

**NOTICE  
TO THE MEMBERS**

NOTICE is hereby given that the 11<sup>th</sup> Annual General Meeting of Balmer Lawrie Investments Ltd., will be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019, on Wednesday, the 26<sup>th</sup> day of September, 2012 at 2.30 p.m., to transact the following businesses:-

**ORDINARY BUSINESS**

1. To consider and adopt the audited Profit & Loss Account for the financial year ended 31<sup>st</sup> March, 2012 and the Balance Sheet as at that date together with the Report of the Directors, Auditors and the Comments of the Comptroller & Auditor General of India, thereon;
2. To declare dividend for the financial year ended 31<sup>st</sup> March, 2012;
3. To appoint a Director in place of Shri Sukhvir Singh who retires by rotation and being eligible offers himself for re-appointment; and
4. To fix remuneration of the Auditors and to pass with or without modification(s) the following resolution:

**As an Ordinary Resolution**

“**RESOLVED THAT** pursuant to Section 619 read with Section 224(8)(aa) of the Companies Act, 1956 (‘the Act’), the Board of Directors be and is hereby authorised to determine the amount of remuneration payable to the Auditors (appointed by the Comptroller & Auditor General of India), including the amount of reimbursement of out-of-pocket expenses, if incurred by the said Auditors, in connection with the audit of Annual Accounts of the Company for the financial year 2012-13.”

By Order of the Board  
Balmer Lawrie Investments Ltd.

Registered Office:  
21, Netaji Subhas Road,  
Kolkata - 700 001

Date: 17<sup>th</sup> August 2012

**P K Ghosh**  
Company Secretary

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received either at the Registered Office of the Company, at 21, Netaji Subhas Road, Kolkata – 700 001 or at the Office of the Registrar & Share Transfer Agent (‘RSTA’), viz., C B Management Services (P) Ltd. (‘CB’), at P-22, Bondel Road, Kolkata – 700 019, not less than 48 hours before the commencement of the ensuing 11<sup>th</sup> Annual General Meeting (‘AGM’), i.e., by 2.30 p.m. on 24<sup>th</sup> September 2012.
3. In terms of the Listing Agreement of the Stock Exchanges, the relevant details of Shri Sukhvir Singh (Director retiring by rotation and seeking re-appointment under item no.3) are annexed.
4. Corporate members are requested to send a certified copy of their Board resolution passed under Section 187 of the Companies Act, 1956, thereby authorising their representative to attend and vote at the ensuing AGM.
5. The Board of Directors at its meeting held on 18<sup>th</sup> May 2012, has recommended a dividend of 100%. Such recommended dividend needs to be declared by the shareholders at the ensuing AGM and therefore item no. 2 has been included in the Notice of the ensuing AGM. Upon declaration by the members, dividend will be paid to the shareholders within the statutory time line of 30 days from the date of such declaration, i.e., by 26<sup>th</sup> October 2012.
6. Shareholders may opt to receive dividend through National Electronic Clearing Service (NECS). In such an event, dividend will be credited to the bank account of the shareholders on the NECS settlement date (to be provided by the Reserve Bank of India).
7. **The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 19<sup>th</sup> September 2012 to**

## Balmer Lawrie Investments Ltd.

**Wednesday, 26<sup>th</sup> September 2012 (both days inclusive).**

8. Pursuant to Section 205C of the Companies Act, 1956, dividends, which remain unclaimed for a period of seven years, are required to be transferred to the 'Investor Education & Protection Fund' of the Central Government ('IEPF'). After such transfer to IEPF, the shareholders shall have no claim/right on their unclaimed dividends. Please note that the unclaimed dividend 2004-05 (declared and paid in 2005) will be due for transfer to IEPF on 30<sup>th</sup> October 2012. An intimation (vide Notice dated 6<sup>th</sup> July 2012) to this effect, has already been sent to those shareholders, who have not en-cashed the aforesaid dividend.

Report on Corporate Governance provides a separate statement on transfer of unclaimed dividend to the 'Investor Education and Protection Fund'.

9. In terms of Sections 224(8)(aa) and 619 of the Companies Act, 1956, though the Auditors of a Government Company, are appointed by the Comptroller and Auditor General of India, the remuneration are fixed by the Company in the General Meeting. Thus item no.4, has been inserted as an Ordinary Resolution.

10. Members are requested:

- i. **To notify on or before 14<sup>th</sup> September 2012** (applicable for shareholders holding shares in physical mode) the following to CB Management Services (P) Ltd. ('CB'), at P-22, Bondel Road, Kolkata – 700 019:
- a. Change of address (including pin code), mandate, etc.
- b. Bank account number, name and address of the bank.

- ii. To quote the Folio no. Client ID and DP ID numbers, in all communications addressed either to the Company/ or to CB;
- iii. To bring a copy of the Annual Report (while attending the 11<sup>th</sup> AGM of the Company). Please note that Annual Report(s) shall not be distributed at G D Birla Sabhagar;
- iv. To submit Attendance Slip/show Entry Pass at the entrance of G D Birla Sabhagar;
- v. **Submit NECS forms on or before 14<sup>th</sup> September 2012**, to enable the Company to pay dividend through NECS mode. Members who are holding shares in physical form are requested to send their NECS mandates to the Company's RSTA, CB. Those holding shares in electronic form are requested to send NECS mandates, directly to their respective Depository Participants (DPs).

**DETAILS OF THE DIRECTOR proposed to be re-appointed at the 11<sup>th</sup> Annual General Meeting scheduled on 26<sup>th</sup> September 2012**

Name of the Director	: Sukhvir Singh
Date of Birth	: 20 <sup>th</sup> November 1954
Date of Appointment	: 7 <sup>th</sup> June 2010
Qualification	: Post Graduate in Economics.
Expertise in specific	: Foreign Direct
Functional Area	Investments, WTO/GATTs and other matters relating to bilateral and unilateral Agreements.

## DIRECTORS' REPORT

### To the Members,

Your Directors have the pleasure in presenting their 11<sup>th</sup> Annual Report together with the audited Balance Sheet and Profit & Loss Account (together with Notes thereon) for the financial year ended 31<sup>st</sup> March 2012.

### Indian Economy

India economy is the eleventh largest economy in the world by nominal GDP and the third largest economy by purchasing power parity (PPP). The country is one of the G-20 major economies and a member of BRICS nations.

India recorded its highest growth in mid-2000s, and is one of the fastest-growing economies in the world. In terms of per capita income, India since its independence has recorded a growth of over 200 times. The growth was primarily due to huge increase in the size of the middle class consumer, large labour force and considerable foreign investments. India is the nineteenth largest exporter and tenth largest importer in the world.

During the fiscal 2011-12, economic growth rate declined and stood at around 6.5%. The fall is mainly because of poor performance of secondary sector which grew by a mere 2.8%. However, service sector was unaffected by the global slowdown and grew by 9.4%.

### Company's Performance

You may agree to the fact that performance of your Company is greatly dependent upon two issues, one being, amount of dividend received from its subsidiary, viz., Balmer Lawrie & Co. Ltd. ('BL') and the other, being the interest received from deployment of surplus funds with scheduled commercial banks. During the year under review, the bank interest rates increased as compared to the immediately preceding financial year, 2010-11. Further, the quantum of dividend received from the Company's subsidiary, i.e., BL, during the year under review was more as compared to the immediately preceding financial year, i.e., 2010-11. Increase in both, bank interest rates and quantum of dividend, yielded more Profit during the year under review.

Financial performance of your Company for the year under review, 2011-12, as compared to the immediately preceding year, i.e., 2010-11, has been enumerated below:

### Financial Results

(₹ in lakhs)

Year ended on 31<sup>st</sup> March

	2012	2011
Profit before Tax	2998.28	2484.64
Provision for Tax	155.00	61.82
<b>Net Profit</b>	<b>2843.28</b>	2422.82

### Dividend

Your Directors are pleased to recommend, for declaration (at the ensuing 11<sup>th</sup> Annual General Meeting of your Company), dividend @ 100%, i.e., Rs.10 (Rupees Ten only) per Equity share of face value of Rs.10/- each (fully paid-up), for the financial year ended 31<sup>st</sup> March 2012 [as against dividend @ 85%, i.e., Rs.8.50 (Rupee Eight and paise fifty only) per Equity share of face value of Rs. 10/- each (fully paid-up) recommended and declared in the immediately preceding year, i.e., 2010-11]. Upon the aforesaid declaration by the members, dividend will be paid to those Shareholders who would be holding shares in the Company as on the date of commencement of the Book Closing period, i.e., as on 19<sup>th</sup> September 2012. In respect of shares held electronically, dividend will be paid to the beneficial owners, as per details to be furnished by their respective Depositories, i.e., either Central Depository Services (India) Ltd. or National Securities Depository Ltd.

### Appropriation

The amount available for appropriation is the sum total of Profit after Tax (PAT) and the balance Profit brought forward from the immediately preceding financial year.

The amount available for appropriations for the financial year 2011-12 and 2010-11, are given hereunder:

	2011-12	2010-11
PAT	2843.28	2422.82
Add: Balance Profit brought forward from the immediately preceding financial year	169.50	118.02
<b>Amount Available for Appropriations</b>	<b>3012.78</b>	2540.84

## Balmer Lawrie Investments Ltd.

The aforesaid amount available for appropriations for the financial year 2011-12 and 2010-11 was/has been appropriated in the following manner:

	(₹ in lakhs)	
	2011-12	2010-11
Dividend	2219.73	1886.77
	(recommended)	
(Rate in %)	(100%)	(85%)
Corporate Tax on Dividend	Nil	Nil
Transfer to Reserve Fund	586.66	484.57
Balance carried forward to the next year	206.39	169.50

### Deposits with Bank

Surplus funds of the Company have been deployed in the Fixed Deposit Schemes of the scheduled commercial Banks. As on 31<sup>st</sup> March 2012, the total amount of deployments in the Fixed Deposit Schemes stood at Rs.4790.00 lacs, which in turn, yielded an interest income of Rs.422.96 lacs.

### Management Discussion and Analysis Report

Your Company is not engaged in any other business activity, except, to hold the equity shares of Balmer Lawrie & Co. Ltd. and accordingly matters to be covered under 'Management Discussion and Analysis Report' are not applicable to your Company.

### Report on Subsidiary Companies

In terms of Sections 4(1)(b)(ii) and 4(1)(c) of the Companies Act, 1956 ('the Act') your Company has two subsidiary companies, namely, Balmer Lawrie & Co. Ltd. ('BL') and Balmer Lawrie (UK) Ltd. ('BLUK'). By virtue of shareholding in BL (61.8%), your Company is the holding Company of the former. BL in turn at present has one foreign subsidiary, namely BLUK, which in turn under Section 4(1)(c) of the Act, is also the subsidiary company of your Company.

Pursuant to General Circular No. 2/2011 (Ref. no. 5/12/2007 – CL III) of the Ministry of Corporate Affairs, Government of India, the provisions of attachment of the accounts of the subsidiary (ies) shall not apply to a holding company, if the holding company fulfills the conditions stipulated in the aforesaid circular, including obtaining consent of its Board of Directors. Your Company is not required to consolidate its accounts with the accounts of its subsidiaries, which is one of the conditions need to be fulfilled to avail the aforesaid exemption. Therefore your company is not entitled to avail the aforesaid exemption. We understand that BL has complied with the conditions, including obtaining consent from its Board of Directors for non-attachment of its subsidiary's accounts. However, such accounts have been duly consolidated in terms of the applicable accounting standards and have been shown translated into Indian Rupees.

### Compliance of Right to Information Act, 2005

The Right to information Act, 2005 ('the RTI Act') is applicable to your Company. In accordance with the provisions of the RTI Act, various disclosures of information, which are mandatory, have been set out on the website of your Company. Additionally, your Company furnishes monthly as well as annually RTI returns within the prescribed time line to the Ministry of Petroleum & Natural Gas, Government of India. Status of applications received under the RTI Act, is given under Disclosure of the annexed 'Report on Corporate Governance'.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, dealing with the aforesaid disclosures, are not applicable to your Company.

### Particulars of Employees

Your Company has no employee in the category to report under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### Directors' Responsibility Statement

Your Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 217 (2AA) of the Companies Act, 1956, in preparation of the Annual Accounts of your Company for the financial year ended 31<sup>st</sup> March 2012 and confirm that:

- (i) In the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2012, the applicable Accounting Standards have been followed and there was no material departure from such standards;
- (ii) The Directors have selected such Accounting Policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year on 31<sup>st</sup> March 2012 and of the Profit of the Company for the said financial year;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the Accounts for the financial year ended 31<sup>st</sup> March 2012, on a 'Going Concern basis'.

### **Consolidated Financial Statement**

Your Company's investment in the Equity share capital of its subsidiary, namely, Balmer Lawrie & Co. Ltd. ('BL'), is intended to be temporary and as of now there is no change in such intention. Thus, in terms of paragraph 11(a) of the Accounting Standard – 21, issued by the Institute of Chartered Accountants of India ('ICAI') the annual financial statement of your Company has not been consolidated with the financial statement of BL and group companies of BL, i.e., subsidiaries and joint ventures of BL, which in turn fall under the same group that of your Company.

Unlike your Company, the investments of BL, in the equity share capital of its subsidiary and joint venture companies are not temporary and therefore BL, in terms of the Accounting Standards 21 and 27 issued by ICAI read with Clause 32 of the Listing Agreement with the Stock Exchanges, has consolidated its financial statement with that of its subsidiary and joint venture companies, which has been duly audited by BL's Statutory Auditors. In order to provide an insight about the group's financial performance, such Consolidated Financial Statement of BL together with the Report of the Auditors, is annexed hereto.

### **Corporate Governance**

Since the days of initial listing with the Stock Exchanges, which was way back in the year-end of 2002 and the beginning of 2003, your Company has been consistently complying with the various regulations of the Securities & Exchange Board of India ('SEBI'), including regulations on Corporate Governance, which is enumerated under Clause 49 of the Listing Agreement. Pursuant to the said SEBI regulations, a separate section titled 'Report on Corporate Governance' is being furnished and marked **Annexure 1**.

Your Company being a Government Company is also complying with the corporate governance norms of the Department of Public Enterprise (DPE), to the extent which is not included and does not contradict with SEBI guidelines.

Further, your Company's Statutory Auditors have examined compliance of the aforesaid SEBI corporate governance guidelines and issued a certificate, which is annexed to this Report and marked **Annexure 2**.

Your Directors in respect of independent directors would like to clarify and confirm that the Administrative Ministry of your Company, namely, Ministry of Petroleum & Natural Gas, Government of India (MOP&NG) has initiated steps to induct independent Directors on the Board of Directors and Audit Committee of your Company, which the Statutory Auditors have already covered in its aforesaid report.

### **Directors**

There has been no change in composition of the Board of Directors.

Shri Sukhvir Singh, a Government Nominee, was appointed as a Director of your Company on 7<sup>th</sup> June 2010. Shri Singh will retire by rotation at the ensuing 11<sup>th</sup> Annual General Meeting of your Company. Meanwhile your Company has received a communication from Shri Singh, wherein he has expressed his willingness to be re-appointed, as Director of your Company. Your Directors recommend the re-appointment of Shri Singh and accordingly the said proposal has been included in the Notice of the ensuing 11<sup>th</sup> Annual General Meeting of your Company.

### **Auditors**

The Statutory Auditors of your Company (being a Government Company), are appointed/re-appointed by the Comptroller & Auditor General of India ('CAG'), in terms of Section 619(2) of the Companies Act, 1956. The remuneration of the Auditor for the year 2012-13, is to be determined by the Members at the ensuing 11<sup>th</sup> Annual General Meeting as per Sections 224(8) (aa) and 619 of the Companies Act, 1956

### **Auditors Report**

The Report of the Statutory Auditors on Annual Accounts of your Company for financial year ended 31<sup>st</sup> March 2012, does not have any reservation, qualification or adverse remark.

Report of the Statutory Auditors is annexed hereto.

### **Comments of Comptroller & Auditor General of India('CAG')**

CAG had decided not to review the Auditors Report on Annual Accounts of your Company for the financial year ended 31<sup>st</sup> March 2012 and therefore has no comment to make under Section 619(4) of the Companies Act, 1956 Comments of CAG is annexed hereto.

### **Appreciation**

Your Directors wish to place on record their appreciation for the continued guidance and support extended by MOP&NG and other Ministries. Your Directors also acknowledge the valuable support and services provided by BL. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

On behalf of the Board  
Balmer Lawrie Investments Ltd.

Registered Office:  
21, Netaji Subhas Road,  
Kolkata-700 001  
Date : 17<sup>th</sup> August 2012

**P. Kalyanasundaram**  
*Chairman*  
**Sukhvir Singh**, *Director*  
**K. Subramanyan**, *Director*

## REPORT ON CORPORATE GOVERNANCE

**CORPORATE GOVERNANCE** is a set of rules, regulations and mechanism to maximize shareholders wealth and to increase transparency and accountability in operation and functioning of the Company. Corporate Governance helps to maintain sustainable growth of the organization.

Your Company firmly believes that good Corporate Governance practice stems from the culture and mindset of the organization.

Your Company strictly follows the Corporate Governance Guidelines laid down by Securities & Exchange Board of India ('SEBI'). Further, being a Government Company, your Company also follows the Corporate Governance Guidelines laid down by the Department of Public Enterprises, to the extent not covered and do not contradict with SEBI Guidelines.

### CORPORATE PHILOSOPHY

YOUR COMPANY with limited business activity has always strived for better return to its shareholders by strictly governing its activities, in terms of cutting down un-necessary cost and emphasizing on maximising or consistently maximising growth in the area of interest income from its bank deposits.

Your company strives to achieve governance through the system of checks and balances by conducting periodical audits to ensure that the management takes care of all its stakeholders aspirations.

The FRAMEWORK OF YOUR COMPANY'S CORPORATE GOVERNANCE POLICY, is based on the following principles:

- Framing the composition/size of its Board of Directors ('the Board' subject to recommendation from the Administrative Ministry) commensurate with its activity;
- Ensuring timely flow of information to its Board and Board Committees to enable them to discharge their functions, effectively;
- Safeguarding integrity of its financial reporting;
- Ensuring a sound system of internal control;
- Timely and adequate disclosure to all its stakeholders;
- Transparency and accountability;

## ANNEXURE '1'

- Compliance with all applicable Rules and Regulations ; and
- Fair and equitable treatment to all its shareholders and investors.

### BOARD OF DIRECTORS (‘the Board’)

The Board manages your Company. It acts as a trustee to the shareholders and other stakeholders and primarily its role is to protect and enhance shareholders value and growth of the organization.

All statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustee to the shareholders.

### Composition

All the Directors on the Board are non-executive, including the Chairman, out of which two directors are nominees of the Promoter, i.e., Government of India and the third director is an ex-officio member, who is also the Director(Finance) of the subsidiary company, namely, Balmer Lawrie & Co. Ltd

Understand that steps have been taken by the Administrative Ministry of your Company, viz., Ministry of Petroleum & Natural Gas, Government of India, for induction of adequate numbers of independent directors on the Board.

As of 30<sup>th</sup> June 2012, the Board comprised of the following three Directors:

- a. Shri P. Kalyanasundaram, Chairman
- b. Shri Sukhvir Singh
- c. Shri K. Subramanyan

### Shareholdings

The Articles of Association of your Company does not stipulate holding of Shares in the form of qualification shares by its Directors. As on the date of reporting, none of the Directors hold Equity Shares in your Company.

### Remuneration Policy

As on the date of reporting, none of the Directors receive any remuneration/compensation, including sitting fee, for attending meetings of the Board and/or any Board Committees. Therefore, under the present scenario, requirement of a Remuneration Policy is not essential for your Company, which is not a mandatory requirement under SEBI Corporate Governance Guidelines.

**Other Directorship & Committee Positions**

The particulars as to the directorship of the Directors (who are currently on the Board) in other companies and their membership in various Board level committees as on 30<sup>th</sup> June 2012 are given hereunder: -

Name of the Director	No. of companies / bodies corporate, other than the Company, in which the Director holds Directorship.	Membership held by the Director in various Committees* across all companies (including this Company) in which he is a Director	Chairmanship held by the Director in various Committees* across all companies (including this Company) in which he is a Director	Chairmanship held by the Director in the Boards of other companies/ bodies corporate	Whether attended the last Annual General Meeting of the Company held on 23 <sup>rd</sup> September 2011
Shri P. Kalyanasundaram	NIL	2	NIL	NIL	Yes
Shri Sukhvir Singh	NIL	2	1	NIL	Yes
Shri K. Subramanyan	4	3	1	1	Yes

\*Pursuant to Clause 49 (1)(c) of the Listing Agreement, only the 'Audit Committee' and the 'Shareholders/Investors Grievance Committee' are reckoned for evaluating the Committee position.

**Meetings & Attendances**

The Board met four times during the financial year ended 31<sup>st</sup> March 2012.

(i) Date of the meetings, Board strength and nos. of Directors present in each of the meetings held during the financial year ended 31<sup>st</sup> March 2012, are given hereunder:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	30 <sup>th</sup> May 2011	3	3
2.	5 <sup>th</sup> August 2011	3	3
3.	1 <sup>st</sup> November 2011	3	3
4.	10 <sup>th</sup> February 2012	3	2

(ii) Attendance of the Directors at the Board and Shareholders meetings held during the financial year ended 31<sup>st</sup> March 2012, are given hereunder:

Name of the Directors	Board Meetings					Annual General Meeting
	30 <sup>th</sup> May 2011	5 <sup>th</sup> Aug 2011	1 <sup>st</sup> Nov 2011	10 <sup>th</sup> Feb 2012	23 <sup>rd</sup> Sep 2011	
Shri P. Kalyanasundaram	Yes	Yes	Yes	Yes	Yes	
Shri Sukhvir Singh	Yes	Yes	Yes	No	Yes	
Shri K. Subramanyan	Yes	Yes	Yes	Yes	Yes	

**Information placed before the Board**

The Board predominantly manages your Company. Certain powers of the Board have been delegated to the Board Committees.

