 7 | 10,06,60,719 | | 8,33,18,010 | |
| Sundry Debtors | 8 | 5,21,83,749 | | 5,29,01,408 | |
| Cash & Bank Balances | 9 | 1,04,44,886 | | 93,51,407 | |
| Loans & Advances | 10 | 15,56,79,992 | | 17,94,56,238 | |
| | | <u>31,89,69,346</u> | | <u>32,50,27,063</u> | |
| Less : Current Liabilities & Provisions | | | | | |
| Liabilities | 11 | 16,90,74,524 | | 18,93,14,517 | |
| Provisions | 12 | 1,81,47,936 | | 22,26,255 | |
| | | <u>18,72,22,460</u> | | <u>19,15,40,772</u> | |
| Net Current Assets | | | 13,17,46,886 | | 13,34,86,291 |
| Deferred Tax Assets (Net) | | | (1,70,26,417) | | (53,93,219) |
| Miscellaneous Expenditure | | | | | |
| Deferred Revenue Expenditure | | | 5,78,446 | | 8,32,189 |
| (To the extent not written off or adjusted) | | | | | |
| Profit & Loss Account | | | 5,39,45,292 | | 9,14,35,874 |
| TOTAL | | | <u>78,59,10,419</u> | | <u>83,83,91,254</u> |

Notes on Accounts 15

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For P.K. NANDY & ASSOCIATES

Chartered Accountants

P.K. Nandy (Partner)

Membership No. 11505

Kolkata, 18th June, 2009

D. Chowdhury
Company Secretary**Somnath Chatterjee**
Wholetime Director**For and on behalf of the Board****H.P. Barooah**
Chairman & Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST March, 2009**

| | Schedule No. | For the year ended 31.03.09 | | For the period ★ ended 31.03.08 | |
|--|-----------------|--------------------------------|----------------------|------------------------------------|----------------------|
| | | Rs. | Rs. | Rs. | Rs. |
| INCOME | | | | | |
| Sales – Tea | | | 56,28,11,243 | | 46,23,79,455 |
| Sale Paper Sacks – Gross | | 22,54,80,160 | | 19,46,97,178 | |
| Less : Excise Duty | | <u>2,84,35,381</u> | | <u>2,66,16,230</u> | |
| Sale Paper Sacks – Net | | | 19,70,44,779 | | 16,80,80,948 |
| Tea Manufacturing Income | | | 55,53,453 | | 44,14,054 |
| Other Income | 13 | | <u>22,87,955</u> | | <u>1,03,86,784</u> |
| | | | 76,76,97,430 | | 64,52,61,241 |
| EXPENDITURE | | | | | |
| Expenses | 14 | 69,94,69,832 | | 66,92,67,237 | |
| (Accretion)/Decretion to Stock | | <u>11,62,103</u> | | <u>2,19,15,129</u> | |
| | | | 70,06,31,935 | | 69,11,82,366 |
| Profit/(Loss) before Taxation | | | 6,70,65,495 | | (4,59,21,125) |
| Provision for Current Taxation | | | (1,22,67,959) | | (12,21,134) |
| Provision for Deferred Taxation | | | (1,16,33,198) | | (2,10,05,015) |
| Wealth Tax Payment | | | - | | (84,802) |
| Frindge Benefit Tax | | | <u>(4,47,194)</u> | | <u>(5,69,394)</u> |
| Profit/(Loss) after Taxation | | | 4,27,17,144 | | (6,88,01,470) |
| Add/(Less) : Minority Interest | | | (17,39,032) | | (15,04,342) |
| Less : Stock Reserve | | | <u>1,39,470</u> | | <u>(1,72,764)</u> |
| Balance available for Appropriation | | | 4,11,17,582 | | (7,04,78,576) |
| APPROPRIATIONS | | | | | |
| Proposed Dividend | | | (31,00,000) | | - |
| Provision Tax on Proposed Dividend | | | <u>(5,27,000)</u> | | - |
| | | | <u>(36,27,000)</u> | | - |
| Balance brought forward from previous period | | | <u>(9,14,35,874)</u> | | <u>(2,09,57,298)</u> |
| Balance carried forward to balance Sheet | | | <u>(5,39,45,292)</u> | | <u>(9,14,35,874)</u> |
| Notes on Accounts | 15 | | | | |
| Earnings Per Share (Basic & Diluted) | | | 13.26 | | (22.74) |
| The Schedules referred to above form an integral part of the Profit and Loss Account | | | | | |

★ This is the Profit and Loss Account referred to in our Report of even date.

Profit and loss Account for the period ended 31.03.08 includes Profit and Loss Account of B&A Ltd. for the 15 months period ended 31.03.08 and B&A Multiwall Packaging Ltd. (Subsidiary Company) for the 12 months period ended 31.03.08

For P.K. NANDY & ASSOCIATES

Chartered Accountants

P.K. Nandy (Partner)

Membership No. 11505

Kolkata, 18th June, 2009

D. Chowdhury
Company Secretary

Somnath Chatterjee
Wholetime Director

For and on behalf of the Board

H.P. Barooah
Chairman & Managing Director

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 1**

| | As at 31.03.2009 Rs. | As at 31.03.2008 Rs. |
|--|-------------------------------------|-------------------------------------|
| CAPITAL | | |
| Authorised | | |
| 50,00,000 Equity Shares of Rs. 10/- each | 5,00,00,000 | 5,00,00,000 |
| 5,00,000 Redeemable Cumulative Preference Share of 100/- each | 5,00,00,000 | — |
| | <u>10,00,00,000</u> | <u>5,00,00,000</u> |
| Issued and Subscribed | | |
| 31,00,000 Equity Shares of Rs. 10/- each fully paid up | <u>3,10,00,000</u> | <u>3,10,00,000</u> |

