

**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 Friday, 30th July, 2010 at 10.30 am to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31st March 2010 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. G.P. Barua who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.K. Mitra, 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 of the Companies Act’ 1956, Mr. Amit Chowdhuri be and is hereby appointed a Director liable to retire by rotation.”

7. **“RESOLVED THAT** pursuant to Section 257 of the Companies Act’ 1956, Mrs. Sharmila Shetty be and is hereby appointed a Director liable to retire by rotation.”

8. **“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. Somnath Chatterjee as Managing Director of the Company for a period of three years with effect from 1st April 2010 upon terms and conditions set out in the Agreement entered on 29th May 2010 between the Company and Mr. Somnath Chatterjee, 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. Somnath Chatterjee 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. Somnath Chatterjee 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.”

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 Mrs. Sharmila Shetty as Whole Time Director of the Company for a period of three years with effect from 1st June 2010 upon terms and conditions set out in the draft Agreement to be entered between the Company and Mrs. Sharmila Shetty, a draft 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 Mrs. Shetty 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 Mrs. Shetty 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. “

10. **“RESOLVED THAT** in supersession of Resolution No. 6 passed at the Annual General Meeting of the Company held on 27th September 2002, the consent of the Company be and is hereby accorded in terms of section 293 (1) (d) of the Companies Act’ 1956 and other applicable provisions, if any, of the Companies Act’ 1956 to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s Bankers in the ordinary course of business) that may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not at any time, exceed the limit of Rs. 60,00,00,000 (Rupees Sixty Crores only).

By Order of the Board  
**D.Chowdhury**  
*Company Secretary*

Place : Kolkata  
Date :The 29th May 2010

**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 22nd July 2010 to 30th July 2010 (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 21st July 2010 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 21st July 2010.
4. Members are requested to notify immediately any change in their address, 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 2009-10.
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 & 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/Reappointment of Director**

At the ensuing Annual General Meeting Mr. G.P. Barua and Mr. S.K. Mitra, retire by rotation and being eligible, offer themselves for re-appointment. Mr. Amit Chowdhuri and Mrs. Sharmila Shetty, who were appointed Additional Directors, retire at this Annual General Meeting. Separate proposals have been received from members to appoint Mrs. Shetty and Mr. Chowdhuri as Directors in the ensuing Annual General Meeting. The



Board of Directors at its meeting held on 29th May 2010 has appointed Mr. Somnath Chatterjee as Managing Director for a period of three years with effect from 1st April 2010 subject to the approval of the members in this Annual General Meeting. The Board of Directors in the same meeting has appointed Mrs. Sharmila Shetty as Whole Time Director with effect from 1st June 2010 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(s) are furnished in the statement on Corporate Governance published in the Annual Report.

The agreements for appointment and 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 & 7. APPOINTMENT OF DIRECTOR**

Mr. Amit Chowdhuri and Mrs. Sharmila Shetty were appointed Additional Director with effect from 3rd April 2010. Mr. Chowdhuri and Mrs. Shetty hold office up to this Annual General Meeting. Pursuant to Section 257 of the Companies Act' 1956 separate notices have been received by members of the Company to reappoint them as Rotational Directors of the Company. Mr. Amit Chowdhuri is deemed to be concerned and interested in resolution no 6.

Mr. H.P. Barooah, Mr. Vijay Shetty and Mrs. Sharmila Shetty are concerned and interested in resolution no. 7. Your Directors propose this resolution to be passed by the members in the best interest of the Company.

### **Item no. 8. APPOINTMENT OF MANAGING DIRECTOR**

Mr. Somnath Chatterjee (Mr. Chatterjee) was appointed Managing Director with effect from 1st April 2010 by the Board of Directors in its meeting held on 29th May 2010 in anticipation of the maturity of his initial tenure of office of Whole Time Director on 27th June 2010. The terms and conditions of his appointment including remuneration payable in the capacity of Managing Director which was recommended by the Remuneration Committee in its meeting held on 29th May 2010, and are subject to the approval of the members in this general meeting. An agreement was executed by the Company with Mr. Chatterjee on 29th May 2010 ascribing to terms and conditions including remuneration payable to him which contains the following principal terms and conditions-

- (1) Mr. Chatterjee will be appointed Managing Director for three years with effect from 1st April 2010; i.e. from 1st April 2010 to 31st March 2013.
- (2) Mr. Chatterjee will be entitled to a Basic Salary of Rs. 65,000 per month. The annual increments will be effective from 1st April each year, and will be decided by the Remuneration Committee and/or Board of Directors and will be merit based.
- (3) **Perquisites and allowances**
  - (a) House Rent Allowance: House rent allowance at actuals, subject to the maximum limit of Rs. 24,500 per month.



- b) Ex-gratia- At the rate of one month basic salary.
- c) Medical: Re-imburement of actual cost for self and family including medical insurance.
- d) Leave Travel Assistance: For self and family as per the Rules of the Company.
- e) Soft Furnishing : As per rules of the Company.
- f) Provision for use of chauffer driven company maintained car for official duties attended, provision for telephone at office, residence and mobile phones, including long distance calls and monthly subscription fees for one Club, shall not be included in the computation of limits for the remuneration and shall not be grouped under perquisites or allowances given to Mr. Chatterjee.
- g) Leave : As per the Rules of the Company.
- h) Contribution to Provident Fund and Gratuity : As per rules of the Company.
- (4) Minimum Remuneration: If in any financial year, during the currency of the tenure of Mr. Chatterjee as the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay Mr. Chatterjee 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. Chatterjee will not retire by rotation till he continues to hold office of Managing Director; his office of Managing Directorship will mature if he ceases to hold office of director for any reason. Mr. Chatterjee will cease to be a Director if he ceases to be in employment of the Company as Managing Director.
- (6) Mr. Chatterjee will work under the superintendence, control and direction of the Board of Directors of the Company.
- (7) Mr. Chatterjee 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. Somnath Chatterjee is concerned or interested in this resolution.
- This statement be considered an 'abstract' in terms of section 302 of the Companies Act' 1956.
- Item no. 9. APPOINTMENT OF WHOLE TIME DIRECTOR**
- Mrs. Sharmila Shetty (Mrs. Shetty) was appointed Whole Time Director with effect from 1st June 2010 by the Board of Directors in its meeting held on 29th May 2010. The terms and conditions of her appointment including remuneration payable in the capacity of Whole Time Director which was recommended by the Remuneration Committee in its meeting held on 29th May 2010, and are subject to the approval of the members in this general meeting. The terms and conditions including remuneration payable to her contains inter alia; the following principal terms and conditions-
- (1) Mrs. Shetty will be appointed Whole Time Director for three years with effect from 1st June 2010; i.e. from 1st June 2010 to 31st May 2013.



- (2) Mrs. Shetty will be paid Consolidated Salary of Rs. 30,000 per month. The annual increments will be effective from 1st April each year, and will be decided by the Remuneration Committee and/or Board of Directors and will be merit based.
- (3) Perquisites and allowances : Provision for reimbursement on account of maintenance of one self maintained car and fuel expenses solely for official duties not exceeding Rs. 20,000 per month shall not be included in the computation of limits for remuneration as above.
- (4) Minimum Remuneration : If in any financial year, during the currency of the tenure of Mrs. Shetty as the Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay Mrs. Shetty 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) Mrs. Shetty's office of Directorship will be liable to be retired by rotation as per provisions of Companies Act' 1956 and Articles of Association of the Company. Provided that her office of Full Time Directorship will continue per se, upon being reappointed a Director in any general meeting. However, she will cease to be Director of the Company if she ceases to be in employment of the Company as Whole Time Director.
- (6) Mrs. Shetty will work under the superintendence, control and direction of the Board of Directors of the Company.
- (7) Mrs. Shetty as a Whole Time Director will be entrusted with such duty concerning day to day management of the Company as may be recommended by the Board of Directors.

Your Directors recommend this resolution to be passed by the Members for the best interest of the Company. Mrs. Sharmila Shetty, Mr. Vijay Shetty and Mr. H.P. Barooah are concerned or interested in this resolution.

This statement be considered an 'abstract' in terms of section 302 of the Companies Act' 1956.

#### **Item no. 10. INCREASE IN BORROWING POWERS**

As per provisions of section 293 (1) (d) of the Companies Act' 1956, the Board of Directors of the Company, cannot except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid up capital of the Company and its free reserves.

The Shareholders of the Company at the Annual General Meeting held on 27th September 2002, approved, inter alia, borrowings in terms of Section 293 (1) (d) of the Companies Act' 1956 up to Rs. 30 crores.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time aggregate of the paid up capital of the Company and its free reserves by a sum not exceeding Rs. 60 crores. Your Directors recommend this resolution for your approval.

None of the Directors of the Company is concerned or interested in this resolution.

By Order of the Board  
**D.Chowdhury**  
*Company Secretary*

Place : Kolkata  
Date :The 29th May 2010



## 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, 2010.

### FINANCIAL RESULTS

(Rs. In lacs)

<b>PARTICULARS</b>	<b>Year ended 31st March 2010</b>	<b>Year ended 31st March 2009</b>
Profit before Depreciation and Interest	<b>1190.06</b>	1058.83
Less: Interest	<b>329.32</b>	366.02
Profit after Interest	<b>860.74</b>	692.81
Less: Depreciation	<b>126.33</b>	124.88
Profit before tax	<b>734.41</b>	567.93
Less: Provision for Tax		
Current Tax	<b>58.00</b>	111.00
Deferred Tax	<b>(123.96)</b>	88.13
Fringe Benefit Tax	–	2.63
Wealth Tax	<b>2.94</b>	–
Profit After Tax	<b>797.43</b>	366.16
<b>APPROPRIATIONS</b>		
Proposed Dividend	<b>46.50</b>	31.00
Corporate Dividend Tax	<b>7.91</b>	5.27
Amount carried to General Reserve	<b>33.70</b>	–
Balance carried to Balance Sheet	<b>52.68</b>	(656.65)

### PERFORMANCE

Your company achieved revenue of Rs. 68.74 cr. this financial year as against Rs. 56.95 cr. for the previous year ended on 31st March 2009. The profits of your Company after providing for tax increased to Rs. 7.97 cr. as compared to 3.67 cr. in the previous year ended on 31st March 2009.

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 Board of Directors is pleased to recommend a dividend of 15% on equity share capital of the Company for the financial year 2009-10. The distribution of dividend will result in payout of Rs. 46.50 lacs excluding tax on dividend.

### FUTURE PROSPECTS

The Indian tea industry is witnessing an increasing trend in price realization, domestic consumption and export. Production of CTC in India, the main





product of the Company, is estimated to reach near 1050 million Kgs, this fiscal and the overall consumption pattern is showing increasing trend. The average price realization for the Company, during the period was Rs. 140 per kg, as against Rs. 116 per kg, in the last year. These indicators support the good prospect of the tea industry. However, normal increase in wages and substantial increase in all input costs during peak season had taken the overall cost higher by Rs. 7 per kg. Your Directors feel that better yield in the production and higher price realization by increasing quality will be 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 have 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, 2010.

#### **RESEARCH & DEVELOPMENT**

Your Management recognizes that Research & Development plays a critical role in supporting current operations as well as creating future growth. 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, 2010 read with Notes on Accounts are self explanatory and therefore, do not require any further clarification.

#### **DIRECTORS**

By virtue of Section 255 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S.K. Mitra and Mr. G.P. Barua retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Amit Chowdhuri and Mrs. Sharmila Shetty were introduced in the directorate as Additional Directors on 3rd May 2010 and they will be retiring in the ensuing Annual General Meeting. Company has received proposal under section 257 of the Companies Act' 1956 to appoint Mrs. Shetty and Mr. Chowdhuri as Directors of the Company.

On 29th May 2010 Board of Directors appointed Mr. Somnath Chatterjee as Managing Director and Mrs. Sharmila Shetty as Whole Time 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 2010 and of the profit of your Company for the financial year ended 31st March 2010;
- 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 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 earning 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.

**EMPLOYEE RELATIONS**

Employee 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**  
**H.P.Barooah**  
Chairman

Place : Kolkata  
Dated : The 29th May 2010



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 217 (1) (a) of the Companies Act' 1956 read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 for the year ended 31st March, 2010 :

### 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	
	<b>Year ended 31st March 2010</b>	Year ended 31st March 2009
Total Foreign Exchange earned	<b>Nil</b>	Nil
Total Foreign Exchange used	<b>51.97</b>	Nil



## FORM A

Disclosure of particulars with respect to conservation of energy		Year ended 31.03.2010	Year ended 31.03.2009
<b>A. Power and Fuel Consumption</b>	<b>Unit</b>		
<b>1. Electricity</b>			
a) Purchased			
Unit	KWH	<b>25,75,080</b>	23,71,310
Total amount	Rs.	<b>1,60,17,948</b>	1,50,30,266
Rate/Unit	Rs./KWH	<b>6.22</b>	6.34
b) Own Generation(through diesel generator)			
Units	KWH	<b>13,20,556</b>	15,50,949
Unit/Ltr. of Diesel Oil	Rs.	<b>2.60</b>	3.25
Rate/Unit (Average)	Rs./KWH	<b>12.24</b>	10.92
<b>2. Furnace Oil</b>			
Quantity	K. LTR	<b>5.06</b>	91.05
Total Amount	Rs.	<b>1,94,799</b>	32,18,178
Average Rate	Rs./K.LTR	<b>38,498.00</b>	35,345.95
<b>3. Natural Gas</b>			
Quantity	CUM	<b>18,52,119</b>	18,40,241
Total amount	Rs.	<b>1,26,33,280</b>	1,24,08,745
<b>B. Consumption per Unit of Production</b>			
Product- Tea (Gross)	Kgs. *	<b>50,76,762</b>	60,86,731
Electricity	KWH/KG	<b>0.77</b>	0.64
Furnace Oil	LTR/KG	<b>0.00</b>	0.01
Natural Gas	Rs./KG	<b>2.49</b>	2.04

\* Inclusive of 1,40,339 Kg. of Tea Produced for others (Previous year 1,65,707 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.**

	<b>Year ended 31st March 2010</b>	<b>Year ended 31st March 2009</b>
	<b>Rs.</b>	<b>Rs.</b>
Capital	<b>Nil</b>	Nil
Recurring	<b>3,92,676</b>	4,01,885
Total R & D Expenditure	<b>3,92,676</b>	4,01,885
As a percentage of total turnover	<b>0.05</b>	0.07

**Technology absorption, adoption and innovation**

- 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.
- Benefits derived as a result of the above efforts: Increase in productivity and cost reduction by optimisation of inputs.
- No import of technology was carried out during the last 5 years from the beginning of the financial year.

**For and on behalf of the Board of Directors**

**H.P.Barooah**  
Chairman

Place : Kolkata  
Dated : The 29th May 2010



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. State of Indian Economy

The fiscal year 2009-10 began as a difficult one. There was a significant slowdown in the growth rate in the second half of 2008-09, following the financial crisis that began in the industrialized nations in 2007 and spread to the real economy across the world. The growth rate of gross domestic product (GDP) in 2008-09 was 6.7 percent. A delayed and severely subnormal monsoon added to the overall uncertainty. Yet, over the span of the year, the economy posted a remarkable recovery, when the real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9 percent as against advance estimate of 7.2 percent, with the industrial and service sectors growing at 8.2 and 8.7 percent respectively despite a decline of agriculture output by 0.2% due to subnormal monsoons.

#### 1.1 Tea Industry

India is the world's largest producer of black tea; production for the FY 2009-10 is expected to touch 1050 million kg which represents 41% of the global black tea production. Black tea production during 2008 by major other black tea producers were Kenya (346 million kg), Sri Lanka (318 million kg), Indonesia (80 million kg), Vietnam (140 million kg) and Bangladesh (59 million kg). Export from India during 2008 was estimated at 190 million kg.

Despite of higher production, strong consumption patterns and higher exports had a positive impact on the domestic prices of the tea which went up by Rs. 22 per kg during

2008 as compared to previous year. However, normal increase in wages and substantial increase in all the input costs during the peak season had taken the overall cost higher by Rs. 7 per kg.