The items, which are normally placed before the Board for consideration and approval, are inter-alia, as follows –

1. Financial Statements, quarterly and annual;
2. Remuneration payable to the Statutory Auditors (subject to delegation by the Shareholders at the Annual General Meeting);
3. Selection of the Registrar & Share Transfer Agent and fixation of their remuneration;
4. Selection of the Dividend Banker;
5. Appointment of Directors;
6. Appointment of the Internal Auditors and fixation of their remuneration;
7. Policy and Procedure pertaining to deployment of surplus funds and its subsequent amendments; etc. and
8. Terms of reference of the Board Committees.

The items, which are normally placed before the Board for information, are inter-alia, as follows –

1. Statutory Audit Report;
2. Internal Audit Report;
3. Re-conciliation of the Share Capital Audit Report
4. Comments of the Comptroller & Auditor General of India;

## Balmer Lawrie Investments Ltd.

- Status of legal compliances;
- Recommendations of the Audit Committee; and
- Resolutions passed by circulation;
- Minutes of the 'Committee of Directors for Share transfer, transmission, etc.';

Effective post-meeting follow-ups take place on a regular basis.

### Code of Conduct

The Code of Conduct ('the Code') for the Directors and Senior Management (who are one level below the Board), came into being, w.e.f. 22<sup>nd</sup> December, 2005. During the twelve months period ended 31<sup>st</sup> March 2012, all the Directors of your Company and the Company Secretary (being the only member in the Senior Management team) had complied with the Code and to that effect had given their individual declaration to the Board. Since, your Company does not have any designated Chief Executive Officer, Shri P. Kalyanasundaram, Chairman of the Board, has given a composite declaration on behalf of the Board and Senior Management, which is being furnished in **Annexure 'X'**, to this Report.

### BOARD COMMITTEE

Your Company has three Board Committees, namely, 'Audit', 'Investors' Grievance' and 'Committee of Directors for Share transfer, transmission, etc'. The terms of reference of all the said three Board Committees were determined by the Board of Directors of your Company ('the Board'). Matters requiring attention/approval of the Board are placed in the form of recommendation/note signed by all members of the Board Committee(s), present at the concerned meeting(s) of the Board Committee(s).

The role and composition of these Board Committees, including, number of meetings held and attendance of the members at such meetings have been enumerated below:

### AUDIT COMMITTEE

The Audit Committee ('the Committee') was constituted by the Board on 23<sup>rd</sup> September 2002, with terms of reference covering those aspects, as envisaged by the Securities & Exchange Board of India ('SEBI') and as contained under Section 292A of the Companies Act, 1956.

### Composition

The Committee consists of three Board members. All the three members, including the Chairman of the Committee are non-executive Directors.

As of 30<sup>th</sup> June 2012, the following are the members of the Committee:

Names	Position held
Shri K. Subramanyan	Chairman
Shri P. Kalyanasundaram	Member
Shri Sukhvir Singh	Member

The members of the Committee are all financially literate and have expertise in finance and general management matters.

Details of qualification(s) of the Committee Members are as follows:

- Shri K. Subramanyan, Bachelor of Commerce and qualified Chartered Accountant (ACA);
- Shri P. Kalyanasundaram, LL.B, Masters in Business Administration, Masters of Philosophy (Commerce and Social Science), Masters in Economics, Diploma in Public Administration and Ph. D in International Business; and
- Shri Sukhvir Singh, postgraduate in Economics.

The Company Secretary of your Company Shri P. K. Ghosh, acts as the Secretary of the Committee.

### Meetings & Attendance

The Committee met four times during the financial year ended 31<sup>st</sup> March 2012

- Date of the Meetings, Committee strength and Nos. of Members present, in each of the meetings held during the financial year ended 31<sup>st</sup> March 2012, are enumerated below:

Sl No.	Date	Committee Strength	No. of Members presents
1.	30 <sup>th</sup> May 2011	3	3
2.	5 <sup>th</sup> August 2011	3	3
3.	1 <sup>st</sup> November 2011	3	3
4.	10 <sup>th</sup> February 2012	3	2

- Attendance of the Committee Members at the meetings held during the financial year ended 31<sup>st</sup> March 2012, are enumerated below:

Names	Committee Meetings			
	30 <sup>th</sup> May 2011	5 <sup>th</sup> Aug 2011	1 <sup>st</sup> Nov 2011	10 <sup>th</sup> Feb 2012
Shri K. Subramanyan	Yes	Yes	Yes	Yes
Shri P. Kalyanasundaram	Yes	Yes	Yes	Yes
Shri Sukhvir Singh	Yes	Yes	Yes	No

**Powers and Roles**

Powers and Roles of the Committee, as delegate by the Board, inter-alia, includes, the following:

- a. To oversee the Company’s financial reporting process;
- b. To ensure that the disclosures made in the financial statements are adequate and correct;
- c. To recommend audit fee payable to the statutory Auditors;
- d. To recommend other fees payable to the Statutory Auditors;
- e. To recommend the appointment of the Internal Auditors;
- f. To recommend the amount of fee payable to the Internal Auditors;
- g. To review the financial statements (whether annual or quarterly) before submission to the Board;
- h. To review the internal control process/system;
- i. To review the adequacy of the internal audit function;
- j. To review the internal audit reports;
- k. To consider any other matter(s), as may be required by the Board from time to time; and
- l. To act in any other role(s), as may be required under the listing agreement of the Stock Exchanges or any other statute(s)/regulations.

**REMUNERATION COMMITTEE**

As explained above, under ‘Remuneration Policy’ the requirement of ‘Remuneration Committee’ (optional under SEBI Guidelines) is not applicable to your Company.

**SHAREHOLDERS’/INVESTORS’ GRIEVANCE COMMITTEE**

The Shareholders’/Investors’ Grievance Committee (‘the Committee’) was formed by the Board on 29<sup>th</sup> July 2003. The terms of reference of the Committee, was determined by the Board. This Committee oversees the redressal of shareholders’/investors’ grievances on a periodical basis.

**Composition**

The members of the Committee, including the Chairman are all non-executive Directors.

As of 30<sup>th</sup> June 2012, the Committee is comprised of the following three members:

Names	Position held
Shri Sukhvir Singh	Chairman
Shri P. Kalyanasundaram	Member
Shri K. Subramanyan	Member

The Company Secretary of your Company Shri P. K. Ghosh, acts as the Secretary of the Committee.

**Meetings & Attendance**

The SEBI Corporate Governance Guidelines have not earmarked any minimum stipulation on number of meetings of the Committee to be held in a year.

The Committee met four times during the financial year ended 31<sup>st</sup> March 2012.

- (i) Date of the Meetings, Committee strength and Nos. of Members present, in each of the meetings held during the financial year ended 31<sup>st</sup> March 2012, are enumerated below:

Sl No.	Date	Committee Strength	No. of Members presents
1.	30 <sup>th</sup> May 2011	3	3
2.	5 <sup>th</sup> August 2011	3	3
3.	1 <sup>st</sup> November 2011	3	3
4.	10 <sup>th</sup> February 2012	3	2

- (ii) Attendance of the Committee Members at the meetings held during the financial year ended 31<sup>st</sup> March 2012, are enumerated below:

Names	Committee Meetings			
	30 <sup>th</sup> May 2011	5 <sup>th</sup> Aug 2011	1 <sup>st</sup> Nov 2011	10 <sup>th</sup> Feb 2012
Shri Sukhvir Singh	Yes	Yes	Yes	No
Shri P. Kalyanasundaram	Yes	Yes	Yes	Yes
Shri K. Subramanyan	Yes	Yes	Yes	Yes

**Compliance Officer:**

Name : Shri P. K. Ghosh  
 Designation : Company Secretary

**Shareholders Complaints**

The numbers of shareholders’/investors’ complaints have reduced considerably. During the financial year 2011-12, i.e., during the 12 months period from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012, your Company has received only one investors’ complaint as against nine investors’ complaints received during the immediately preceding financial year 2010-11. The aforesaid one shareholder’s/ investors’ complaint has been resolved to the satisfaction of the complainant shareholder within a span of 15 days (approx.) from the date of lodgment of the complaint.

## Balmer Lawrie Investments Ltd.

### COMMITTEE OF DIRECTORS FOR SHARE TRANSFER, TRANSMISSION, ETC.

The 'Committee of Directors' for Share transfer, transmission, etc'. ('the Committee'), was constituted by the Board to approve, registration of transfer, transmission, split or subdivision/consolidation of shares; issue of duplicate share certificate(s) in lieu of lost/misplaced; replacement of original share certificate in lieu of torn/defaced share certificate(s) and issue of share certificate(s) against re-materialization of shares. The Committee comprises of three Board members, namely, Shri P. Kalyanasundaram, Shri Sukhvir Singh and Shri K. Subramanyan. All such aforesaid approvals were taken by circulation with consent of any two members of the Committee. The share related activities of Company, are being looked after by its Registrar & Share Transfer Agent ('RSTA'), under the superintendence and guidance of the Company Secretary of your Company. All requests for registration of transfer, transmission, etc., are placed before the Committee on a weekly basis, for necessary consideration and approval.

### GENERAL BODY MEETINGS

#### (i) Details of last three Annual General Meetings and Special Resolution(s) passed thereat :

Year	AGM No.	Venue	Date & Time	Details of the Special Resolution(s) passed
2009	8 <sup>th</sup>	G.D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	24 <sup>th</sup> September 2009 at 2.30 p.m..	Nil
2010	9 <sup>th</sup>	G.D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	24 <sup>th</sup> September 2010 at 2.30 p.m.	Nil
2011	10 <sup>th</sup>	G.D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	23 <sup>rd</sup> September 2011 at 2.30 p.m.	Nil

#### (ii) Special Resolution(s) passed through Postal Ballot

During the financial year (2011-12) under review and as on the date of the Report, there was no occasion of passing a special resolution through postal ballot.

### DISCLOSURES

During the financial year ended 31<sup>st</sup> March 2012, we would like to disclose that:

- Apart from transactions with its subsidiary, Balmer Lawrie & Co. Ltd. ('BL'), there was no other related-party transaction. Further, the transactions with BL were all carried out at arm's length and the disclosures have been made in the Notes to the Annual Accounts in accordance with the Accounting Standard (AS)-18;
- There has been no instance of non-compliance by your Company on capital market related issues and no penalty or stricture has been imposed on your Company by the Stock Exchanges or SEBI or any other statutory authorities;
- There was no substantial default in payments to our shareholders and creditors;
- Your Company has not accepted any deposit from the public;
- Your Company has electronically filed its Balance Sheet and Profit & Loss Account (2010-11), Annual Return and other returns with the Ministry of Corporate Affairs, within the statutory time line as envisaged under various provisions of the Companies Act, 1956;
- Your Company has received 5 (five) applications seeking information under the Right to Information Act, 2005 ('RTI Act'), which was provided to the applicants within the statutory time line as envisaged under the RTI Act and there was no such instance of appeal before the RTI Appellate Authority;
- Your Company has a system of monthly audit by a Company Secretary-in-Practice, the share related activities, which is looked after by the Company's RSTA, C B Management Services Pvt. Ltd.
- Your Company has a system of quarterly audit of the total issued/paid-up capital with the total number of shares held in physical form and the total number of shares held in electronic form;
- Your Company has a Code of Conduct for its Board members and the Senior Management;
- None of the Directors are holding any equity share in your Company;
- Your Company has no functional Directors;
- None of the Directors receive any remuneration/compensation including sitting fee (for attending Board/Board Committee Meetings) from your Company; and
- Your Company has so far, not adopted any non-mandatory requirement (as being listed under Clause 49 of the Listing Agreement) including the 'Whistle Blower Policy'.

**MEANS OF COMMUNICATIONS**

- Financial Results, whether quarterly or annual, are generally published in ‘The Financial Express’ (English), ‘Aajkal’ (Bengali) and ‘Janasatta’ (Hindi).
- Financial Results are also posted on the corporate website, [www.blinv.com](http://www.blinv.com).
- Further the corporate website, [www.blinv.com](http://www.blinv.com) displays annual reports & accounts, statutory information under the ‘Right to Information Act, 2005’, declaration on code of conduct by the directors and senior management of your Company, etc.

**SHAREHOLDERS’ INFORMATION**

**11<sup>th</sup> Annual General Meeting:**

Date & Time	Wednesday, 26 <sup>th</sup> September 2012 2.30 p.m.
Venue	Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019

**Date of Book Closure** : 19<sup>th</sup> September 2012 to 26<sup>th</sup> September 2012  
(both days inclusive)

**Financial year ended on:** 31<sup>st</sup> March 2012

**Dividend Payment Date** : Dividend will be paid on or about 8<sup>th</sup> October 2012 and within 30 days from the date of declaration as envisaged under the Companies Act, 1956.

**Financial Calendar**

Financial Year 2012-13		
1	Annual General Meeting	26 <sup>th</sup> September 2012 (since scheduled)
2	First quarterly results	3 <sup>rd</sup> August, 2012
3	Second quarterly results	End October/early November 2012
4	Third quarterly results	End January/early February 2012
5	Annual Results	May 2013

**Share Transfer Procedure**

The power to approve requests for registration of physical share transfer, transmission, subdivision/consolidation of shares; issue of duplicate share certificate in lieu of lost/misplaced original share certificate(s); replacement

of share certificate(s) in lieu of torn/defaced share certificate(s); and issue of share certificate(s); upon re-materialization, etc., has been delegated by the Board to a separate Board Committee, in the name and style of ‘Committee of Directors for share transfer, transmission etc.’. Such Board Committee comprises three non-executive Directors, namely, Shri P. Kalyanasundaram, Shri Sukhvir Singh and Shri K. Subramanyan. The Committee considers such request by circulation on a weekly basis (twice in a week) subject to receipt of such request from shareholder/shareholders. Share certificates after registration of transfer, transmission etc., are normally dispatched within the statutory time line.

**Registrar & Share Transfer Agent**

The share registry functions, in both physical and demat segments are handled by a single common agency, namely, C B Management Services (P) Ltd (‘CB’). CB is registered with SEBI and is based in Kolkata, having its corporate office at P-22, Bondel Road, Kolkata – 700 019.

**Listing of Equity Shares**

The Equity Shares of the Company are listed in Calcutta Stock Exchange and Bombay Stock Exchanges (BSE Ltd.), details whereof are given hereunder:

Stock Exchanges	Stock Code
Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700 001 website: <a href="http://www.cse-india.com">www.cse-india.com</a>	12638
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 website: <a href="http://www.bseindia.com">www.bseindia.com</a>	532485

Listing fees for the current financial year 2012-13 have been paid to both the Stock Exchanges.

Equity shares of your Company are actively traded in BSE Ltd.

**Dematerialization of Shares and Liquidity**

The Equity shares of your Company are to be traded compulsorily in dematerialised mode and are available for trading, in both the Depository systems in India, i.e., National Securities Depository Ltd. (‘NSDL’) and Central Depository Services (India) Ltd. (‘CDSL’).

As of 30<sup>th</sup> June 2012, the distribution of Equity Shares

## Balmer Lawrie Investments Ltd.

held in physical and dematerialised mode, are produced below:

Mode	Nos.	Percentage to the total paid-up capital
Physical	5,55,259	2.50
De-mat		
i. NSDL	48,10,702	21.67
ii. CDSL	1,68,31,308	75.83
<b>Total</b>	<b>2,21,97,269</b>	<b>100.00</b>

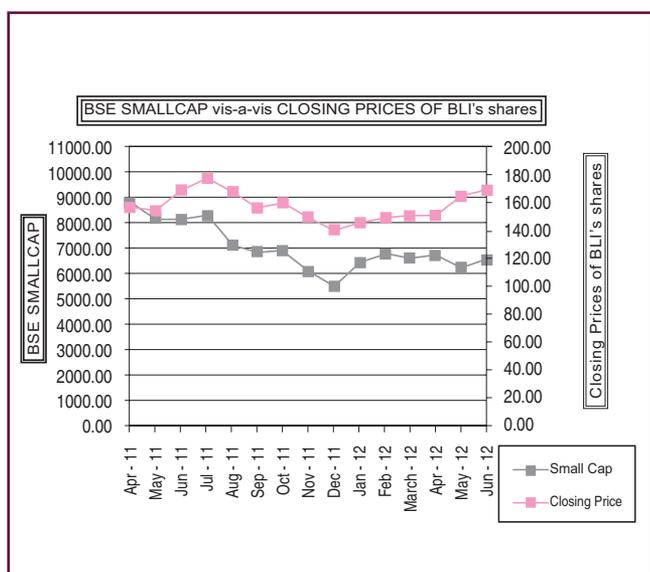
ISIN number allotted to your Company is INE 525F01017.

Your Company, for the current financial year 2012-13, has paid the annual custody fee to both the Depositories, i.e., NSDL & CDSL,

### Monthly High and Low quotes on BSE during the period from April 2011 to June 2012

Month (2011)	High (Rs.)	Low (Rs.)	Month (2012)	High (Rs.)	Low (Rs.)
April	160.00	137.00	January	169.00	139.10
May	163.40	148.00	February	161.00	144.15
June	171.80	154.50	March	168.00	145.65
July	183.90	171.00	April	156.30	145.00
August	179.80	155.10	May	170.00	147.00
September	191.90	153.00	June	187.45	159.00
October	163.00	153.15			
November	162.00	138.10			
December	153.95	134.00			

### Comparative Analysis of BSE SMALLCAP vis-a-vis monthly closing prices of the Equity shares of Balmer Lawrie Investments Ltd. ('BLI'), as quoted on BSE



### Categories of Shareholders as on 30<sup>th</sup> June 2012

Category	Total no. of Equity shares	Percentage on the total Equity holding
Promoter & its Associates: President of India	1,32,46,098	59.67
Foreign National/NRI	1,36,132	0.61
Indian Financial Institutions, Mutual Funds & Banks	34,457	0.15
Insurance Companies	3,35,861	1.51
Foreign Institutional Investors	7,85,575	3.54
Bodies Corporate: Domestic Companies Foreign Companies	35,75,439 -	16.11 -
Others	40,83,707	18.41
<b>Total</b>	<b>2,21,97,269</b>	<b>100.00</b>

### Distribution of Shareholding on the basis of range of equity shares as on 30<sup>th</sup> June, 2012

Range of Equity Shares	No. of Equity Shares	Percentage on the total no. of Equity Shares	No. of Equity Share holders in each category	Percentage on total number of Equity share holders
1-500	8,41,246	3.79	11,246	90.71
501-1000	4,26,995	1.92	570	4.60
1001-2000	4,03,617	1.82	282	2.28
2001-3000	2,17,398	0.98	88	0.71
3001-4000	1,34,535	0.61	38	0.31
4001-5000	1,30,137	0.59	29	0.23
5001-10000	5,36,495	2.42	74	0.60
10001-50000	11,44,692	5.15	50	0.40
50001-100000	3,63,221	1.64	5	0.04
100001 and above	1,79,98,733	81.09	16	0.13
<b>Total</b>	<b>2,21,97,269</b>	<b>100.00</b>	<b>12,398</b>	<b>100.00</b>

**Transfer of Unclaimed Dividend to the 'Investor Education and Protection Fund'**

In terms of Section 205C of the Companies Act, 1956, it is mandatory to deposit, the unclaimed amount lying in the unpaid dividend account of the company for a period of seven years, to the 'Investor Education and Protection Fund' established by the Central Government.

Accordingly an amount of ₹ 2,15,602/-, lying in the "Unpaid Dividend Account 2003-04" was transferred to the 'Investor Education and Protection Fund' on 21<sup>st</sup> November 2011.

Details of dividends declared and paid on and from the financial year 2004-05 and the corresponding amount of unclaimed dividend lying as on 31<sup>st</sup> March 2012, are enumerated below:

Date on which, dividend declared /Financial year	Total amount of Dividend (in ₹) and Percentage (%)	Date of transfer to the unpaid dividend account	Amount of unclaimed dividend as on 31 <sup>st</sup> March 2012 (In ₹)	% of unclaimed dividend to total dividend	Due date of transfer to the 'Investors' Education and Protection Fund
23 <sup>rd</sup> September 2005 2004-2005	2,21,97,269.00 10%	29 <sup>th</sup> October 2005	2,77,686/-	1.25	29 <sup>th</sup> October 2012
21 <sup>st</sup> September 2006 2005-06	3,77,35,357.00 17%	27 <sup>th</sup> October 2006	4,56,179/-	1.21	27 <sup>th</sup> October 2013
31 <sup>st</sup> January 2007 2006-07 (Interim)	2,21,97,269.00 10%	8 <sup>th</sup> March 2007	2,77,766/-	1.25	7 <sup>th</sup> March 2014
25 <sup>th</sup> September 2007 2006-07 (Final)	3,99,55,084.20 18%	31 <sup>st</sup> October 2007	4,67,008.20	1.17	31 <sup>st</sup> October 2014
30 <sup>th</sup> January 2008 2007-08 (Interim)	6,65,91,807.00 30%	8 <sup>th</sup> March 2008	7,74,201/-	1.16	8 <sup>th</sup> March 2015
26 <sup>th</sup> September 2008 2007-08 (Final)	3,32,95,903.00 15%	1 <sup>st</sup> November 2008	4,03,113/-	1.21	1 <sup>st</sup> November 2015
24 <sup>th</sup> September 2009 2008-09	14,20,62,521.60 64%	30 <sup>th</sup> October 2009	16,94,780.80	1.19	30 <sup>th</sup> October 2016
24 <sup>th</sup> September 2010 2009-10	16,86,99,244.00 76%	30 <sup>th</sup> October 2010	19,22,564.41	1.14	30 <sup>th</sup> October 2017
23 <sup>rd</sup> September 2011 2010-11	18,86,76,785.00 85%	30 <sup>th</sup> October 2011	20,18,036/-	1.07	30 <sup>th</sup> October 2018

**Payment of Dividend through National Electronic Clearing Service ('NECS')**

The Reserve Bank of India has introduced NECS to bring in further efficiency and uniformity in electronic credit of the dividend amount and has instructed the banks to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to beneficiary's account, wider coverage with no limitations of location in India.

