

ANNUAL REPORT

2013-2014



B & A PACKAGING INDIA LIMITED



Dr. Hemendra Prasad Barooah

1926 - 2013

*... We continue to follow your work ethics
& strive towards fulfillment your
vision...*

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CORPORATE INFORMATION

BOARD OF DIRECTORS	: Mrs. Anuradha Farley (<i>Chairman</i>) Mr. Anjan Ghosh Mr. Amit Chowdhuri Mrs. Gargi Barooah Mr. Somnath Chatterjee
COMPANY SECRETARY	: Mr. Gunjan Kumar Chaurasia
REGISTERED OFFICE	: 22, Balgopalpur Industrial Area Balasore - 756 020, Odisha Phone : 06782 275725 E-mail : contact@bampl.com Webside : www.bampl.com CIN : L210210R1986PLC001624
CORPORATE OFFICE	: 113, Park Street, 9th Floor Kolkata - 700 016 Phone : 033 22269582
FACTORY	: 22, Balgopalpur Industrial Area Balasore - 756 020, Odisha
STATUTORY AUDITORS	: APS Associates Chartered Accountants 3C, Madan Street Kolkata - 700 072
BANKER	: State Bank of India Industrial Finance Branch
REGISTRAR AND SHARE TRANSFER AGENT	: MCS Share Transfer Agent Limited 12/1/5, Manohorpukur Road Ground Floor, Kolkata - 700 026 Phone : 033-4072 4051(3 Lines) E-mail : mcssta@rediffmail.com

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Eighth Annual Report of the Company together with the Financial Statements for the year ended 31st March, 2014.

OPERATING RESULTS

(₹ In Lakh)

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Net Sales	4052.25	3089.39
Other Income	17.81	36.26
Total	4070.06	3125.65
Less : Total Expenditure	3533.70	2792.80
Profit before Interest, Depreciation and Tax	536.36	332.85
Less: Interest	221.55	218.62
Profit before Depreciation and Taxation	314.81	114.23
Less: Depreciation	71.38	68.87
Profit before Tax	243.43	45.36

PERFORMANCE REVIEW

With the Indian economy decelerating, growth rates dipped as inflation and interest costs started climbing up. Despite these constraints and the challenging environment, your Company performed well. During the year 2013-14, the gross turnover of the Company has increased to Rs.4422.14 lacs as against Rs. 3402.20 lacs for the previous year ended 31st March, 2013 representing a healthy growth. The Company has achieved higher profit before tax at Rs. 243.43 lacs compared to Rs. 45.36 lacs, during the previous year.

The Gross Turnover of the two divisions of the Company were as under:

(₹ In Lakh)

Division	2013-14	2012-13
Paper Sacks Division	3634.62	3131.28
Flexible Packaging Division	782.30	260.60

As reported in the last Board report, the initiatives/various measures and vigorous marketing undertaken by your company during the year under review in increasing productivity and efficiency

have led to improvement of the operational performance in terms of production, sales and profitability, which is visible from the operational performance for the year under review. Your management will continue their effort in improving the performance of the company to bring back on track by expanding market and concentrating more in value added structure to increase not only volume but also profit margins.

The results of cost reduction initiatives and operational efficiencies will be further visible in the current financial year 2014-15 as your company has continued the initiatives to optimize capacity utilization in both the units.

Paper Sacks Division

During the year under review, the Paper Sacks could achieve growth of more than 15% resulting in better profitability than previous year. However, the quantity of paper sacks sold remained same compared to previous year. Your company has suffered a loss of sale by 50% at carbon black sector due to recession in the Automobile industry which has affected the division in terms of business volume. However the loss has been compensated by sale of higher volume of high value added sacks in other sectors like Chemical, powder paints and attributed significantly toward the over all growth of this division.

Flexible Division

During the year under review, the performance of flexible division was satisfactory and it has achieved higher turnover than previous year. The turnover of Flexible Packaging Division was almost triple compared to the previous year. Your Company could add many new customers during the year under review which has resulted in growth in this segment. However, this Division could not be operated to its optimum level of production capacity due to severe competition and flat demand.

FUTURE OUTLOOK

The Company expects that domestic market for paper sacks and flexible laminate pouches will expand, despite pressure on overall economic growth. The Company is positioned for the anticipated growth in business with an appropriate structure, strategy and capabilities. Your Company is planning to open a representative office in the Baroda, Gujarat where huge market for our brand of Products exists and will help the company to approach the potential customers. It is expected that the turnover of the Company is likely to improve considerably.

The flexible sector has suffered lot due to lesser demand, price undercut and cut throat competition. Many units have closed their operation due to severe loss in this segment. However, your company has focused from volume job at marginal contribution to small but high priced job. During the current year the company has targeted to move on along with medium sized volume at better contribution.

In the present business scenario and despite the fragmented nature of the industry which is dominated by few big players the Company is expecting 10% to 15% growth in its business. The Company is focusing more to capture the market of imported paper sacks for achieving better contribution.

DIVIDEND

Your Directors are pleased to recommend a dividend of 2.5% on the equity shares of Rs.10/- each of the Company for the financial year 2013-14. The distribution of dividend will result in payout of Rs. 12,40,125/- excluding tax on dividend.

DIRECTORS

Dr. Hemendra Prasad Barooah, Chairman of the Company ceased to be director of the company due to sad demise on 31st July, 2013. The Board expresses its profound grief on the sudden demise of Dr. Hemendra Prasad Barooah founder Chairman of the Company and place on record its deep appreciation for the valuable contribution made by him in the Corporate sector and remember his achievements, in the tea and packaging industry and also the contribution made by him during his tenure as Chairman and Whole time Director on the Board of the Company.