Schedule — 2

| RESERVES AND SURPLUS | Balance as at 31.03.2008 Rs. | Additions Rs. | Deductions Rs. | Balance as at 31.03.2009 Rs. |
|-----------------------------|---|--------------------------|---------------------------|---|
| Capital Reserve | 1,24,27,906 | — | — | 1,24,27,906 |
| Share Premium | 10,01,49,818 | — | — | 10,01,49,818 |
| Revaluation Reserve | 24,91,02,412 | — | 30,85,052 | 24,60,17,360 |
| | <u>36,16,80,136</u> | <u>—</u> | <u>30,85,052</u> | <u>35,85,95,084</u> |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 3****LOAN FUNDS****As at
31.03.09****Rs.****As at
31.03.08****Rs.****SECURED LOANS****Cash Credit Accounts**

| | | |
|---|---------------------|--------------|
| United Bank of India (Cash Credit and O.D. Accounts) (Secured by hypothecation of existing and future current assets including tea crop, with United Bank of India and additionally secured by Equitable Mortgage of Fixed Assets situated at the Tea Estates, besides personal guarantee of a director) | 11,53,94,289 | 20,21,66,648 |
| State Bank of India : (Secured by hypothecation of Companys entire stocks and book debts) | 5,81,13,690 | 5,06,45,398 |

Term Loans

| | | |
|---|----------------------------|---------------------|
| United Bank of India : (Secured by hypothecation of existing and future current assets including tea crop, with United Bank of India and additionally secured by Equitable Mortgage of Fixed Assets situated at the Tea Estates and at Kolkata (2C Hastings Park Road, Kolkata - 27) of the Company, besides the personal guarantee of a director) | 11,19,06,508 | 5,23,92,239 |
| State Bank of India : (Secured by hypothecation of Plant and Machinery and fixed assets created out of Fresh Term Loan) | 95,68,516 | 64,68,069 |
| Tea Board (Secured / to be secured by assets purchased under the Tea Board Hire Purchase Scheme) | 3,30,36,915 | 4,30,97,264 |
| Auto Loans (Secured by hypothecation of vehicles purchased) | 11,43,669 | 5,22,600 |
| Loan from Companies (Secured by mortgage of certain immovable properties situated at Guwahati and Kolkata) | 1,50,94,496 | 4,80,19,269 |
| | <u>34,42,58,083</u> | <u>40,33,11,487</u> |

Schedule — 4**UNSECURED LOANS**

| | | |
|----------------|---------------------------|--------------------|
| From Companies | 2,71,22,830 | 1,50,16,757 |
| Fixed Deposits | 44,49,901 | 68,74,288 |
| For Vehicles | 33,21,294 | 50,32,662 |
| | <u>3,48,94,025</u> | <u>2,69,23,707</u> |

SCHEDULE FORMING PART OF THE ACCOUNTS

Schedule — 5

FIXED ASSETS

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------|--|--|---|-------------------------------------|----------------------------|------------------------|---|-------------------------------------|----------------------------|----------------------------|
| | Original/ Revalued Cost as at 01.04.2008 Rs. | Additions during the year Rs. | Sale/ Adjustments during the year Rs. | Total as at 31.03.2009 Rs. | Up to 01.04.2008 Rs. | For the year Rs. | Disposal/ Adjustments during the year Rs. | Total as at 31.03.2009 Rs. | As at 31.03.2009 Rs. | As at 31.03.2008 Rs. |
| GOODWILL | 65,06,730 | 1,30,821 | — | 66,37,551 | — | — | — | — | 66,37,551 | 65,06,730 |
| LEASEHOLD LAND | 7,85,701 | — | — | 7,85,701 | — | — | — | — | 7,85,701 | 7,85,701 |
| LAND & PLANTATIONS | 28,96,67,604 | 40,04,636 | — | 29,36,72,240 | — | — | — | — | 29,36,72,240 | 28,96,67,604 |
| BUILDINGS | 24,91,51,572 | 37,47,058 | — | 25,28,98,630 | 6,09,97,005 | 51,63,108 | — | 6,61,60,113 | 18,67,38,517 | 18,81,54,567 |
| PLANT & MACHINERY | 24,65,81,678 | 1,59,38,155 | — | 26,25,19,833 | 16,32,88,746 | 1,13,42,383 | — | 17,46,31,129 | 8,78,88,704 | 8,32,92,932 |
| ELECTRICAL INSTALLATION | 2,87,63,566 | 33,08,337 | 35,553 | 3,20,36,350 | 1,45,35,643 | 13,81,092 | 11,866 | 1,59,04,869 | 1,61,31,481 | 1,42,27,923 |
| VEHICLES | 3,77,07,849 | 21,49,283 | 20,36,544 | 3,78,20,588 | 2,55,51,865 | 21,52,854 | 16,28,348 | 2,60,76,371 | 1,17,44,217 | 1,21,55,984 |
| OFFICE EQUIPMENT | 36,44,543 | 1,49,729 | — | 37,94,272 | 22,29,922 | 1,65,118 | — | 23,95,040 | 13,99,232 | 14,14,621 |
| COMPUTER | 28,79,589 | 2,55,389 | — | 31,34,978 | 19,55,110 | 2,17,084 | — | 21,72,194 | 9,62,784 | 9,24,479 |
| FURNITURE & FITTINGS | 1,69,31,307 | 4,92,557 | 67,533 | 1,73,56,331 | 80,34,021 | 8,45,461 | 21,962 | 88,57,520 | 84,98,811 | 88,97,286 |
| TOTAL | 88,26,20,139 | 3,01,75,965 | 21,39,630 | 91,06,56,474 | 27,65,92,312 | 2,12,67,100 | 16,62,176 | 29,61,97,236 | 61,44,59,238 | 60,60,27,827 |
| Previous Period | 86,08,18,754 | 2,71,83,471 | 53,82,086 | 88,26,20,139 | 25,52,36,153 | 2,48,73,318 | 35,17,159 | 27,65,92,312 | 60,60,27,827 | |