Your Company accordingly encourages the use of NECS for payment of dividend, wherever available. To avail such NECS facility the shareholders are requested to fill-in the NECS Form, thereby providing the 9 digit MICR code number of their bank and branch along with 15 digit bank account number to the Registrar & Share Transfer Agent of the Company, viz., C B Management Services (P) Ltd., where the shares are being held in physical form and to their respective Depository Participant where the shares are being held in dematerialized mode.

This would facilitate prompt encashment of dividend proceeds and enable the Company to reduce cost of dividend distribution.

**Address for Correspondence**

All communications pertaining to share registry matters shall be addressed to –

**C B Management Services (P) Ltd.**

**Unit: Balmer Lawrie Investments Ltd.,**

P-22, Bondel Road,

Kolkata- 700 019

E-mail: rta@cbmsl.com

Or

**The Company Secretary**

**Balmer Lawrie Investments Ltd.,**

21, Netaji Subhas Road, Kolkata – 700 001

E-mail: blinvestors@balmerlawrie.com

## Balmer Lawrie Investments Ltd.

### Certification by the Chairman of the Board and Chairman of the Audit Committee

Clause 49 of the Listing Agreement dealing with Corporate Governance Guidelines has stipulated that the Chief Executive Officer, i.e., Managing Director or Manager, appointed in terms of the Companies Act, 1956 and the Chief Financial Officer, i.e., the whole-time Finance Director or any other person heading the Finance function, shall certify on aspects concerning the financial statements for the financial year ended 31<sup>st</sup> March 2012, Including the Cash Flow Statement.

Your Company, neither has a Managing Director nor a Whole-time Finance director on its Board. Therefore the requisite certificate was obtained from Chairman of the Board and Chairman of the Audit Committee of your Company, which is annexed and marked **Annexure 'Y'**.

### **Annexure 'X'**

### Declaration by the Chairman of the Board on compliance of the Code of Conduct by the Board Members and Senior Management

I, P. Kalyanasundaram, Chairman of the Board, would like to confirm that myself, all other Directors and the Company Secretary (being only member of the Senior Management team) of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March 2012.

Date : 3<sup>rd</sup> August 2012  
Place: New Delhi

P. Kalyanasundaram  
Chairman  
Board

### **Annexure 'Y'**

### Certification by the Chairman of the Board and Chairman of the Audit Committee to the Board

We, P. Kalyanasundaram, Chairman of the Board and K. Subramanyan, Chairman of the Audit Committee, have reviewed the financial results and cash flow statement of the Company for the financial year ended 31<sup>st</sup> March 2012 and hereby certify that to the best of our knowledge and belief the said results:

- (1) Do not contain any false or misleading statement(s) or figure(s);
- (2) Do not omit any material fact(s), which might make the statement(s) or figure(s) contained therein misleading(s);
- (3) Present a true and fair view of the affairs of the Company;
- (4) Prepared in compliance with the existing accounting standards, applicable laws and regulations; AND
- (5) Do not contain transactions, which are fraudulent, illegal or violative of the Company's code of conduct.

P. Kalyanasundaram      K. Subramanyan  
Chairman      Chairman  
Board      Audit Committee

Date : 17<sup>th</sup> May 2012  
Place : Kolkata

### Green Initiative

This initiative is pursuant to two Circulars bearing nos. 17/2011 and 18/2011 dated 21<sup>st</sup> April 2011 and 29<sup>th</sup> April 2011, respectively, issued by the Ministry of Corporate Affairs, Govt. of India.

Pursuant to the aforesaid Circulars, service of documents, including service of Annual Reports & Accounts, upon the shareholders, via e-mail, shall be in compliance with the provisions of Section 53 of the Companies Act, 1956.

The Shareholders (whether holding shares in physical or electronic mode), who are interested to receive soft copy of the Annual Reports & Accounts of the Company, are requested to register their respective e-mail ids at the web-page of our Registrar & Share Transfer Agent, C B Management Services (P) Ltd., at: [www.cbmsl.com/green.php](http://www.cbmsl.com/green.php).

**Auditor's certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements**

**To the Members of Balmer Lawrie Investments Ltd.**

We have examined the compliance of conditions of Corporate Governance by Balmer Lawrie Investments Ltd. ('the Company'), for the financial year ended 31<sup>st</sup> March 2012 as stipulated in Clause 49 of the Listing Agreement (s) entered into by the Company with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Company for ensuring 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 hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Clause of the Listing Agreement, except, the following:

1. All the Directors on the Board are Non- Executive, including the Chairman, out of which two Directors are nominees of the promoter, i.e., Government of India and the third Director is an ex-officio member who is also the Director (Finance) of the subsidiary Company, namely, Balmer Lawrie & Co. Ltd. At least half of the Board should comprise of Independent Directors. But at the present instance, none of the Directors are of independent category. However, as per the information and explanation received, the Administrative Ministry of the Company, i.e., Ministry of Petroleum and Natural Gas, Government of India, has taken steps to induct independent Directors on the Board of the Company.

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

For and on behalf of

**S. K. Naredi & Co.**

Chartered Accountants

**Firm Registration No. -003333C**

(Rashmi Chhawchharia)

Place: Kolkata

Partner

Date : 30<sup>th</sup> July 2012

Membership No.: 401727

**AUDITOR'S REPORT**

**To the members of Balmer Lawrie Investments Limited**

We have audited the accompanying financial statements of **Balmer Lawrie Investments Ltd.** (The Company), which comprise the balance sheet as at 31<sup>st</sup> March, 2012, and the statement of Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report.

1. Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
2. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we comply with ethical requirements and 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, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement's presentation. We believe that the audit evidence we have obtained is appropriate to provide a basis for our audit opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amended) Order, 2004 (together the order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us we give in

the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in Para 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 purpose 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 Subsection (3C) of Section 211 of the Act 1956.
  - e) As Per Notification No. G.S.R 829(E) dated 21.10.2003, issued under section 620(1) of the Companies Act, 1956 clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to Government companies.
5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statement together with notes thereon annexed thereto, give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting policies generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
  - (ii) in the case of Statement of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of

**S. K. Naredi & Co.**

Chartered Accountants

**Firm Registration No -003333C**

(Rashmi Chhawchharia)

Partner

Place:Kolkata

Date: 18<sup>th</sup> May, 2012

Membership No: 401727

**Annexure to the Auditors' Report to the member of  
Balmer Lawrie Investments Limited**  
[Referred to in Paragraph 3 of our report of even date]

1. There are no Fixed Assets in the Company, hence this clause is not applicable.
2. There is no inventory in the company and as such the clause is not applicable.
3.
  - a. According to the information and explanations given to us, during the year, the Company had not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the order are not applicable to the company and hence not commented upon.
  - b. According to the information and explanations given to us, during the year, the Company had not taken any loans, secured or unsecured from companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the order are not applicable to the company and hence not commented upon.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchases of inventory, fixed assets and with regard to the sale of goods & services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal controls system.
  - a. In our opinion and according to the information and explanation given to us, the particulars of contract or arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
  - b. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
5. The Company has not accepted any deposits from public pursuant to Section 58A and 58AA or any other relevant provision of the Act.
6. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
7. The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
8.
  - a. According to information and explanations given to us, and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Investor Education Protection Fund and other material statutory dues as applicable.
  - b. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, and other material statutory dues were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.
  - c. According to the information and explanation given to us, there are no dues of income tax and other statutory dues, which have been deposited on account of any dispute except for the Demand of Rs. 2.96 lacs paid in protest with Commissioner of Income Tax (Appeal) for AY 2008-09 . Appeal is pending for disposal as on 31st March 2012.
9. The Company has no accumulated losses and the company has not incurred cash losses in the current year and immediately preceding financial year.
10. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks.
11. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, hence the maintenance of document and records does not arise.

## Balmer Lawrie Investments Ltd.

13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In Our opinion, the company is not dealing in or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. No term loans have been raised by the company 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, in our opinion, there are no funds raised on a short-term basis, which have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. Based upon the audit procedures performed for the purpose or reporting the true and fair view of the financial statements and according to the information and explanation 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 and on behalf of

**S. K. Naredi & Co.**

Chartered Accountants

**Firm Registration No -003333C**

(Rashmi Chhawchharia)

Partner

Place: Kolkata

Date: 18thMay, 2012

Membership No: 401727

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BALMER  
LAWRIE INVESTMENTS LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH 2012.**

The preparation of financial statements of Balmer Lawrie Investments Limited, Kolkata for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18-05-2012.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Balmer Lawrie Investments Limited, Kolkata for the year ended 31 March 2012 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on behalf of the  
Comptroller & Auditor General of India

(Nandana Munshi)  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board - I,  
Kolkata

Place: Kolkata  
Date: 11 June 2012

**BALANCE SHEET**  
as at 31 March, 2012

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
		Amount in Lakhs(₹)	Amount in Lakhs(₹)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	2,219.73	2,219.73
(b) Reserves and Surplus	2	3,838.96	3,215.41
		<u>6,058.69</u>	<u>5,435.14</u>
<b>2 Share application money pending allotment</b>		—	—
<b>3 Non-current liabilities</b>		—	—
<b>4 Current liabilities</b>			
(a) Other current liabilities	3	90.39	76.36
(b) Short-term provisions	4	2,219.73	1,886.77
		<u>2,310.12</u>	<u>1,963.13</u>
		<u>8,368.81</u>	<u>7,398.27</u>
<b>TOTAL</b>			
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Non-current investments	5	3,267.77	3,267.77
		<u>3,267.77</u>	<u>3,267.77</u>
<b>2 Current assets</b>			
(a) Cash and cash equivalents	6	4,959.09	4,050.07
(b) Other current assets	7	141.95	80.43
		<u>5,101.04</u>	<u>4,130.50</u>
		<u>8,368.81</u>	<u>7,398.27</u>
<b>TOTAL</b>			
See accompanying notes forming part of the financial statements			

In terms of our report attached.  
For S.K.NAREDI & Co.  
Chartered Accountants  
Firm Registration No.: 003333C

Rashmi Chhawchharia  
Partner  
Membership No.- 401727  
Kolkata, the 18th May 2012

For and on behalf of the Board

Sukhvir Singh  
K Subramanyan  
Directors

P K Ghosh  
Secretary

**PROFIT & LOSS ACCOUNT**  
for the year ended 31 March, 2012

Particulars	Note No.	For the year ended 31 March, 2012 Amount in Lakhs(₹)	For the year ended 31 March, 2011 Amount in Lakhs(₹)
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)		—	—
Less: Excise duty Revenue from operations (net)		—	—
Revenue from operations (gross)		—	—
2 Other income	8	3,039.85	2530.29
3 Total revenue (1+2)		3,039.85	2530.29
4 Expenses			
(a) Employee Benefit Expense	9	12.52	8.51
(b) Other expenses	10	29.05	37.14
Total expenses		41.57	45.65
5 Profit / (Loss) before exceptional and- -extraordinary items and tax (3 - 4)		2998.28	2484.64
6 Exceptional items		—	—
7 Extraordinary items		—	—
8 Profit / (Loss) before tax {5-(6+7)}		2998.28	2484.64
9 Tax expense:			
(a) Current tax expense for current year		129.43	61.82
(c) Current tax expense relating to prior years		25.57	—
		155.00	61.82
10 Profit / (Loss) from continuing operations (8-9)		2843.28	2422.82
11 Balance Brought Forward		169.50	118.02
12 Available for Appropriation		3012.78	2540.84
13 Proposed Final Dividend		2219.73	1886.77
14 Corporate Tax on Dividend		—	—
15 Transfer to General Reserve		586.66	484.57
16 Balance Carried Forward		206.39	169.50
17 Earnings per share (of ₹10/-each):			
(a) Basic		12.81	10.91
(b) Diluted		12.81	10.91

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

For and on behalf of the Board

**For S.K.NAREDI & Co.**

Chartered Accountants

Firm Registration No.: 003333C

**Rashmi Chhawchharia**

Partner

Membership No.- 401727

Kolkata, the 18th May 2012

**Sukhvir Singh**

**K Subramanyan**

Directors

**P K Ghosh**

Secretary

**CASH FLOW STATEMENT**  
for the year ended 31 st march, 2012

Amount in Lakhs(₹)

	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>A Cash flow from Operating Activities</b>		
Net Profit before Tax / Operating Profit before Working Capital Changes	2,998	2,485
Other Receivables	(102)	56
Others Payables	(3)	(1)
<b>Cash Generated from Operations</b>	2,893	2,540
Direct Taxes Paid	(114)	(90)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	2,779	2,450
<b>B Cash Flow from Investing Activities</b>	-	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>C Cash Flow from Financing Activities</b>		
Dividend Paid	(1,870)	(1,670)
Corporate Tax on Dividend	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	(1,870)	(1,670)
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	909	780
<b>CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	4,050	3,270
<b>CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE</b>	4,959	4,050

**NOTES ON CASH FLOW STATEMENT**

**1. Component of Cash and Cash equivalent**

Cash and Bank Balances	4,959	4,050
	<u>4,959</u>	<u>4,050</u>
Changes	<u>909</u>	<u>780</u>

In terms of our report attached.  
**For S.K.NAREDI & Co.**  
Chartered Accountants  
Firm Registration No.: 003333C

For and on behalf of the Board

**Rashmi Chhawchharia**  
Partner  
Membership No.- 401727  
Kolkata, the 18th May 2012

**Sukhvir Singh**  
**K Subramanyan**  
Directors

**P K Ghosh**  
Secretary

## Corporate Information and Significant Accounting Policies

### Note 1 Corporate information

Balmer Lawrie Investments Limited (The Company) is a Government Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It's Shares are listed on two stock exchanges in India. The Company is not engaged in any other business activity, except, to hold the Equity Shares of Balmer Lawrie & Co. Ltd.

The Company is the holding company of Balmer Lawrie & Co. Limited(BL) by virtue of its acquiring 61.8% Equity Shares of BL from IBP Co. Ltd. through a Scheme of Arrangement and Reconstruction between IBP Co. Ltd., Balmer Lawrie Investments Limited and their respective shareholders and creditors in terms of Section 391 to 394 of the Companies Act, 1956. The Scheme became effective on 5th February , 2002 with an appointed date of 15th October, 2001.

1,32,46,098 Equity Shares of the Company are held by President of India (including its nominees)

The Registered office of the Company situated at 21, Netaji Subhas Road, Kolkata - 700 001.

### Note 2 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

#### 2.1 Significant accounting policies

##### a) Presentation and disclosure of financial statements

During the year ended 31st March,2012 the revised schedule VI notified under the companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises balances lying with the Banks under the current account and under the fixed/term deposits accounts . Cash equivalents are short-term balances (with an original maturity of -less than a year from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.5 Revenue recognition

Revenue is recognized to the extent it is possible that the economic benefit will flow to the company and the revenue can be reliably measured. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. All Expenses, claims, interest and other income to the extent ascertainable and considered payable or receivable as the case may be has been accounted for.

**2.6 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**2.7 Employee benefits**

Employee benefits include contribution provident fund, superannuation fund, gratuity fund and , en-cashment of earned leave which was reimbursed to the service provider, who maintains and makes provisions for the aforesaid amounts.

**2.8 Borrowing costs**

Borrowing cost, if any, that are directly attributable to the acquisition, construction or production of assets which take substantial period of time to get ready for its intended use are capitalised as part of the cost of these assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.

**2.9 Segment reporting**

The Company's only business is investment in its subsidiary Balmer Lawrie & Co. Ltd., and hence segment reporting as envisaged by Accounting Standard 17 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

**2.10 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if

any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**2.11 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

**2.12 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

## Notes forming part of the financial statements as at 31st March 2012.

Note 1 :	Share capital Particulars	As at 31 March, 2012		As at 31 March, 2011	
		Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
(a)	<b>Authorised</b>				
	Equity shares of ₹ 10/- each with voting rights	25,000,000	2,500	25,000,000	2,500
(b)	<b>Issued, Subscribed and paid Up</b>				
	Equity shares of ₹ 10/- each with voting rights	22,197,269	2,220	22,197,269	2,220
	<b>Total</b>	<b>22,197,269</b>	<b>2.220</b>	<b>22,197,269</b>	<b>2,220</b>

Refer Notes (i) to (v) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended 31 March, 2011	Fresh issue	Bonus	Other changes (give details)	Year ended 31 March, 2012
Equity shares with voting rights	22,197,269	-	-	-	22,197,269
- Number of shares					
- Amount (In lakhs)	2,220	-	-	-	2,220

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: NIL

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
President of India	13,246,098	59.67	13,246,098	59.67
C D Equifinance Pvt. Ltd.	1,542,343	6.95	1,542,343	6.95

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contracts) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As at 31 March, 2012	As at 31 March, 2011	As at 31 March, 2010	As at 31 March, 2009	As at 31 March, 2008
<b>Equity shares with voting rights</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	22,147,269	22,147,269	22,147,269	22,147,269	22,147,269

Note : ₹ 10/- each was allotted as fully paid up shares pursuant to Scheme of Arrangement and Reconstruction between IBP Co. Ltd and Balmer Lawrie Investments Limited and their respective shareholders and creditors in terms of Section 391 to Section 394 of the Companies Act, 1956.

**Notes forming part of the financial statements as at 31st March 2012.**

**Note 2 : Reserves and surplus**

Particulars	As at 31 March, 2012 Amount in Lakhs(₹)	As at 31 March, 2011 Amount in Lakhs(₹)
<b>(a) Capital reserve</b>		
Opening balance	1,053.04	1,053.04
Add: Additions during the year (give details)	-	-
Less: Utilised / transferred during the year (give details)	-	-
<b>Closing balance</b>	<b>1,053.04</b>	<b>1,053.04</b>
<b>(b) General reserve</b>		
Opening balance	1,992.87	1,508.30
Add: Transferred from surplus in Statement of Profit and Loss	586.66	484.57
Less: Utilised / transferred during the year	-	-
<b>Closing balance</b>	<b>2,579.53</b>	<b>1,992.87</b>
<b>(c) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	169.50	118.02
Add: Profit / (Loss) for the year	2,843.28	2,422.82
Less: Interim dividend	-	-
Proposed Dividend	2,219.73	1,886.77
Tax on dividend	-	-
Transferred to General reserve	586.66	484.57
<b>Closing balance</b>	<b>206.39</b>	<b>169.50</b>
<b>Total</b>	<b>3,838.96</b>	<b>3,215.41</b>

**Note 3 : Other current liabilities**

(a) Unpaid dividends (Refer Note No. - 1 I.viii) ( An amount of 2,15,602 relating to FY 2003-04 ( nil ) has been credited to Investor Education & Protection Fund during the year.)	82.91	65.50
(b) Other payables		
(i) Statutory remittances - TDS Payable	0.57	0.52
(ii) Contractually reimbursable expenses	6.91	10.34
<b>Total</b>	<b>90.39</b>	<b>76.36</b>

**Note 4 : Short-term provisions**

(a) Provision - Others:		
(i) Provision for proposed equity dividend	2,219.73	1,886.77
<b>Total</b>	<b>2,219.73</b>	<b>1,886.77</b>

**Note 5 : Non-current investments**

Trade Investments (Quoted) (At cost):		
Investment in equity instruments of subsidiaries	3,267.77	3,267.77
Less: Provision for diminution in value of investments	-	-
<b>Total</b>	<b>3,267.77</b>	<b>3,267.77</b>
Aggregate amount of quoted investments	3,267.77	3,267.77
Aggregate market value of listed and quoted investments	53,715.30	53,136.58

**Details of Trade Investments**

Name of Company	Balmer Lawrie & Co. Limited
Relationship	Subsidiary
No. of Shares	10,064,700
Amount in lakhs(₹)	3,267.77
Type of Investment	Quoted & Fully Paid Up
Stated at	Cost
% Shareholding	61.80%

## Notes forming part of the financial statements as at 31 st March 2012.

**Note 6 : Cash and cash equivalents**

Particulars	As at 31 March, 2012 Amount in Lakhs(₹)	As at 31 March, 2011 Amount in Lakhs(₹)
(a) Balances with banks		
(i) In current accounts	86.18	84.58
(iii) In deposit accounts (Refer Note below)	4,790.00	3,900.00
(iv) In earmarked accounts		
- Unpaid dividend accounts	82.91	65.50
<b>Total</b>	<b>4,959.09</b>	<b>4,050.08</b>

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 4,959.09 lakhs  
Notes : Balances with banks - Other earmarked accounts include ₹ 82.91.335/- (As at 31 March, 2012) which have restriction on repatriation.