India is the largest consumer of tea with estimated growth of 3.5% per annum. Domestic consumption is estimated at 880 million kg during the year 2010. Since no addition to the land under tea cultivation by organized sector has taken place in the last 5 years and uprooting and replanting of low yielding section takes 3-5 years to materialize, the production in next few years is estimated to be stagnant or very insignificant growth. Global financial crisis had some impact on the orthodox teas by Middle East and CIS countries. With easing of global liquidity the demand for orthodox teas is expected to rise.

#### 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 has registered higher price realization, higher domestic consumption and increased export this year compared to last fiscal. Production and consumption of CTC, the main product of the Company, has touched 1000 million kg this financial year. The average price realization of the Company's tea in Indian Auction was Rs. 140 per kg this year compared to Rs. 116 for the last financial year. Industry Experts feel that the Industry will continue to grow in coming years.

However, increasing social commitment cost has been a major concern to the Company



and periodic droughts and lower rainfall in tea growing areas had adversely effected the current year's production. Your Directors feel that better yield and control of input costs will be the key factors for sustainable growth.

## **2. Product wise operational performance**

The Saleable production of Tea for the current year was 48,33,837 Kgs, as against 48, 25,437 Kgs, for the previous financial year ended 31st March 2009. The Sales stood to 47, 93,612 Kgs, of tea this year as against 48, 04,411 Kgs, for the previous year.

## **3. Outlook**

Agriculture and Plantation is one of the strongholds of the Indian Economy and accounted for 15.7 per cent of the country's gross domestic product (GDP) in 2008-09. 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.

Indian tea industry after witnessing long recessionary pressure has recovered during the last couple of years 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 familiar with both opportunities and threats and continues to work to maintain com-

petitiveness by reducing costs and increasing volume. The company has been continuously improving its distribution channels, boosting up its sales promotion activities and investing in 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. However, the management feels that increased focus on sales 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 marketing 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 internal



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 has implemented 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, 2010 aggregated Rs. 35.51 cr. of which equity capital was Rs. 3.1 cr. comprising of 31,00,000 equity shares of Rs. 10 each.

### 6.2 Dividend

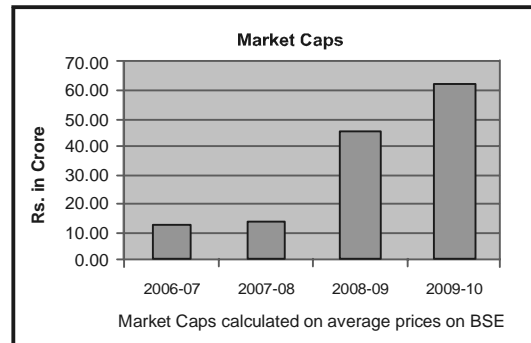
Board of Directors have recommended an equity dividend of 15% i.e. Re. 1.5 per share of Rs. 10 each. The Dividend outflow will aggregate to Rs. 46.50 lacs (excluding dividend tax).

### 6.3 Revenue and Profits

During the year under review, the Company's net revenue aggregated Rs. 68.75 cr. compared to Rs. 56.95 cr. in the previous financial year. Profit before tax and provisions stood to Rs. 7.34 cr. compared to profit of Rs. 5.67 cr. in the previous financial year.

## 7. Shareholders Value

i) **Market Capitalization** - The shares of B & A Ltd is listed on the **Bombay Stock Exchange Ltd.** The Company has consistently enhanced shareholders' value over the last four years, as it is evident from the accelerated market capitalization of the Company.



ii) **Total Shareholders Return (TSR)** – TSR reflects the gain earned by the shareholders directly and indirectly (directly in the form of the dividend received by them and indirectly in the form of the capital appreciation registered by the stock) during a financial year under review.

Total Shareholders Return (TSR)	2007-2008	2008-2009	2009-2010
Previous years Market Capitalisation (Rs. Cr)	12.52	13.57	45.48
Current years Market Capitalisation (Rs. Cr.)	13.57	45.48	61.52
Increase in Market Capitalisation (Rs. Cr.)	1.05	31.91	16.04
Average Value appreciation per share (Rs.)	3.39	102.94	51.74
Dividend Yield per share (Rs.)	0.00	1.00	1.50
<b>Total Shareholders Return</b>	<b>3.39</b>	<b>103.94</b>	<b>53.24</b>

Note- (i) Dividend for the financial year 2009-10 is subject to approval of the shareholders in the ensuing Annual General Meeting (ii) Market capitalization is calculated on average prices of the stock on BSE.



**8. Human Resources**

The Company acknowledges the efforts of the employees 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 entity, 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, certain presumptions on which estimates are based and other incidental factors.

**CORPORATE GOVERNANCE REPORT****PHILOSOPHY OF THE COMPANY**

The Company defines Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth-generating capacity. The stakeholders 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:

**Trusteeship:** The Board of Directors has the unique responsibility to protect and enhance the shareholders capital as their trustee to the capital offered in the company.

**Transparency:** The Company adopts the policy of maximum appropriate disclosures without jeopardizing the company's strategic interests.

**Empowerment:** The Company has got the policy of vesting decision making powers at most appropriate levels.

**Control:** It ensures that freedom of management is exercised within framework of checks and balances and prevent misuse of power.

**Respect:** For our employees, business partners and stakeholders.

The Company practices Corporate Governance at three interlinked levels:



- **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 three Whole Time Directors and seven Non-Executive Directors. Six Non-Executive Directors are also independent Directors. Mr. H.P. Barooah is the Chairman and Managing Director. During the year 2009-10, four Board Meetings were held on 18th June 2009, 29th July 2009, 29th October 2009 and 30th January 2010. 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	3	Yes	1	1	864518
Mr. G.P. Barua *	Non-Executive Director	1	No	1	-	-
Mr. Shyamal Kr. Mitra *	Non-Executive Director	4	Yes	1	-	-
Mr. B.K. Goswami *	Non-Executive Director	2	No	13	7	-
Mr. T.C. Dutt *	Non-Executive Director	4	No	3	1	-
Mr. V.R. Shetty	Non-Executive Director	2	No	1	-	27500
Mr. S. Chatterjee	Managing Director	3	Yes	1	-	-
Mr. Sudipto Sarkar *	Non-Executive Director	2	No	6	-	-
Mr. A. Chowdhuri * ^	Non-Executive Director	-	-	-	-	-
Mrs. Sharmila Shetty ^	Whole Time Director	-	-	-	-	100312

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

# The Directorship/Committee Membership/Chairmanship in other Companies excludes private limited cos', foreign cos' and section 25 cos'.

^ Appointed on 3rd May 2010.

**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 18 of Schedule 15 to the Notes to the Accounts appended to the Balance Sheet for the year ended 31st March 2010, there were no transactions of material nature with the Promoter, 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 the 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 Exchanges. 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

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 2009-10 on 18th June 2009, 29th July 2009, 29th October 2009 and 30th January 2010. The composition of the Audit Committee and attendance at Committee meetings are as follows:

<b>Name</b>	<b>Category</b>	<b>Number of meetings attended</b>
Mr. S.K. Mitra	Non-Executive independent	4
Mr. H.P. Barooah	Executive Promoter	3
Mr. T.C. Dutt	Non-Executive Independent	4
Mr. G.P. Barua	Non-Executive Independent	1
Mr. B.K. Goswami *	Non-Executive Independent	1

\* Appointed on 29th October 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 shall be 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 Financial Year 2009-10 no meeting was held.

**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.)	Salary & Perks (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. H.P. Barooah	Executive Chairman & Managing Director	-	21,57,168	-	21,57,168
Mr. S.K. Mitra	Non-Executive Director	40,000	-	-	40,000
Mr. G.P. Barua	Non-Executive Director	10,000	-	-	10,000
Mr. T.C. Dutt	Non-Executive Director	40,000	-	-	40,000
Mr. B.K. Goswami	Non-Executive Director	15,000	-	-	15,000
Mr. V.R. Shetty	Non-Executive Director	10,000	-	-	10,000
Mr. Sudipto Sarkar	Non-Executive Director	10,000	-	-	10,000
Mr. S. Chatterjee	Whole Time Director	-	9,02,140	-	9,02,140

Note- Mrs. Sharmila Shetty and Mr. Amit Chowdhuri were appointed on 3rd May 2010; They have not received any remuneration/sitting fees during Financial Year 2009-10.

**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. In the financial year 2009-10, no committee meeting was held. During the year no investor complaint was lodged.

**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**

A. **Mr. Somnath Chatterjee**, born in 1962, is a commerce graduate and besides being certified in Effective Personal Productivity by LMI, USA, was trained in production of packaging products in United Kingdom. He has more than twenty years of extensive experience in commercial matters, finance and production mainly in tea plantation and packaging business. Besides being Managing Director of the Company, he is a director in Super Packaging Limited. Currently, he does not hold any shares in the Company.

B. **Mr. G.P. Barua**, born in 1942, holds Master Degree in Economics and also a recipient of International Award of Business Manager. Mr. Barua is associated with tea industry for the last twenty three years and has varied and wide experience in corporate arena. He worked as Banking Ombudsman for North Eastern States from 2000 to 2002. Currently he is in the board of India Carbon Limited. He does not hold any shares in the Company.

C. **Mr. S.K. Mitra**, born in 1937, holds Master Degree in Commerce and also a Fellow Member of Institute of Chartered Accountants of India. He was attached with Williamson Magor Group, largest producer of tea in the world, for 38 years. He has remained Chairman & Managing Director of George Williamson (Assam) Ltd, a subsidiary of Williamson Tea Holding Plc., U.K. Presently, he holds directorship of Worthington India Ltd., and Merlin Mig Finance Pvt. Ltd. He does not hold any shares in the Company.

D. **Mr. Amit Chowdhuri**, born in 1949, is a Hons. Graduate from St. Edmunds College, Shillong. In his 39 years of career he has served J. Thomas & Co. Pvt. Ltd, a Calcutta based reputed tea auction house, in several capacity, including Chairman & Managing Director. He has been associated with various committees connected with Tea and Tea Auction throughout India. He has represented various tea delegations in India and abroad. He has served the Board of Tengpani Tea Co. Ltd and Grab Tea Co. Ltd. He does not hold any shares in the Company.

E. **Mrs. Sharmila Shetty**, born in 1963, holds Master Degree in English Literature. She has been representing her family business for



20 years and has been associated with various trade organizations. Mrs. Shetty has expertise in different business models and verticals. She is currently in the Board of Smyl Aviation Pvt. Ltd and I.A. & I.C. Holdings Pvt. Ltd. Mrs. Shetty holds 1,00,312 equity shares in the Company.

#### **IV. DISCLOSURES**

##### **i) Disclosures on materially significant related party transactions**

There were no transactions of material nature with the promoters, the directors or the management or their 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 Managing Director 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 Exchange. 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**

<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Special Resolutions Passed</b>
28th June 2007	Rukmini Nagar, G.S. Road, Guwahati - 781006	11 am	No Special Resoluition 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.
14th August 2009	Indu Bhawan, Mahatma Gandhi Road, Jorhat- 785001	10 am	Appointment of Executive Chairman & Managing Director.

**ii) Postal Ballot**

No Special resolution was passed through Postal Ballot during the financial year ended 31st March, 2010, as per the procedures prescribed in the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

**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 2009-10.

**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 - Friday, 30th July 2010,  
Time - 10.30 am.

Venue- Indu Bhawan  
M. G. Road  
Jorhat- 785 001

**vii) Financial Calendar for year 2010-11**

First Quarter Results Within 2nd Week  
August, 2010

Half yearly Results Within 2nd Week of  
November, 2010

Third Quarter Results Within 2nd Week of  
February 2011

Fourth Quarter/  
Annual Results End of May 2011

**viii) Book Closure Dates** 22nd July to 30th  
July 2010 (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 4th August  
2010.**x) Listing of shares on Stock Exchanges**

The equity shares of the Company listed on Bombay Stock Exchange Limited. Listing fees for the FY 2010-11 have been paid to the stock exchange. The Stock Code of the Exchange is 508136.





**xi) Stock Price Data**

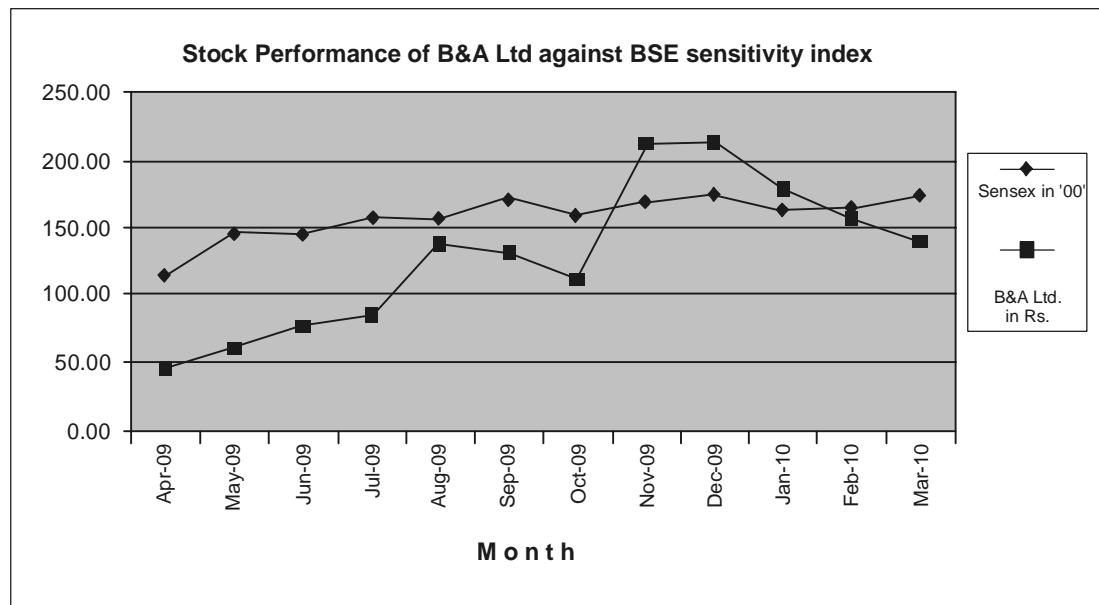
Stock Price data for the period 1st April 2009 to 31st March 2010 were as detailed below :

Month	Monthly high (Rs.)	Monthly low (Rs.)	Month	Monthly high (Rs.)	Monthly low (Rs.)
April 09	50.95	41.55	Oct 09	134.65	107.00
May 09	66.00	45.00	Nov 09	212.35	100.05
June 09	94.35	60.00	Dec 09	256.90	193.15
July 09	88.95	66.00	Jan 10	272.35	169.65
Aug 09	150.50	87.00	Feb 10	193.25	141.50
Sept 09	145.50	113.50	Mar 10	174.00	124.55

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, 2010 :**

Share Range	No. of shareholders	% As to total No. of holders	No. of shares held	% As to total No. of shares
1-500	2945	91.04	436635	14.09
501-1000	142	4.39	114172	3.69
1001-2000	68	2.11	103827	3.35
2001-3000	17	0.53	43750	1.41
3001-4000	14	0.44	50850	1.64
4001-5000	10	0.30	45459	1.47
5001-10000	12	0.37	84163	2.72
10001-50000	18	0.55	366908	11.83
50001-100000	4	0.12	295726	9.53
100001 & above	5	0.15	1558510	50.27
<b>Total</b>	<b>3235</b>	<b>100.00</b>	<b>3100000</b>	<b>100.00</b>

**xiv) Equity Shareholding pattern as at March 31, 2010 :**

Category	No of Shares	%
<b>A) Promoter</b>		
(i) Individuals/HUF	1588290	51.24
(ii) Bodies Corporate	5600	0.19
<b>B) Public Shareholding</b>		
(i) Mutual funds/UTI	115	0.01
(ii) FI/Banks/Insurance Cos'.	71200	2.29
(iii) Bodies Corporate	278266	8.98
(iv) Others	13274	0.42
(v) Individuals		
a) holding upto Rs.1 lac	751332	24.23
b) Rs. 1 lac & above	391923	12.64
<b>Total</b>	<b>3100000</b>	<b>100</b>

**xv) Dematerialization of shares and liquidity**

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2010, 25,72,060 shares representing 83 % 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.