Note : Accounting Policies of Depreciation refer to Note [15(c) on Schedule 15]

B&A

B&A LIMITED (CONSOLIDATED)

Annual Report 2008-2009

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 6**

| | As at 31.03.09 Rs. | As at 31.03.08 Rs. |
|---|-----------------------------------|-----------------------------------|
| INVESTMENTS (Long Term) | | |
| Other Investments | | |
| Shares (Quoted at cost) | | |
| 91 Equity Shares of Rs.10/- each fully paid up in ICICI Bank Ltd. | 4,980 | 4,980 |
| Shares (Unquoted at cost) | | |
| 250 Shares of Rs.100/- each fully paid up in Assam Financial Corporation | 25,000 | 25,000 |
| 18,000 Equity Shares of Rs.10/- each fully paid up in Heritage North East P Ltd. | 3,60,000 | 3,60,000 |
| National Savings Certificate (VI Issue) (Lodged with Excise Authorities) | 1,000 | 1,000 |
| | 3,90,980 | 3,90,980 |
| Quoted Investments - Market value of Rs. 29,393/- (Previous Period Rs.70,015/-) | 4,980 | 4,980 |
| Other Unquoted Investments | 3,86,000 | 3,86,000 |
| | 3,90,980 | 3,90,980 |

Schedule — 7**INVENTORIES**

**[For valuation of Inventories refer to
Note 15(e) on Schedule 15]**

| | | |
|------------------------------|---------------------|-------------|
| Stock of Tea | 80,60,108 | 1,01,69,666 |
| Stock of Stores | 2,64,71,109 | 2,20,66,497 |
| Raw Materials (Paper) | 5,28,37,067 | 3,87,36,867 |
| Finished Goods (Paper Sacks) | 99,03,520 | 98,28,157 |
| Work In Progress | 33,88,915 | 25,16,823 |
| | 10,06,60,719 | 8,33,18,010 |

**SCHEDULES FORMING PART OF THE ACCOUNTS**

| | As at 31.03.09 Rs. | As at 31.03.08 Rs. |
|--|--------------------------|--------------------------|
| Schedule — 8 | | |
| SUNDRY DEBTORS | | |
| (Unsecured, Considered good) | | |
| Debts Outstanding for a period exceeding six months | 2,31,06,008 | 2,89,34,014 |
| Other debts | <u>2,90,77,741</u> | <u>2,39,67,394</u> |
| | <u>5,21,83,749</u> | <u>5,29,01,408</u> |
| Schedule — 9 | | |
| CASH & BANK BALANCES | | |
| Cash Balances in Hand | 6,58,921 | 17,23,218 |
| Balance with Scheduled Banks | | |
| In Current Accounts | 40,60,876 | 30,04,765 |
| In Unpaid Dividend Accounts | 21,527 | 33,831 |
| In Fixed Deposits (incl. acc. int.) | 4,12,838 | 4,05,626 |
| In Other Term Deposit Accounts | 7,65,000 | - |
| LC & BG Margin Money with SBI | <u>45,25,724</u> | <u>41,83,967</u> |
| | <u>1,04,44,886</u> | <u>93,51,407</u> |
| Schedule — 10 | | |
| LOANS & ADVANCES | | |
| (Unsecured, Considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 14,46,81,370 | 16,47,50,055 |
| Subsidies receivable from Government | 43,16,373 | 88,79,937 |
| Balance with Central Excise Authorities | 35,55,481 | 35,55,481 |
| Miscellaneous Deposits | <u>31,26,768</u> | <u>22,70,765</u> |
| | <u>15,56,79,992</u> | <u>17,94,56,238</u> |
| Schedule — 11 | | |
| LIABILITIES | | |
| Creditors for Goods and Expenses | 8,54,41,934 | 11,76,95,236 |
| Advance against Sale of Tea | 40,44,251 | 10,12,616 |
| Other Liabilities | 1,37,33,003 | 64,83,989 |
| Provision for Gratuity | 6,50,32,202 | 6,32,99,542 |
| Deferred Sales Tax | <u>8,23,134</u> | <u>8,23,134</u> |
| | <u>16,90,74,524</u> | <u>18,93,14,517</u> |
| Schedule — 12 | | |
| PROVISIONS | | |
| Provision for Income Tax | 1,44,74,032 | 22,06,073 |
| Provision for Fringe Benefit Tax (Net of Advance) | 46,904 | 20,182 |
| Proposed Dividend | 31,00,000 | — |
| Provision for tax on Proposed Dividend | <u>5,27,000</u> | <u>—</u> |
| | <u>1,81,47,936</u> | <u>22,26,255</u> |

**SCHEDULES FORMING PART OF THE ACCOUNTS**

| Schedule — 13 | For the Year | | For the Period | |
|--------------------------|-------------------------|------------------|-------------------------|--------------------|
| | ended 31.03.2009 | | ended 31.03.2008 | |
| OTHER INCOME | Rs. | Rs. | Rs. | Rs. |
| Interest Received | | 3,46,500 | | 11,61,194 |
| Sundry Receipts | | 11,39,390 | | 15,02,998 |
| Insurance Claims | | 4,09,438 | | 19,92,392 |
| Liabilities written back | | 74,258 | | 55,08,760 |
| Scrap Sale | | 3,18,369 | | 2,21,440 |
| | | <u>22,87,955</u> | | <u>1,03,86,784</u> |