**Note 7 : Other current assets**

(a) Accruals		
(i) Interest accrued on deposits	137.49	35.13
(b) Income Tax (Net of provisions)	4.46	45.30
<b>Total</b>	<b>141.95</b>	<b>80.43</b>

**Note 8 : Other income**

Interest income comprises:		
Interest from banks on Deposits : (TDS ₹31 .77.Previous Year TDS ₹29.99L )	422.96	214.94
Interest on income tax refund	0.07	0.47
Dividend income from Non - Current investments	2,616.82	2,314.88
<b>Total</b>	<b>3,039.85</b>	<b>2,530.29</b>

**Note 9 : Employee benefits expense**

Salaries and wages	11.32	7.44
Contributions to provident and other funds (Refer Note: 11)	1.20	1.07
<b>Total</b>	<b>12.52</b>	<b>8.51</b>

**Note 10 : Other expenses**

Service Charges	21.67	19.85
Listing Fees and Other fees	3.43	2.90
Bank Charges	0.01	0.01
Telephone,Telex,Postage,Cables and Telegrams.	0.05	3.37
Travelling and conveyance	1.20	3.00
Printing and stationery	0.11	3.86
Payments to auditors (Refer Note (I) below)	0.52	0.36
Miscellaneous expenses	2.06	3.79
<b>Total</b>	<b>29.05</b>	<b>37.14</b>

Particulars

Note: (i) Payments to the auditors comprises (net of Service tax input credit, where applicable):

As auditors - statutory audit	0.22	0.16
For taxation matters	0.08	0.06
For other Services	0.22	0.14
<b>Total</b>	<b>0.52</b>	<b>0.36</b>

**Notes forming part of the financial statements as at 31st March 2012.**

Note No.	Particulars	As at 31 March, 2012 Amount in Lakhs(₹)	As at 31 March, 2011 Amount in Lakhs(₹)
11.	<b>Additional information to the financial statements</b>		
	<b>(a)Contingent Liabilities and commitments (to the Extent not provided for)</b>		
	Contingent Liabilities and commitments	2.96	-
	(a) Income Tax for assessment year 2008-09 paid under dispute the Company had filed Appeal before the Commissioner of Income Tax (Appeals) for assessment year 2008-09 and had paid ₹ 295.530 under protest. Appeal hearing is pending as on 31 st March 2012. The amount paid is deluded in note no. 7(b) and shown as Income Tax (Net off provision) under current asset		
11.i	<b>Other Commitments (Specify nature)</b>	Nil	Nil
	Scheme of Arrangement and Reconstruction A Scheme of Arrangement and Reconstruction (the Scheme'),made under sections 391 to 394 of the Companies Act, 1956 ('the Act'), was executed by and between IBP Co. Ltd. (IBP) and Balmer Lawrie Investments Ltd. (the Company') and their respective creditors and shareholders. The Scheme under notification no. GSR/238 dated 2nd February 1978, was approved by the erstwhile Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Govt. of India, was approved on 8th January 2002, with the appointed date of 15th October 2001 .Under the Scheme 1,00,64,700 Equity Shares of ₹ 10/- each, fully paid-up, of Balmer Lawrie & Co. Ltd. ('BL'). held by IBP, was transferred to the Company, whereby the Company became holder of 61.8% Equity Shares of BL. with effect from the aforesaid appointed date of the Scheme, i.e., 15th October 2001.  In consideration of transfer of the aforesaid shares of BL by IBP, the Company had allotted 2,21.47.269 equity shares of ₹10/-each, fully paid-up to the shareholders of IBP (consideration other than cash), in the ratio of 1:1.		
11. ii	<b>Non Banking Financial Company ('NBFC')</b> Balmer Lawrie Investments Ltd. is a NBFC under section 451 of Reserve Bank of India Act, 1934.		
11. iii	<b>Public Deposit:</b> The Company has not accepted any Public deposit within the meaning of Section 45(bb) of RBI Act 1934 during the year in question & the company has also passed resolution for non-acceptance of any Public Deposit.		
11.iv	<b>Exemption From Reserve Bank of India ('RBI'):</b> On the basis of application made by the Company, RBI in exercise of their power conferred under section 45-NC of the Reserve Bank of India Act, 1934, has exempted the Company to comply with the formalities of compulsory registration and maintenance of minimum net owned funds, under the Notification No. DNBS.153/CGM(LMF)-2001 dated December 10, 2001, subject to the following conditions: (a) The Company shall not conduct any business of financial institution as specified in section 45-l(c) and 45-l(f) of the RBI Act, 1934 other than acquiring the shares of BL from IBP; (b) The Company shall not deal with or transact in any other securities; (c) The Company shall divest its shareholding and wind up its business on completion of disinvestment of shares of BL; and (d) The exemption granted hereunder stands cancelled in the event of breach or any of the above conditions of the company.		
11.v	During the year the Company has made a provision for Income Tax amounting to ₹ 129.43 lacs under the normal provision of Income Tax Act 1961. (Previous Year ₹ 61.82 lacs under normal provision of The Income Tax Act. 1961)		
11.vi	<b>Investment Details</b> The Company holds 61.8 % equity shares of Balmer Lawrie & Co. Ltd.(BL). Since the control in BL is intended to be temporary and there is no change of such intention, Consolidated Financial Statements of the Company with BL has not been drawn in terms of para 11 (a) of Accounting Standard 21 (AS-21) issued by the Chartered Accountants of India.		
11.vii	<b>Agreement for Employee Benefits</b> The company has entered into Service Agreement with Balmer Lawries & Co. Ltd (BL) on 23rd June 2011 whereas BL shall act as a Service Provider to maintain Books of Accounts, Statutory Regsisters , provide services, in nature of administration , finance, taxation , secreatarial and other allied functions., provide office space and other requisite infrastructure. Employee Expenses denotes remuneration payable to the Company Secretary, whose services have been seconded by the Service Provider and for which the Service Provider raises monthly bill upon the Company . All the necessary statutory obligations including PF, ESIC, TDS , Gratuity related to the Employee are being taken care by the Service Provider only.		
11.viii	<b>Unpaid Dividend Accounts</b> The amount of dividend which remains un-claimed/un-paid for a period of seven years are transferred to the Investors and Education Protection Fund of Central Government. During the year under review, un claimed dividend (declared for the financial year 2003/04 - paid in October 2004), was transferred to the Investors' Education and Protection Fund of the Central Government. As on 31 st March 2011, the unclaimed dividend 2003-04 was ₹ 2,18,059.80, and during the period from 1st April 2011 till 30th October 2011, amount of warrants worth ₹ 2,457.80, were en-cashed, leaving a balance of ₹ 2,15,602 /-, which was transferred to the Investor Education & Protection Fund Account.		
11.ix	<b>Details of Miscellaneous Expenses</b>	2011-12	2010-11
	Statutory Publication	1.50	1.69
	Gift & Presentation	0.03	1.51
	Other Misc. Expenses	0.53	0.59
		2.06	3.79

**Note forming part of the financial statements as at 31st March 2012.**

<b>Note : Disclosures under Accounting Standards (contd.)</b>			
	<b>Particulars</b>	<b>For the year ended 31 March, 2012</b>	<b>For the year ended 31 March, 2011</b>
		<b>Amount in Lakhs (₹)</b>	<b>Amount in Lakhs(₹)</b>
<b>11.x</b>	<b>Earnings per share</b>		
	<b>Basic</b>		
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	2,843.28	2,422.82
	Weighted average number of equity shares	22,197,269	22,197,269
	Par value per share	10	10
	Earnings per share from continuing operations - Basic (₹.)	12.81	10.91
<b>11.xi</b>	<b>Diluted</b> The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods.		
	Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	2,843.28	2,422.82
	Weighted average number of equity shares for Basic EPS	22,197,269	22,197,269
	Add. Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	22,197,269	22,197,269
	Par value per share	10	10
	Earnings per share, from continuing operations - Diluted	12.81	10.91
<b>11.xii</b>	<b>Related party transactions</b>		
	<b>Details of related parties:</b>		
	<b>Description of relationship</b>	<b>Names of related parties</b>	
	Susidiary Company	Balmer Lawrie & Co. LTd (BL)	
	Wholly Owned Subsidiary of BL	Balmer Lawrie (UK) Ltd. (BL-UK)	
	An Associate on which the (BL-UK) is having significant influence	PT. Balmer Lawrie- Indonesia	
	An Associate on which the subsidiary of the Company is having significant influence	Transafe Services Pvt. Ltd	
	An Associate on which the subsidiary of the Company is having significant influence	Balmer Lawrie-Van Leer Ltd.	
	An Associate on which the subsidiary of the Company is having significant influence	Balmer Lawrie (UAE) LLC.	
	An Associate on which the subsidiary of the Company is having significant influence	Avi - Oil India (P) Ltd.	
	An Associate on which the subsidiary of the Company is having significant influence	Balmer Lawrie Hind Terminal Ltd.	
	Susbsidiary of Balmer Lawrie Van Leer Ltd.	Proseal Closures Ltd.	
	Note: Related parties have been identified by the Management.		
	<b>Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:</b>		
	<b>Particulars</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
	<b>Relationship - Subsidiary</b>		
	Purchase of Gift ( Tea )	2.67	1.45
	Receiving of services	19.88	18.12
	Dividend Income	2616.82	2,314.88
	Investment in Shares as on	3267.77	3,267.77
	Amount incurred on a/c of Salaries etc. of employees deputed or otherwise	12.52	8.64
	Balances outstanding at the end of the year :		
	Outstanding Payable	3.82	1.85
<b>11.xiii</b>	The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.		

In terms of our report attached.

**For S.K.NAREDI & Co.**

Chartered Accountants

Firm Registration No.: 003333C

For and on behalf of the Board

**Rashmi Chhawchharia**

Partner

Membership No.- 401727

Kolkata, the 18th May 2012

**Sukhvir Singh**  
**K Subramanyan**  
Directors

**P K Ghosh**  
Secretary

**Statement Regarding Subsidiary Company  
Pursuant to Section 212(1) of the Companies Act, 1956**

**Balmer Lawrie & Co. Ltd.**

	₹ / Lakhs
a) Holding Company's Interest: 1,00,64,700 Equity shares of ₹ 10 each fully paid up at cost	3,267.77
b) Net aggregate amount of Subsidiary's profit/(loss) not dealt with in the Holding Company's accounts:	
I) for the subsidiary's financial year ended 31st March, 2012	8,532.89
II) for the previous financial years (Cumulative)	29,743.24
c) Net aggregate amount of Subsidiary's profit/(loss) dealt with in the Holding Company's accounts :	
I) for the subsidiary's financial year ended 31st March, 2012	2,616.85
II) for the previous financial years ( Cumulative)	9,702.37

For and on behalf of the Board

**Sukhvir Singh**  
**K Subramanyan**  
Directors

**P K Ghosh**  
Secretary

Kolkata, the 22nd June 2012

Report & Accounts of  
**BALMER LAWRIE & CO. LTD.**  
for the financial year ended 31st March, 2012

## Directors' Report

The Directors have pleasure in presenting the 95<sup>th</sup> Report on the state of affairs of your Company for the financial year ended 31 March 2012, together with the audited Balance Sheet and Profit & Loss Account of the Company.

Overall Financial Results

(₹ In lakh)

	FINANCIAL RESULTS OF THE COMPANY		CONSOLIDATED FINANCIAL RESULTS	
	Year ended 31 March		Year ended 31 March	
	2012	2011	2012	2011
Surplus for the year before Finance Charge, depreciation and tax	21014	19616	26018	23970
Deduct there from:				
Finance Charge and depreciation	1987	1512	5797	5191
Provision for Taxation	5220	5995	5415	5947
	13807	12109	14806	12832
Add Transfer from:				
Profit & Loss Account	20753	16565	21570	26248
<b>Total amount available for Appropriation:</b>	<b>34560</b>	<b>28674</b>	<b>36376</b>	<b>39080</b>
Appropriations:				
Proposed Dividend @ ₹28.00 per equity share (previous year ₹ 26.00 per equity share)	4560	4234	4559	4583
Corporate Tax on Dividend	740	687	770	706
Transfer to General Reserve/Minority interest etc.	3000	3000	3876	3045
Surplus carried forward to next year	26260	20753	27171	30746
<b>Total of Appropriations</b>	<b>34560</b>	<b>28674</b>	<b>36376</b>	<b>39080</b>

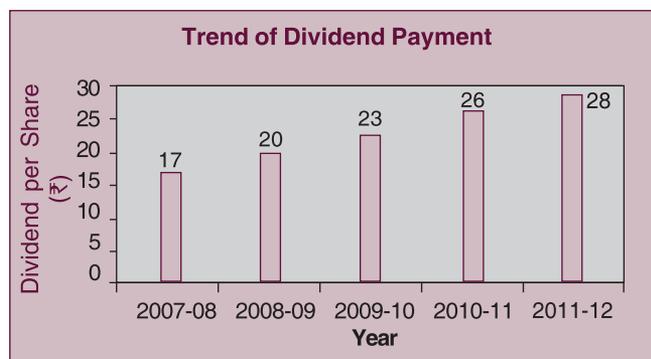
### Overview

Your Company recorded significant achievements in the year 2011-12, some of which are as follows:

- The Company recorded its highest ever Turnover with net sales crossing ₹ 2450 crore as against ₹ 2148 crore in 2010-11, representing an increase of 14% over the previous year.
- Profit Before Tax increased from ₹ 181 crore in 2010-11 to ₹ 190 crore in 2011-12, an increase of more than 5% over the previous year.
- Profit After Tax increased from ₹ 121 crore in the previous year to ₹ 138 crore, in 2011-12, an increase of 14% over the previous year.
- Segment-wise performance analysis indicates that SBU: Logistics Infrastructure and SBU: Logistics Services were the main profit generators followed by SBU: Industrial Packaging.

### Dividend

A dividend of ₹ 28 per equity share of ₹ 10 each [equivalent to 280%] for the year ended 31 March 2012 -- as against ₹ 26 per equity share in the previous year -- has been recommended by the Board of Directors for declaration by the Members at the ensuing 95<sup>th</sup> Annual General Meeting to be held on 26 September 2012. The trend of past dividend payment is depicted below:



**Management Discussion and Analysis Report**

An analytical Report on the businesses of your Company is furnished along with this report under the heading "Management Discussion and Analysis".

**Report on Subsidiary****Balmer Lawrie (UK) Ltd.**

Balmer Lawrie (UK) Ltd ('BLUK') is a wholly owned subsidiary of your Company incorporated in the U.K. BLUK was earlier engaged in Leasing & Hiring of Marine Freight Containers and Tea Warehousing, Blending & Packaging. After exiting these businesses, the Company has been utilizing the proceeds to fund other business opportunities.

Accordingly, BLUK has to date invested approximately US \$ 1.52 million -- equivalent to Indonesian Rupiah 14.20 billion -- in PT. Balmer Lawrie Indonesia (PTBLI), representing 50% of the paid-up equity share capital of the joint venture company, formed to manufacture and market greases and other lubricants in Indonesia. The plant of PTBLI has since been commissioned in December 2011. The registered office of PTBLI is at Jakarta, Indonesia. After initial teething difficulties, PTBLI has started its manufacturing operations, but certain areas need improvisation to ensure improved performance.

**Exemption from attaching accounts of the Subsidiary**

In the past the Ministry of Corporate Affairs, New Delhi had exempted your Company from attaching with the Company's Accounts, the Annual Accounts of Balmer Lawrie (UK) Ltd pursuant to Section 212(8) of the Companies Act, 1956. However, vide its General Circular No. 2/ 2011(Ref. No. 5/12/2007-CL-III) dated 8 February 2011, the Ministry of Corporate Affairs, Government of India stipulated that the provisions for attachment of the accounts of the subsidiary shall not apply if the conditions specified therein -- including consent of the Board of Directors of the concerned company by resolution, for not attaching the Balance Sheet of the subsidiary -- are duly fulfilled. It is hereby affirmed that these conditions have been duly complied with by your Company and the consent of the Board for non-attachment of the subsidiary's Annual Accounts had also been obtained on 29 March 2011 for the year ended on 31 March 2011 and thereafter for each successive financial year.

However, such accounts have been duly consolidated in terms of applicable Accounting Standards and have been shown translated into the Indian Rupee.

It is hereby confirmed that the annual accounts of the subsidiary company and the related detailed information shall be made available to the members seeking such information and the same shall also be kept available for inspection at the Registered Office of the Company.

**Report on Joint Ventures****AVI-OIL India Private Ltd. (AVI-OIL)**

During 2011-12, Avi-Oil recorded a higher performance which culminated in the company blending 1,119 KL of lubricating oils, re-processing / re-packing 22 MT of greases and manufacturing 189 MT of synthetic ester basestocks. Avi-Oil registered gross sales of ₹ 41 crore in the year as against ₹ 37 crore achieved in the previous year. The better performance was achieved despite delay in placement of orders by customers and these orders largely materialized during the third quarter of the year under review.

The year also witnessed Avi-Oil entering into several long-term Rate Contracts with major customers like Ministry of Defence, Hindustan Aeronautics Ltd etc. for supply of aviation lubricants. The joint venture company also achieved a breakthrough in Civil Aviation Business by tying up with Go Airlines (India) Ltd., which is the first airline in India to use 'Turbo-nycoil 600' aero-engine oil produced by the JV. It is learnt that the Airbus A320 fleet of Go Air is progressively switching over to the newly introduced TN-600 Oil.

During the year, Avi-Oil continued to maintain its registrations with Director General Aeronautical Quality Assurance, Director General of Civil Aviation and other registrations. Besides the regular consents obtained for operating its plant from the Haryana State Pollution Control Board under the Air, Water and Hazardous Wastes management Acts, Avi-Oil implemented and maintained an Environmental Management System, which is certified for compliance under the international standard ISO-14001-2004.

**Balmer Lawrie-Van Leer Ltd. (BLVL)**

BLVL's net sales, inclusive of other income increased to ₹ 188.93 crore in 2011-12 from ₹ 177.61 crore, which is about 8% higher than the previous year. With the commencement of new facility at Dehradun, sales volume of Plastic Containers increased by 9% over the previous year. However, in quantitative terms, sale of steel drum closures was marginally impacted on account of lower export performance, which was because of economic slow-down in Europe, the USA and the Far-East. Profitability of plastic container too faced a set-back due to foreign exchange loss on imports of polymer and reduced production arising from acute power shortage in the Plastic Division at Chennai.

During the year 2011-12, the Profit was significantly lower as against that of previous year. The JV has taken several initiatives to step up efficiency at its manufacturing facilities to bolster performance in 2012-13.

**Transafe Services Limited (TSL)**

During the financial year 2011-12, TSL achieved a turnover of ₹ 75.53 crore from operations which was

## Balmer Lawrie & Co. Ltd.

marginally lower compared to the previous year. TSL closed the financial year 2011-12 incurring a loss of ₹ 10.1 crore (as against ₹ 16.2 crore in the previous year). The major shortfall has been in TSL's container manufacturing business viz., the Creative Containers Division, which has suffered in the absence of demand from the major buyers representing oil and natural gas exploration companies and private rail operators. For the financial year 2012-13, TSL has shifted its focus to the logistics activities in order to step up its profitability.

In line with the Corporate Debt Restructuring (CDR) mechanism approved by the Bankers of TSL in October 2010, TSL has repaid to the Banks about 2.5% of the total long-term loan outstanding during 2011-12. The CDR scheme envisages a ballooning repayment schedule under which ₹ 10 crore representing 6.5% of the loan, would become repayable by TSL in 2012-13.

### Balmer Lawrie (UAE) LLC (BLUAE)

Balmer Lawrie (UAE) LLC continued to face the effects of the recessionary conditions all around the world, difficult local market conditions, intense competition in certain product segments and customer expectations of lower prices during the year 2011.

Despite the above factors, BLUAE achieved satisfactory performance during the year 2011. Prices of CR Steel, HDPE & Tinplate went up in comparison to the previous year but there was pressure from customers to reduce product prices putting the margins under pressure. Competitor activities were quite intense thereby causing concern. Nevertheless, BLUAE is confident of meeting the challenge and maintaining its dominant position in the market by taking suitable proactive strategies.

In particular, BLUAE is taking necessary steps to control wastage, improve efficiency and strengthen product quality so as to be more cost competitive. As in the past, BLUAE endeavors to maintain its dominant position by fulfilling customer's needs and expectations, maintaining high business ethics and dependability as a reliable supplier at all times. In pursuit of these objectives, BLUAE continued to improve its facilities in the interest of achieving product/technology up-gradation.

### Balmer Lawrie Hind Terminals Pvt. Ltd.

During the year under report, your Company has entered into a 50:50 joint venture with Hind Terminals Pvt. Ltd. ('HT'), an Indian logistics solution company, for the purpose of operating and maintaining a Container Freight Station (CFS), at Manali, Chennai (adjacent to its existing CFS).

The said joint venture, in the form of private company limited by shares, was incorporated on 5<sup>th</sup> December 2011, in Chennai under the Companies Act, 1956, in the name and style of Balmer Lawrie Hind Terminals Pvt. Ltd. [BLHT]. BLHT has been incorporated with an authorised

share capital of ₹ 5 crore. As on the date of reporting, the paid-up share capital of BLHT stands at ₹ 5 lakh.

The land has already been developed and fire fighting system has been installed. Customs notification (a pre-requisite for CFS business) has been obtained and BLHT is gearing-up to commence its business during 2012-13.