**xviii) Investor Grievance Redressal System**

The Investor grievances against the company are handled by the Company's Registrar and 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.

**xix) Registrar & Transfer Agent**

M/s. MCS Limited (Unit B & A Ltd)  
77/2A, Hazra Road, Kolkata- 700 029  
Ph- 033-2454-1892/93  
Fax- 033-2454-1961  
email- mcs@cal2.vsnl.net.in

xx) **Registered Office:** Indu Bhawan, Mahatma Gandhi Road, Jorhat, Assam- 785001.

xxi) **Tea Estates:** The Company owns seven tea estates, all situated in Upper Assam as follows :

**Salkathoni Tea Estate**

P.O. Sapekhati  
Dist. Sibsagar, Assam

**Samaguri Tea Estate**

P.O. Gatonga  
Assam

**Barasali Tea Estate**

P.O. Borhat  
Dist. Sibsagar,  
Assam

**Sangsua Tea Estate**

P.O. Gatonga  
Assam

**Mokrung Tea Estate**

P.O. Furkating  
Assam

**Gatonga Tea Estate**

P.O. Gatonga  
Assam

**Kuhum Tea Estate**

P.O. Titabar  
Assam

**xxii) Non-mandatory requirements of Corporate Governance**

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

**xxiii) DECLARATION**

As provided under Clause 49 of the Listing Agreement of the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company during the year ended March 31, 2010.

For B & A Ltd.

**H.P. Barooah**

*Chairman & Managing Director*

Place : Kolkata

Date :The 29th May 2010



**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, 2010 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 :The 29th May 2010

**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, 2010, and also the Profit and Loss Account and 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010 ;
- (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 : The 29th May 2010

**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. 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.
  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 the company is generally regular in depositing with the appropriate authorities undisputed statutory dues such as provident fund, investor education and protection fund, central sales tax, wealth-tax, customs duty, value added tax, service tax, cess and other statutory dues applicable to it.
    - 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, 2010 except an amount of Rs 12,61,660/- on account of CENVAT credit disallowed by the excise





- authority, for which an appeal is pending before the Central Excise Appellate Tribunal.
10. The Company earned cash profit in this financial year and in the immediately preceding financial year and there is no accumulated losses at the end of the 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 :The 29th May 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule No.	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Capital	1	3,10,00,000		3,10,00,000	
Reserves and Surplus	2	36,41,49,062		35,85,95,084	
			<b>39,51,49,062</b>		38,95,95,084
<b>Loan Funds</b>					
Secured Loans	3	30,47,93,933		27,61,35,407	
Unsecured Loans	4	1,71,82,222		3,48,94,025	
			<b>32,19,76,155</b>		31,10,29,432
<b>TOTAL</b>			<b>71,71,25,217</b>		<b>70,06,24,516</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	5	81,64,25,527		77,34,02,212	
Less: Depreciation		21,24,56,279		19,75,12,459	
Net Block			<b>60,39,69,248</b>		57,58,89,753
<b>Capital Work in Progress</b>			<b>27,47,344</b>		—
<b>Investments</b>	6		<b>3,81,45,480</b>		3,80,47,480
<b>Current Assets, Loans &amp; Advances</b>					
Inventories	7	4,66,54,934		3,26,22,021	
Sundry Debtors	8	2,19,99,830		1,57,33,907	
Cash & Bank Balances	9	1,59,07,200		49,63,678	
Loans & Advances	10	14,83,80,191		14,36,65,631	
			<b>23,29,42,155</b>		19,69,85,237
<b>Less : Current Liabilities &amp; Provisions</b>					
Liabilities	11	13,43,50,439		14,42,65,255	
Provisions	12	2,30,39,500		1,54,72,904	
			<b>15,73,89,939</b>		15,97,38,159
Net Current Assets			<b>7,55,52,216</b>		3,72,47,078
<b>Deferred Tax Assets/(Liabilities)</b>			<b>(44,06,241)</b>		(1,68,03,014)
<b>Miscellaneous Expenditure</b>					
Deferred Revenue Expenses (To the extent not written off or adjusted)			<b>11,17,170</b>		5,78,446
Profit & Loss Account			—		6,56,64,773
<b>TOTAL</b>			<b>71,71,25,217</b>		<b>70,06,24,516</b>
<b>Notes on Accounts</b>	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

29th May 2010

**D. Chowdhury**

Company Secretary

**For and on behalf of the Board**

**H.P. Barooah**

Chairman & Managing Director

**Somnath Chatterjee**

Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule No.	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales		68,00,59,134		56,28,11,243	
Tea Manufacturing Income		42,80,595		55,53,453	
Other Income	13	31,27,529		11,45,277	
			68,74,67,258		56,95,09,973
<b>EXPENDITURE</b>					
Expenses	14	62,42,91,053		51,06,07,476	
(Accretion)/Decretion to Stock of Tea		(1,02,64,996)		21,09,558	
			61,40,26,057		51,27,17,034
Profit/(Loss) before Taxation			7,34,41,201		5,67,92,939
Wealth Tax			(2,93,884)		–
Provision for Income Tax			(58,00,000)		(1,11,00,000)
Provision for Fringe Benefit Tax			–		(2,63,651)
Provision for Deferred Taxation			1,23,96,773		(88,13,048)
Profit/(Loss) after Taxation			7,97,44,090		3,66,16,240
<b>APPROPRIATIONS</b>					
Proposed Dividend			(46,50,000)		(31,00,000)
Provision for Tax on Proposed Dividend			(7,90,500)		(5,27,000)
Transfer to General Reserve			(33,70,000)		–
			(88,10,500)		(36,27,000)
Balance brought forward from previous year			(6,56,64,773)		(9,86,54,013)
<b>Balance carried forward to Balance Sheet</b>			<b>52,68,817</b>		<b>(6,56,64,773)</b>
<b>Notes on Accounts</b>					
Earnings Per Share (Basic)	15		25.72		11.81

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

29th May 2010

**D. Chowdhury**  
Company Secretary

**For and on behalf of the Board**

**H.P. Barooah**

Chairman & Managing Director

**Somnath Chatterjee**

Managing Director

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

	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>CAPITAL</b>		
<b>Authorised</b>		
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>
<b>Issued and Subscribed</b>		
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 year - 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 year - 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 year - Same)

**Schedule — 2**

<b>RESERVES AND SURPLUS</b>	<b>Balance as at 01.04.2009 Rs.</b>	<b>Additions Rs.</b>	<b>Deductions Rs.</b>	<b>Balance as at 31.03.2010 Rs.</b>
Capital Reserve	1,24,27,906	—	—	1,24,27,906
Securities Premium	10,01,49,818	—	—	10,01,49,818
Revaluation Reserve	24,60,17,360	—	30,84,839	24,29,32,521
General Reserve	—	33,70,000	—	33,70,000
Profit & Loss Account	—	52,68,817	—	52,68,817
	<u>35,85,95,084</u>	<u>86,38,817</u>	<u>30,84,839</u>	<u>36,41,49,062</u>

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

	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>LOAN FUNDS</b>		
<b>Secured Loans</b>		
<b>Cash Credit Accounts</b>		
United Bank of India (Cash Credit and O.D. Accounts)	<b>14,63,76,186</b>	11,53,94,289
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		
<b>Term Loans</b>		
<b>United Bank of India</b>		
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	<b>11,16,39,414</b>	11,19,06,508
<b>Tea Board</b>		
Secured / to be secured by assets purchased under the Tea Board Hire Purchase Scheme.	<b>2,60,81,775</b>	3,30,36,915
<b>Auto Loans</b>		
Secured by hypothecation of vehicles purchased	<b>4,08,887</b>	7,03,199
<b>Loan from Companies</b>		
Secured by mortgage of certain immovable properties situated at Guwahati and Kolkata	<b>2,02,87,671</b>	1,50,94,496
	<b><u>30,47,93,933</u></b>	<b><u>27,61,35,407</u></b>

**Schedule — 4****UNSECURED LOANS**

From Companies	–	2,71,22,830
From Others	<b>27,00,000</b>	–
Fixed Deposits	<b>75,98,775</b>	44,49,901
For Vehicles	<b>68,83,447</b>	33,21,294
	<b><u>1,71,82,222</u></b>	<b><u>3,48,94,025</u></b>



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**Schedule — 5**

**FIXED ASSETS**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original/ Revalued Cost as at 31.03.2009	Additions during the Year	Sale/ Adjustment during the Year	Total as at 31.03.2010	Up to 31.03.2009	For the Year	Disposal/ Adjustment during the Year	Total as at 31.03.2010	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND & PLANTATIONS	29,32,62,085	84,07,748	-	30,16,69,833	-	-	-	-	30,16,69,833	29,32,62,085
BUILDINGS	24,47,37,389	1,43,23,701	-	25,90,61,090	6,25,89,722	50,02,343	-	6,75,92,065	19,14,69,025	18,21,47,667
PLANT & MACHINERY	14,52,34,205	85,73,831	-	15,38,08,036	8,16,40,038	59,91,049	-	8,76,31,087	6,61,76,949	6,35,94,167
ELECTRICAL INSTALLATION	3,05,07,923	13,93,842	-	3,19,01,765	1,51,76,877	14,52,748	-	1,66,29,625	1,52,72,140	1,53,31,046
VEHICLES	3,69,34,057	71,43,720	8,75,868	4,32,01,909	2,57,66,484	20,70,212	7,74,182	2,70,62,514	1,61,39,395	1,11,67,573
OFFICE EQUIPMENT	25,55,480	1,61,500	-	27,16,980	14,99,698	86,540	-	15,86,238	11,30,742	10,55,782
COMPUTER	31,34,978	14,80,438	-	46,15,416	21,72,194	2,60,982	-	24,33,176	21,82,240	9,62,784
FURNITURE & FITTINGS	1,70,36,095	24,14,403	-	1,94,50,498	86,67,446	8,54,128	-	95,21,574	99,28,924	83,68,649
<b>TOTAL</b>	<b>77,34,02,212</b>	<b>4,38,99,183</b>	<b>8,75,868</b>	<b>81,64,25,527</b>	<b>19,75,12,459</b>	<b>1,57,10,002</b>	<b>7,74,182</b>	<b>21,24,56,279</b>	<b>60,39,69,248</b>	<b>57,58,89,753</b>
Previous Year	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	

**Notes :**

1. Additions during the year to Land & Plantations include Rs. 45,62,951/- (Previous Year Rs. 21,40,793/-) on account of Replanting & Replacement.
2. Furniture & Fittings includes Silverware, Original Cost Rs. 5,13,430/- on which depreciation is not chargeable.
3. 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.
4. Accounting Policies of Depreciation refer to note [22(c) on schedule-15]

**SCHEDULES FORMING PART OF THE ACCOUNTS**

<b>Schedule — 6</b>	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>INVESTMENTS (Long Term)</b>		
<b>Other Investments</b>		
Shares (Quoted at cost)		
91 Equity shares of Rs.10/- each fully paid up in ICICI Bank Ltd.	<b>4,980</b>	4,980
<b>Shares (Unquoted at cost)</b>		
250 Shares of Rs.100/- each fully paid up in Assam Financial Corporation	<b>25,000</b>	25,000
18,000 Equity Shares of Rs.10/- each fully paid up in Heritage North East Pvt. Ltd.	<b>3,60,000</b>	3,60,000
National Savings Certificate (VI Issue) (Lodged With Excise Authorities)	<b>1,000</b>	1,000
9,800 Equity Shares of Rs 10/- each fully paid up in Kaziranga Golf Club Pvt. Ltd.	<b>98,000</b>	—
<b>Investments in Subsidiary Company</b>		
<b>Shares (Quoted at Cost)</b>		
35,54,829 Equity Shares of Rs.10/- each fully paid up in B&A Multiwall Packaging Ltd.	<b>3,76,56,500</b>	3,76,56,500
	<b>3,81,45,480</b>	3,80,47,480
Quoted Investments - Market value of Rs.1,21,73,097/- (Previous Year Rs. 1,21,15,812/-)	<b>3,76,61,480</b>	3,76,61,480
Other Unquoted Investments	<b>4,84,000</b>	3,86,000
	<b>3,81,45,480</b>	3,80,47,480
<b>Schedule — 7</b>		
<b>INVENTORIES</b>		
[For valuation of Inventories refer to Note 23(e) of Schedule 15]		
Stock of Tea	<b>1,83,25,104</b>	80,60,108
Stock of Stores at Garden	<b>2,83,29,830</b>	2,45,61,913
	<b>4,66,54,934</b>	3,26,22,021
<b>Schedule — 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Debts Outstanding for a period exceeding six months	<b>1,04,42,621</b>	1,31,94,157
Other debts	<b>1,15,57,209</b>	25,39,750
	<b>2,19,99,830</b>	1,57,33,907



**SCHEDULES FORMING PART OF THE ACCOUNTS**

	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>Schedule — 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in Hand	9,74,631	6,22,163
Balance with Scheduled Banks		
In Current Accounts	1,07,80,307	31,42,150
In Unpaid Dividend Account	77,946	21,527
In Fixed Deposits (incl. accrued int.)	32,98,620	4,12,838
In Other Term Deposit Account	7,75,696	7,65,000
	<u>1,59,07,200</u>	<u>49,63,678</u>
<b>Schedule — 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	13,68,86,910	13,54,77,319
Subsidies receivable from Government	75,50,342	43,16,373
Balance with Central Excise Authorities	35,55,481	35,55,481
Miscellaneous Deposits	3,87,458	3,16,458
	<u>14,83,80,191</u>	<u>14,36,65,631</u>
<b>Schedule — 11</b>		
<b>CURRENT LIABILITIES</b>		
Creditors for Goods and Expenses	6,21,32,569	7,36,56,542
Advance against Sale of Tea	41,30,776	40,44,251
Other Liabilities	2,25,286	27,68,267
Provision for Gratuity	6,78,61,808	6,37,96,195
	<u>13,43,50,439</u>	<u>14,42,65,255</u>
<b>Schedule — 12</b>		
<b>PROVISIONS</b>		
Provision for Income Tax	1,75,99,000	1,17,99,000
Provision for Fringe Benefit Tax (Net of Advance)	—	46,904
Proposed Dividend	46,50,000	31,00,000
Provision for tax on Proposed Dividend	7,90,500	5,27,000
	<u>2,30,39,500</u>	<u>1,54,72,904</u>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
<b>Schedule — 13</b>				
<b>OTHER INCOME</b>				
Interest Received		1,77,014		68,784
Sundry Receipts		12,36,412		5,92,797
Insurance Claims		15,87,342		4,09,438
Liabilities no longer required written back		1,03,447		74,258
Profit on Sale of Assets		23,314		—
		<u>31,27,529</u>		<u>11,45,277</u>
<b>Schedule — 14</b>				
<b>EXPENSES</b>				
Salaries,Wages, Bonus and Gratuity		18,75,80,445		14,16,04,034
Contribution to Provident & Other Fund		1,45,36,135		1,20,64,344
Labour and Staff Welfare		2,57,30,013		2,32,94,233
Purchase of Green Leaf		14,56,96,425		11,44,45,181
Consumption of Stores and Spares parts		3,78,73,972		2,81,28,250
Repairs to Buildings		45,20,260		30,32,413
Repairs to Machinery		84,69,738		77,22,080
Power and Fuel		4,50,99,931		5,00,32,091
Rent,Hire and Service Charges		12,13,685		11,17,277
Rates,Taxes and Association Subscription		86,40,566		88,36,931
Travelling and Conveyance		1,18,78,607		57,29,415
Professional Charges		24,18,103		28,83,473
Vehicle running and Maintenance		91,33,851		77,26,063
Freight, Brokerage and Selling Expenses		5,39,92,000		3,61,02,840
Excise Duty and Cess		15,46,451		13,79,447
Insurance		11,36,333		11,82,405
Miscellaneous Expenses		1,89,84,363		1,58,78,696
Directors Fees and Expenses		1,25,000		1,05,000
Auditors Remuneration		1,50,000		1,50,000
Interest and Financial Charges	3,94,78,898		4,09,18,829	
Less : Interest Subsidy	<u>65,46,888</u>		<u>43,16,373</u>	
		3,29,32,010		3,66,02,456
Depreciation	1,57,18,004		1,55,73,328	
Less: Transferred from Revaluation Reserve	<u>30,84,839</u>		<u>30,85,052</u>	
		1,26,33,165		1,24,88,276
Loss on Sale of Fixed Assets		—		1,02,571
		<u>62,42,91,053</u>		<u>51,06,07,476</u>

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

1. Manufacturing Income of Rs. 42,80,595/- (Previous year Rs. 55,53,453/-) is on account of Tea manufactured for other concern.
2. Other liabilities in Schedule 11 include Rs. 77,946/- (Previous year Rs. 29,182/-) in respect of unclaimed dividends.