Schedule — 14**EXPENSES**

| | | | | |
|---|--------------------|---------------------|--------------------|---------------------|
| Salaries, Wages, Bonus and Gratuity | | 15,16,03,081 | | 17,14,58,784 |
| Contribution to P. F. & Other Fund | | 1,25,32,110 | | 1,33,49,611 |
| Labour and Staff Welfare | | 2,42,10,958 | | 2,97,83,366 |
| Purchase of Green Leaf | | 11,44,45,181 | | 7,16,76,299 |
| Raw Materials Consumed - Paper | | 14,81,56,029 | | 12,84,08,327 |
| Consumption of Stores and Spares | | 2,25,50,373 | | 2,31,18,091 |
| Repairs to Buildings | | 31,06,717 | | 27,44,148 |
| Repairs to Machinery | | 80,87,780 | | 86,16,422 |
| Power and Fuel | | 5,16,25,747 | | 5,78,80,504 |
| Rent, Hire and Services Charges | | 11,17,277 | | 23,39,223 |
| Rates, Taxes and Association Subscription | | 90,54,353 | | 74,45,409 |
| Travelling and Conveyance | | 72,01,507 | | 84,50,955 |
| Professional Charges | | 28,83,473 | | 23,94,572 |
| Vehicle Maintenance | | 77,26,063 | | 84,83,963 |
| Selling Expenses | | 3,63,56,900 | | 2,26,35,102 |
| Excise Duty and Cess | | 13,79,447 | | 14,97,487 |
| Insurance | | 15,82,105 | | 20,87,447 |
| Miscellaneous Expenses | | 2,01,47,814 | | 1,83,78,929 |
| Directors Fees and Expenses | | 1,63,000 | | 1,96,000 |
| Auditors Remuneration | | 2,05,991 | | 2,09,804 |
| Interest and Financial Charges | 5,26,08,229 | | 5,79,54,522 | |
| Less : Interest Subsidy | <u>43,16,373</u> | 4,82,91,856 | — | 5,79,54,522 |
| Depreciation | <u>2,12,67,100</u> | | <u>2,48,73,318</u> | |
| Less : Transfer from Revaluation Reserve | <u>30,85,052</u> | | <u>38,56,314</u> | |
| | | 1,81,82,048 | | 2,10,17,004 |
| Carriage Inward and Outward | | 18,64,132 | | 11,51,077 |
| Sales Tax | | 68,45,741 | | 72,52,990 |
| Loss on Sale of Fixed Assets | | 1,02,571 | | 6,10,777 |
| Clearing and Forwarding Charges | | 47,578 | | 96,028 |
| Discount Allowed | | — | | 30,396 |
| | | <u>69,94,69,832</u> | | <u>66,92,67,237</u> |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15****NOTES ON ACCOUNTS**

1. Current years' accounts of The B&A Limited (Holding Company) and B&A Multiwall Packaging Limited (Subsidiary) have been prepared for twelve months ended 31st March, 2009 and 31st December, 2008 respectively. Whereas the accounts of B&A Limited (Holding Company) in the previous period were of fifteen months ended on 31st March 2008 and the accounts of B&A Multiwall Packaging Limited (Subsidiary) were of twelve months ended 31st December, 2008. Hence the Consolidated figures are not compareable with those of the previous period.
2. Principles of consolidation of the financial statements :
 - a) The Subsidiary Company considered in the financial statements is as follows :

| | |
|-----------------------|--------------------------------|
| Name | : B&A Multiwall Packaging Ltd. |
| Percentage of holding | : 71.66% |
 - b) The Consolidated financial statements of the Company and its subsidiary are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealised profit included therein.
 - c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous period Rs.- Nil).
4. In consonance with the Accounting Standard for Investments (AS-13) prescribed by The Institute of Chartered Accountants of India, made adjustments for diminution, other than temporary, in the value of some investments in previous years. However, provision for other long term investments have not been considered necessary at this stage pending ascertainment of their permanent diminution, if any.

| | <u>Current year</u> | <u>Previous period</u> |
|---|---------------------|------------------------|
| | Rs. | Rs. |
| 5. Contingent Liabilities | | |
| - For Bank Guarantee | 3,73,360 | 1,71,760 |
| - For Sales Tax | 96,10,529 | 66,47,476 |
| - Guarantee provided to State Bank of India in respect of working capital of subsidiary Company | 10,45,00,000 | 10,20,00,000 |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd...)**

| | <u>Current year</u> Rs. | <u>Previous period</u> Rs. |
|---|----------------------------|-------------------------------|
| 6. Value of Stores & Spare parts consumed | | |
| - Indegenous | 9,25,45,901 | 10,54,47,198 |
| - Imported | 8,37,38,378 | 5,07,48,435 |
| 7. Earning in Foreign exchange | | |
| Value of Export at F.O.B. (Net) | 32,76,976 | 43,88,002 |
| 8. Expenditure in Foreign Currency | | |
| - Foreign Travel | — | 19,29,812 |
| - Import of Raw Materials (CIF basis) | 11,39,86,933 | 8,10,81,450 |
| 9. Directors Remunerations (Key Managerial Personnel) | | |
| a) Salary | 32,15,600 | 34,57,335 |
| b) Provident Fund | 2,26,200 | 2,38,700 |
| c) Perquisites | 12,69,504 | 16,87,256 |
| | <u>47,11,304</u> | <u>53,83,291</u> |
| 10. In terms of Industrial policies of 1986 and 1989 declared by the Govt. of Orissa, BAMPL had opted for Sales Tax Deferment Scheme upto 30.11.1996 and the deferred Sales Tax balance stands at Rs. 8,23,134 (As on 31.12.2007 Rs. 8,23,134). | | |
| 11. The Components of the Deferred tax liabilities and Deferred tax assets accounted for during the year are as below :- | | |