### Memorandum of Understanding (MoU)

Your Company enters into an MoU with the Government of India, Ministry of Petroleum & Natural Gas [MOP&NG] every year detailing therein various targets on operational, financial and efficiency parameters, customer satisfaction, human resource development etc. The Company's performance vis-a-vis the agreed targets is evaluated at the year-end by the Government of India, Department of Public Enterprises, (DPE). It is a matter of pride to report that the performance score in respect of the MoU for the year 2010-11 has been adjudged to be in the highest rating category i.e. "Excellent" by DPE. Based on the internal assessment, your Company is expected to retain the 'Excellent' rating for the financial year 2011-12 also.

### Human Resource Management

The Human Resource strategy of the Company is centered around managing talent, developing leadership & managerial competencies, managing employee performance and enhancing employee engagement. Towards achieving these objectives, the Company took the following initiatives during 2011-12:

#### Talent Acquisition

During the year, besides inducting 39 professionals at various lateral levels in the Executive / Non-Unionized Supervisory cadre to fill the talent gap, the Company also inducted 10 Executive Trainees and 6 Supervisory Trainees through the campus recruitment process.

#### Training and Development

The Company believes in continuously honing the skills and competencies of the people with the objective of creating a leadership pipeline. With this objective, extensive training programs for employees, both in the areas of general management and specialist skill development were planned and executed. These training programmes were customized with focus on the requirement of the businesses. In all, 221 Man-days of in-house training was carried out and 57 employees were sent for specialized external programmes during the year.

#### Managing Performance

To enhance role clarity and on-the-job performance, a Role Directory covering all positions in the Executive cadre was documented. Further the Performance Appraisal System was also revamped and made more robust with the objective of establishing direct linkage between individual tasks and overall goals and objectives of the Company, by introducing the KPI (Key Performance Indicators) concept.

**Employment of Special Categories**

During the year under report, 3 employees in the SC category, 4 employees in the OBC category, 7 women employees and 3 employees in the Minorities category were recruited. The actual number of employees belonging to special categories, Group-wise, as on 31<sup>st</sup> March, 2012 was as under:-

Group	Regular Manpower as on 31.03.2012	SC	ST	OBC [*]	PH	Women	Minorities
A	401	28	4	19	1	32	8
B	274	30	2	23	2	38	14
C	146	24	2	12	3	18	5
D [including D1]	619	85	10	21	6	6	95
<b>Total</b>	<b>1440</b>	<b>167</b>	<b>18</b>	<b>75</b>	<b>12</b>	<b>94</b>	<b>122</b>

[\*] On and from 08<sup>th</sup> September, 1993 onwards

**Employee Relations**

Your Company believes in open and transparent policy in dealing with the collectives. The terms and conditions of service of employees are finalized through periodical bilateral discussions. The Long Term Settlements covering the wages, allowances and benefits of the unionized employees have been signed for all Kolkata and Mumbai based establishments. Employee relations continued to be cordial at all units / locations of the Company and there were no instances of any major industrial unrest at any of the locations of the Company, during the year.

**Employee Engagement and Welfare**

An effective work culture has been established in the organization which encourages participation and involvement of employees in activities beyond work. Towards furthering this, during the year, the 146<sup>th</sup> Foundation Day was celebrated in all units and establishments across the country. The employees and their family members participated in large numbers and made the event a memorable occasion. Also various programmes like Annual Sports Day, Cultural Evening, picnics etc. were organized by the Recreation Club at all major locations of the Company.

**Implementation of The Persons with Disabilities [Equal Opportunities, Protection of Right and Full Participation] Act, 1995**

In compliance with the above Act, the Company has identified positions for recruitment of persons with disabilities. Action for recruitments is being initiated to fill up the shortfall.

**Implementation of Official Language**

To ensure implementation of Rajbhasha policy of the

Government of India, your Company has taken several steps to promote usage of Hindi in official work. Various activities like workshops, meetings, etc. were organized during the year and the Rajbhasha Pakhwada was celebrated at all locations of the Company. Eleven employees were nominated for ‘Praveen’ and ‘Pragya’ examinations. During the year the Official Language Parliamentary Committee inspected the Mumbai office and Head Office at Kolkata and expressed overall satisfaction on implementation of Official Language in the Company.

**Women Empowerment**

Your Company not only provides equal opportunities for women in employment but also ensures that the requisite work ambience exists for women employees at all locations. The percentage of women employees amongst the new recruits is on the rise with 7 women employees joining the Company during the year under report. The strength of women employees is 6.32%, despite the fact that a large chunk of our workforce constitutes shop floor workers.

**Occupational Health and Safety**

Your Company is committed to maintaining a Safe, Healthy and Sustainable work environment in all its operations. Towards furthering this objective, during the year, a specialist resource was recruited at the corporate level to develop, guide, monitor and promote Health, Safety & Environment issues in the Company.

**Environmental Protection and Sustainability**

The Company accords high priority to Environment protection, hence various enabling measures have been put in place. Treatment/discharge of effluents conforms to the standards laid down by the regulatory authorities in all the Plants and Manufacturing Facilities. An integrated sewage treatment plant was commissioned at Manali in Chennai during the year to treat domestic effluent and discharged waste as per Central Pollution Control Board norms. Most production units of the Company are ISO 14001 & 18001 certified. SBU: Tea unit at Kolkata achieved OHSAS 18001 and ISO 22000 accreditation during the year.

The Company has initiated action to reduce power consumption and generation of waste in all its Manufacturing Units. The power & fuel consumption at each of the manufacturing plants are monitored so as to ensure that quantity of usage per unit of output is progressively reduced. Container Freight Station at Kolkata built an Integrated Railway Siding and procured 15 flat wagons to set up a “Merry-Go-Round” service between Kolkata Dock System [Port] and the Container Freight Station of the Company. This has helped the “green cause” as evacuation of containers from the port to the CFS is now also being done using Rail Flat Wagons of the Company, thereby reducing carbon footprints related to transportation.

## Balmer Lawrie & Co. Ltd.

Towards reducing carbon footprints, energy audits were carried out in 3 manufacturing Units in Chennai and recommendations for energy savings were implemented. Technological up-gradations in the manufacturing processes are being done continuously to ensure environmental protection. Also, the R&D team is constantly working to identify raw materials, processes and technologies, which would have minimum impact on the environment. The Application Research Laboratory of the Company has made significant progress in developing a number of biodegradable lubricants such as hydraulic fluids, gear oils for high temperature applications and engine oils for 4 stroke gasoline engines etc.

### Implementation of ERP

Your Company has commenced the work of ERP implementation from February, 2012. Through this large scale transformational project, all the business units would be brought under one integrated system. The implementation is being done in a phased manner which is as follows:

[a] Phase 1 – Human Resource, Finance and Industrial Packaging functions

[b] Phase 2 – Greases & Lubricants, Performance Chemicals, Projects and Refinery & Oilfield Services

[c] Phase 3 – Tea, Tours & Travel, Logistics Services and Logistics Infrastructure

The ERP package adopted is SAP, and the project is being driven with Price Waterhouse as the ERP Consultant and TCS as the implementation partner. A core team of 35 members drawn from various SBUs and corporate functions and 12 members drawn from the IT department has been formed to collaborate and drive the changes required.

### Progress on principles under ‘Global Compact’

Your Company is a founder member of the Global Compact, and it remains committed to further the principles enumerated under the Global Compact programme. The details of various initiatives taken on the subject can be noted from the Communication of Progress (CoP) uploaded on the website of the Company.

### Vigilance

The Company is committed to ethical practices of business. In order to maintain probity and transparency in the Company, a multi-pronged strategy, consisting of preventive, deterrent and punitive measures, has been adopted.

Under the integrity initiative, good practices were developed to encourage a culture, free from corruption. A web based complaint registering system has been introduced to increase transparency and accessibility. Tender documents and list of contracts awarded during a

month are also uploaded on the website of the Company. A number of systems improvement measures were undertaken by the Vigilance Department in order to promote transparency and fair play and to ensure optimal utilization of the resources and thereby nurture the spirit of corporate governance.

### Compliance of Right to Information Act, 2005

The Right to Information Act, 2005 (“the RTI Act”) is applicable to the Company being a Public Authority within the coverage of the statute. In accordance with the provisions of the RTI Act, various disclosures of information, which are mandatory, have been set out on the website of the Company. Additionally, the Company furnishes monthly as well as annual reports within prescribed time-line to the Ministry of Petroleum & Natural Gas, Government of India pertaining to requests for information received under the RTI Act. Monthly reports are being placed on the website from June 2011 pursuant to the advice received from the Ministry aimed at strengthening implementation of the RTI Act.

An extract of the Annual Report for the financial year 2011-12 as furnished to the Administrative Ministry is set out below for information of the Members:

		Progress in 2011-12					
	Opening Balance as on 01/04/2011	Received during the Year (including cases transferred to other Public Authority)	No. of cases transferred to other Public Authorities	Decisions where requests/ appeals rejected	Decisions where requests/ appeals accepted	Closing balance as on 31/03/2012	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Requests	NIL	42	2	NIL	34	6	
First Appeals	NIL	5	NIL	3	2	Nil	

The rejections mentioned in Column 5 were made considering the exemptions from disclosure of information as envisaged in Section 8 of the RTI Act.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 217 (1) (e) of the Companies Act, 1956, (“the Act”) read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the information is annexed.

### Directors’ Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Act, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31 March 2012, the applicable accounting standards have been followed and there was no departure from such standards;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31 March 2012 and of the profit of the Company for the said financial year;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for detecting and preventing fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31 March 2012 on a 'going concern' basis.

#### **Consolidated Financial Statement**

The financial statements of your Company have been duly consolidated with its subsidiary and joint ventures pursuant to Clauses 32, 41 and 50 of the Listing Agreement with the Stock Exchanges. For the purpose of such consolidation, the Accounting Standards -- especially, AS 21 and 27 -- have been adhered to.

#### **Report on Corporate Governance**

A detailed report on the compliance of Corporate Governance is also furnished with this Report, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, along with the Auditors' Certificate regarding Compliance of the conditions of Corporate Governance.

#### **Particulars of Employees**

No employee received remuneration of ₹ 5,00,000 or more per month or ₹ 60,00,000 per annum during the financial year 2011-12 and hence no detail is required to be attached with this Report pursuant to the disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

#### **Comments of Comptroller & Auditor General of India**

The comments of the Comptroller & Auditor General of India, under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the financial year ended 31 March 2012 is set out elsewhere in the Annual Report.

#### **Directors**

In accordance with the provisions of Article 12 of the Articles of Association, Shri P.K.Bora and Shri Asish

Bhattacharyya would retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment at the said Meeting.

The six Independent Directors of the Company -- viz., Shri K C Murarka, Shri Arun Seth, Shri M.P.Bezbaruah, Shri P.K.Bora, Shri Asish K. Bhattacharyya and Smt. Abha Chaturvedi -- had been appointed for a period of three years on 26 December 2008 *inter alia* pursuant to the direction / advice of the Ministry of Petroleum & Natural Gas, [MOP&NG] Government of India under Article 7A of the Articles of Association of the Company. Initial three-year term of their appointment expired on 25 December 2011, whereupon the Company approached the Administrative Ministry seeking their re-appointment / extension of tenure / appointment of new Independent Directors, as the Ministry deems fit.

The Company received a response from the Administrative Ministry advising that keeping in view the exigency of the situation, the Company may take action in accordance with provisions of its Articles of Association and/or with the relevant provisions of the Companies Act, 1956."Accordingly, the Company through its Board extended the tenure of directorship of the aforesaid six non-official part-time Independent Directors on the Board of the Company by a period of 3 years commencing 26 December 2011 or until further orders from MOP&NG, whichever is earlier.

Shri S K Mukherjee, who was appointed a whole time Director on 8 October 2002 in the position of Director [Finance] -- and later on became the Managing Director of the Company and subsequently re-designated as Chairman & Managing Director -- retired from the services of the Company at the close of business hours of 31 December 2011 upon attaining the age of superannuation. Shri Virendra Sinha, erstwhile Director [Service Business] has been appointed in his place as Chairman & Managing Director and has assumed office with effect from 1 January 2012.

Shri V N Sharma, who was appointed a whole time Director on 20 January 2005 in the position of Director [Manufacturing Businesses], retired from the services of the Company at the close of business hours of 31 July 2012 upon attaining the age of superannuation. Shri Anand Dayal, erstwhile Executive Director [Industrial Packaging] has been appointed in his place as Director [Manufacturing Business] and has assumed office with effect from 1 August 2012.

The Board places on record its deep appreciation of the commendable performance and significant contribution made by Shri Mukherjee and Shri Sharma during their respective tenure as directors of the Company.

Shri P.P.Sahoo, erstwhile Executive Director [Human Resource] has been appointed Director [Human Resource & Corporate Affairs] and has assumed office with effect

## Balmer Lawrie & Co. Ltd.

from 14 December 2011. Shri Niraj Gupta, erstwhile Executive Director [Logistics] has been appointed Director [Service Business] and has assumed office with effect from 27 July 2012.

The Government Nominee Directors, Shri VLVSS Subba Rao and Shri Shri Prakash have ceased to be on the Board of the Company with effect from 14 August 2012 consequent to rationalization of the Boards of Directors of PSEs by the Government of India and Shri Partha S. Das has been appointed Government Nominee Director on the Board of your Company from the same date. The Board places on record its deep appreciation of the significant contribution made by Shri Subba Rao and Shri Prakash during their respective tenures as Government Nominee Directors.

A Brief Profile of the Directors appears elsewhere in the Report.

### Auditors

Your Company being a Government Company, Auditors are appointed or reappointed by the Comptroller and Auditor General of India in terms of Section 619(2) of the Companies Act, 1956. Letter of appointment of Auditors for the year 2012-13 has been received by the Company. However, the remuneration of the Auditors for the year 2012-13 is to be determined by the members at the ensuing Annual General Meeting as per Sections 224(8) (aa) and 619 of the Act.

### Auditors' Report

Members may note that the Auditors' Report dated 26 May 2012 for the year ended 31 March 2012 does not contain any reservation or qualification. However, the Statutory Auditors have made the following observations in their Report:

### QUOTE

The internal control system regarding management of debtors and generation of scrap by the manufacturing units of the Company needs to be further strengthened.

### UNQUOTE

*Explanatory Management Reply as approved by the Board:*

### QUOTE

The Company has a system of review of debtors on a periodic basis at various levels of the organization and all outstanding debts are followed up for collection regularly. Major part of the debts of the Company are outstanding from PSUs / Government and there are often delays in getting payments. However, the comments of the Statutory Auditors have been noted and the Company will make efforts for further strengthening of follow-up and monitoring system.

As regards, management of scrap generation, the Company has a well laid down system, comparable to that practiced in similar industries, for monitoring / disposal of such manufacturing scrap. Such procedure was reviewed during 2011-12 and improvements by way of commencement of daily weighment of scraps generated were put in place in three of the manufacturing units of the Company. It is felt that the present system of monitoring / disposal of scrap is commensurate with the nature and quantum of scrap generated by the Company.

### UNQUOTE

### Acknowledgement

The Company's Board is focused on creation of enduring value for all stakeholders utilizing multiple drivers of growth in the form of the diverse Strategic Business Units of the Company.

The Directors place on record their sincere appreciation of the significant contribution made by the employees towards realization of new performance milestones. The Board of Directors also places on record its deep appreciation of the support and confidence reposed in the Company by the customers and the dealers who have contributed towards customer-care orientation of the Company. The Directors would also wish to thank the vendors, business associates /consultants, bankers, auditors, solicitors and all other stakeholders for their continued support to the Company.

The Directors are also thankful to Balmer Lawrie Investments Ltd. (the Holding Company) and the Ministry of Petroleum & Natural Gas, Government of India, for their valuable guidance and support.

Finally, the Directors wish to place on record their special appreciation to the valued Shareholders of the Company for their unstinted support towards fulfillment of its corporate mission.

Registered Office: On behalf of the Board of Directors  
Balmer Lawrie House Virendra Sinha  
21 Netaji Subhas Road Chairman & Managing Director  
Kolkata – 700001.

Date: 14 August 2012

K Subramanyan  
Whole-time Director

**INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH, 2012**

**I. CONSERVATION OF ENERGY**

**a) Energy conservation measures taken**

The Company makes continuous efforts towards conservation of energy in view of rising cost of energy and keeping with Company's commitment to be an energy efficient entity. Some of the measures taken during the year were:

- i) Specific energy consumption per unit of production was monitored regularly at all manufacturing plants and corrective actions taken as required.
- ii) Energy Audit was conducted by Petroleum Conservation Research Association (PCRA) and its recommendations were implemented & additional capacitor banks installed in Performance Chemical Plant.

**b) Additional Investment proposal for conservation of energy**

Investment towards installation of energy efficient systems / equipment have been made in some of the plants.

**c) Impact of the above on cost of production**

Above measures have helped in containing the cost of energy per unit of production, in the face of steep increase in fuel and power costs during the year.

**d) Total energy consumption and energy consumption per unit of production**

Information on energy consumption is provided in the annexed Form A

**TECHNOLOGY ABSORPTION :**

**e) Efforts made in Technology Absorption**

Information on Technology Absorption is set out in the annexed Form B

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**f) Total Foreign exchange used and earned**

		₹ in Crores
Total Foreign Exchange used	:	101.78
Total Foreign Exchange earned	:	26.72

**FORM A**

**Form for Disclosure of Particulars with respect to Conservation of Energy**

**A. Power & Fuel Consumption**

	<u>2011-12</u> <u>Current Year</u>	<u>2010-11</u> <u>Previous Year</u>
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Units ('000 kwh)	9091.54	8188.18
Total amount (₹ Lakhs)	563.44	463.59
Rate / Unit (₹/ kwh)	6.20	5.66
<b>(b) Own generation</b>		
(i) Through Diesel generator		
Units ('000 kwh)	2585.25	1375.10
Units per ltr. of diesel oil	3.10	2.21
Cost/unit (₹/unit.)	16.76	13.39
(ii) Through steam turbine/generator		
Units per ltr. of fuel oil / gas	N.A.	N.A.
Cost / unit		

	<b>2011-12</b>	<b>2010-11</b>
	<b>Current Year</b>	<b>Previous Year</b>
<b>2. Coal</b>		
Quantity (tonnes)	N.A.	N.A.
Total Cost		
Average Rate		
<b>3. Coal Gas</b>		
Quantity (therms)	47.50	66.64
Total Cost (₹/lakh)	34.27	35.40
Average Rate (₹/Unit)	72.19	53.12
<b>4. Furnace Oil</b>		
Quantity (kl)	2190.57	2007.26
Total amount (₹/Lakh)	1097.79	844.10
Average Rate (₹/ kl)	50114.35	42052.35
<b>5. Other/ Internal Generation (LDO)</b>		
Quantity (kl)	N.A.	N.A.
Total Cost (₹/Lakh)	N.A.	N.A.
Cost/unit	N.A.	N.A.

**B. Consumption per unit of production**

	<b>2011-12</b>	<b>2010-11</b>
	<b>Current Year</b>	<b>Previous Year</b>
<b>Lubricating Greases</b>		
• Electricity (kwh/mt-kl)	63	119
• Furnace Oil (l/mt-kl)	15	32
<b>Barrels &amp; Drums</b>		
• Electricity (kwh/unit)	1.65	1.70
• Furnace Oil (l/unit)	0.34	0.43
<b>Synthetic Fat Liquors</b>		
• Electricity (kwh/mt)	152	140
• Furnace Oil (l/unit)	44	46
<b>Syntans</b>		
• Electricity (kwh/mt)	121	119
• Furnace Oil (l/unit)	-	-

Notes : 1. Figures represent energy consumption in the manufacturing units of SBUs : Industrial Packaging, Greases & Lubricants and Performance Chemicals.

2. Figures are based on equivalent units of production as appropriate.

3. Increase/decrease in electricity usage per equivalent unit of production is attributable to variations in product mix and changes in production processes.

**FORM - B**

**Form for Disclosure of Particulars with respect to Technology Absorption**

**I. RESEARCH & DEVELOPMENT**

**a) Specific Areas in which R&D work has been carried out by the Company**

- R&D Work has been carried out in development of Lubricants, Performance Chemicals and Industrial Packaging.
- In Greases & Lubricants, R&D efforts at value engineering and upgradation of existing products had been the priority areas. Further efforts were directed at development of rust preventive oils; Biodegradable & Eco-friendly Lubricants based on vegetable oil base synthetic esters for Bearing Oil, Fire resistant Hydraulic Fluid and four stroke Engine Oil;

development of food grade Greases & Gear oil; development of Bitumen Softening compounds along with Synthetic Multigrade Automotive Gear oils, high performance industrial gear oils and long-life Automotive Greases.

- In Performance Chemicals, the development thrust had been towards new varieties of high performance fat liquors, plant-based vegetable syntans & white system and shower proof solvent based finishing chemicals; Polycarboxy ether based and amino-sulfonic acid based concrete admixtures for construction industries.
- In Industrial Packaging, R&D efforts had been towards development of improved manufacturing processes and new products comprising development of improved surface development for painting and GI sheet welding, automated internal cleaning & rust prevention of drums, 220 litre capacity conical drum, light weight high strength composite drum etc..

**b) Benefits derived as a result of the above**

- R&D efforts in Lubricants and Greases have helped the Company to expand business segments and consolidate its customer base and also strengthen its position to come up with eco-friendly/biodegradable products.
- R&D efforts in Performance Chemicals have helped the Company to increase its product basket and market share.

**c) Future Plan of action**

R&D with technological up-gradation is one of the key objectives of the Company. The efforts in R&D are directed towards maintaining technology & cost leadership leading to customer satisfaction through:

- Continuous improvement of products in tune with technology evolution.
- Development of new specialty/high performance products in Lubricants and Performance Chemicals and also maximization of yields & introduction of new products in Industrial Packaging.
- Development of systems / equipment and incorporation of new processes in order to reduce cost of production.