	<u>Current Year</u> Rs.	<u>Previous Year</u> Rs.
3. Sundry Creditors (Schedule-11)		
(a) Small Scale industrial undertakings (To the extent such parties have been identified as such from available information)	<b>13,68,874</b>	1,76,988
(b) Others	<b>6,07,63,695</b>	7,34,79,554

4. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil)
5. Interest paid includes Rs. 1,35,76,056/- on Fixed Period Loans.(Previous Year Rs. 72,64,052/-)
6. No provision pursuant to the Accounting Standard for Investment (AS-13) of Companies (Accounting Standard) Rule, 2006 has made for diminution if any in the value of long term investments as the management feels that there is no permanent diminution in value.

7. Amount paid and /or payable to Auditors:	<u>Current Year</u> Rs.	<u>Previous Year</u> Rs.
Audit fees	<b>1,20,000</b>	1,20,000
Tax Audit fees	<b>30,000</b>	30,000
Certification work fees	<b>55,052</b>	53,000
Other fees	<b>37,550</b>	60,000
	<b><u>2,42,602</u></b>	<b><u>2,63,000</u></b>

8. Contingent Liabilities
  - Guarantee provided to State Bank of India in respect of working capital of Subsidiary Company **10,45,00,000** 10,45,00,000
  - Liability for Sales Tax — 26,01,601
  - Liability for Excise Duty **12,61,660** 12,61,660
9. As per Accounting Standard-15 "Employees' Benefits" have been provided in the Accounts.

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

## 10. Quantitative information in respect of Tea

	<u>Current Year</u>	<u>Previous Year</u>
i) Capacity	<b>Not Applicable</b>	Not Applicable
a) Licensed		
b) Installed (As certified by Management)	<b>80 Lac Kg.</b>	80 Lac Kg.
	<u>Kgs.</u>	<u>Kgs.</u>
ii) Production	<b>49,36,452</b>	49,21,024
iii) Staff & Labour Tea	<b>57,179</b>	49,521
iv) Tea Waste	<b>45,436</b>	46,066
v) Saleable Production	<b>48,33,837</b>	48,25,437
vi) Opening Stock	<b>1,29,806</b>	1,08,780
vii) Sales	<b>48,00,026</b>	48,04,411
viii) Closing Stock	<b>1,63,617</b>	1,29,806
ix) Green Leaf Plucked, Purchased & Consumed	<b>2,23,97,510</b>	2,21,79,235

11. a) **Value of stores and spare parts consumed**

	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Value (Rs.)</u>	<u>(%)</u>	<u>Value (Rs.)</u>	<u>(%)</u>
i) Indigenous	<b>3,78,73,972</b>	<b>100%</b>	2,81,28,250	100%
ii) Imported	<b>Nil</b>	<b>Nil</b>	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)	<b>14,56,96,425</b>	11,44,45,181

## 12. Earning in Foreign exchange

– Value of Export at F.O.B. (Net) Nil Nil

## 13. Expenditure in Foreign Currency

– Foreign Travel 51,96,882 Nil

## 14. Directors Remunerations

	<u>Current Year</u>	<u>Previous Year</u>
	<u>Rs.</u>	<u>Rs.</u>
a) Salary	<b>21,25,092</b>	13,88,100
b) Provident fund	<b>1,46,400</b>	1,47,000
c) Perquisites	<b>7,87,816</b>	9,99,907
	<b>30,59,308</b>	25,35,007

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

15. The Components of the Deferred tax liabilities and Deferred tax assets accounted for during the year are as below :	<b>As on</b>	<b>As on</b>
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Deferred Tax Liabilities</b>		
Being Tax Impact on difference between WDV of Block of assets as per Income Tax Laws and book WDV of Fixed Assets.	<b>(2,58,47,857)</b>	(3,69,60,060)
<b>Deferred Tax Assets</b>		
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.	-	-
Expenses charged in the books but allowance deferred under Income Tax laws	<b>2,14,41,616</b>	2,01,57,046
<b>Net Deferred Tax (Liability) / Assets</b>	<b>(44,06,241)</b>	(1,68,03,014)
16. The Company has only one business segment of manufacture and sale of black tea, hence AS 17 of Companies accounting Rules 2006 do not apply.		
17. Earnings per Share as per AS 20 of Companies (Accounting Standard) Rules 2006 :-		
<b>i) Basic</b>		
a) Numbers of Equity Shares at the beginning of the year	<b>31,00,000</b>	31,00,000
b) Numbers of Equity Shares at the end of the year	<b>31,00,000</b>	31,00,000
c) Weighted average number of Equity Shares outstanding during the year	<b>31,00,000</b>	31,00,000
d) Face Value of each Equity Shares	<b>10</b>	10
e) Profit / (Loss) for the year	<b>7,97,44,090</b>	36,616,240
f) Basic Earnings per share	<b>25.72</b>	11.81
<b>ii) Diluted</b>		
a) Dilutive potential equity shares	<b>31,00,000</b>	31,00,000
b) Diluted earning per share [Same as i(f) above]	<b>25.72</b>	11.81
18. Related party disclosure - pursuant to AS 18 of Companies (Accounting Standards) Rules 2006 :		
a) Where control exists :		
Related Parties		Relationship
Name : B&A Multiwall Packaging Ltd.´		Subsidiary Company

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

b) Others		
Mr. H. P. Barooah		Key Management Personnel
Mr. Somnath Chatterjee		Key Management Personnel
Mrs. Gargi Barooah		Relative of Key Management Personnel

Particulars of transaction during the year ended 31st March 2010

Particulars	Subsidiary Company Rs.	Key Management Personnel Rs.	Relatives of Key Management Personnel Rs.
a) Purchase of Paper Sacks	60,29,806	—	—
b) Interest on Fixed Deposits	—	4,57,456	—
c) Directors Remuneration	—	30,59,308	—
d) Pension	—	—	3,00,000
e) Advance Given	—	—	—
f) Rent Received	90,000	—	—
g) Balance outstanding at the year end	—	—	—
i) Sundry Creditors	15,16,995	—	—
ii) Unsecured Loans	—	27,00,000	—

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

<b>i) Registration Details</b>			
Registration No.	200	State code	02
Balance Sheet Date	31.03.2010		
<b>ii) Capital Raised during the year</b>			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
<b>iii) Position of Mobilisation and Deployment of funds (Amount in Rs.'000)</b>			
<b>Total Liabilities</b>	8,74,515	<b>Total Assets</b>	8,74,515
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid up Capital	31,000	Net Fixed Assets	6,03,969
Reserves and Surplus	3,64,149	Capital Work in Progress	2,747
Secured Loan	3,04,794	Investments	38,145
Unsecured Loan	17,182	Net Current Assets **	75,552
		Deferred Tax Assets	(4,406)
		Miscellaneous Exp.	1,117
		Profit & Loss Account	—
		** Net of Current Liabilities and Provisions	
<b>iv) Performance of the Company (Amount in Rs. '000)</b>			
Turnover	6,87,467	Total Expenditure	6,14,026
Profit before Tax	73,441	Profit after Tax	79,744
Earnings per share in Rs.	25.72	Dividend Rate	15%
<b>v) Generic names of three Principal Products / Services of the Company (As per monetary term)</b>			
Item code No. (ITC Code)	0902400	Product Description	Black Tea

20. Green leaf purchased &amp; consumed during the year : 77,37,327 Kg. (Previous Year 77,11,765 kg.)

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

<b>21. Computation of Profit for declaration of Dividend [Section 205] for the FY 2009-10 :</b>			
		Rs.	Rs.
Net profit before Tax for the FY ended 31st March, 2010			7,34,41,201
Less: Provision for Current Tax			
	Wealth Tax	2,93,884	
	Income Tax	58,00,000	60,93,884
Net profit afterTax			6,73,47,317
Less: Dividend @15%		46,50,000	
DividendTax @17%		7,90,500	54,40,500
Retained profit for the Financial Year 2009-10 before transfer to General Reserve			6,19,06,817
Less: Transfer to General Reserve @5% of Current Profit			33,67,366
Net Surplus before adjustment of previous year's brought forward losses			5,85,39,451
Less: Loss Brought forwarded from previous year		(6,56,64,773)	
Add: Net adjustments for Deferred Tax/ contingent liability for the period 2003-04 to 2008-09		77,47,003	(5,79,17,770)
Current years retained profit after these adjustments			6,21,681

22. Previous Year's figures have been regrouped and rearranged, wherever considered necessary.

**23. 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.

**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 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.

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

29th May 2010

**D. Chowdhury**

*Company Secretary*

**For and on behalf of the Board**

**H.P. Barooah**

*Chairman & Managing Director*

**Somnath Chatterjee**

*Managing Director*



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	For the Year ended 31.03.2010	For the Year ended 31.03.2009
	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	7,34,41,201	5,67,92,939
<b>Adjustments for :</b>		
Depreciation	1,26,33,165	1,24,88,276
Profit / (Loss) on Sale of Fixed Assets	(23,314)	1,02,571
Interest Received	(1,77,014)	(68,784)
Deferred Revenue Expenditure written off	4,78,036	4,23,804
Liabilities no longer required written off	(1,03,447)	(74,258)
Interest Paid / Payable	3,29,32,010	3,66,02,456
Operating Profit before Working Capital Changes	11,91,80,637	10,62,67,004
<b>Adjustments for :</b>		
Trade and other Receivables	(1,09,80,483)	2,63,47,874
Inventories	(1,40,32,913)	(16,52,125)
Trade Payable	(1,34,85,273)	(2,39,27,060)
<b>Cash Generated from Operations</b>	8,06,81,968	10,70,35,693
Interest paid	3,29,32,010	3,66,02,456
Direct Taxes Paid	2,93,884	—
Cash Flow before extraordinary items	4,74,56,074	7,04,33,237
Extraordinary Items	—	(2,63,651)
<b>Net Cash from Operating Activities</b>	4,74,56,074	7,01,69,586
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4,66,46,529)	(1,26,25,840)
Sale of Fixed Assets	1,25,000	3,74,881
Purchase of Investments	(98,000)	—
Interest Received	1,77,014	68,784
<b>Net cash used in Investing Activities</b>	(4,64,42,515)	(1,21,82,175)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowing	(2,00,35,174)	2,91,80,064
Proceeds from Short Term Borrowing	3,09,81,897	(8,67,72,359)
Increase in Deferred Revenue Expenses	(10,16,760)	(1,70,061)
<b>Net Cash used in Financing Activities</b>	99,29,963	(5,77,62,356)
Net Increase in Cash and Cash Equivalents (A+B+C)	1,09,43,522	2,25,055
Cash and Cash Equivalents (Opening)	49,63,678	47,38,623
Cash and Cash Equivalents (Closing)	1,59,07,200	49,63,678

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

29th May 2010

**D. Chowdhury**

Company Secretary

**For and on behalf of the Board**

**H.P. Barooah**

Chairman & Managing Director

**Somnath Chatterjee**

Managing 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, 2010 and its **subsidiary** as at 31st December, 2009 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of the Company for the year ended 31st March, 2010 and its subsidiary for the year ended 31st December, 2009 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, 2009 of Rs. 1,404.74 lakh and total revenues of Rs. 1,875.56 lakh for the year ended on that date and whose financial statements reflect the subsidiary's profit for the year ended on 31st December, 2009 after provision for taxation of Rs. 61.25 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, 2010 ;
  - (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.

Place : Kolkata  
Date : 29th May, 2010

**For P. K. Nandy & Associates**  
*Chartered Accountants*  
**P. K. Nandy**  
*Partner*  
Membership No. 11505

**BALANCE SHEET AS AT 31ST MARCH 2010**

	Schedule No.	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Capital	1	3,10,00,000		3,10,00,000	
Reserves and Surplus	2	37,90,06,362		35,85,95,084	
			41,00,06,362		38,95,95,084
Forfeited Shares			1,97,500		1,97,500
<b>Loan Funds</b>					
Secured Loans	3	35,58,01,254		34,42,58,083	
Unsecured Loans	4	1,71,82,222		3,48,94,025	
			37,29,83,476		37,91,52,108
<b>Minority Interest</b>			1,87,01,457		1,69,65,727
<b>TOTAL</b>			80,18,88,795		78,59,10,419
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	5	95,64,05,315		91,06,56,474	
Less: Depreciation		31,48,67,470		29,61,97,236	
Net Block			64,15,37,845		61,44,59,238
Capital Work in Progress			30,54,410		18,15,994
<b>Investments</b>	6		4,88,980		3,90,980
<b>Current Assets, Loans &amp; Advances</b>					
Inventories	7	10,00,49,250		10,06,60,719	
Sundry Debtors	8	5,66,78,906		5,21,83,749	
Cash & Bank Balances	9	2,52,49,313		1,04,44,886	
Loans & Advances	10	15,99,00,021		15,56,79,992	
		34,18,77,490		31,89,69,346	
<b>Less : Current Liabilities &amp; Provisions</b>					
Liabilities	11	14,94,17,867		16,90,74,524	
Provisions	12	3,00,14,532		1,81,47,936	
		17,94,32,399		18,72,22,460	
Net Current Assets			16,24,45,091		13,17,46,886
Deferred Tax Assets / (Liabilities)			(67,54,701)		(1,70,26,417)
<b>Miscellaneous Expenditure</b>					
Deferred Revenue Expenditure (To the extent not written off or adjusted)			11,17,170		5,78,446
Profit & Loss Account			—		5,39,45,292
<b>TOTAL</b>			80,18,88,795		78,59,10,419
<b>Notes on Accounts</b>	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, 29th May, 2010

D. Chowdhury  
Company Secretary

For and on behalf of the Board  
Somnath Chatterjee  
Managing Director

H.P. Barooah  
Chairman & Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2010**

	Schedule No.	For the year ended 31.03.10		For the year ended 31.03.09	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales – Tea			68,00,59,134		56,28,11,243
Sale Paper Sacks – Gross		19,74,94,386		22,54,80,160	
Less : Excise Duty		<u>1,56,18,031</u>		<u>2,84,35,381</u>	
Sale Paper Sacks – Net			18,18,76,355		19,70,44,779
Tea Manufacturing Income			42,80,595		55,53,453
Other Income	13		<u>38,33,294</u>		<u>22,87,955</u>
			<b>87,00,49,378</b>		<b>76,76,97,430</b>
<b>EXPENDITURE</b>					
Expenses	14	79,29,64,328		69,94,69,832	
(Accretion)/Decretion to Stock		<u>(77,53,302)</u>		<u>11,62,103</u>	
			<b>78,52,11,026</b>		<b>70,06,31,935</b>
Profit/(Loss) before Taxation			8,48,38,352		6,70,65,495
Provision for Current Taxation			(1,01,00,000)		(1,22,67,959)
Provision for Deferred Taxation			1,02,71,716		(1,16,33,198)
Wealth Tax Payment			(2,93,884)		–
Frindge Benefit Tax			<u>(58,741)</u>		<u>(4,47,194)</u>
Profit/(Loss) after Taxation			8,46,57,443		4,27,17,144
Add/(Less) : Minority Interest			(17,35,730)		(17,39,032)
Less : Stock Reserve			<u>(39,804)</u>		<u>1,39,470</u>
Balance available for Appropriation			<b>8,28,81,909</b>		<b>4,11,17,582</b>
<b>APPROPRIATIONS</b>					
Proposed Dividend			(46,50,000)		(31,00,000)
Provision for Tax on Proposed Dividend			(7,90,500)		(5,27,000)
Transfer to General Reserve			<u>(33,70,000)</u>		<u>–</u>
			<b>(88,10,500)</b>		<b>(36,27,000)</b>
Balance brought forward from previous year			<u>(5,39,45,292)</u>		<u>(9,14,35,874)</u>
Balance carried forward to Balance Sheet			<b>2,01,26,117</b>		<b>(5,39,45,292)</b>
<b>Notes on Accounts</b>					
	15				
Earnings Per Share (Basic & Diluted)			26.74		13.26