| | <u>As on</u> <u>31.03.2009</u> Rs. | <u>As on</u> <u>31.03.2008</u> Rs. |
|---|--|--|
| Deferred Tax Liabilities | | |
| Being Tax Impact on difference between WDV of Block of Assets as per Income Tax Laws and book WDV of Fixed Assets. | 4,04,18,117 | 4,05,89,935 |
| Deferred Tax Assets | | |
| Being Tax Impact on Unabsorbed losses and / or depreciation carried forward as per Income Tax Laws, recognised on the basis of estimated Taxable income for future years as per existing provisions of law. | 23,02,816 | 1,47,48,333 |
| Expenses charged in the books but allowance deferred under Income Tax Laws. | 2,10,88,884 | 2,04,48,383 |
| Net Deferred Tax (Liability) / Assets | <u>(1,70,26,417)</u> | <u>(53,93,219)</u> |

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd...)**

12. Earnings Per Share as per AS 20 issued by The Institute of Chartered Accountants of India :-

| | |
|-----------------------------|-------------|
| Profit after Taxation (Rs.) | 4,11,17,582 |
| No. of Equity Shares | 31,00,000 |
| Earnings per Share (Rs.) | 13.26 |
| (Basic & Diluted) | |

| | As on 31.03.2009 | As on 31.03.2008 |
|-------------------------------------|---------------------|---------------------|
| 13. Minority Interest | Rs. | Rs. |
| Interest in Share Capital | 1,40,56,710 | 1,40,56,710 |
| Add : Interest in Reserve & Surplus | 55,21,435 | 55,21,435 |
| Interest in P L Dr. Balance | (54,50,171) | (69,54,513) |
| Interest in Revenue Reserve | 10,98,721 | 11,50,450 |
| Share of Profit / (Loss) | 17,39,032 | 15,04,342 |
| | <u>1,69,65,727</u> | <u>1,52,78,424</u> |

14. Previous Period's figures have been regrouped and rearranged, wherever considered necessary.

15. ACCOUNTING POLICIES**a) Fixed Assets**

- i) Land & Plantations, Buildings, Plant & Machinery, Electrical Installations and Vehicles situated at the B&A Ltd's tea estates were revalued as at 31st December, 1993, at net replacement cost by approved valuers appointed for the purpose. The resultant incremental effect in the value of the related fixed assets arising from the aforesaid revaluation over and above the increase which had arisen as a result of prior revaluation of the Company's Land and Plantations, Buildings and Plant & Machinery at the tea estates on 1.4.85 at net replacement cost was transferred to Revaluation Reserve.
- ii) Fixed Assets of BAMPL have not been revalued.
- iii) Other Fixed Assets items [i.e. items not covered by revaluation referred to in (i) above] are stated at cost.
- iv) Additions to assets [referred to in (i) above] subsequent to the date of revaluation are stated at cost.
- v) Assets acquired on hire purchase are capitalised at cash cost.
- vi) Expenditure on Replanting and Replacement are capitalised under Land & Plantations as per consistent policy of the Company.

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd...)****b) Capital-Work-in-Progress**

These are stated at cost which includes payments for availing facilities in connection with the work-in-progress.

c) Depreciation

- i) Depreciation on Fixed Assets of B&A Ltd., upto 31.03.85 has been provided for on Written Down Value Method.
- ii) From 01.04.85, depreciation on Fixed Assets covered by revaluation referred to in a(i) above is calculated on their revalued amounts on the Straight Line Method at rates specified in Schedule XIV to the Companies Act, 1956 and accordingly includes additional depreciation charge. An amount equivalent to the aforesaid additional depreciation charge is transferred to the credit of the year's Profit and Loss Account from Revaluation Reserve.
- iii) Depreciation on other assets [i.e. items not covered by revaluation referred to in a (i) above] is calculated on Straight Line Method at rates specified in Schedule XIV to the Companies Act., 1956.

d) Investments

Investments in Shares are stated at cost less adjustment for permanent diminution in value thereof to the extent determined. Profit / Loss on disposals of such investment are recognised as income/expenditure.

e) Inventories

Inventories are valued as under :

- Stores and spare parts : At lower of cost (determined under weighted average method) and net realisable value.
- Work-in-Progress : Valued at a percentage of the cost or realisable price whichever is lower
- Finished Goods : Valued at cost or realisable price whichever is lower.

f) Foreign Currency Transactions

Sales and expenditure in foreign currency are translated at rupee value at rates ruling on the date of transactions.

**SCHEDULES FORMING PART OF THE ACCOUNTS****Schedule — 15 (Contd...)****g) Retirement Benefits**

- i) Gratuity accounted for on the basis of actuarial valuation.
- ii) Provident funds payments are accounted for on accrual basis with contribution to recognised funds.

h) Sales

Gross Sales are inclusive of excise duty and sales tax and recognised on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sales.

i) Recognition of Income and Expenditure in Consolidated Accounts

- i) Items of Income are recognised on accrual basis except Dividend, Refund of Government dues, Taxes and Sundry Receipts which are treated on cash basis.
- ii) Items of Expenditure are recognised on accrual basis.

j) Research and Development

Contribution made to approved Research & Development Associations are charged on accrual basis.