**d) Expenditure on R & D**

	₹/ Lakh	
	2011-12	2010-11
Capital	54.66	61.27
Revenue	523.47	352.22
Total	578.13	413.49
Total R&D expenditure as % of Turnover	0.28	0.19

**2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**a) Efforts in brief made towards the above**

- Products and processes developed through in-house R & D have been internally absorbed by the manufacturing units for commercialisation.

**b) Benefits derived.**

- Augmentation of Company's products basket in target market segments leading to addition of new customers and retention of existing customers.
- Introduction of environment friendly products.
- Increased customer satisfaction.
- Cost leadership

**c) Import of Technology (imported during last 5 years reckoned from beginning of the financial year)**

- i) Technology imported : Not Applicable
- ii) Year of import : Not Applicable
- iii) Has technology being fully absorbed? : Not Applicable
- iv) If not absorbed, areas where this has not taken place. : Not Applicable  
Reasons thereof and future plan of action.

**Report on Corporate Governance**  
**[Forming part of the Directors' Report for the year 2011-12]**

**Company's philosophy on good Corporate Governance**

The Company is committed to maintaining of sound Corporate Governance practices aimed at increasing value for its stakeholders. The Corporate Governance philosophy of the Company is based on the following five pillars:

- High accountability to the stakeholders on the affairs of the Company.
- Absolute transparency in the reporting system and adherence to disclosure compliances.
- High ethical standards in the conduct of the business with due compliance of laws and regulations.
- Enhancement of stakeholders' value on a consistent basis.
- Contributing to the enrichment of quality of life of the community through discharge of Corporate Social Responsibility and promotion of Sustainable Development.

**Board of Directors**

**a) Composition**

The composition of the Board of Directors of the Company is governed by provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement, Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, which have been made mandatory by the Government of India and the Articles of Association of the Company. Article 7A of the Articles of Association of the Company stipulates that so long as it remains a Government Company, the President of India shall have the right to appoint directors on the Board.

Currently, the Board consists of 12 Directors, viz, 5 Whole-time Directors, 1 Non-Whole-time Government Nominee Director and 6 Non-Whole-time Independent Directors. The Composition of the Board of Directors is fully compliant with Clause 49 of the Listing Agreement with Stock Exchanges and the provisions of the Companies Act, 1956 as well as the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010. The background of the Directors is set out herein below:

*Whole-time Directors*

**Shri Virendra Sinha (Chairman & Managing Director)**

**Shri K Subramanyan (Director – Finance)**

**Shri P P Sahoo (Director –Human Resource & Corporate Affairs)**

**Shri Niraj Gupta (Director – Service Business)**

**Shri Anand Dayal (Director – Manufacturing Business)**

*Government Nominee Director*

**Shri Partha S Das**

*Independent Directors*

**Shri K C Murarka**

**Shri Arun Seth**

**Shri M P Bezbaruah**

**Shri P K Bora**

**Shri Asish K Bhattacharyya**

**Smt. Abha Chaturvedi**

A brief profile of the Directors of the Company is set out herein:

**Shri Virendra Sinha**

*Chairman & Managing Director*

Shri Virendra Sinha was appointed as a Whole-time Director designated Director (Service Businesses) on the Board on 14 June 2010 based on direction by the Government of India. Subsequently based on direction of the Government of India, Shri Virendra Sinha was appointed to the post of Chairman & Managing Director of the Company. Pursuant to Section 260 of the Companies Act 1956, he was appointed as Chairman & Managing Director by the Board at its meeting held on 9<sup>th</sup> November 2011 and assumed office on 1<sup>st</sup> January 2012. He is a Bachelor of Arts and holds a Masters Degree in Business Administration. He has a working experience of 34 years during which he has developed expertise in Marketing, International Trade especially in understanding operation of multi-modal logistics hubs and container freight stations and in General Management.

**Shri K Subramanyan**

*Director [Finance]*

Shri K Subramanyan was appointed as a Whole-time Director on 30 December 2005 based on direction by the Government of India and was further re-appointed at the 93<sup>rd</sup> Annual General Meeting held on 24 September 2010. He is a Bachelor of Commerce and a qualified Chartered Accountant (ACA). He has a working experience of 34 years during which he has developed expertise in the functional areas of Accounts & Finance, Taxation and General Management.

**Shri P P Sahoo**

*Director [Human Resource & Corporate Affairs]*

Shri P P Sahoo was appointed as a Whole-time Director on 14 December 2011 based on direction by the Government of India. He is a Bachelor of Arts, Bachelor of Law and holds a Masters Degree in Personnel Management & Industrial Relations. He has a working experience of 34 years during which he has developed expertise in the functional areas of General Management and Human Resource Management

**Shri Niraj Gupta***Director [Service Business]*

Shri Niraj Gupta was appointed as Whole-time Director on 27 July 2012 based on the direction by the Government of India. He is a Bachelor of Commerce and a qualified Chartered Accountant (ACA). He has a working experience of 32 years during which he has developed expertise in the business of provision of logistics solutions as also in the operation of container freight stations.

**Shri Anand Dayal***Director [Manufacturing Business]*

Shri Anand Dayal was appointed as Whole-time Director effective 1 August 2012 based on the direction by the Government of India. He is a Bachelor of Arts and holds a Post Graduate Diploma in Marketing Management. He has a working experience of 36 years during which he has developed expertise in the marketing and manufacturing areas having been closely associated with the industrial packaging activity of the Company.

**Shri Partha S Das***Government Nominee Director*

Shri Partha S Das was appointed as non-executive Director on the Board on 14 August 2012 based on direction from the Government of India. He is a Government Nominee Director on the Board. He is a Bachelor of Technology from the Indian Institute of Technology (IIT), Kharagpur and also possesses the qualification of Certified Internal Auditor (CIA) and Certified Information System Auditor (CISA). He has a working experience of about 22 years during which he has developed expertise in the functions of audit including Performance Audit and Exploration, Distribution and Marketing Coordination pertaining to petroleum products. He is currently Director (Distribution & Marketing Coordination) in the Ministry of Petroleum & Natural Gas, Government of India.

**Shri K C Murarka***Independent Director*

Shri K C Murarka was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India and was further re-appointed at the 94<sup>th</sup> Annual General Meeting held on 23 September 2011. Shri Murarka is an Independent Director of the Company. Shri Murarka is a Bachelor of Science. He has a working experience of 43 years during which he has gained expertise in the areas of marketing, research & development with specialization in manufacturing of dyes and chemicals.

**Shri Arun Seth***Independent Director*

Shri Arun Seth was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India and was further re-appointed at the 94<sup>th</sup> Annual General Meeting held on 23 September 2011. Shri Seth is a Bachelor of Technology and holds a Masters Degree in Business Administration. He has a working experience of over 33 years including experience in the Telecom Industry in the course of which Shri Seth has developed commercial

and technical expertise in Information Technology and Telecommunication.

**Shri M P Bezbaruah***Independent Director*

Shri M P Bezbaruah was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India and was further re-appointed at the 94<sup>th</sup> Annual General Meeting held on 23 September 2011. Shri Bezbaruah is a Master of Arts as well as Master of Public Administration. He is a retired IAS Officer and has a working experience of 38 years in the area of civil services.

**Shri P K Bora***Independent Director*

Shri P K Bora was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at the 92<sup>nd</sup> Annual General Meeting held on 24 September 2009. Shri Bora is a Master of Arts (in English) and also a retired IAS Officer. He has a working experience of 41 years during which he gained expertise in Development Administration & Financial Administration as also in Tea & Tourism industries.

**Shri Asish K Bhattacharyya***Independent Director*

Shri Asish K Bhattacharyya was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at the 92<sup>nd</sup> Annual General Meeting held on 24 September 2009. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India, besides being a Master of Commerce and a D.Phil; he also holds a Diploma in Management Accounting (ICA). Shri Bhattacharyya has a working experience of 39 years during which he has acquired expertise in Accounting, Finance, Business Valuation and Corporate Governance.

**Smt. Abha Chaturvedi***Independent Director*

Smt. Abha Chaturvedi was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, she was appointed as a Director at the 92<sup>nd</sup> Annual General Meeting held on 24 September 2009. She is a PhD. She has a working experience of 39 years in the areas of teaching, research and management consultancy. Her areas of specialization are Human Resource, Organization Behavior and Organization Sociology.

The Independent Directors of the Company were appointed as per the direction of the Ministry of Petroleum & Natural Gas, Government of India for a period of three years from the date they joined the Board or until further orders, whichever is earlier. All of them having joined the Board of the Company on 26 December, 2008, their term of appointment expired on 25 December, 2011 with the completion of three years. Proposal was submitted by the Company to the Ministry

## Balmer Lawrie & Co. Ltd.

seeking fresh nomination of Independent Directors or renewal of term of the existing incumbents. Meanwhile, the Company received a communication from the Administrative Ministry advising the Company to take such actions as were required keeping in view the exigency of the situation and in accordance with the provisions of the Articles of Association and the Companies Act, 1956.

Taking cognizance of the advice, the Board of Directors of the Company decided to extend the term of the Independent

Directors by a period of three years commencing 26 December, 2011 or until further orders from the Ministry, whichever is earlier.

The particulars as to the directorship of the Directors (who are currently on the Board) in other companies and their membership in various Board level Committees as on the 14 August, 2012 are enumerated as follows [for full details of the directorship & membership of committees held by the Directors please refer to the attached **Annexure A**]:

Name of the Director	No. of companies / bodies corporate, other than the Company, in which the Director holds Directorship.	Membership held by the Director in various Committees <sup>1</sup> across all companies in which he is a Director	Chairmanship held by the Director in various Committees <sup>1</sup> across all companies in which he is a Director	Chairmanship held by the Director in other Boards	Whether attended the last Annual General Meeting of the Company held on 23 September 2011
Shri Virendra Sinha	4	3	0	0	Yes
Shri Partha S Das*	0	1	1	0	NA
Shri K Subramanyan	4	2	1	0	Yes
Shri P P Sahoo	0	0	0	0	NA
Shri Niraj Gupta	1	0	0	1	NA
Shri Anand Dayal	3	0	0	0	NA
Shri K C Murarka	1	0	0	0	No
Shri Arun Seth	8	2	0	0	No
Shri M P Bezbaruah	0	0	1	0	Yes
Shri P K Bora	0	1	0	0	Yes
Shri Asish K Bhattacharyya	2	3	0	0	No
Smt. Abha Chaturvedi	1	1	0	0	Yes

\* Shri Partha S Das was appointed as Government Nominee Director effective 14 August 2012.

<sup>1</sup> As per the requirement of the Clause 49(I)(C) of the Listing Agreement, chairmanship/membership of the Audit Committee and the Shareholders'/Investors' Grievance Committee have only been shown above.

All the Directors have made requisite disclosures as required under the Companies Act 1956, SEBI Guidelines and the Listing Agreement.

### c) Attendance at the Board Meetings

Attendance of the Directors at the Board meetings held during the financial year 2011-12 is shown below:

Name of the Director	Board Meetings held during 2011-12							
	28 May 2011	11 August 2011	22 September 2011	9 November 2011	30 November 2011	23 December 2011	13 February 2012	29 March 2012
Shri Virendra Sinha*	√	√	√	√	√	√	√	√
Shri VLVSS Subba Rao#	√	X	√	√	√	√	√	√
Shri Shri Prakash#	X	√	√	X	X	X	√	√
Shri V N Sharma**	√	√	√	√	√	√	√	√
Shri K Subramanyan	√	√	√	√	√	√	√	√
Shri PP Sahoo	NA	NA	NA	NA	NA	√	√	√
Shri K C Murarka	X	X	X	X	X	X	X	X
Shri Arun Seth	X	X	X	X	√	√	X	X
Shri M P Bezbaruah	√	√	√	√	√	√	√	√
Shri P K Bora	√	√	√	√	X	√	√	√
Shri Asish K Bhattacharyya	√	√	√	√	X	√	√	√
Smt. Abha Chaturvedi	√	√	√	√	√	√	√	√
Shri S K Mukherjee***	√	√	√	√	√	√	NA	NA

\* Shri Virendra Sinha who had been inducted as Director (Service Businesses) with effect from 14 June 2010 assumed office as Chairman & Managing Director with effect from 1<sup>st</sup> January, 2012.

# Ceased to be a Director (Government Nominee) with effect from 14 August 2012.

\*\* Shri V N Sharma laid down his office as Director (Manufacturing Businesses) at the close of business hours on 31 July 2012 consequent upon his attaining the age of superannuation.

\*\*\* Shri S K Mukherjee laid down his office as Chairman & Managing Director at the close of business hours on 31 December 2011 consequent upon his attaining the age of superannuation.

**Committees of the Board**

**1. Audit Committee**

The approved terms of reference of the Audit Committee are in line with the Companies Act, 1956, the Listing Agreement and the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010. The terms of reference *inter-alia*, include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend the remuneration of the Statutory Auditor, appointed by the Comptroller and Auditor General of India for approval of the shareholders at the General Meeting in terms of Section 224(8)(aa) so long as the provisions of Section 619 of the Companies Act, 1956 remain applicable to the Company and approval of payment to statutory auditors for any other services rendered by the Statutory Auditor.
- Review with the management the annual financial statements before submission to the Board, with particular reference to:
  - ★ Matters required to be included in the Directors' Responsibility Statement
  - ★ Changes, if any, in accounting policies and practices and reasons for the same.
  - ★ Major accounting entries involving estimates based on exercise of judgement by management
  - ★ Significant adjustments made in the financial statements arising out of audit findings
  - ★ Compliance with listing and other legal requirements relating to financial statements
  - ★ Disclosure of any related party transactions
  - ★ Qualifications in the draft Audit report
- Review all related party transactions.
- Review the follow-up action taken on the audit observations by the Comptroller & Auditor General of India as also recommendations of the Committee on Public Undertakings (COPU) of the Parliament
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus, etc. and making appropriate recommendations to the Board to take up steps, if any, in this matter.
- Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department and discuss with internal auditors any significant findings, including any difficulties encountered during audit work and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with statutory auditors before the audit commences, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Discuss with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- Consider and review the following with the independent auditor and the management:
  - ★ The adequacy of internal controls including computerized information system controls and security, and
  - ★ Related findings and recommendations of the independent auditors and internal auditors, together with the management responses
- Review the following:
  - ★ Management discussion and analysis of financial condition and results of operations
  - ★ Statement of significant related party transactions submitted by management
  - ★ Management letters/ letters of internal control weaknesses issued by the statutory auditors
  - ★ Internal audit reports relating to internal control weaknesses, and
  - ★ The appointment, removal and terms of remuneration of the Chief Internal Auditor, which shall be subject to review by the Audit Committee
- Review Certification / Declaration of financial statements by the Chief Executive / Chief Finance Officer
- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors
- Investigate into any matter in relation to the items specified in Section 292A of the Act or referred to it by the Board or pertaining to any activity within its terms of reference and to this purpose, shall have full access

to information contained in the records of the Company and external professional advice, if necessary, seek information from any employee in the matter and secure attendance of outsiders with relevant expertise, if considered necessary.

- Review the Whistle Blower Mechanism and to protect Whistle Blowers.

The composition of the Audit Committee is in line with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 (II) (A) of the Listing Agreement with Stock Exchanges. Presently, the Committee consists of 6 Members including 4 non-whole-time Independent Directors, one non-whole-time Government Nominee Director and the Chairman & Managing Director. Shri M P Bezbaruah, being an Independent Director, is the elected Chairman of the Committee. Shri P K Bora, Shri Asish K Bhattacharyya, Smt. Abha Chaturvedi, Shri Partha S Das and Shri V Sinha are the other members. The Company Secretary, Shri Amit Ghosh, acts as the secretary to this Committee.

The Audit Committee met 6 times during the year. The details regarding the attendance of the Members at the meetings are enumerated as follows:

Name of the Member	Audit Committee Meetings held during 2011-12					
	28 May 2011	11 Aug 2011	9 Nov 2011	23 Dec 2011	13 Feb 2012	29 Mar 2012
Shri M P Bezbaruah	√	√	√	√	√	√
Shri VLVSS Subba Rao*	√	X	√	√	√	√
Shri Asish K Bhattacharyya	√	√	√	√	√	√
Shri P K Bora	√	√	√	√	√	√
Shri V Sinha**	NA	NA	NA	NA	√	√
Smt. Abha Chaturvedi	√	√	√	√	√	√
Shri K C Murarka***	X	X	X	X	NA	NA
Shri S K Mukherjee*	√	√	√	√	NA	NA

\* Ceased to be an Audit Committee member with effect from 14 August 2012 consequent upon his cessation of office as a Government Nominee Director.

\*\* Co-opted as a Member of the Audit Committee pursuant to decision of the Board at its meeting held on 9<sup>th</sup> November, 2011 in place of Shri S K Mukherjee, the erstwhile Chairman & Managing Director on his superannuation from the services of the Company.

\*\*\* Ceased to be an Audit Committee member pursuant to the decision of the Board at its meeting held on 23<sup>rd</sup> December, 2011.

\*\*\*\* Ceased to be an Audit Committee member at the close of business on 31 December 2011 consequent upon his retirement from the services of the Company on his attaining the age of superannuation.

During the financial year under review the Audit Committee had discussions on relevant issues under its terms of reference, which *inter alia* include discussions with the auditors periodically about internal control systems, the scope of Audit including the observations of the auditors and reviewed the quarterly and annual financial statements before submission to the Board and also ensured compliance of internal control systems.

## 2. Shareholders'/ Investors' Grievance Committee

The Shareholders'/ Investors' Grievance Committee reviews and monitors the grievances of shareholders and investors. The Committee consists of three Members, with non-executive Government Nominee Director as Chairman and with the Managing Director and the Director (Finance) as other two Members. On 26th May, 2012 the Committee met and took on record the status of investors' grievances as well as the services rendered during the financial year 2011-12. The terms of reference of the Committee are as per the terms set out in the Listing Agreement.

The particulars of investors' complaints during 2011-12 were published along with the Unaudited Financial Results of the respective quarters and Audited Annual Financial Results in compliance with Clause 41 of the Listing Agreement.

The Company is maintaining an exclusive e-mail ID viz, [blsharegrievance@balmerlawrie.com](mailto:blsharegrievance@balmerlawrie.com) to enable the investors lodge their complaint/grievance, if any, in addition to the e-mail address referred to subsequently under the head "Means of Communication and Address for Correspondence".

Shri Amit Ghosh, Company Secretary is the Secretary to the Committee. He is also the Compliance Officer as per Clause 47(a) of the Listing Agreement and is *inter alia* responsible for establishing liaison with the authorities such as SEBI, Stock Exchanges, Registrar of Companies etc., and Investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities as well as investor service & complaints related matters.

## Nature of Shareholders' communication received and redressed during the period from 1 April 2011 to 31 March 2012.

The Company had received 1 communication in the nature of complaint and 254 general communications during the financial year 2011-12, which were resolved/replied to within a maximum period of 120 hours from the time of receipt.

Nature of communication	General communication		Complaints		Grievances	
	Resolved		Resolved		Resolved	
	Within 120 hours	Beyond 120 hours	Within 120 hours	Beyond 120 hours	Within 120 hours	Beyond 120 hours
Non-receipt of share certificates lodged for transfer	8	NIL	NIL	NIL	NIL	NIL
Non-receipt of share certificates after sub-division, consolidation, duplicate and renewal of share certificates	20	NIL	NIL	NIL	NIL	NIL
Loss of share certificates	35	NIL	NIL	NIL	NIL	NIL
Change of address	45	NIL	NIL	NIL	NIL	NIL
Transmission, Registration of power of attorney, death, marriage certificates etc.	16	NIL	NIL	NIL	NIL	NIL
Non-receipt of dividend	5	NIL	NIL	NIL	NIL	NIL
Revalidation/ issue of fresh Dividend warrant	31	NIL	NIL	NIL	NIL	NIL
Recording of Electronic Clearing data under the National Electronic Clearing Service (NECS) implemented by RBI or mandates or bank details	46	NIL	NIL	NIL	NIL	NIL
Queries from SEBI	4*	NIL	NIL	NIL	NIL	NIL
Queries from CLB, Stock Exchanges and Depositories	NIL	NIL	NIL	NIL	NIL	NIL
Queries from RBI, Income-Tax	NIL	NIL	NIL	NIL	NIL	NIL
Legal notices/ Cases etc.	NIL	NIL	NIL	NIL	NIL	NIL
Request for Nomination	10	NIL	NIL	NIL	NIL	NIL
Miscellaneous	34	NIL	NIL	1**	NIL	NIL
<b>Total</b>	<b>254</b>	<b>NIL</b>	<b>NIL</b>	<b>1</b>	<b>NIL</b>	<b>NIL</b>

\* Correspondence from SEBI does not relate to this Company or relates to a matter on which no further action is required from the Company; hence considered under General Communication.

\*\* This relates to inspection/copy of minutes of Shareholder Meeting in respect of which pre-condition stipulated under the Companies Act, 1956 ( "the Act") relating to payment of charges has not been fulfilled by the shareholder, hence minutes not furnished to him under Section 193 of the Act.

### 3. Share Transfer Committee

The Share Transfer Committee oversees the physical share transfer procedure and miscellaneous share registry matters. The Committee meets every Monday and Thursday of the week to monitor and approve the various cases of physical share transfer subject to receipt of requests for transfer of shares or other miscellaneous share registry matters. Since, the Committee needs to meet at frequent intervals; it consists of the Chairman & Managing Director and a Whole-time Director.