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, 29th May 2010

D. Chowdhury  
Company Secretary

For and on behalf of the Board  
Somnath Chatterjee  
Managing Director

H.P. Barooah  
Chairman & Managing Director

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

	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>CAPITAL</b>		
<b>Authorised</b>		
50,00,000 Equity Shares of Rs. 10/- each	<b>5,00,00,000</b>	5,00,00,000
5,00,000 Redeemable Cumulative Preference Share of 100/- each	<b>5,00,00,000</b>	—
	<b><u>10,00,00,000</u></b>	<u>5,00,00,000</u>
<b>Issued and Subscribed</b>		
31,00,000 Equity Shares of Rs. 10/- each fully paid up	<b><u>3,10,00,000</u></b>	<u>3,10,00,000</u>

**Schedule — 2**

<b>RESERVES AND SURPLUS</b>	Balance as at 31.03.2009	Additions	Deductions	<b>Balance as at 31.03.2010</b>
	Rs.	Rs.	Rs.	Rs.
Capital Reserve	1,24,27,906	—	—	<b>1,24,27,906</b>
Share Premium	10,01,49,818	—	—	<b>10,01,49,818</b>
Revaluation Reserve	24,60,17,360	—	30,84,839	<b>24,29,32,521</b>
General Reserve	—	33,70,000	—	<b>33,70,000</b>
Profit & Loss Account	—	2,01,26,117	—	<b>2,01,26,117</b>
	<u>35,85,95,084</u>	<u>2,34,96,117</u>	<u>30,84,839</u>	<b><u>37,90,06,362</u></b>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

<b>Schedule — 3</b>	<b>As at</b>	<b>As at</b>
<b>LOAN FUNDS</b>	<b>31.03.10</b>	<b>31.03.09</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>SECURED LOANS</b>		
<b>Cash Credit Accounts</b>		
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)	<b>14,63,76,186</b>	11,53,94,289
State Bank of India : (Secured by hypothecation of Company's entire stocks and book debts)	<b>4,51,48,102</b>	5,81,13,690
<b>Term Loans</b>		
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)	<b>11,16,39,414</b>	11,19,06,508
State Bank of India : (Secured by hypothecation of Plant and Machinery and fixed assets created out of Fresh Term Loan)	<b>54,98,742</b>	95,68,516
Tea Board (Secured / to be secured by assets purchased under the Tea Board Hire Purchase Scheme)	<b>2,60,81,775</b>	3,30,36,915
Auto Loans (Secured by hypothecation of vehicles purchased)	<b>7,69,364</b>	11,43,669
Loan from Companies (Secured by mortgage of certain immovable properties situated at Guwahati and Kolkata)	<b>2,02,87,671</b>	1,50,94,496
	<b><u>35,58,01,254</u></b>	<b><u>34,42,58,083</u></b>
<b>Schedule — 4</b>		
<b>UNSECURED LOANS</b>		
From Companies	—	2,71,22,830
From Others	<b>27,00,000</b>	—
Fixed Deposits	<b>75,98,775</b>	44,49,901
For Vehicles	<b>68,83,447</b>	33,21,294
	<b><u>1,71,82,222</u></b>	<b><u>3,48,94,025</u></b>



**SCHEDULE FORMING PART OF THE ACCOUNTS**

**Schedule — 5**

**FIXED ASSETS**

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Original/ Revalued Cost as at 01.04.2009 Rs.	Additions during the year Rs.	Sale/ Adjustments during the year Rs.	Total as at 31.03.2010 Rs.	Up to 01.04.2009 Rs.	For the year Rs.	Disposal/ Adjustments during the year Rs.	Total as at 31.03.2010 Rs.	As at 31.03.2009 Rs.
GOODWILL	66,37,551	—	—	66,37,551	—	—	—	66,37,551	66,37,551
LEASEHOLD LAND	7,85,701	—	—	7,85,701	—	—	—	7,85,701	7,85,701
LAND & PLANTATIONS	29,36,72,240	84,07,748	—	30,20,79,988	—	—	—	30,20,79,988	29,36,72,240
BUILDINGS	25,28,98,630	1,49,19,299	—	26,78,17,929	6,61,60,113	52,86,017	—	7,14,46,130	18,67,38,517
PLANT & MACHINERY	26,25,19,833	1,01,06,615	16,813	27,26,09,635	17,46,31,129	95,57,529	15,447	18,41,73,211	8,78,88,704
ELECTRICAL INSTALLATION	3,20,36,350	20,85,646	—	3,41,21,996	1,59,04,869	15,13,630	—	1,74,18,499	1,61,31,481
VEHICLES	3,78,20,588	71,63,720	12,22,785	4,37,61,523	2,60,76,371	21,23,375	10,95,515	2,71,04,231	1,17,44,217
OFFICE EQUIPMENT	37,94,272	2,95,170	—	40,89,442	23,95,040	1,73,518	—	25,68,558	13,99,232
COMPUTER	31,34,978	14,80,438	—	46,15,416	21,72,194	2,60,982	—	24,33,176	9,62,784
FURNITURE & FITTINGS	1,73,56,381	25,29,803	—	1,98,86,134	88,57,520	8,66,145	—	97,23,665	84,98,811
<b>TOTAL</b>	<b>91,06,56,474</b>	<b>4,69,88,439</b>	<b>12,39,598</b>	<b>95,64,05,315</b>	<b>29,61,97,236</b>	<b>1,97,81,196</b>	<b>11,10,962</b>	<b>31,48,67,470</b>	<b>64,15,37,845</b>
Previous Year	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

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

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

	<b>As at 31.03.10 Rs.</b>	<b>As at 31.03.09 Rs.</b>
<b>INVESTMENTS (Long Term)</b>		
<b>Other Investments</b>		
<b>Shares (Quoted at cost)</b>		
91 Equity Shares of Rs.10/- each fully paid up in ICICI Bank Ltd.	<b>4,980</b>	4,980
<b>Shares (Unquoted at cost)</b>		
250 Shares of Rs.100/- each fully paid up in Assam Financial Corporation	<b>25,000</b>	25,000
18,000 Equity Shares of Rs.10/- each fully paid up in Heritage North East P Ltd.	<b>3,60,000</b>	3,60,000
9800 Equity Shares of Rs 10/- each fully paid up in Kaziranga Golf Club Pvt. Ltd.	<b>98,000</b>	—
National Savings Certificate (VI Issue) (Lodged with Excise Authorities)	<b>1,000</b>	1,000
	<b>4,88,980</b>	3,90,980
Quoted Investments - Market value of Rs. 86,638/- (Previous year Rs.29,393/-)	<b>4,980</b>	4,980
Other Unquoted Investments	<b>4,84,000</b>	3,86,000
	<b>4,88,980</b>	3,90,980

**Schedule — 7****INVENTORIES****[For valuation of Inventories refer to****Note 15(e) on Schedule 15]**

Stock of Tea	<b>1,83,25,104</b>	80,60,108
Stock of Stores	<b>3,02,80,496</b>	2,64,71,109
Raw Materials (Paper)	<b>4,06,62,909</b>	5,28,37,067
Finished Goods (Paper Sacks)	<b>82,88,960</b>	99,03,520
Work In Progress	<b>24,91,781</b>	33,88,915
	<b>10,00,49,250</b>	10,06,60,719



**SCHEDULES FORMING PART OF THE ACCOUNTS**

	<b>As at 31.03.10 Rs.</b>	<b>As at 31.03.09 Rs.</b>
<b>Schedule — 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Debts Outstanding for a period exceeding six months	<b>1,73,29,677</b>	2,31,06,008
Other debts	<b>3,93,49,229</b>	2,90,77,741
	<b><u>5,66,78,906</u></b>	<b><u>5,21,83,749</u></b>
<b>Schedule — 9</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	<b>10,36,046</b>	6,58,921
Balance with Scheduled Banks		
In Current Accounts	<b>1,31,52,867</b>	40,60,876
In Unpaid Dividend Account	<b>99,473</b>	21,527
In Fixed Deposits (incl. acc. int.)	<b>32,98,620</b>	4,12,838
In Other Term Deposit Accounts	<b>7,75,696</b>	7,65,000
LC & BG Margin Money with SBI	<b>68,86,611</b>	45,25,724
	<b><u>2,52,49,313</u></b>	<b><u>1,04,44,886</u></b>
<b>Schedule — 10</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	<b>14,49,28,057</b>	14,46,81,370
Subsidies receivable from Government	<b>75,50,342</b>	43,16,373
Balance with Central Excise Authorities	<b>35,55,481</b>	35,55,481
Miscellaneous Deposits	<b>38,66,141</b>	31,26,768
	<b><u>15,99,00,021</u></b>	<b><u>15,56,79,992</u></b>
<b>Schedule — 11</b>		
<b>LIABILITIES</b>		
Creditors for Goods and Expenses	<b>6,84,10,420</b>	8,54,41,934
Advance against Sale of Tea	<b>41,30,776</b>	40,44,251
Other Liabilities	<b>66,82,704</b>	1,37,33,003
Provision for Gratuity	<b>6,93,70,833</b>	6,50,32,202
Deferred Sales Tax	<b>8,23,134</b>	8,23,134
	<b><u>14,94,17,867</u></b>	<b><u>16,90,74,524</u></b>
<b>Schedule — 12</b>		
<b>PROVISIONS</b>		
Provision for Income Tax	<b>2,45,74,032</b>	1,44,74,032
Provision for Fringe Benefit Tax (Net of Advance)	—	46,904
Proposed Dividend	<b>46,50,000</b>	31,00,000
Provision for tax on Proposed Dividend	<b>7,90,500</b>	5,27,000
	<b><u>3,00,14,532</u></b>	<b><u>1,81,47,936</u></b>



## SCHEDULES FORMING PART OF THE ACCOUNTS

Schedule — 13	For the Year ended 31.03.2010		For the Year ended 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
<b>OTHER INCOME</b>				
Interest Received		4,79,364		3,46,500
Sundry Receipts		12,82,134		11,39,390
Insurance Claims		15,87,342		4,09,438
Liabilities written back		1,03,447		74,258
Profit on Sale of Assets		23,314		—
Scrap Sale		3,57,693		3,18,369
		<u>38,33,294</u>		<u>22,87,955</u>
<b>Schedule — 14</b>				
<b>EXPENSES</b>				
Salaries,Wages, Bonus and Gratuity		19,96,81,420		15,16,03,081
Contribution to P. F. & Other Fund		1,50,53,418		1,25,32,110
Labour and Staff Welfare		2,67,80,643		2,42,10,958
Purchase of Green Leaf		14,56,96,425		11,44,45,181
Raw Materials Consumed - Paper		15,81,48,133		14,81,56,029
Consumption of Stores and Spares		21,72,480		2,25,50,373
Repairs to Buildings		47,06,341		31,06,717
Repairs to Machinery		90,18,546		80,87,780
Power and Fuel		4,66,81,238		5,16,25,747
Rent,Hire and Services Charges		12,13,685		11,17,277
Rates,Taxes and Association Subscription		88,79,423		90,54,353
Travelling and Conveyance		1,44,93,415		72,01,507
Professional Charges		24,18,103		28,83,473
Vehicle Maintenance		91,33,851		77,26,063
Selling Expenses		5,41,39,632		3,63,56,900
Excise Duty and Cess		15,46,451		13,79,447
Insurance		15,05,067		15,82,105
Bad Debts written off		3,01,083		—
Miscellaneous Expenses		2,22,65,830		2,01,47,814
Directors Fees and Expenses		1,74,000		1,63,000
Auditors Remuneration		2,17,929		2,05,991
Interest and Financial Charges	4,94,91,573		5,26,08,229	
Less : Interest Subsidy	<u>43,16,373</u>	4,51,75,200	<u>43,16,373</u>	4,82,91,856
Depreciation	1,97,81,198		2,12,67,100	
Less : Transfer from Revaluation Reserve	<u>30,84,839</u>	1,66,96,359	<u>30,85,052</u>	1,81,82,048
Carriage Inward and Outward		20,68,074		18,64,132
Sales Tax		47,58,668		68,45,741
Loss on Sale of Fixed Assets		—		1,02,571
Clearing and Forwarding Charges		23,293		47,578
Discount Allowed		15,621		—
		<u>79,29,64,328</u>		<u>69,94,69,832</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, 2010 and 31st December, 2009 respectively.

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.

%age 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 year Rs.- Nil).

4. In consonance with the Accounting Standard for Investments (AS-13) of Companies Standard Rule, 2006 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 year</u>
	Rs.	Rs.
5. Contingent Liabilities		
- For Bank Guarantee	<b>3,73,360</b>	3,73,360
- For Sales Tax	<b>99,93,668</b>	96,10,529
- Liability for Excise Duty	<b>12,61,660</b>	12,61,660
- Guarantee provided to State Bank of India in respect of working capital of subsidiary Company	<b>10,45,00,000</b>	10,45,00,000
6. Value of Stores & Spare parts consumed		
- Indeginous	<b>9,32,90,798</b>	9,25,45,901
- Imported	<b>6,96,27,342</b>	8,37,38,378

**SCHEDULES FORMING PART OF THE ACCOUNTS**

Schedule — 15 (Contd...)	Current year	Previous year
	Rs.	Rs.
7. Earning in Foreign exchange Value of Export at F.O.B. (Net)	48,64,674	32,76,976
8. Expenditure in Foreign Currency		
- Foreign Travel	59,05,890	—
- Import of Raw Materials (CIF basis)	5,46,71,935	11,39,86,933
9. Directors Remunerations (Key Managerial Personnel)		
a) Salary	40,12,592	32,15,600
b) Provident Fund	2,19,000	2,26,200
c) Perquisites	10,70,328	12,69,504
	<u>53,01,920</u>	<u>47,11,304</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 31.12.2008 Rs. 8,23,134).		
11. The Components of the Deferred tax liabilities and Deferred tax assets accounted for during the year are as below :-		
	As on	As on
<b>Deferred Tax Liabilities</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
Being Tax Impact on difference between WDV of Block of Assets as per Income Tax Laws and book WDV of Fixed Assets.	Rs.	Rs.
	(2,93,14,140)	(4,04,18,117)
<b>Deferred Tax Assets</b>		
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
Expenses charged in the books but allowance deferred under Income Tax Laws.	2,25,59,439	2,10,88,884
<b>Net Deferred Tax (Liability) / Assets</b>	<b>(67,54,701)</b>	<b>(1,70,26,417)</b>
12. Earnings Per Share as per AS 20 issued by the Companies Accounting Standard Rule, 2006		
Profit after Taxation (Rs.)	8,28,81,909	
No. of Equity Shares	31,00,000	
Earnings per Share (Rs.) (Basic & Diluted)	26.74	

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

	<b>As on 31.03.2010</b>	<b>As on 31.03.2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>13. Minority Interest</b>		
Interest in Share Capital	<b>1,40,56,710</b>	1,40,56,710
Add : Interest in Reserve & Surplus	<b>55,21,435</b>	55,21,435
Interest in P L Dr. Balance	<b>(37,11,139)</b>	(54,50,171)
Interest in Revenue Reserve	<b>10,98,721</b>	10,98,721
Share of Profit / (Loss)	<b>17,35,730</b>	17,39,032
	<b><u>1,87,01,457</u></b>	<b><u>1,69,65,727</u></b>
14. Previous Year's figures have been regrouped and rearranged, wherever considered necessary.		
<b>15. ACCOUNTING POLICIES</b>		
<b>a) Fixed Assets</b>		
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.		
<b>b) Capital-Work-in-Progress</b>		
These are stated at cost which includes payments for availing facilities in connection with the work-in-progress.		
<b>c) Depreciation</b>		
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		

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

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.