For P.K. NANDY & ASSOCIATES*Chartered Accountants***P.K. Nandy***Partner*

Membership No. 11505

Kolkata

18th June, 2009

D. Chowdhury*Company Secretary***For and on behalf of the Board****H.P. Barooah***Chairman & Managing Director***Somnath Chatterjee***Wholetime Director*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

| | For the Year ended 31.03.2009 | For the period ended 31.03.2008 |
|---|--|--|
| | Rs. | Rs. |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extraordinary items | 6,70,65,495 | (4,59,21,125) |
| Adjustments for : | | |
| Depreciation | 1,81,82,048 | 2,10,17,004 |
| Loss/(Profit) on Sale of Fixed Assets | 1,02,571 | 6,10,777 |
| Interest Received | (3,46,500) | (11,61,194) |
| Deferred Revenue Expenditure written off | 4,23,804 | 7,02,940 |
| Liabilities no longer required written back | (74,258) | (55,08,760) |
| Interest Paid / Payable | 4,82,91,856 | 5,79,54,522 |
| Operating Profit before Working Capital Changes | 13,36,45,016 | 2,76,94,164 |
| Adjustments for : | | |
| Trade and other Receivables | 2,44,93,905 | 58,46,660 |
| Inventories | (1,72,03,239) | (11,34,703) |
| Trade Payable | (2,01,39,013) | 29,62,190 |
| Cash Generated from Operations | 12,07,96,669 | 3,53,68,311 |
| Interest Paid | 4,82,91,856 | 5,79,54,522 |
| Direct Taxes Paid | — | 84,802 |
| Extraordinary Items | (4,98,923) | 34,11,039 |
| Net Cash from Operating Business | 7,20,05,890 | (1,92,59,974) |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (2,03,80,647) | (3,86,86,217) |
| Sale of Fixed Assets | 3,74,883 | 12,54,150 |
| Interest Received | 3,46,500 | 11,61,194 |
| Net cash used in Investing Activities | (1,96,59,264) | (3,62,70,873) |

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

| | For the Year ended 31.03.2009 | For the period ended 31.03.2008 |
|---|--|--|
| | Rs. | Rs. |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowing | 2,82,20,981 | 3,56,28,066 |
| Proceeds from Short Term Borrowing | (7,93,04,067) | 1,96,52,952 |
| Increase in Deferred Revenue Expenses | (1,70,061) | (2,11,881) |
| Net Cash used in Financing Activities | (5,12,53,147) | 5,50,69,137 |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 10,93,479 | (4,61,710) |
| Cash and Cash Equivalents (Opening) | 93,51,407 | 98,13,117 |
| Cash and Cash Equivalents (Closing) | 1,04,44,886 | 93,51,407 |

This is the Cash Flow Statement referred to in our report of even date on the Consolidated Financial Statements.

For P.K. NANDY & ASSOCIATES*Chartered Accountants***P.K. Nandy***Partner*

Membership No. 11505

Kolkata

18th June, 2009

D. Chowdhury
*Company Secretary***For and on behalf of the Board****H.P. Barooah***Chairman & Managing Director***Somnath Chatterjee***Wholetime Director*

**SUBSIDIARY COMPANY****STATEMENT REGARDING SUBSIDIARY COMPANY PURSUANT TO
SECTION 212 OF THE COMPANIES ACT, 1956**

1. **Name of Subsidiary** B&A Multiwall Packaging Ltd.
2. **Holding Company's Interest**
- i) Number of Shares and face value 35,54,829 Equity Shares of Rs. 10/- each
- ii) Extent of Holding 71.66%
3. **Net aggregate amount of Subsidiary's Profit/(Loss) not dealt in the Holding Company's Account :**
- i) Profit/(Loss) for subsidiary's financial year ended 31st December, 2008 Rs. 43,97,705
- ii) Profit/(Loss) for its previous financial period since it becomea Subsidiary Rs. 95,11,756
- Rs. 1,39,09,461
4. **Net aggregate amount of Subsidiary's Profit/(Loss) not dealt in the Holding Company's Account :**
- i) For the Subsidiary's financial year ended 31st December, 2008 NIL
- ii) Profit / (Loss) for its previous financial Period since it became a Subsidiary. NIL

**STATEMENT PURSUANT TO SUBSECTION (5) OF SECTION 212 OF THE
COMPANIES ACT 1956 REGARDING SUBSIDIARY COMPANY**

Name of the Subsidiary B&A Multiwall Packaging Ltd.

Financial year ending date of the Holding Company 31st March, 2009

Financial year ending date of the Subsidiary Company 31st December, 2008

| Particulars | (a) As on 31st December 2008 (Rs.) | (b) As on 31st March 2009 (Rs.) | (c) Changes in the holding Companies interest in the Subsidiary between period ended (a) and (b) | (d) Material changes between period ended (a) and (b) |
|--|--|---|--|--|
| Holding Company Interest | | | | |
| (1)) Number of Equity Shares of Rs. 10/- Each | 35,54,829 | 35,54,829 | Nil | Nil |
| (2) Extent of Holding | 71.66% | 71.66% | Nil | Nil |
| Fixed Assets of the Subsidiary | 3,19,31,937 (Net) | 3,19,09,029 (Net) | N.A | Nil |
| Investments made by the Subsidiary | Nil | Nil | N.A. | N.A. |
| Loans and Advances given by the Subsidiary | 1,20,14,361 | 1,00,05,753 | N.A. | Nil |
| Loans taken by the Subsidiary | 6,81, 22,676 | 7,06,56,874 | N.A. | Nil |

For and on behalf of the Board

Kolkata
18th June, 2009

D. Chowdhury
Company Secretary

Somnath Chatterjee
Wholetime Director

H.P. Barooah
Chairman & Managing Director

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

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:

| | (Rs. In Lakh) | |
|---------------------------------|---------------|------------|
| | 31.12.2008 | 31.12.2007 |
| 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:

| Name | Mr. H. P. Barooah | Mr. R. Roy Choudhury |
|----------------------------|--------------------|----------------------|
| 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

| Name | Annual Sitting Fees (Rs.) |
|---------------------------|---------------------------|
| 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:

| Name of the Members | Status |
|------------------------------|----------|
| 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. 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 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 |
| TOTAL | 49,60,500 | 100.00 | 2,804 | 100.00 |