The Company Secretary, being the Compliance Officer as

per Clause 47(a) of the Listing Agreement, is responsible for monitoring the share transfer process and reports to the Company's Board at every meeting.

### 4. Remuneration Committee

Formation of a Remuneration Committee is a non-mandatory requirement under the Listing Agreement. The Company being a Government Company within the meaning of Section 617 of the Companies Act, 1956, the Whole-time Directors of the Company are Presidential appointees and their remuneration is fixed by the Government of India from time to time. Nevertheless, a Remuneration Committee has been constituted by the Board at its meeting held on 30<sup>th</sup> January 2009 to look into matters relating to managerial remuneration and such other issues relating to compensation that may be laid down or provided for under the Companies Act, 1956, the Listing Agreement and the applicable Government Guidelines. The Committee, chaired by an Independent Director, consists of three members, viz., two Independent Directors and one Government Nominee Director. During the financial year 2011-12, the Remuneration Committee met once to accord approval to the disbursement of Performance Related Pay (PRP) to the Executives (including the Board level executives) and non-unionized supervisors.

## 5. Committee for issue of Power of Attorney to functionaries and other Miscellaneous matters

The Committee is *inter alia* authorized by the Board to overview matters relating to issuance of Power of Attorney to various officers and cancellation thereof and consists of the Managing Director and one Wholetime Director.

### Review of the functioning of Registrar & Share Transfer Agent (RSTA) of the Company

To ensure smooth functioning of the RSTA, the Company has voluntarily instituted a monthly audit by a Practicing Company Secretary. The scope of this audit includes stock-check of physical share certificates, timely disposal of the requests for physical share transfer and issuance of share certificates.

In compliance with Clause 47(c) of the Listing Agreement with stock exchanges, certificate(s) from a Practicing Company Secretary certifying that registration of all transfers have been completed within the stipulated time have been obtained by the Company and furnished to the Stock Exchanges.

A shareholder's satisfaction survey was last conducted in August 2011. Responses reflected that the services to the shareholders are quite satisfactory. The Company is committed to persistently improve and raise the standard of service to the shareholders.

### Reconciliation of Share Capital Audit

During the Financial year 2011-12, Reconciliation of Share Capital Audit -- as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out on quarterly basis by Practicing Company Secretary for reconciliation of the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### Legal Compliance Audit

With a view to ensure better compliance with the provisions of Clause 49(I)(C)(iii) of the Listing Agreement, the Company conducts a Legal Compliance Audit every year. For the financial year 2010-11, this audit has been initiated in the year 2011-12 and the legal audit firm has duly submitted final report to the management. The objective of the audit is to examine the legal framework in which the business units operate and identify various laws, rules, regulations applicable to such units, check the quality of compliance of the applicable laws and advise *inter alia* areas where quality of compliance requires improvement.

### Cost Audit

Pursuant to Section 233B of the Companies Act, 1956, the Ministry of Corporate Affairs has directed Cost Audit in respect of the Strategic Business Unit: Greases & Lubricants of the Company from the financial year 2006-07 onwards.

Under a subsequent direction issued in June, 2011, the Ministry of Corporate Affairs has directed that Steel Industry would also have to get their cost audit records audited by a cost auditor. This direction covers SBU : Industrial Packaging of the Company. Accordingly, Messrs Shome & Banerjee, Cost Accountants were appointed under Section 233B (2) of the Act for conducting the audit for the financial year 2011-12 and the appointment has also been approved by the Ministry of Corporate Affairs. The Audit is under way and the report would be submitted to the Central Government within 180 days from the close of the financial year 2011-12 as mandated under Rule 5 of the Cost Audit Report Rules 2001.

### Board Procedure

The Board of Directors meets from time to time with appropriate notice and agenda papers in a defined agenda format, which are circulated in advance to the Directors. All proposals to the Board in the form of Board Notes are prepared at the senior management level and are placed after being vetted by the Chairman & Managing Director and the concerned Whole-time Director besides obtaining concurrence of the Director (Finance), wherever the proposals involve financial implications.

Agenda papers are made in such form so as to facilitate meaningful and focused deliberations at the meeting. Where it is not practicable to attach any document in the agenda papers, the same is placed on the table at the meeting with specific reference to this effect in the agenda. In exceptional circumstances, and in matters having sensitivity, additional items on the agenda are submitted directly to the Board without written material being circulated in advance. The Secretarial Standards issued by The Institute of Company Secretaries of India are not mandatory; however the Company endeavors to adhere to these to the best possible extent, especially in the matters of board meetings, dividend and transmission of shares.

### Payment of Dividend through National Electronic Clearing Services (NECS)

The Reserve Bank of India (RBI) under Circular no. DPSS (CO) EPPD No. 2283 / 04.01.04 /2008-2009 dated 25 June 2009 addressed to the chief executives of banks, advised optimal usage and expansion of the NECS in order to provide credit to customer accounts without delay. The Company, accordingly, encourages use of NECS for payment of Dividend, wherever available. Shareholders are requested to avail of NECS facility by furnishing the 9 digit (MICR) code number of their bank and branch along with their 15 digit account number to the Registrar & Share Transfer Agent of the Company, viz. Link Intime India Pvt. Ltd in case they hold the shares in the physical mode and to their depository participant where the shares are held in dematerialized mode. This would facilitate prompt encashment of dividend proceeds and enable the Company to reduce costs of dividend distribution. It may be relevant to mention that RBI under Circular No. DPSS (CO) EEPD No. 282 / 04.03.01 /2010-11 dated 5 August 2010 has advised member banks participating in the electronic payment system to strictly

adhere to the provisions contained in the procedural guidelines to avoid delays in affording credits through NECS/ ECS.

**Transfer of Unclaimed Dividend to the Investor Education and Protection Fund**

In terms of Section 205C of the Companies Act, 1956, it is mandatory to deposit the unclaimed amount lying in the unpaid dividend account of the Company, to the Investor Education and Protection Fund established by the Central

Government, after seven years.

Accordingly, the amount of unclaimed final dividend, which was lying in the 'unpaid dividend account' of the Company, for the financial year 2003-04 has been deposited with the "Investor Education and Protection Fund" of the Central Government, by the Company on 3 December 2011.

The details of dividends remaining unclaimed as on 31 May 2012, which may, in future be required to be transferred to the Investor Education and Protection Fund by the Company are as below:

Date of Dividend Payment	For the financial year	Total amount of Dividend (₹)	Dividend per share (₹)	Amount of unclaimed dividend as on 31 May 2012 (₹)	% of Unclaimed Dividend on the total Dividend	Due date* for transfer to Investor Education and Protection Fund
29 September 2005	2004-05	8,95,73,446.00	5.50	805777.50	0.90	29 September 2012
25 September 2006	2005-06	14,65,74,729.00	9.00	1207446.00	0.82	25 September 2013
3 October 2007	2006-07	21,98,62,093.50	13.50	1896372.00	0.86	31 October 2014
3 October 2008	2007-08	27,68,63,377.00	17.00	2384537.00	0.86	1 November 2015
29 September 2009	2008-09	32,57,21,620.00	20.00	2700020.00	0.83	30 October 2016
1 October 2010	2009-10	37,45,79,863.00	23.00	3258732.00	0.87	31 October 2017
7 October 2011	2010-11	42,34,38,106.00	26.00	3809520.00	0.90	31 October 2018

\* These are indicative dates. Actual Deposit dates may vary but would be as per Section 205C read with the applicable Rule(s).

During 1 April 2011 to 31 March 2012, the Company filed with the Registrar of Companies, West Bengal, the quarterly statements duly certified by a Practicing Company Secretary regarding the amounts which were credited to the Investor Education & Protection Fund pursuant to circular No. ROC/UD/205C/QS dated 13 August 2002 issued by the Registrar of Companies, West Bengal to the Company.

Quarter Ended	Due Date Of Compliance	Date Of Compliance
30 June 2011	5 July 2011	5 July 2011
30 September 2011	5 October 2011	5 October 2011
31 December 2011	5 January 2012	3 January 2012
31 March 2012	5 April 2012	4 April 2012

**General Body Meetings**

Details of the last three Annual General Meetings held by the Company are enumerated as under:

Date and Time	Venue	Type of Meeting	Special Resolution Passed
23 September 2011 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue Kolkata – 700 019	94 <sup>th</sup> Annual General Meeting	NIL
24 September 2010 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	93 <sup>rd</sup> Annual General Meeting	Yes, a Special Resolution was passed at the AGM altering Articles 6 and 45 of the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956.
24 September 2009 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	92 <sup>nd</sup> Annual General Meeting	NIL

## Resolutions passed through Postal Ballot

During the financial year 2011-12, there was no occasion for the Company to pass a Special Resolution through Postal Ballot under Section 192A of the Companies Act, 1956.

## Disclosures

- There was no materially significant related party transaction executed during the financial year ended 31 March 2012 requiring disclosure under Clause 49 of the Listing Agreement, except as has been mentioned under Clause 26.21(i) and (ii) & Clause 26.24 of Note 26-Additional Disclosures of the Annual Accounts, which were all carried out at arm's length prices and all disclosures have been made in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- There was no non-compliance by the Company on capital market related matters and no penalty or stricture was imposed on the Company by the stock exchanges, SEBI or any other statutory authorities during the financial year ended 31 March 2012.
- The Company has, with effect from March 2003, introduced a Code for Prohibition of Insider Trading. The Company Secretary being the Compliance Officer, monitors adherence to the Code.
- The Company has filed requisite returns, documents and forms within the statutory time frame with the Registrar of Companies, West Bengal, as required under various provisions of the Companies Act, 1956.
- Pursuant to Clause 49 (VII)(1) the Company has obtained Certificate from the Statutory Auditors on compliance of the various conditions as stipulated under Clause 49 of the Listing Agreement and a copy of such Certificate is attached to this report.
- The CEO (Chairman & Managing Director) and the CFO [Director (Finance)] have jointly certified to the Board, with regard to reviewing the financial statements, cash flow statements and effectiveness of internal control and

other matters as required under Clause 49 of the Listing Agreement.

- A Remuneration Committee has been constituted by the Board.
- The Company introduced the 'Whistle Blower Policy' with effect from 9 April 2010 as per Clause 49 of the Listing Agreement. Although this is a non mandatory requirement of the Listing Agreement, it has been introduced to promote and encourage transparency in the Company. It may be pertinent to mention that under the policy, whistle blowers have access to the Ombudsperson who is a non-executive Independent Director. The Listing Agreement enjoins that whistle blowers would also have direct access to the Chairman of the Audit Committee in exceptional cases.
- On and from 9 April 2010 the Company also introduced a 'Fraud Prevention Policy' with the object of promoting high standards of professionalism, honesty, integrity and ethical behavior. This policy meets the requirements laid down in the Guidelines on Corporate Governance for Public Sector Enterprises, 2010, which were made effective by the Government in May 2010.
- Remuneration Policy**

By virtue of Article 7A of the Articles of Association of the Company, the President of India is entitled to determine terms and conditions of appointment of the Directors. This *inter alia* includes determination of remuneration payable to the Whole-time Directors. The Company circulates/discloses to the Members such terms of appointment & remuneration /any variation thereof together with memoranda of interest of Directors in accordance with Section 302 of the Companies Act, 1956. The Company pays sitting fees of a sum of Rs. 10,000/- per meeting of the Board or Committee thereof attended by each of the non-executive Independent Directors. No sitting fee is paid to the Whole-time/Non-Wholetime Government Nominee Directors for the meetings of Board of Directors or Committees attended by them.

Details of remuneration paid to the Directors during 2011-12 are enumerated hereunder:

(All figures in ₹)

Name of Director	Salaries and allowances	Contribution to provident fund	Contribution to gratuity fund	Other benefits and perquisites	Sitting fees	Total Remuneration
Shri Virendra Sinha*	2398621.00	258297.00	32751.00	509681.00	-	3199350.00
Shri VLVSS Subba Rao	-	-	-	-	-	-
Shri Shri Prakash	-	-	-	-	-	-
Shri V N Sharma**	3040195.00	472167.00	101141.00	514313.00	-	4127816.00
Shri K Subramanyan\$	3249747.00	461960.00	101141.00	250756.00	-	4063604.00
Shri P P Sahoo	430768.00	83086.00	86433.00	63204.00	-	663491.00
Shri K C Murarka	-	-	-	-	-	-
Shri Arun Seth	-	-	-	-	30000.00	30000.00
Shri M P Bezbaruah	-	-	-	-	140000.00	140000.00
Shri P K Bora	-	-	-	-	130000.00	130000.00
Shri Asish K Bhattacharyya	-	-	-	-	130000.00	130000.00
Smt Abha Chaturvedi	-	-	-	-	150000.00	150000.00
Shri S K Mukherjee#	3512847.00	226911.00	-	397788.00	-	4137546.00
TOTAL	12632178.00	1502421.00	321466.00	1735742.00	580000.00	16771807.00

\* includes Rs 970806.00 as Performance Related Payment (PRP).

\$ includes Rs 1168035.00 as PRP.

\*\* includes Rs 1199059.00 as PRP.

# includes Rs 1836898.00 as PRP.

**Note:** There was no expenditure debited in the books of accounts, which represent personal expenditure of the Board of Directors and Top Management.

k) The Code of Conduct for Directors and Senior Management Personnel of the Company, which is in operation since 2006, was reviewed by the Board in the financial year 2011-12 in accordance with the targets set by the Government of India in the Memorandum of Understanding (MOU) for the said financial year. Consequently to the review, a revised Code of Business Conduct & Ethics for members of the Board and Designated Personnel of the Company has been adopted. Declaration by the CEO under Clause 49 of the Listing Agreement read with the said Code has been set out elsewhere in the Annual Report.

l) The number of equity shares of the Company being held by the Directors as on date are as follows:

Name of the Director	Shares held in the Company
<b>Shri Virendra Sinha</b>	258*
<b>Shri K Subramanyan</b>	101
<b>Shri P P Sahoo</b>	133
<b>Shri Niraj Gupta</b>	100**

\* Including 126 shares held jointly [with his wife or held in the name of the wife as the first holder]

\*\* Held jointly with his wife as the first holder.

Shri V N Sharma who was Director (Manufacturing Businesses) upto 31 July 2012 held 1650 shares including 250 shares jointly [with his wife as the first holder]

Shri S K Mukherjee who was Chairman & Managing Director upto 31 December 2011 held 383 shares in the Company's equity share capital.

m) The Company has instituted, a Risk Management Policy making the executive management accountable to assess risks and minimize the impact of risk as a continuing process as per Clause 49(IV)(C) of the Listing Agreement. The policy is fully operational.

### Shareholders' Information

#### Date and time of the

**95<sup>th</sup> Annual General Meeting** : 26 September 2012 at 10.30 a.m.

**Venue** : Ghanshyam Das Birla Sabhagar  
29, Ashutosh Choudhury Avenue,  
Kolkata – 700 019

**Financial year ended on** : 31 March 2012.

**Dividend Payment date** : The dividend warrants would be posted or dividends would be transferred through NECS on or after 3rd October 2012 and within 30 days from the date of declaration as provided in the Companies Act, 1956.

**Date of Book Closure** : 12 September 2012 to 26 September 2012  
(Both days inclusive)

The shareholders are required to submit NECS mandate / bank particulars, on or before 20 September 2012 at the following address:

#### Link Intime India Pvt. Ltd.

59-C, Chowringhee Road, 3<sup>rd</sup> Floor, Kolkata – 700 020  
Phone: (033) 2289 0540, Telefax: (033) 2289 0539  
E-mail: kolkata@linkintime.co.in

### Shares in Suspense Account

Pursuant to Clause 5A(g) of the Listing Agreement, it is hereby confirmed that the Company has no share remaining unclaimed and lying in the suspense account at the beginning of the financial year, nor was the Company approached by any such shareholder for transfer of such shares from such suspense account.

### Stock Exchanges where the equity shares of the Company are listed and other related information:

Name and address of the Stock Exchanges	Stock code	Annual Listing Fee for 2012-13 paid to the Stock Exchanges on
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	523319	20 April 2012
National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400051	BALMLAWRIE	20 April 2012
ISIN Code of the Company	INE 164A01016	

### Means of Communication and Address for Correspondence

- Financial results are generally published in Financial Express (English), Business Standard (English), Aajkal (Bengali) and Jansatta (Hindi).
- The financial results and other notices issued by the Company are also posted on the website www.balmerlawrie.com
- The Company has an exclusive e-mail ID viz, blsharegrievance@balmerlawrie.com to enable the investors lodge their complaint/grievance, if any. The Registrar & Share Transfer Agent of the Company, Link Intime India Pvt. Ltd. are authorized to track the e-mail messages received.
- All communications relating to share registry matters may be addressed to:

#### Link Intime India Pvt. Ltd.

59-C, Chowringhee Road, 3<sup>rd</sup> Floor, Kolkata – 700 020  
Phone: (033) 2289 0540, Telefax: (033) 2289 0539  
E-mail: kolkata@linkintime.co.in

#### OR

#### Balmer Lawrie & Co. Ltd.

Secretary's Department,  
21 Netaji Subhas Road, Kolkata-700001  
Phone-(033)2222 5314/5329  
E-mail:mukhopadhyay.c@balmerlawrie.com  
Or sen.k@balmerlawrie.com

## Distribution of Shareholding on the basis of face value of equity shares held as on 30 June 2012

No. of Equity shares (₹)	Number of Shareholders	Percentage of total Shareholders	Number of Shares	Percentage of total Shareholding
Up to 50	12330	61.06	244862	1.50
51 TO 100	3257	16.13	281533	1.73
101 TO 200	1839	9.11	290611	1.79
201 to 300	718	3.56	188079	1.16
301 TO 400	424	2.10	154275	0.95
401 TO 500	430	2.13	205061	1.26
501 TO 1000	582	2.88	443491	2.72
1001 TO 2000	335	1.66	494109	3.03
2001 TO 3000	94	0.46	234257	1.44
3001 TO 4000	57	0.28	201991	1.24
4001 TO 5000	34	0.17	155263	0.95
5001 TO 10000	46	0.23	332856	2.04
10001 AND ABOVE	46	0.23	13059693	80.19
<b>TOTAL</b>	<b>20192</b>	<b>100.00</b>	<b>16286081</b>	<b>100.00</b>

## Distribution of Shareholding as on 30 June 2012 on the basis of category of Shareholders

Category	No. of shares held	Percentage of
Shareholding		
<b>A Promoter's Holding</b>		
1 Promoters		
- Indian promoters	NIL	NIL
- Foreign promoters	NIL	NIL
<b>Sub-Total</b>	<b>NIL</b>	<b>NIL</b>
<b>B Non-Promoter's Holding</b>		
2 Institutional Investors		
a Mutual Funds and UTI	721333	4.43
b Banks, Financial Institutions, Insurance Companies (including Central/State Govt. Institutions/ Non-Government Institutions)	1310014	8.04
<b>C Foreign Institutional Investors</b>	187952	1.16
<b>Sub-Total</b>	<b>2219299</b>	<b>13.63</b>
<b>3 Others</b>		
a Bodies Corporate*	10576047	64.94
b Indian Public	3342473	20.52
c Non-Resident Indians/ Overseas Corporate Bodies	148262	0.91
d Any other	-	-
<b>Sub-Total</b>	<b>14066782</b>	<b>86.37</b>
<b>GRAND TOTAL</b>	<b>16286081</b>	<b>100.00</b>

\* Includes Balmer Lawrie Investments Ltd., a Government Company, which holds 10064700 equity shares i.e. about 61.80% of the total paid-up equity share capital of the Company. Balmer Lawrie Investments Ltd. is the holding company of Balmer Lawrie & Co. Ltd.