**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

29th May 2010

**D. Chowdhury**

*Company Secretary*

**For and on behalf of the Board**

**H.P. Barooah**

*Chairman & Managing Director*

**Somnath Chatterjee**

*Managing Director*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<u>For the Year ended 31.03.2010</u>	<u>For the Year ended 31.03.2009</u>
	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	<b>8,48,38,352</b>	6,70,65,495
<b>Adjustments for :</b>		
Depreciation	<b>1,66,96,359</b>	1,81,82,048
Loss/(Profit) on Sale of Fixed Assets	<b>(23,314)</b>	1,02,571
Interest Received	<b>(4,79,364)</b>	(3,46,500)
Deferred Revenue Expenditure written off	<b>4,78,036</b>	4,23,804
Liabilities no longer required written back	<b>(1,03,447)</b>	(74,258)
Interest Paid / Payable	<b>4,51,75,200</b>	4,82,91,856
Operating Profit before Working Capital Changes	<b>14,65,81,822</b>	13,36,45,016
<b>Adjustments for :</b>		
Trade and other Receivables	<b>(87,15,186)</b>	2,44,93,905
Inventories	<b>5,71,665</b>	(1,72,03,239)
Trade Payable	<b>(2,32,27,114)</b>	(2,01,39,013)
<b>Cash Generated from Operations</b>	<b>11,52,11,187</b>	12,07,96,669
Interest Paid	<b>4,51,75,200</b>	4,82,91,856
Direct Taxes Paid	<b>2,93,884</b>	—
Extraordinary Items	<b>(58,741)</b>	(4,98,923)
<b>Net Cash from Operating Business</b>	<b>6,96,83,362</b>	7,20,05,890
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(4,82,26,855)</b>	(2,03,80,617)
Sale of Fixed Assets	<b>1,51,950</b>	3,74,883
Sale / (Purchase) of Investment	<b>(98,000)</b>	—
Interest Received	<b>4,79,364</b>	3,46,500
<b>Net cash used in Investing Activities</b>	<b>(4,76,93,541)</b>	(1,96,59,234)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowing	<b>(2,41,84,943)</b>	2,82,20,981
Proceeds from Short Term Borrowing	<b>1,80,16,309</b>	(7,93,04,067)
Increase in Deferred Revenue Expenses	<b>(10,16,760)</b>	(1,70,061)
<b>Net Cash used in Financing Activities</b>	<b>(71,85,394)</b>	(5,12,53,147)
Net Increase in Cash and Cash Equivalents (A+B+C)	<b>1,48,04,427</b>	10,93,509
Cash and Cash Equivalents (Opening)	<b>1,04,44,886</b>	93,51,407
Cash and Cash Equivalents (Closing)	<b>2,52,49,313</b>	1,04,44,916

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

29th May 2010

**D. Chowdhury**  
Company Secretary

**For and on behalf of the Board**

**H.P. Barooah**

Chairman & Managing Director

**Somnath Chatterjee**  
Managing 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, 2009 Rs. 43,89,521
- ii) Profit/(Loss) for its previous financial period since it become a Subsidiary Rs. 1,39,09,461
- Rs. 1,82,98,982
4. **Net aggregate amount of Subsidiary's Profit/(Loss) not dealt in the Holding Company's Accounts :**
- i) For the Subsidiary's financial year ended 31st December, 2009 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, 2010

Financial year ending date of the Subsidiary Company 31st December, 2009

Particulars	(a) As at 31st December 2009 (Rs.)	(b) As at 31st March 2010 (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	3,09,31,047 (Net)	3,11,03,579 (Net)	N.A.	Nil
Investment made by the Subsidiary	Nil	Nil	N.A.	N.A.
Loans and Advances given by the Subsidiary	1,12,01,807	1,28,49,102	N.A.	Nil
Loans taken by the Subsidiary	5,10,07,321	6,00,73,669	N.A.	Nil

For and on behalf of the Board

Kolkata  
29th May 2010D. Chowdhury  
Company SecretarySomnath Chatterjee  
Managing DirectorH.P. Barooah  
Chairman & Managing Director



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the audited accounts for the year ended 31st December, 2009.

<b>OPERATING RESULTS</b>	(Rs. In Lakh)	
<b>Particulars</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
<b>Net Sales and Other Income</b>	<b>1,875.56</b>	2,055.76
Less: Total Expenditure	<u>1,586.41</u>	<u>1,778.84</u>
<b>Profit before Interest, Depreciation and Tax</b>	<b>289.15</b>	276.92
Less: Interest	<u>122.43</u>	<u>116.89</u>
<b>Profit before Depreciation and Taxation</b>	<b>166.72</b>	160.03
Less: Depreciation	<u>40.63</u>	<u>56.94</u>
<b>Profit before Tax</b>	<b>126.09</b>	103.09
Less: Current Taxation including FBT	<b>43.59</b>	13.52
Deferred Taxation	<u>21.25</u>	<u>28.20</u>
<b>Profit after Tax (PAT)</b>	<b>61.25</b>	61.37
Less: Income Tax for earlier years	NIL	NIL
Prior period adjustment	<u>NIL</u>	<u>NIL</u>
<b>Profit available for appropriation</b>	<b>61.25</b>	61.37
Add: Balance of loss brought forward	<u>(130.96)</u>	<u>(192.33)</u>
<b>Balance of loss carried to Balance Sheet</b>	<u><b>(69.71)</b></u>	<u>(130.96)</u>

## YEAR IN RETROSPECT

The net sales and other income for the year under review were Rs 1,875.56 lakh as against Rs.2,055.76 lakh for the previous financial year booking a decline of approximately 8.77%. The profit after tax for the year under review was Rs. 61.25 lakh in comparison to Rs.61.37 lakh in previous fiscal, which also registered a marginal decline of 0.19% in profitability.

## DIRECTORS

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

#### **AUDITORS**

M/s. APS Associates, Chartered Accountants, the Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Audit committee at its meeting dated 28th January, 2010 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**

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

#### **NEW PROJECT**

After successful completion of the Extrusion Lamination project, the Company has taken in hand a major diversification project in the area of Flexible Packaging Material. These find their usage in

- Food items like biscuits, tea, edible oils, cereals, etc.
- Spices
- Personal care products like hair oil, shampoo, soap, etc.
- Detergents

A study of the market shows that the domestic consumption in this field is growing at more than 15% annually and demand far outstrips supply in the eastern region. Feasibility report has been prepared and submitted to the Bank for their approval.

#### **QUALITY SYSTEMS CERTIFICATION**

Your Company is already certified to ISO 9001:2000 -Quality System. Additionally the Company has also achieved certification to ISO 22000:2005, standard for Food Safety Management. This will not only ensure that tea producers are offered packaging material conforming to food safety system, but also this should stand the Company in good stead for the new project of flexible packaging materials involving food product packaging.

**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, 2009, 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, 2009 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 safeguarding the assets of the Company and detecting frauds and other irregularities.
- iv) The Annual Accounts for the year ended 31st December, 2009 have been prepared on a going concern basis.

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

Electricity is the only form of energy being used in the existing production process which is also very minimal. As the whole production process is not power based, the details required under companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not given. However, continues efforts are being put to conserve energy at its maximum possible level.

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

	(Rs. In Lakh)	
	<u>31.12.2009</u>	<u>31.12.2008</u>
Earnings in Foreign Currency	48.64	32.77
Expenditure in Foreign Currency	<b>553.81</b>	1,139.87

**SAFETY, HEALTH AND ENVIRONMENT PROTECTION**

Paper sacks and its manufacturing process are both eco-friendly and do not generate pollution. Moreover, after getting ISO 22,000:2005 food grade certification, your company is endeavouring to achieve highest degree of safety, health and environment protection.

**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 would like to express their appreciation for assistance and co-operation received from Bank, Government Authorities, customers and vendors during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staffs and workers 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, 2010

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. Industry Structure and Development

Tea industry did exceptionally well during 2009 supported by robust domestic demand and consequential hefty price hike. Though volume dipped during the earlier part of the year, it was made up by the year end. However this had a telling effect on the requirement of paper sacks, since high quality tea grown during the early part of the year, which is packed mainly in paper sacks, suffered due to insufficient rainfall. While jute sack usage is on the wane, more and more PP laminated sacks are being used by the growers at the cost of keeping quality.

Indian Carbon Black industry came out of the clutches of the recession and recovered from second quarter onwards.

### 2. Opportunity and Threats

- Insecticide exports are firming up with the possibility of a growth of paper sack usage in this sector.
- Possibilities of increase of business volume in tea sack market by establishing direct distribution channel in Darjeeling/Dooars and Cochin region.
- Owing to closure of a few giant pulp and paper mills supply of pulp could not cope up with the demand and as a result international kraft paper prices has registered an unprecedented hike.
- Sri Lankan paper sack import in the country continues to enjoy an advantage of 10% customs duty exemption due to Indo Sri Lankan Trade Agreement.

### 3. Outlook

The Company plans to resume its growth in 2010 based on the fact that Indian economy has mostly shaken off the bear-hug of recession. The Company is also planning to take up a diversification programme by investing in plant and machineries for flexible packaging which finds its uses in retail packaging of food items, personal care products, etc. Not only this sector is growing at a rate of more than 10% per year, but also demand far outstrips supply in eastern India.

### 4. Internal Control System and Their Adequacy

The Company has a strong internal audit and control system. The internal auditor 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 Auditor 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

In spite of registering net sales of Rs. 18.67 Cr. in 2009 as against Rs. 20.44 Cr. during 2008, the Company could achieve higher profit after tax i.e. Rs. 1.26 Cr in 2009 as against Rs. 1.03 Cr. in 2008

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Corporate Governance

Clause 49 of the Listing Agreement provides only guidelines to be followed for maintaining good governance in corporate framework. The Company's philosophy is to go beyond this minimum requirement and to materialize the spirit it entails. This will pave the way for implementation of superior governance practices which are vital for growing a successful business. The Company recognizes that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance which in turn enhance the stakeholders' value.

### Board of Directors

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

During the year under review, the Board met 6 (six) times on following dates: 28.01.2009, 30.04.2009, 31.07.2009, 09.09.2009, 30.10.2009 and 30.11.2009.

The details of composition of Board of Directors and other relevant information 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	4	Yes	1	-	-
Mr. Ranadurjoy Roy Choudhury	Managing Director	6	Yes	1	-	-
Mr. Panchkari Banerjee	Non-Executive & Independent	4	No	2	-	-
Mr. Basant Kumar Goswami	Non-Executive & Independent	1	No	15	7	3
Mr. Tarun Chandra Dutt	Non-Executive & Independent	5	Yes	3	-	-
Mr. Vijay Raghuram Shetty	Non-Executive & Non-Independent	-	No	1	-	-

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

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

#### Audit Committee

During the year under review, the Audit Committee of the Board has been reconstituted by inducting Mr. Basant Kumar Goswami as one of the members of the Committee. The composition and terms of reference of Audit Committee is in compliance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange. During the year under review, four meetings of the Committee were held on 28.01.2009, 30.04.2009, 31.07.2009 and 30.10.2009.

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	3
Mr. Hemendra Prasad Barooah	Member	2
Mr. Basant Kumar Goswami	Member	1

The brief terms of reference of Audit Committee includes:

- Reviewing internal control and internal audit function and their adequacy with the management/ internal auditors.
- Reviewing the quarterly, half yearly and annual accounts of the Company before submission to the Board for approval.

- c) 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.
- d) Investigate any matter referred to it by the Board or within its terms of reference.
- e) Recommending the appointment, replacement, removal of statutory auditors and fixation of their audit fees and fees for other services.
- f) In general, all the items mentioned in Clause 49(II)(d) of the Listing Agreement.

#### Remuneration Committee

Remuneration Committee comprises three Directors of which two are non-executive and independent. The Committee is responsible for recommending the appointment of Executive and Non-executive Directors and fixing 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.)	7,30,000/-	11,57,500/-
Perquisites (Annual) (Rs.)	NIL	2,82,512/-
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	18,000/-
Mr. Basant Kumar Goswami	-
Mr. Braja Mohan Sahoo	NIL
Mr. Vijay Raghuram Shetty	NIL
Mrs. Gargi Barooah	3000/-

#### Investors' Grievance Committee

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

The composition of the Committee is as under:

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

#### Share Transfer Committee

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

The Committee met 6 (six) times during the year under review on 15.11.2009, 27.02.2009, 31.03.2009, 30.04.2009, 31.07.2009, and 31.08.2009. 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	6
Mr. Tarun Chandra Dutt	Member	6
Mr. Hemendra Prasad Barooah	Member	6

### 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 2008	AGM	26.05.2009	Regd. Office: 1185/1186, Tankapani Road, Bhubneswar – 751 018	NIL
31st December 2007	AGM	27.06.2008*	- Do -	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 Barooah as 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.

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

### Code of Conduct

The Code of Conduct and ethics for Directors and management personnel (“the Code”), as laid down by the Board is a comprehensive code applicable to all Directors and management personnel. A copy of the Code has been put on the Company’s website [www.bampl.com](http://www.bampl.com). The members of the Board and senior management of the Company have submitted their affirmation on compliance

with the Code of Conduct for the effective period. A declaration signed by the Managing Director of the Company to that effect forms part of this Report.

**Disclosure**

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

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

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

**Means of Communication**

As usual practice, the quarterly, half yearly and annual financial results, audited/ unaudited, were submitted to the stock exchange soon after the Board meeting approved these and the same were also 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 24th Annual General Meeting	: Monday, the 14th day of June, 2010. : 12-00 noon.
Venue	: Registered Office of the Company 1185/1186, Tankapani Road, Bhubneswar – 751 018.
Financial calendar (tentative) for the year 2010	: January to December.  : The probable dates for the publication of the quarterly financial results for the financial year 2010 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, 2011.

Date of Book Closure	:	Thursday, 10th June, 2010 to Monday, 14th June, 2010 (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, 2009**

Range of shares held	Shares		Shareholders	
	Nos.	% total	Nos.	% total
1 to 500	457371	9.2203	2678	95.5746
501 to 1000	62100	1.2519	77	2.7480
1001 to 2000	43900	0.8850	28	0.9993
2001 to 3000	12800	0.2580	5	0.1784
3001 to 4000	15100	0.3044	4	0.1428
4001 to 5000	5100	0.1028	1	0.0357
5001 to 10000	15400	0.3105	2	0.0714
10001 to 50000	32400	0.6532	2	0.0714
50001 to 100000	100000	2.0159	1	0.0357
100000 and above	4216329	84.9981	4	0.1428
<b>TOTAL</b>	<b>49,60,500</b>	<b>100.00</b>	<b>2,802</b>	<b>100.00</b>

## Shareholding Pattern as on 31st December, 2009

Sl.	Category of Shareholders	No. of Shareholders	No. of Shares	% to total paid up capital
<b>A.</b>	<b>Promoters' holding</b>			
1.	Indian Promoters	6	35,86,529	72.30
	Foreign Promoters	1	1,00,000	2.02
2.	Persons acting in concert	-	-	-
	<b>Sub-total</b>	7	36,86,529	74.32
<b>B.</b>	<b>Non-promoters holding</b>			
3.	Institutional Investors Mutual Funds Banks, Financial Institutions Insurance Companies (Central/ State Govt. Institution/Non-Govt. Institutions) and FII's.	3	6,61,500	13.34
	<b>Sub-total</b>	3	6,61,500	13.34
4.	<b>Others</b>			
	Private Corporate Bodies	6	3,800	0.07
	Indian Public	2786	6,08,671	12.27
	NRIs/OCBs	-	-	-
	Any other	-	-	-
	<b>Sub-total</b>	2,792	6,12,471	12.34
	<b>Grand total</b>	<b>2,802</b>	<b>49,60,500</b>	<b>100.00</b>

## Location of Manufacturing Division

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

## Non-mandatory Requirements

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

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

- **Remuneration Committee**

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

- **Audit Qualification**

No Audit Qualification is given by the Statutory Auditors in their Audit Report.