Shareholding Pattern as on 31st December, 2008

| Sl. | Category of Shareholders | No. of Shareholders | No. of Shares | % to total paid up capital |
|-----------|--|---------------------|------------------|----------------------------|
| A. | Promoters' holding | | | |
| 1. | Indian Promoters | 7 | 35,90,129 | 72.37 |
| | Foreign Promoters | 1 | 1,00,000 | 2.02 |
| 2. | Persons acting in concert | - | - | - |
| | Sub-total | 8 | 36,90,129 | 74.39 |
| B. | Non-promoters holding | | | |
| 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 |
| | Sub-total | 3 | 6,61,500 | 13.34 |
| 4. | Others | | | |
| | Private Corporate Bodies | 6 | 3,800 | 0.08 |
| | Indian Public | 2787 | 6,05,071 | 12.19 |
| | NRIs/OCBs | - | - | - |
| | Any other | - | - | - |
| | Sub-total | 2,793 | 6,08,871 | 12.27 |
| | Grand total | 2,804 | 49,60,500 | 100.00 |

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.

Kolkata,
Dated, the 28th January, 2009

For APS ASSOCIATES
Chartered Accountants
A. Dutta
Partner
Membership No. 17693

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. |
|---------------------------------------|----------|----------------------------------|----------------------------------|----------------------------------|
| SOURCES OF FUNDS | | | | |
| 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 | | — | 45,00,000 | 6,16,13,467 |
| | | | 6,81,22,676 | |
| TOTAL | | 14,12,87,174 | | 13,49,60,514 |
| APPLICATION OF FUNDS | | | | |
| 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 | 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 |
| TOTAL | | 14,12,87,174 | | 13,49,60,514 |

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. |
| INCOME | | | | | |
| 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> |
| EXPENDITURE | | | | | |
| 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 |
| Profit before Interest, Depreciation & Taxation | | | 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> |
| Profit before Taxation | | | 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> |
| Profit after Taxation | | | 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> |
| Notes on Accounts | 15 | | | | |
| Earnings per share - Basic & Diluted | | | 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 & Senior Manager (Finance)

SCHEDULES FORMING PART OF THE ACCOUNTS

| | As at 31st December, 2008 Rs. | As at 31st December, 2007 Rs. |
|---|-------------------------------------|-------------------------------------|
| SCHEDULE -1 | | |
| CAPITAL | | |
| AUTHORISED | | |
| 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> |
| SCHEDULE-2 | | |
| RESERVES AND SURPLUS | | |
| 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> |
| SCHEDULE-3 | | |
| LOAN FUNDS | | |
| SECURED LOANS | | |
| Loan from State Bank of India | | |
| Stand by Line of Credit (SLC) | — | 50,00,000 |
| (Secured by hypothecation on the Company's entire current assets) | | |
| Term Loan | 95,68,516 | 64,68,069 |
| (Secured by hypothecation of Plant & Machinery and fixed assets created out of fresh Term Loan) | | |
| Cash Credit | 5,81,13,690 | 4,56,45,398 |
| (Secured by hypothecation of Company's entire stocks and book debts) | | |
| All the above loans are collaterally secured by | | |
| 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.) | | |
| Loan From HDFC BANK LTD. | 4,40,470 | — |
| (Secured by hypothecation of a Motor Car) | | |
| | <u>6,81,22,676</u> | <u>5,71,13,467</u> |
| UNSECURED LOANS | | |
| From Companies | — | 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. |
| SCHEDULE-5 | | | | |
| INVENTORIES | | | | |
| 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> |
| SCHEDULE-6 | | | | |
| SUNDRY DEBTORS | | | | |
| (Unsecured, Considered Good) | | | | |
| 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 |
| (Unsecured, Considered Doubtful) | | | | |
| Debts Outstanding for a period | | | | |
| - Exceeding six months | 9,56,519 | | 6,47,208 | |
| Less : Provision | <u>9,56,519</u> | <u>—</u> | <u>6,47,208</u> | <u>—</u> |
| | | 4,24,10,076 | | 3,89,88,204 |
| SCHEDULE-7 | | | | |
| CASH & BANK BALANCES | | | | |
| 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> |
| SCHEDULE-8 | | | | |
| LOANS & ADVANCES | | | | |
| (Unsecured, Considered Good) | | | | |
| 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 Rs. | As at 31st December 2007 Rs. |
|--|--|--|
| SCHEDULE-9 | | |
| CURRENT LIABILITIES | | |
| 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 31st December, 2008 Rs. | For the year ended 31st December, 2007 Rs. |
| SCHEDULE-10 | | |
| OTHER INCOME | | |
| 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> |
| SCHEDULE-11 | | |
| INCREASE/(DECREASE) IN FINISHED GOODS & MATERIAL IN PROCESS | | |
| Opening Stock | | |
| 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 |
| Less: | | |
| Closing Stock | | |
| 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. |
| SCHEDULE-12 | | | | |
| MATERIALS CONSUMED | | | | |
| Opening Stock | | 3,87,36,867 | | 2,80,21,480 |
| Add : Purchase | | 16,22,56,229 | | 13,91,23,714 |
| | | 20,09,93,096 | | 16,71,45,194 |
| Less : Closing Stock | | 5,28,37,067 | | 3,87,36,867 |
| Consumption of Raw Materials | | 14,81,56,029 | | 12,84,08,327 |
| 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 | 9,16,725 | | 6,96,685 | |
| | | 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 | 3,15,460 | | 1,47,592 | |
| | | 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 |
| | | 2,38,29,605 | | 1,90,81,159 |
| 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 |
| | | 1,16,89,400 | | 1,15,93,367 |