Mr. Panchkari Banerjee, Director of the Company ceased to be director of the company due to sad demise on 25th September, 2013. The Board expresses its deep condolences at the sad demise of Mr. Panchkari Banerjee and place on record deep appreciation for the service rendered by him during his tenure as member of the Board.

Mr. Sudipto Sarkar, Director of the Company has resigned from the Board due to personal reasons w.e.f. 2nd September, 2013. The Board placed on record its high appreciation for the valuable advice rendered by Mr. Sarkar during his tenure as a director of the Company.

The Board has appointed Mr. Amit Chowdhuri and Mrs. Anuradha Farley as an Additional Directors of the Company w.e.f. 5th November, 2013 and 13th November, 2013 respectively. Mrs. Farley has also been nominated as Chairman of the Company by the Board of Directors on that date. Pursuant to section 161 of the Companies Act, 2013, Mrs. Anuradha Farley and Mr. Amit Chowdhuri will hold office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from two members of the company proposing their appointment as directors of the Company. Mr. Amit Chowdhuri has been appointed as an 'Independent Director' of the Company by the Board of Directors with effect from 23rd May, 2014 pursuant to provision of sections 149, 150 and 152 read with Schedule IV of the Companies act, 2013 and subject to approval of the members in the ensuing Annual General Meeting.

Mrs. Gargi Barooah, Director, retire by rotation at the forthcoming Annual General Meeting and being eligible offer herself for re-appointment.

As stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, the relevant details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting are given in the report of Corporate Governance.

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

AUDITORS

M/s. APS Associates, Chartered Accountants, the Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Audit Committee

at its meeting dated 23rd May, 2014 has recommended their re-appointment. As required under the provisions of section 139(1) of Companies Act, 2013 & the Companies (Audit & Auditors) Rules 2014, your Company has obtained a written certificate from the Auditors proposed to be re-appointed to the effect that, if the appointment is made it shall be in accordance with the conditions as may be prescribed.

FIXED DEPOSITS

Your Company has not invited or accepted any deposits from the public during the year under review.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed and in case of material departures, proper explanations have been given in the accounts and notes thereon.
- The accounting policies adopted in the preparation of the annual accounts have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profit of the Company for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities.
- The Annual Accounts for the year ended 31st March, 2014 have been prepared on a going concern basis.

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

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in **Annexure -A** which forms a part of this Report.

ENTERPRISE RESOURCE PLANNING (ERP)

The Company is in the process of upgrading its existing Enterprise Resources Planning (ERP) system which will help the company more to integrates the various functions within the organization and presents in a greater manner with the greater transparency of the transactions. It will further strengthen internal controls, compliances and will help in improving the quality and efficiency of the business operations in future.

The upgraded ERP is expected to put in place strong checks and balances particularly in financial matters ensuring greater transparency.

ACCOLADES & RECOGNITIONS

During the year under review your Company has received some honours which reflect company is growing and is in the right direction. Some of the accolades/recognitions are:

- CRISIL has ranked the Company 22nd position in the East Zone of India in its Unmatched coverage of rating of 351 companies of packaging and mentioned it in its Report under CRISIL Industry Insights.
- Received trophy from Indian Institute of Packaging for contribution in the National Conference of Packaging.

SAFETY, HEALTH AND ENVIRONMENT PROTECTION

Your Company focuses on environmental management not only to comply with the applicable regulatory regime but also strives to contribute positively to the communities around its operations. The Paper sacks and its manufacturing process are both eco friendly and do not generate pollution. Your Company accords highest priority towards environment protection, occupational health and safety and is committed for this. The Company focus on the conservation of natural resources to the extent possible.

Your Company has received ISO 22000:2005 food grade certificate, ISO 14001- Environment Management System and OHSAS 18001- Occupational Health & Safety Standard certificates. Your Company is also pursuing BRC(British Retail Consortium) IOP, the highest form of auditing process for application in food packaging.

COST AUDIT

The Cost accounts maintained by the company in respect of "Paper sacks and Flexible packaging" is being audited by a reputed firm of Cost Accountant, M/s S. B. & Associates, Cost Accountants appointed by Board of Directors with the approval of the Ministry of Corporate Affairs. The Cost accounting records for the year ended 31st March, 2014 were maintained as per the Companies (Cost Audit Report) Rules, 2011.

INSURANCE

Your Company has taken adequate insurance cover for properties of the company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 "has been notified on 9th December, 2013. Under the said Act every company is required to set up a Committee to look into complaints relating to sexual harassment at work place of any women employee. In view of

the said Act, the Company has formed Internal Complaint Committee.

Your Company has not received any complaints relating to sexual harassment at work place from any women employee, during the year.

PARTICULARS OF EMPLOYEES

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

STATUTORY DECLARATION

None of the directors of the Company are disqualified as per the provisions of section 274(1)(g) of the Companies Act, 1956. The directors have made necessary disclosures as required under the various provisions of the Act.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the continuous assistance and co-operation received from Bank, Government Authorities, customers, vendors and other business associates during the year under review and thank the Members for the confidence they have reposed in the Company and its management.

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

For and on behalf of the Board of Directors

Anuradha Farley
Chairman

Date : 23rd May, 2014

Place: Kolkata