- **Whistle Blower Policy**

The Company 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, 2010

## **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, 2009 and that to the best of my knowledge and belief:-
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control system of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take rectify these deficiencies.
- d) I have indicated to the auditors and Audit Committee regarding
  - i) non-occurrence of any significant changes in internal control during the year;
  - ii) non-occurrence of any significant changes in accounting policies during the year; and
  - iii) non-existence of any significant fraud of which I have become aware and the involvement there, if any, of the management or an employee having a significant role in the Company's internal control system.

Date : 28th January, 2010  
Place: Kolkata

**Ranadurjoy Roy Choudhury**  
*Managing Director*

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of B & A Multiwall Packaging Limited:

We have examined the compliance of the conditions of Corporate Governance by B & A Multiwall Packaging Limited for the year ended 31st December, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

Place : Kolkata

Date : 28th January, 2010



To

The Shareholders

**Affirmation of Compliance with Code of Conduct**

I, Ranadurjoy Roy Choudhury, Managing Director, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

**Ranadurjoy Roy Choudhury**  
*Managing Director*

Date : 28th January, 2010

Place : Kolkata

**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 the Director	Mr. Panchkari Banerjee	Mr. Vijay Raghuram Shetty
Date of Birth	1st December, 1928	8th July, 1965
Nationality	Indian	United States of America
Date of appointment on the Board	29th June, 1998	25th February, 2008
Qualification	I.A.	Master of Business Administration from Temple University, USA, School of Business & Management in the year 1991. He did his Bachelor of Engineering in Production Victoria Jubilee Technical Institute of Bombay University in the year 1988.
Shareholding in the Company	NIL	NII
List of Directorship held in other Companies	Eastern Industrial Enterprises Ltd, Purbachal Brewerin Ltd.	B&A Ltd.
Other details	Presently he is holding the Directorship in Eastern Industrial Enterprises Limited, Heritage North East Private Limited and Purbachal Beveries Ltd.	During his career he served in various field of engineering in Larsen & Toubro Ltd., SIEMENS (India), Crompton Greaves Ltd., Hindustan Leaver Ltd. He also served as Investment Advisor in Ridge Capital Ltd.

## 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, 2009, 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st December, 2009 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, 2009 ;
- 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

Place : Kolkata

Dated : 28th January, 2010

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## **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.
- 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	64,515	1995 -1996	Asst. Commissioner of Sales Tax, Balasore
Central Sales Tax Act.	Sales Tax	27,54,267	1998 -1999	Commissioner of Sales Tax, Cuttack
Central Sales Tax Act.	Sales Tax	7,83,904	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	Commissioner of Sales Tax, Cuttack
Central Sales Tax Act.	Sales Tax	28,46,586	2006-2007 & 2007-2008	Commissioner of Sales Tax, Cuttack

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

- 10) The Company's accumulated losses as on 31st December, 2009 are not more than 50% of its net worth and the Company has not incurred cash loss during the year ended 31st December, 2009 or in the immediately preceding financial year ended 31st December 2008.
- 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 not obtained any term loan during the year.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no fund raised on short term basis were used for long term investment.
- 18) The Company has not made any preferential allotment of shares during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) In our opinion and according to the information and explanations given to us no fraud on or by the Company was reported during the year.

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

Place : Kolkata  
Dated : 28th January, 2010

## BALANCE SHEET AS AT 31ST DECEMBER, 2009

	Schedule	As at 31st December, 2009		As at 31st December, 2008	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
Shareholders' Fund					
Capital	1	4,98,02,500		4,98,02,500	
Reserves and Surplus	2	<u>2,33,61,998</u>		<u>2,33,61,998</u>	
			7,31,64,498		7,31,64,498
Loan Funds					
Secured Loan	3		5,10,07,321		6,81,22,676
Deferred Tax Liability			<u>23,48,460</u>		<u>2,23,403</u>
<b>TOTAL</b>			<u>12,65,20,279</u>		<u>14,15,10,577</u>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets	4				
Gross Block		13,33,42,238		13,06,16,714	
Less: Depreciation		<u>10,24,11,191</u>		<u>9,86,84,777</u>	
Net Block		3,09,31,047		3,19,31,937	
Add : Capital Work-in Progress		<u>3,07,066</u>	3,12,38,113	<u>18,15,994</u>	3,37,47,931
Current Assets, Loans & Advances					
Inventories	5	5,35,64,649		6,81,69,227	
Sundry Debtors	6	3,51,48,948		4,24,10,076	
Cash & Bank Balances	7	93,20,586		54,81,208	
Loans & Advances	8	<u>1,12,01,807</u>		<u>1,20,14,361</u>	
		<u>10,92,35,990</u>		<u>12,80,74,872</u>	
Less: Current Liabilities & Provision					
Liabilities	9	1,39,49,851		3,07,33,504	
Provisions		<u>69,75,032</u>		<u>26,75,032</u>	
		<u>2,09,24,883</u>		<u>3,34,08,536</u>	
Net Current Assets			8,83,11,107		9,46,66,336
Profit & Loss Account			<u>69,71,059</u>		<u>1,30,96,310</u>
<b>TOTAL</b>			<u>12,65,20,279</u>		<u>14,15,10,577</u>
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, 2010

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, 2009

Schedule	For the year ended 31st December, 2009		For the year ended 31st December, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>				
Gross Sales	20,22,64,393		23,28,32,351	
Less : Excise Duty	<u>1,56,18,031</u>		<u>2,84,35,381</u>	
Net Sales		18,66,46,362		20,43,96,970
Other Income	10	9,09,853		11,78,678
Increase/(Decrease) in Finished Goods and Materials in Process	11	<u>(25,11,694)</u>		<u>9,47,455</u>
		<u>18,50,44,521</u>		<u>20,65,23,103</u>
<b>EXPENDITURE</b>				
Materials Consumed	12	12,50,44,168		14,81,56,029
Sales Tax		47,58,668		68,45,741
Operating Expenses	13	<u>2,63,26,252</u>		<u>2,38,29,605</u>
		<u>15,61,29,088</u>		<u>17,88,31,375</u>
<b>Profit before Interest, Depreciation &amp; Taxation</b>		<u>2,89,15,433</u>		<u>2,76,91,728</u>
Interest and Financial Charges	14	1,22,43,190		1,16,89,400
Depreciation		<u>40,63,194</u>		<u>56,93,772</u>
		<u>1,63,06,384</u>		<u>1,73,83,172</u>
<b>Profit before Taxation</b>		<u>1,26,09,049</u>		<u>1,03,08,556</u>
Provision for Income Tax		43,00,000		11,67,959
Provision for Fringe Benefit Tax		58,741		1,83,543
Provision for Deferred Tax		<u>21,25,057</u>		<u>28,20,150</u>
<b>Profit after Taxation</b>		<u>61,25,251</u>		<u>61,36,904</u>
Balance brought forward		<u>(1,30,96,310)</u>		<u>(1,92,33,214)</u>
		<u>(69,71,059)</u>		<u>(1,30,96,310)</u>
Notes on Accounts	15			
Earnings per share - Basic & Diluted		1.23		1.24

In terms of our report of even date

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 28th January, 2010

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, 2009 Rs.	As at 31st December, 2008 Rs.
<b>SCHEDULE -1</b>		
<b>CAPITAL</b>		
AUTHORISED		
80,00,000 Equity Shares of Rs.10/- each	<u>8,00,00,000</u>	<u>8,00,00,000</u>
Issued, Subscribed and Paid up		
49,60,500 Equity Shares of Rs. 10/- each fully paid up (Previous year : 49,60,500 Equity Shares)	4,96,05,000	4,96,05,000
Out of above 35,54,829 Equity Shares are held by the holding company, B&A Limited		
Add: Forfeited Shares	1,97,500	1,97,500
	<u>4,98,02,500</u>	<u>4,98,02,500</u>
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
Central Investment Subsidy	25,00,000	25,00,000
State Subsidy	2,41,700	2,41,700
Capital Reserve	1,67,43,000	1,67,43,000
Revenue Reserve	38,77,298	38,77,298
	<u>2,33,61,998</u>	<u>2,33,61,998</u>
<b>SCHEDULE-3</b>		
<b>LOAN FUNDS</b>		
<b>SECURED LOANS</b>		
<b>Loan from State Bank of India</b>		
Term Loan	54,98,742	95,68,516
(Secured by hypothecation of Plant & Machinery and fixed assets created out of fresh Term Loan)		
Cash Credit	4,51,48,102	5,81,13,690
(Secured by hypothecation of Company's entire stocks and book debts)		
<b>All the above loans are collaterally secured by</b>		
a) Extension of charge over Factory Land, Building, Plant & Machinery		
b) Equitable mortgage of the Flat at Dover Place, 6, Dover Rd., Kolkata in the name of B&A Ltd. (Holding Co.)		
c) Personal guarantee of Shri H. P. Barooah, Director & Corporate Guarantee of B&A Ltd. (Holding Co.)		
<b>Loan From HDFC BANK LTD.</b>	3,60,477	4,40,470
(Secured by hypothecation of a Motor Car)		
	<u>5,10,07,321</u>	<u>6,81,22,676</u>

## SCHEDULES FORMING PART OF THE ACCOUNTS

**SCHEDULE-4**  
**FIXED ASSETS**

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 01.01.09	Addition during the Year	Sale/ Adjustment during the Year	Total as at 31.12.09	Upto 01.01.09	For the Year	Disposal/ Adjustment during the Year	Total as at 31.12.09	As at 31.12.08
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	11,95,859	—	—	11,95,859	—	—	—	11,95,859	11,95,859
Building	81,61,241	5,95,598	—	87,56,839	35,70,390	2,83,674	—	49,02,775	45,90,851
Plant & Machinery	11,72,85,628	15,32,784	16,813	11,88,01,599	9,29,91,092	35,66,480	15,447	2,22,59,474	2,42,94,536
Electrical Installation	15,28,427	6,91,802	—	22,20,229	7,27,993	60,882	—	14,31,354	8,00,434
Furniture & Fixture	3,20,236	1,15,400	—	4,35,636	1,90,074	12,017	—	2,33,545	1,30,162
Office Equipment	12,38,792	1,33,670	—	13,72,462	8,95,343	86,978	—	3,90,141	3,43,449
Vehicle	8,86,531	20,000	3,46,917	5,59,614	3,09,885	53,163	3,21,333	5,17,899	5,76,646
Total	13,06,16,714	30,89,254	3,63,730	13,33,42,238	9,86,84,777	40,63,194	3,36,780	3,09,31,047	3,19,31,937
As at 31.12.2008	11,31,97,408	1,74,19,306	—	13,06,16,714	9,29,91,005	56,93,772	—	3,19,31,937	—

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31st December, 2009		As at 31st December 2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE-5</b>				
<b>INVENTORIES</b>				
Raw Materials		4,06,62,909		5,28,37,067
Finished Goods		82,88,960		99,03,520
Materials -in-Process		24,91,781		33,88,915
Stores & Spares		21,20,999		20,39,725
		<u>5,35,64,649</u>		<u>6,81,69,227</u>
<b>SCHEDULE-6</b>				
<b>SUNDRY DEBTORS</b>				
<b>(Unsecured, Considered Good)</b>				
Debts outstanding for a period				
- Exceeding Six months	68,87,056		99,11,851	
- Other Debts	<u>2,82,61,892</u>		<u>3,24,98,225</u>	
		3,51,48,948		4,24,10,076
<b>(Unsecured, Considered Doubtful)</b>				
Debts Outstanding for a period				
- Exceeding six months	9,56,519		9,56,519	
Less : Provision	<u>9,56,519</u>	—	<u>9,56,519</u>	—
		<u>3,51,48,948</u>		<u>4,24,10,076</u>
<b>SCHEDULE-7</b>				
<b>CASH &amp; BANK BALANCES</b>				
Cash in Hand		61,415		36,758
Current Account balances with Scheduled banks		23,72,560		9,18,726
LC & BG Margin Money with State Bank of India		68,86,611		45,25,724
		<u>93,20,586</u>		<u>54,81,208</u>
<b>SCHEDULE-8</b>				
<b>LOANS &amp; ADVANCES</b>				
<b>(Unsecured, Considered Good)</b>				
Advances Recoverable in cash or in kind or for value to be received.		75,69,604		87,50,984
Deposits		34,78,683		28,10,310
Pre-paid Expenses		1,53,520		4,53,067
		<u>1,12,01,807</u>		<u>1,20,14,361</u>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31st December, 2009 Rs.	As at 31st December 2008 Rs.
<b>SCHEDULE-9</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors for Goods	51,89,611	1,77,09,627
Sundry Creditors - Others	64,28,081	1,09,64,736
Deferred Sales Tax	8,23,134	8,23,134
Provision for Gratuity	15,09,025	12,36,007
	<u>1,39,49,851</u>	<u>3,07,33,504</u>

	For the year ended 31st December, 2009		For the year ended 31st December, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE-10</b>				
<b>OTHER INCOME</b>				
Scrap Sale		3,57,693		3,18,369
Miscellaneous Income		2,49,810		5,82,593
Interest		3,02,350		2,77,716
		<u>9,09,853</u>		<u>11,78,678</u>

**SCHEDULE-11**

**INCREASE/(DECREASE) IN FINISHED  
GOODS & MATERIAL IN PROCESS**

**Opening 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

*Less:*

**Closing Stock**

Finished Goods	82,88,960	99,03,520
Materials-in-Process	<u>24,91,781</u>	<u>33,88,915</u>
	1,07,80,741	1,32,92,435
Increase/(Decrease)	<u>(25,11,694)</u>	<u>9,47,455</u>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	For the year ended 31st December, 2009		For the year ended 31st December, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE-12</b>				
<b>MATERIALS CONSUMED</b>				
Opening Stock		5,28,37,067		3,87,36,867
<b>Add : Purchase</b>		<b>11,28,70,010</b>		<b>16,22,56,229</b>
		<u>16,57,07,077</u>		<u>20,09,93,096</u>
<b>Less : Closing Stock</b>		<b>4,06,62,909</b>		<b>5,28,37,067</b>
Consumption of Raw Materials		<u>12,50,44,168</u>		<u>14,81,56,029</u>
<b>SCHEDULE-13</b>				
<b>OPERATING EXPENSES</b>				
<b>Employees Emoluments</b>				
Salary, Wages & Benefits	1,08,27,957		97,90,309	
Contribution to PF & Other Funds	5,17,283		4,67,766	
Gratuity	2,73,018		2,08,738	
Welfare Expenses	<u>10,50,630</u>		<u>9,16,725</u>	
		<b>1,26,68,888</b>		<b>1,13,83,538</b>
Power & Fuel		15,81,307		15,93,656
Consumption of Stores & Spares		21,72,480		17,74,314
Repairs & Maintenance				
Building	1,86,081		74,304	
Machinery	5,48,808		3,65,700	
Others	<u>4,38,210</u>		<u>3,15,460</u>	
		<b>11,73,099</b>		<b>7,55,464</b>
Rent, Rates & Taxes		2,38,857		2,17,422
Insurance		3,68,734		3,99,700
Travelling & Conveyance		26,14,808		14,72,092
Commission		1,47,632		2,54,060
Postage & Communication		5,17,941		5,49,360
Directors' Fees		49,000		58,000
Discount Allowed		15,621		-
Carriage Outwards		20,68,074		18,64,132
Clearing and Forwarding		23,293		47,578
Bad Debts written off		3,01,083		-
Miscellaneous Expenses		<u>23,85,435</u>		<u>34,60,289</u>
		<u>2,63,26,252</u>		<u>2,38,29,605</u>
<b>SCHEDULE-14</b>				
<b>INTEREST &amp; FINANCIAL CHARGES</b>				
Interest on Working Capital Loan		78,46,197		84,32,085
Interest on Term Loan		9,97,812		9,05,076
Bank Commission & Charges		20,65,258		16,43,916
Interest-Others		<u>13,33,923</u>		<u>7,08,323</u>
		<u>1,22,43,190</u>		<u>1,16,89,400</u>

**SCHEDULE FORMING PART OF THE ACCOUNTS**

**SCHEDULE-15**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A) SIGNIFICANT ACCOUNTING POLICIES :-**

**1) Accounting System**

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

**2) Fixed Assets**

All Fixed Assets are stated at cost.