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 | | Year ended | |
|----------------|-------|---------------------|--------------|---------------------|--------------|
| | | 31st December, 2008 | | 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 |
|--------------------------|--------------|--------------------|---------------|---------------------|--------------|--------------------|------------------|---------------------|---------------|
| a) Paper Imported | | | | | | | | | |
| 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 |
| Paper Indigenous | | | | | | | | | |
| 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) Other Imported | | | | | | | | | |
| 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 |
| Other Indigenous | | | | | | | | | |
| 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

| | | |
|--------------------------------|-------------------|-------------------|
| | <u>31.12.2008</u> | <u>31.12.2007</u> |
| | 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 |
| | Total | 2,08,738.00 |

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 Date

| 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 :

| | <u>31.12.2008</u> | <u>31.12.2007</u> |
|--|--------------------------|-------------------------|
| Assets | (Rs.) | (Rs.) |
| 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> |
| Liabilities | | |
| 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 |
| Deferred Tax Assets (Net) | <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 | | Application of Funds | |
| Paid up Capital | 49,803 | Net Fixed Assets | 33,748 |
| Reserve and Surplus | 23,362 | Investment | – |
| Secured & unsecured Loans | 68,123 | 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 |
|--|--|--|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extraordinary items | 1,03,08,556 | 70,11,013 |
| Adjustments for: | | |
| 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 |
| Adjustments for: | | |
| 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) |
| Net Cash flow from operating activities | 17,05,487 | (89,20,353) |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| 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 |
| Net Cash used in Investing Activities | (73,46,272) | (1,15,52,092) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowing | 1,60,09,209 | 1,97,18,270 |
| Repayment of Borrowing | 95,00,000 | — |
| Increase in Deferred Rev. Expenses | — | — |
| Net Cash used in Financing Activities | 65,09,209 | 1,97,18,270 |
| Net increase in Cash and Cash equivalents | 8,68,424 | (7,54,175) |
| 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 & Senior Manager (Finance)



ECS MANDATE FORM

To,
MCS Limited
(Unit : B&A Limited)
77/2A, Hazra Road(Gr.Floor)
Kolkata-700 029 Phone : (033) 2476-7350

Ref : Payment of Dividend

Please Tick One (✓)

- ☐ I wish to participate in the Electronic Clearing Service (ECS) introduced by Reserve Bank of India.
☐ I do not wish to participate in the ECS. However, kindly print the Bank particulars given below on the Dividend Warrant being send to me.

- 1) Name of the Holder (In block letter) : _____
2) Ref. Folio No. : _____
3) Particulars of Bank
a) Name of the Bank : _____
b) Branch Address : _____
c) 9 digit Code Number of the Bank
& Branch as appearing in the

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

MICR Cheque issued by the Bank
(Please attach a Photocopy or Blank cancelled cheque issued by your Bank relating to
your above account for verifying accuracy of the Code No.)
d) Account Type (Please Tick) : ☐ Savings ☐ Current ☐ Cash Credit
e) Ledger Folio No. of your Bank Account
(if any) : _____
f) Account No. : _____

I hereby declare that the particulars above given are correct and complete. I undertake to inform any subsequent changes in my above particulars before the relevant book closure dates. If the payment is delayed or not effected at all for any reason(s) beyond the control of the company, I would not hold the Company responsible.

Place :

Date :

Signature of the First Holder

NOTES :

- 1) Please ensure that the details submitted by you are correct as any error therein could result in the dividend payment to be credited to a wrong account.
- 2) Attach a Xerox copy of a cheque or blank cancelled cheque of your bank for ensuring accuracy of the banks name, branch name and code number.
- 3) The 9 digit code number of your bank and branch is mentioned on the MICR band next to the Cheque number.
- 4) Members desirous to participate in ECS/to get bank particulars printed in the dividend warrant are requested to complete this form and send to Registrar at the above mentioned address on or before 5th August, 2009.
- 5) Member should note that ECS instructions will supersede the instructions regarding Bank details given by the members earlier.

TEAR HERE

B&A LIMITED

Registered Office : Indu Bhavan, M. G. Road, Jorhat - 785 001

FORM OF PROXY

I/We.....of.....
.....being a member/members of the
above named Company hereby appoint.....
.....of.....
.....or failing him.....of.....
.....as
my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of
the Company to be held on Friday 14th August 2009, at 10 a.m. or any adjournment thereof.
Signed this.....day of.....2009
Reference Folio No./DP ID & Client ID..... No. of share.....

Signature.....

Revenue
Stamp

Notes :

- 1 A Proxy need not be a Member of the Company
- 2 Proxies should be deposited at the Company's Registered Office not less than 48 hours before commencement of the Meeting.

B&A LIMITED

Registered Office : Indu Bhavan, M. G. Road, Jorhat - 785001

ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

| | |
|--------|--|
| DP ID* | |
|--------|--|

| | |
|-----------|--|
| Folio No. | |
|-----------|--|

| | |
|------------|--|
| Client ID* | |
|------------|--|

| | |
|---------------|--|
| No. of Shares | |
|---------------|--|

NAME & ADDRESS OF THE SHAREHOLDER :

I hereby record my presence at the Annual General Meeting held on Friday 14th August 2009 at 10.00 a.m. at Indu Bhavan, M. G. Jorhat - 785 001

Signature of Shareholder/Proxy

* Applicable for Investors holding shares in dematerialised form.

UNDER CERTIFICATE OF POSTING



If undelivered please return to :

B&A LIMITED

113 Park Street, 9th Floor
Kolkata - 700 016