**3) Inventories**

Raw Materials and Stores and Spares - Valued at cost.

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

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

**4) Depreciation**

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

**5) Sales**

Gross Sales include Excise Duty and Central Sales Tax but does not include Value Added Tax. Export sales are accounted for on the basis of actual Rupee realisation.

**6) Import of Raw Materials**

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

**7) Borrowing Cost**

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

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

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

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

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

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

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

## 9) Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- b) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets

## B) NOTES ON ACCOUNTS :

## 1. Licensed, Installed Capacities and Actual Production :

Class of Goods	Units	Year ended	Annual Capacity		Actual Production
			Licensed	Installed	
Paper Sacks	Nos.	31.12.2009	60 Million	35 Million	6.41 Million
Paper Sacks	Nos.	31.12.2008	60 Million	35 Million	8.12 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, 2009		31st December, 2008	
		Quantity	Value	Quantity	Value
Opening Stock	Nos.	4,67,175	99,03,520	6,61,291	98,28,157
Sale	Nos.	66,69,173	20,22,64,393	83,09,236	23,28,32,351
Closing Stock	Nos.	3,52,812	82,88,960	4,67,175	99,03,520

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

Raw Materials 5,46,71,935 11,39,86,933

## 4. Earning in Foreign Currency -

Export of Goods (F.O.B Basis) 48,64,674 32,76,976

## 5. Expenses in Foreign Currency

7,09,008 —

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

## 6. Contingent Liabilities not provided for

Bank Guarantee	<b>3,73,360</b>	3,73,360
Sales Tax	<b>99,93,668</b>	70,08,928

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

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

Class of Goods	Opening		Purchase		Closing		Consumption		% Total
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
<b>a) Paper Imported</b>									
31.12.09	611	3,41,88,986	764	4,92,02,996	290	1,65,14,037	1,084	6,68,77,945	53.48
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
<b>Paper Indigenous</b>									
31.12.09	213	1,41,64,397	914	5,42,83,667	556	2,09,06,329	571	4,75,41,735	38.02
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
<b>b) Other Imported</b>									
31.12.09	17.8	13,68,721	30	25,76,166	15.9	11,95,490	32	27,49,397	2.19
31.12.08	3.4	2,65,487	45	32,97,657	17.8	13,68,721	30.6	21,94,423	1.48
<b>Other Indigenous</b>									
31.12.09	—	31,14,963	—	68,07,181	—	20,47,053	—	78,75,091	6.30
31.12.08	—	45,75,423	—	1,01,06,937	—	31,14,963	—	1,15,67,397	7.81
31.12.09		<u>5,28,37,067</u>		<u>11,28,70,010</u>		<u>4,06,62,909</u>		<u>12,50,44,168</u>	<u>100.00</u>
31.12.08		3,87,36,867		16,22,56,229		5,28,37,067		14,81,56,029	100.00

## 8. Payment to Whole Time Directors

	<b><u>31.12.2009</u></b>	<b><u>31.12.2008</u></b>
	<b>Rs.</b>	<b>Rs.</b>
Salary	<b>18,87,500</b>	18,27,500
Contribution to Provident Fund	<b>72,600</b>	79,200
Other Perquisites	<b>2,82,512</b>	2,69,597
	<b><u>22,42,612</u></b>	<b><u>21,76,297</u></b>



## 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 31.12.2009 (As on 31.12.2008 - Rs. 8,23,134)

10. Miscellaneous Expenses in Schedule 13 includes :

	<u>31.12.2009</u>	<u>31.12.2008</u>
	Rs.	Rs.
Auditors Remuneration (Including Service Tax)		
Audit Fees	<b>33,708</b>	33,708
Tax Audit Fees	<b>11,236</b>	11,236
For Certification	<b>22,985</b>	11,047
	<u><b>67,929</b></u>	<u>55,991</u>

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

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 08	31st December 09
i)	Present Value of Defined Benefit Obligation	12,04,334.00	<b>14,45,102.00</b>
ii)	Fair Value of Plan Assets	0.00	<b>0.00</b>
iii)	Funded Status [Surplus /(Deficit)]	(12,04,334.00)	<b>(14,45,102.00)</b>
iv)	Unrecognised Past Service Cost	0.00	<b>0.00</b>
v)	Net Asset / (Liability) recognised in the Balance Sheet	(12,04,334.00)	<b>(14,45,102.00)</b>

## 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 December 2009**

Sl.	Description	Year 2008-09
i)	Current Service cost (including risk premium for fully insured benefits)	1,61,113.24
ii)	Interest cost	99,353.85
iii)	Expected Return of Asset (-)	0.00
iv)	Curtailement Cost (+)	0.00
v)	Settlement Cost	0.00
vi)	Past Service Cost	0.00
vii)	Actuarial Gains (-) / Loss (+)	(-) 19,699.09
viii)	Appreciation/Depreciation of Plan Assets	0.00
	<b>Total</b>	<b>2,40,768.00</b>

**Table 3 : Actuarial calculations for AS 15 (Rev. 2005) purpose change in obligations / assets in the year ending 31.12.2009**

## (A) Change in obligation in the year ended 31.12.2009

Sl.	Description	Year 2008-09
i)	Present Value of Defined Benefit Obligation at the beginning of the year	12,04,334.00
ii)	Employer Service Cost (+)	1,61,113.24
iii)	Interest Cost (+)	99,353.85
iv)	Curtailement Cost (+)	0.00
v)	Settlement Cost	0.00
vi)	Plan Amendments	0.00
vii)	Acquisitions	0.00
viii)	Actuarial Gains (-) Loss (+)	(-) 19,699.09
ix)	Benefit Payments (-)	0.00
x)	Present Value of DB obligations at the end of the year	(14,45,102.00)

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

## (B) Change in Assets

Sl.	Description	Year 2008-09
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 (+)	0.00
v)	Benefit Payments (-)	0.00
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, 2009**

Sl.	Description	Year 2008-09
i)	Net Asset / (Liability) recognized in the Balance Sheet at the beginning of the year	(12,04,334.00)
ii)	Employer Expenses	2,40,768.00
iii)	Employer Contribution	0.00
iv)	Acquisitions	0.00
v)	Net Asset / (Liability) recognized in the Balance Sheet at the ending of the year	(14,45,102.00)

## Summary of Membership Date

Active Members	31st Dec. 2008	31st Dec. 2009
Number of Employees	47	49
Total Monthly Salaries (Rs.)	2,90,410.00	3,25,555.00
Avg. Monthly Salary per employees (Rs.)	6,178.94	6,643.98
Average Past Services (Yrs.)	11.32	12.00
Average Future Services (yrs.)	17.32	16.69
Average age at Valuation date (Yrs.)	41.32	41.96

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, 2009, the Company entered into transactions with related parties as per details below.

a) B&A Ltd. - Holding Company	<b>(Rs.)</b>
Sale of Paper Sacks	47,70,007
Rent & Other Services	2,04,088
Outstanding Balance (Dr.)	4,69,872
b) Remuneration to Key Management Personnel	22,42,612

14. The Company has taxable income for the year. Provision made in these accounts for the Current Tax represents Normal 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>31.12.2009</u>	<u>31.12.2008</u>
<b>Assets</b>	<b>(Rs.)</b>	<b>(Rs.)</b>
Deferred Sales Tax Liabilities	<b>2,79,783</b>	2,54,348
Provision for Retirement Benefit	<b>5,12,918</b>	3,81,926
Provision for Bad Debts	<b>3,25,121</b>	2,95,564
Unabsorbed Depreciation carried forward as per Income Tax Act.	-	23,02,816
	<u><b>11,17,822</b></u>	<u>32,34,654</u>
<b>Liabilities</b>		
Difference between written down value of assets as per Income Tax Laws and written down value of assets as per books	<b>34,66,282</b>	34,58,057
<b>Deferred Tax Assets (Net)</b>	<u><b>(23,48,460)</b></u>	<u>(2,23,403)</u>

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

(a) Net Earning for the year	Rs.	61,25,251
(b) No. of Shares	Nos.	49,60,500
(c) Earnings per Share (Basic & Diluted)	Rs.	1.23

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15 (Contd..)

## 17. Disclosure regarding Micro, Small and Medium Enterprises

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

(Rupees in lacs)

SI. No.	Description	2009	2008
1.	The principal amount remaining overdue for payment to suppliers as at the end of accounting year	0.73	—
2.	The interest due thereon remaining unpaid to supplier as at the end of accounting year	0.02	—
3.	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	—	—
4.	The amount of interest due and payable for the period of delay in making of payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	0.45	—
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.47	—
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises	0.03	—

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

## SCHEDULE FORMING PART OF THE ACCOUNTS

## SCHEDULE-15

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	31.12.2009		

## 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	1,47,445	Total Assets	1,47,445
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## Sources of Funds

Paid up Capital	49,803
Reserve and Surplus	23,362
Secured & Unsecured Loan	51,007
Deferred Tax Liability	2,348

## Application of Funds

Net Fixed Assets	31,238
Investments	–
Net Current Assets **	88,311
Accumulated Losses	6,971

\*\* Net of Current Liabilities and Provisions

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

Turnover	1,86,646	Total Expenditure	1,72,435
Profit before Tax	12,609	Profit after Tax	6,125
Earning per share in Rs.	1.23		

## 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, 2010

For and on behalf of the Board

**P. Banerjee**

Director

**R. Roy Choudhury**

Managing Director

**Balaram Bose**

Company Secretary &amp; Senior Manager (Finance)

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2009

	For the year ended 31st Dec., 2009	For the year ended 31st Dec., 2008
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	1,26,09,049	1,03,08,556
<b>Adjustments for:</b>		
Depreciation	40,63,194	56,93,772
Interest & Financial Charges	1,22,43,190	1,16,89,400
Deferred Rev. Exp. / Fixed Assets written off	-	-
Interest Received	(3,02,350)	(2,77,716)
Operating Profit before Working Capital Change	2,86,13,083	2,74,14,012
<b>Adjustments for:</b>		
Trade and other Receivables	80,73,682	(51,10,233)
Trade Payable	(1,67,83,653)	68,25,765
Inventories	1,46,04,578	(1,55,51,114)
Cash Generated from Operations	3,45,07,690	1,35,78,430
Interest Paid	(1,22,43,190)	(1,16,89,400)
Cash Flow before Extraordinary Items	2,22,64,500	18,89,030
Extraordinary Items	(58,741)	(1,83,543)
<b>Net Cash flow from operating activities</b>	<b>2,22,05,759</b>	<b>17,05,487</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(30,89,254)	(1,74,19,306)
Increase/Decrease in Capital work in progress	15,08,928	(97,95,318)
Sale of Fixed Assets / Fixed Assets written off	26,950	-
Interest Received	3,02,350	2,77,716
<b>Net Cash used in Investing Activities</b>	<b>(12,51,026)</b>	<b>(73,46,272)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowing	-	1,60,09,209
Repayment of Borrowing	1,71,15,355	95,00,000
Increase in Deferred Rev. Expenses	-	-
<b>Net Cash used in Financing Activities</b>	<b>(1,71,15,355)</b>	<b>65,09,209</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>38,39,378</b>	<b>8,68,424</b>
Cash and Cash Equivalents (Opening)	54,81,208	46,12,784
Cash and Cash Equivalents (Closing)	93,20,586	54,81,208

In terms of our report of even date

For **APS ASSOCIATES**

Chartered Accountants

**A. Dutta**

Partner

Membership No. 17693

Kolkata, 28th January, 2010

For and on behalf of the Board

**P. Banerjee**  
Director

**R. Roy Choudhury**  
Managing Director

**Balaram Bose**

Company Secretary & Senior Manager (Finance)

## Supplementary Notice



To All the Members of B & A Multiwall Packaging Limited

Attention of the members is invited to the Notice of 24th Annual General Meeting dated 28th January, 2010.

Notice is further given that in addition to the items mentioned in Notice dated 28th January, 2010 the following items of business shall be passed as a **Special Business**:

**Item No. 1 :**

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

"RESOLVED that Mr. Anjan Ghosh, who was appointed by the Board of Directors as an Additional Director of the Company on 24th April, 2010 and who holds office upto the date of the 24th Annual General Meeting of the Company to be held on Monday, 14th June, 2010 in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company to be liable to retire by rotation."

**Item No. 2 :**

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

"RESOLVED that pursuant to the provision of Section 21 of the Companies Act, 1956 and subject to the approval given by the Central Government, the name of the Company be and is hereby changed from B & A Multiwall Packaging Limited to B & A Packaging India Limited.

RESOLVED FURTHER that the name B & A Multiwall Packaging Limited wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name B & A Packaging India Limited.

**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.**

**Item No. 1 :**

Mr. Anjan Ghosh aged 61 years is a Chartered Accountant. He got the qualification in the year 1977 from The Institute of Chartered Accountants of India. He is the Ex-Vice Chairman and Managing Director of J. Thomas & Co. Pvt. Limited, Kolkata. He has about 34 years of experience in Tea industry.

Mr. Ghosh was appointed by the Board of Directors of the Company on 24th April, 2010 as an Additional Director. According to Section 260 of the Companies Act, 1956 ('the Act') Mr. Ghosh will hold office upto the date of ensuing 24th Annual General Meeting of the Company scheduled to be held on Monday, 14th June, 2010. The Company has received a notice in writing under section 257 of the Act from a member proposing his candidature for the office of the Director. His appointment requires the approval of the members of the Company, hence the resolution is proposed.

None of the Directors, except Mr. Ghosh is concerned or interested in this resolution.

**Item No. 2 :**

The Company was originally incorporated on 16th day of January, 1986 under the name and Style "B & A Sacks Limited". Subsequently on and from 11th day of February, 1997 the name of the Company was changed to "B & A Multiwall Packaging Limited".



The present line of business of the Company is manufacturing of "multiwall" paper sacks. The Company is in the process of diversification through a new line of packaging product "flexible packaging". Although there will be no change in the existing business activities i.e. manufacturing of packaging product, the word "Multiwall" will no longer be appropriate for the entire future manufacturing activities. Hence the word "Multiwall" is proposed to be dropped and new name is proposed.

The change of name requires the approval of the members of the Company, hence the resolution is proposed.

By Order of the Board of Director

Date : 14th May, 2010

Place: Kolkata

Balaram Bose  
Company Secretary &  
Senior Manager (Finance)

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

**Clause 49 of the Listing Agreement Details of Director(s) to be appointed / re-appointed  
at the forthcoming Annual General Meeting :**

<b>Name of the Director</b>	: Mr. Anjan Ghosh.
<b>Date of Birth</b>	: 15th July, 1949.
<b>Nationality</b>	: Indian.
<b>Date of Appointment on the Board</b>	: 24th April, 2010.
<b>Qualification</b>	: Chartered Accountants.
<b>Shareholding in the Company</b>	: NIL.
<b>List of Directorship held in other Companies</b>	: NIL.
<b>Other Details</b>	: Mr. Anjan Ghosh is a Chartered Accountant and is Ex-Vice Chairman and Managing Director of J. Thomas & Co. Pvt. Limited, Kolkata. He had about 34 years of experience in Tea Industry.



**ECS MANDATE FORM**

To,  
MCS Limited  
(Unit : B&A Limited)  
77/2A, Hazra Road(Gr.Floor)  
Kolkata-700 029 , Phone- 033-2454-1892/93  
Fax- 033-2454-1961, email- mcs@cal2.vsnl.net.in

**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

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(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 21st July, 2010.
- 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, 30th July 2010, at 10.30 a.m. or any adjournment thereof.  
Signed this.....day of.....2010  
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*	
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Folio No.	
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Client ID*	
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No. of Shares	
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NAME & ADDRESS OF THE SHAREHOLDER :

I hereby record my presence at the Annual General Meeting held on Friday, 30th July 2010 at 10.30 a.m. at  
Indu Bhavan, M. G. Jorhat - 785 001

\_\_\_\_\_  
Signature of Shareholder/Proxy

\* Applicable for Investors holding shares in dematerialised form.

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