Categories of Shareholders as on 30 June 2012

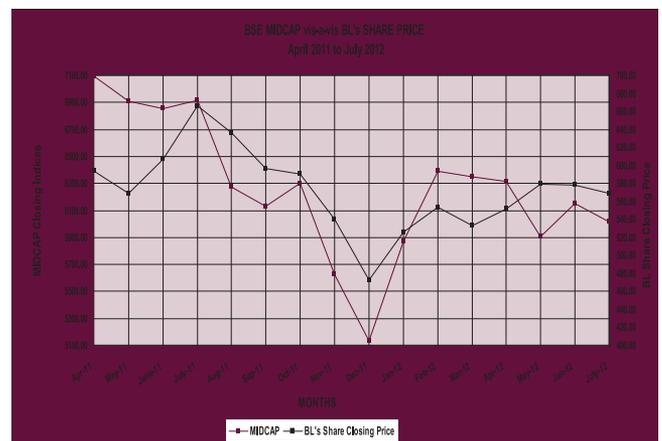
Category	Number of Physical Shares	Number of Dematerialized Shares	Total number of Shares	Percentage of Equity holding
Foreign Nationals	17806	318408	336214	2.07
Financial Institutions and Banks	12306	1293688	1305994	8.02
Balmer Lawrie Investments Limited (a Government company)	0	10064700	10064700	61.80
UP State Government	4020	0	4020	0.02
Mutual Funds	650	720683	721333	4.43
Bodies Corporate	8664	502683	511347	3.14
Directors & their relatives	359	1650	2009	0.01
Public	341900	2998564	3340464	20.51
<b>TOTAL</b>	<b>385705</b>	<b>15900376</b>	<b>16286081</b>	<b>100.00</b>

Percentage of physical and dematerialized shares as on 30 June 2012

Type of shares	%
Physical	2.37
Dematerialized	97.63
<b>Total:</b>	<b>100.00</b>

Market Price (High and Low) and the Volume of transactions in the Shares of the Company as per National Stock Exchange (for the period April 2011 to July 2012)

Month	High (₹)	Low (₹)	Volume of Transactions during the month (Nos.)
April 2011	627.50	538.00	198953
May 2011	606.00	520.00	137227
June 2011	616.60	563.00	144422
July 2011	680.00	603.60	255704
August 2011	690.30	593.05	359232
September 2011	679.00	591.00	242277
October 2011	611.80	570.05	117504
November 2011	600.00	468.70	117699
December 2011	550.00	472.00	109755
January 2012	538.00	461.25	544671
February 2012	585.20	521.00	252328
March 2012	554.90	520.00	89929
April 2012	572.00	533.25	57420
May 2012	589.00	528.50	111886
June 2012	591.85	552.55	110435
July 2012	612.00	552.00	95932



Name of the business	Location	ISO 9001:2000	ISO 9001:2008	ISO 14001:2004	ISO 18001:2007
		Accreditation	Accreditation	Accreditation	Accreditation
Greases & Lubricants	Manufacturing Units:				
	Chennai*	✓	-	✓	-
	Kolkata	✓	-	✓	-
	Mumbai	-	-	-	-
	Silvassa	✓	-	✓	-
	Marketing Offices:				
	Bangalore	-	-	-	-
	Pune	-	-	-	-
	Chennai	-	-	-	-
	Kolkata	-	-	-	-
	Mumbai	-	-	-	-
	New Delhi	-	-	-	-
	Raipur	-	-	-	-
	Secunderabad	-	-	-	-
Jaipur	-	-	-	-	
Vadodara	-	-	-	-	
Indore	-	-	-	-	

Market Price of the Equity Shares of the Company vis-a-vis the BSE MIDCAP

# Balmer Lawrie & Co. Ltd.

Name of the business	Location	ISO 9001:2000	ISO 9001: 2008	ISO 14001: 2004	ISO 18001: 2007
		Accreditation	Accreditation	Accreditation	Accreditation
<b>Industrial Packaging</b>	Chennai	-	√	√	-
	Kolkata	-	√	√	-
	Mumbai	-	√	-	-
	Silvassa	-	√	√	-
	Chittoor	-	-	-	-
	Asaoti	-	√	√	-
	<b>Marketing office:</b>				
	New Delhi	-	-	-	-
	Baroda	-	-	-	-
	and at all the places mentioned above				
<b>Performance Chemicals</b>	Manufacturing units				
	Manali, Chennai*	√	-	√	-
	Technical Service Centers:				
	Chennai	-	-	-	-
	Kanpur	-	-	-	-
	Kolkata	-	-	-	-
	Ranipet	-	-	-	-
	<b>Marketing office:</b>				
	Chennai	-	-	-	-
	Kolkata	-	-	-	-
Delhi	-	-	-	-	
Kanpur	-	-	-	-	
Ranipet	-	-	-	-	
<b>Logistics Infrastructure</b>	Chennai	-	√	√	√
	Kolkata	-	√	√	√
	Navi-Mumbai	-	√	√	√
<b>Logistics Services:</b>	Ahmedabad	-	-	-	-
	Bangalore	-	√	-	-
	Chennai	-	√	-	-

Name of the business	Location	ISO 9001:2000	ISO 9001: 2008	ISO 14001: 2004	ISO 18001: 2007
		Accreditation	Accreditation	Accreditation	Accreditation
	Coimbatore	-	-	-	-
	Delhi	-	√	-	-
	Hyderabad	-	√	-	-
	Karur	-	-	-	-
	Kochi	-	-	-	-
	Kolkata	-	√	-	-
	Lucknow	-	-	-	-
	Mumbai	-	√	-	-
	Pune	-	-	-	-
	Thiruvananthapuram	-	-	-	-
	Tuticorin	-	-	-	-
	Visakhapatnam	-	-	-	-
	<b>Engineering &amp; Project Services and Refinery &amp; Oilfield Services</b>	Kolkata	-	√	-
<b>Tea Blending &amp; Packaging</b>	Kolkata	-	√	-	-
<b>Tours and Travel</b>	Ahmedabad	-	√	-	-
	Bengaluru	-	√	-	-
	Bhubaneswar	-	-	-	-
	Chennai	-	√	-	-
	Delhi	-	√	-	-
	Hyderabad	-	√	-	-
	Kolkata	-	√	-	-
	Lucknow	-	√	-	-
	Mumbai	-	√	-	-
	Pune	-	-	-	-
	Trivuranthapuram	-	√	-	-
	Vadodara	-	√	-	-
	Chandigarh	-	-	-	-
	Dehradun	-	-	-	-
	Bokaro	-	-	-	-
Port-Blair	-	-	-	-	
Goa	-	-	-	-	

\* In addition to the above, Chennai, Kolkata and Silvassa units of SBU:Grease & Lubricants and Kolkata unit of SBU:Tea have accreditation of OHSAS 18001:2007. SBU:Performance Chemicals has accreditation of OHSAS 18001:1999 of TUV:SUD. SBU:Tea has accreditation of ISO 22000:2005 also.

## Declaration by Chairman & Managing Director (CEO) under Clause 49 of the Listing Agreement

To  
The Members of  
Balmer Lawrie & Co. Limited

I, V. Sinha, Chairman & Managing Director of Balmer Lawrie & Co. Limited hereby declare that myself and all Designated Personnel (viz. all whole-time directors and officers in the rank of General Manager and above) of the Company, have affirmed compliance with the applicable Code of Conduct for the year ended 31 March 2012.

Kolkata  
14 August 2012

V.Sinha  
Chairman & Managing Director

**COMPANIES IN WHICH BOARD MEMBERS HOLD DIRECTORSHIP &  
THEIR MEMBERSHIP OF BOARD LEVEL COMMITTEES**

No.	Name of Director	No.	Name of Companies of which the Directors is a Director	No.	Membership of the Directors on Board level Committees
1	Shri Virendra Sinha	4	Balmer Lawrie (UK) Ltd Balmer Lawrie (UAE) LLC Balmer Lawrie Van Leer Ltd PT Imani Balmer Lawrie Indonesia (Commissioner)	3	<i>Audit Committee Member:</i> Balmer Lawrie Van Leer Ltd Balmer Lawrie & Co Ltd  <i>Shareholders'/Investors' Grievance Committee Member:</i> Balmer Lawrie & Co Ltd
2	Shri Niraj Gupta	2	Transafe Services Ltd. Balmer Lawrie Hind Terminals Pvt. Ltd.	NIL	NA
3	Shri Anand Dayal	3	Avi Oil India (Pvt.) Ltd. Balmer Lawrie (UAE) LLC Proseal Closures Pvt. Ltd.	NIL	NA
4	Shri Partha S Das*	NIL	NA		<i>Audit Committee Member:</i> Balmer Lawrie & Co. Ltd. <i>Shareholders'/Investors' Grievance Committee Chairman:</i> Balmer Lawrie & Co. Ltd
5	Shri K Subramanyan	4	Balmer Lawrie (UK) Ltd Balmer Lawrie Investments Ltd Balmer Lawrie Van Leer Ltd Balmer Lawrie Hind Terminals Pvt Ltd	3	<i>Audit Committee Chairman:</i> - Balmer Lawrie Investments Ltd.  <i>Investors' Grievance Committee Member:</i> - Balmer Lawrie & Co Ltd - Balmer Lawrie Investments Ltd
6	Shri P P Sahoo	NIL	NA	NIL	NA
7	Shri K C Murarka	1	BACO Pharm Pvt Ltd	NIL	NA
8	Shri Arun Seth**	8	BT (India) Pvt Ltd BT Telecom Pvt Ltd BT Global Communications India Pvt Ltd BT E-Serv (India) Pvt Ltd Jubilant Foodworks Ltd Globeop Financial Services Centum Learning Ltd Desicrew Solutions Pvt Ltd	2	<i>Audit Committee Member:</i> - Jubilant Foodworks Ltd  <i>Investors' Grievance Committee Member:</i> - Jubilant Foodworks Ltd
9	Shri M P Bezbaruah	NIL	N.A.	1	<i>Audit Committee Chairman:</i> Balmer Lawrie & Co Ltd.
10	Shri P K Bora	NIL	N.A.	1	<i>Audit Committee Member:</i> - Balmer Lawrie & Co Ltd
11	Shri Asish K Bhattacharyya	2	Escorts Asset Management Ltd Balasore Alloys Limited	3	<i>Audit Committee Member:</i> - Escorts Asset Management Ltd - Balasore Alloys Limited - Balmer Lawrie & Co Ltd
12	Smt. Abha Chaturvedi*	1	Oriental Bank of Commerce	1	<i>Audit Committee Member:</i> - Balmer Lawrie & Co Ltd

\* Excludes Remuneration Committee Member : Balmer Lawrie & Co Ltd

\*\* Excludes Remuneration Committee Member : Jubilant Foodworks Ltd Balmer Lawrie & Co Ltd

**AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To The Members of Balmer Lawrie & Co. Ltd., 21, N. S. Road, Kolkata - 700 001**

We have examined the compliance of conditions of Corporate Governance by Balmer Lawrie & Co Ltd. ("the company"), for the financial year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the company's Management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, and the representations made by 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 future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata  
Dated : 14th August, 2012

**For Vidya & Co.**  
Chartered Accountants

Sarad Jha  
Firm Reg. No : 308022E  
Membership No. 050138

## Management Discussion and Analysis

[Forming Part of the Directors' Report for 2011-12]

This Management Discussion & Analysis aims to provide to the valued Shareholders of the Company further insight into the performance of the Company during the financial year 2011-12, in the context of the prevailing global and Indian economic conditions and also throws some light on the future prospects.

The World economy, especially European nations, witnessed considerable ups and downs in 2011-12 in terms of their economic and business scenario. After staging a smart recovery in 2010, growth in the world economic output decelerated considerably in 2011 and stood at 3.9% for 2011 as per the April 2012 Report of the International Monetary Fund. A number of European economies are yet to come to terms with the debt crisis, though the European Union has designed and formulated a bail-out package for the debt ridden European economy.

The American economy was seen to be coming out of the clutches of global depression having grown by 1.9% in the first quarter of 2012. More importantly, the USA has been able to generate significant number of additional jobs, which could have a cascading effect upon other economies.

Growth rate in China was, however, affected due to lower imports by European countries.

Soaring price of petroleum products and volatility in energy sector were twin factors negatively affecting international business. Despite the aberrations, BRIC nations viz., Brazil, Russia, India and China were able to maintain their growth legacy within the band of 4.3% to 9% in the year under report.

India recorded a growth rate of 6.5% in 2011-12 as against 8.4% in 2010-11. Hardening of international crude oil prices, lower global demand for its products / services and inflationary pressures contributed to the fall. In particular, depreciation of the Indian rupee vis-à-vis US dollar increased the cost of imports quite noticeably.

India too could not escape the problem of high interest cost due to escalating inflationary trends. The increased interest burden ate into the profits of the companies. With a view to combating inflation and to generate sustainable growth of the economy by boosting industrial output, the Government of India together with Reserve Bank of India ('RBI'), has been initiating / adopting various monetary and non-monetary measures.

The global economic paradigm needs to be kept in focus while analysing the performance of Balmer Lawrie & Co. Ltd in 2011-12. The Company, being a diversified company, has presence in both manufacturing and service sectors, which serves as a cushion of safety in a dynamically changing environment. The Company always believes in delivering value-added products and services to its customers, harnessing available resources and minimising risks so as to enhance and maximise shareholders' value. The performance pertaining to 8 (eight) Strategic Business Units (SBUs) of the Company is enumerated below.

### 1. INDUSTRIAL PACKAGING [SBU-IP]

#### Industry Structure and Developments

SBU-IP offers a range of 165, 200 and 210 litre capacity mild steel drums and barrels from its six manufacturing locations spread across the country. The SBU is the largest manufacturer of steel barrels in the Industrial Packaging segment.

The Company manufactures and markets these containers through the Company's pan-India marketing network to consumers in the lubricating oils & greases, transformer oil, agrochemicals, fine chemicals, paint, food products, chemicals and bitumen industry segments amongst others. The consumers are leading manufacturers in their respective industry segments and come from both public and private sectors; these containers are used for safe packing, transport and storage of their products.

Surplus capacities and a large number of manufacturers, leading to depressed margins, have characterised the operations of the Industrial Packaging industry. During the year under review, the SBU achieved its highest volume of sales in a year.. The market share of the SBU increased during the year under review. Cold rolled steel is the main input material used in the manufacture and prices thereof -- though higher than in the previous year -- were, however, stable throughout the year under review.

The barrel manufacturing plant commissioned at Chittoor in Andhra Pradesh in 2010-11 successfully catered to the localised demand during the year and improved logistics of the drums were appreciated by the end users.

The SBU continues to hold its lead position in terms of market share during the year.

#### Opportunities & Threats

The major Opportunities for the SBU lie in:

Expanding its product range, leveraging the benefit of its multi-locational presence and well accepted quality standards across the aforesaid industry segments leading to "most preferred supplier" status with a large base of customers, nurturing its leading edge technology and technical expertise and moving up the value chain as a service provider to a large number of customers.

The major threats being faced by the SBU lie in the presence of excess manufacturing capacity in the Industry leading to depressed pricing, tender based supplies with wafer-thin margins, emerging competition from alternative products such as plastic drums and IBCs(Intermediate Bulk Containers). Further the Government of India's proposal to reserve purchase of steel drum and barrels by all governmental institutions, including PSUs, from the MSME sector will restrict the market size available to the SBU. The SBU is working with customers in the private sector towards establishing longer-term contracts as a preferred vendor.

#### Segmentwise or Productwise Performance

2011-12 witnessed a substantial pick up in demand by the customers. As a consequence, the SBU recorded its highest physical sales, turnover and achieved targeted profit during the year.

## **Outlook**

Indicative trends point to a slower growth in 2012-13. Based on the country achieving targeted GDP growth, the SBU expects its volume to grow further and its market share to remain stable in 2012 -13. It is pertinent to mention that equipment upgradation was effected during the year under review. This would have a salutary impact since production capacity has been further augmented.

## **Risks & Concerns**

Increased competition from plastic drums manufacturers is an area of concern. Another factor causing concern is the steady escalation in input costs, especially steel and paint, which in the past have cut into the margins and generally subjected the Industry, in which the SBU operates, to operational pressures. Sluggish growth in the demand for / consumption of Lubricants being the single largest consumer segment together with stagnant demand in the eastern India is also an area of concern.

## **Discussion on Financial Performance with respect to Operational Performance**

Improved volumes in the financial year under review crystallized into a reasonably good financial performance.

## **Internal Control Systems and their Adequacy**

The SBU is governed by performance budget system and internal control measures whereby its performance is monitored systematically and periodically against targets / norms. BIS certification is available for all plants of the SBU. Five out of the six plants under the SBU are certified to ISO 9001:2000 Quality Management Systems and four of the plants are certified to ISO 14001:2004. Additional checks are maintained through Internal Audit, Vigilance Inspection, etc. The SBU is currently working towards implementation of an ERP system.

## **Material Developments in Human Resources /Industrial Relations**

The SBU continues to enjoy cordial relationship with employees at all its units.

## **2. GREASES & LUBRICANTS [SBU-G&L]**

### **Industry Structure and Developments**

The major players in the lubricant industry are the PSU Oil Companies and the Multinationals who together have a market share of about 73% with the balance 27% being shared by several organised and unorganised players. The Company operates as a Specialist Indian lubrication company. There are certain niche international players too, who operate only in selected segments. The market today comprises two segments viz., Automotive grades, which account for about 65% of the market and Industrial & Marine Grades, which make up the balance.

The lubricant industry has become extremely competitive due to the dominant market position of the PSU Oil Companies and the MNCs especially in the automobile / retail lubricating oil segments, on account of their brand value and reach. The automotive lubricant market is highly price sensitive and volume growth is slow due to longer drain intervals of

lubricants in view of upgraded version of engines in 4-wheeler & 2-wheeler segments. Continuous hike in petrol prices has affected the sale of vehicles and portends to have a dampening effect on the automotive lubricant industry. The continuous rise in base oil price has also impacted the industry. In fact, over the last one year, the base oil price has shot up by 20% and the increasing trend continues.

Despite the challenges, the long-term outlook for the industry appears to be quite good because of growth of the Indian economy and increasing purchasing power in the hands of the consumers. In the Industrial lubricating oils & grease segment, the Company has emerged as a significant player and this would, therefore, continue to be a focus area for the Company.

### **Opportunities & Threats**

Rapid infrastructural growth of India with higher movement of vehicular traffic is expected to lead to a growth in the consumption of lubricants. Small cars and motorcycles are making deep inroads into the rural market and this development too is expected to encourage sale of lubricants over a wider customer spectrum.

Opportunities also exist in the area of development of eco-friendly biodegradable lubricants as also high-end innovative products using the inherent R&D capabilities which the Company possesses.

In fact, major positives for the Company are its excellent knowledge base / technology for manufacture of a wide range of greases & lubricating oils and its world class R&D Centre which provides a cutting edge technology and promotes development of certain high value products as well as speciality lubricants for niche markets. Using its own in-house R&D Centre, the Company has developed and launched a number of specialty lubricants like rolling oils, expander oils, fire resistant hydraulic fluids, synthetic mould oils, specialty greases, etc. which find application in critical areas of the industry.

The ester manufacturing facility of the Company at Kolkata and its in-house knowledge base would aid development of ester based lubricants such as eco-friendly / biodegradable lubricants. Import substitution is also a strength area for the Company.

The four strategically located manufacturing facilities help in serving the customers effectively and efficiently. The Company has modern and well equipped Quality Assurance Laboratories at all its plants (one being NABL accredited) where stringent Quality Control procedures are in place in line with statutory norms / standards.

Amongst the threat perceptions, volatility in the prices of input materials like base oil comes to the fore. In the industrial tender related business, the tendency of the PSU Oil majors to absorb high raw material cost, particularly base oil cost, to gain competitive advantage often puts pressure on the margins and market share of the Company. Notwithstanding the threat perceptions, SBU:G&L aims to build upon its strength areas as enumerated above in order to retain and improve upon its market share and increase its contribution margin.

### **Segmentwise or Productwise Performance**

The business of SBU: G&L can be broadly divided into:

- (a) Processing Business
- (b) Direct Sales

The processing business during 2011-12 has been down by around 12% compared to the previous year largely because the PSU Oil Companies, who were traditionally using the Company's grease manufacturing facility, have begun switching to their own facility.

During the year under report, the SBU maintained volume of its direct sales business. Sales volume under the *Balmerol* brand was marginally higher in 2011-12 over the previous year. Severe price competition from the major players and sharp rise in the cost of base oil & additives impacted the all-round performance of the SBU.

The direct sale segment may be categorized into [a] Industrial / Institutional sales, [b] Retail sales and [c] Export. In the Institutional sales category, the major customers are Railways, Defence, Steel Sector, Jute Sector, Coal Sector and Sponge Iron sectors.

SBU:G&L closed the financial year 2011-12 with a moderate to good performance recording its highest ever turnover and posting a growth of 16% over the previous year.

In Retail sector, the SBU posted a volume growth of more than 4% during 2011-12. The Company is laying additional thrust on this sector by way of various promotional campaigns and incentive schemes to accelerate growth.

#### **Outlook**

Despite a lack of positive vibes in the business environment, the SBU sees good scope for business growth. The focal area for orchestrating growth would be manufacture and supply of eco-friendly / bio-degradable lubricants and introduction of value-added specialty products for niche markets particularly for the steel and the automobile sectors.

The future is likely to see the Company pushing for a higher market share in the Retail segment as this segment is likely to become more attractive with the increased purchasing power in the hands of the middle-class. The Company is also negotiating tie-ups with a few auto majors for catering to their after-sales market.

#### **Risks & Concerns**

The major risks in the business emanate from the rising base oil and additive prices as also cross subsidisation by some of the oil majors. The margins sometimes come under pressure due to the contractual terms with major customers whereby the Company is committed to make supplies at fixed prices irrespective of rising input costs.

#### **Internal Control Systems and their Adequacy**

The SBU has an adequate internal control system commensurate with its business needs. GLIOS (the in-house developed integrated operating software system) has been successfully operating at all locations for better monitoring of performance and operating parameters. On-line Depot Management System has been introduced in all regions in view of growing retail sales volume. The SBU is working towards implementation of ERP which would further make the internal control mechanism more robust.

The SBU has a detailed Management Information System for

monitoring performance against budget / targets. The Quality and Environment Management System at the manufacturing plants are certified to ISO 9001:2000, ISO 14001:2004 standards and OHSAS 18001 Certification. Besides, the counter-checks through internal audit, vigilance inspection also help to identify deficiencies for remedial action.

#### **Discussion on Financial Performance with respect to Operational Performance**

Sales turnover during 2011-12 was higher than the previous year as mentioned hereinabove but the SBU could not maintain the same level of performance on account of steep increase in price of base oil.

#### **Material Development in Human Resources / Industrial Relations**

Industrial relations continued to be satisfactory.

### **3. LOGISTICS SERVICES (SBU-LS)**

#### **Industry Structure and Developments**

The total market size of the Logistics industry in India is estimated at US\$ 90 – \$100 billion. Logistics industry includes transportation, warehousing, freight forwarding and value added services. SBU-LS of the Company operates in the freight forwarding and value added services, which account for about 13% of the total industry revenue.

The Logistics industry, which is a sunrise industry, is characterized by large infrastructure investments, which are on the anvil for developing several new ports, airports, logistics parks, free trade zones, Inland Container Depots and Container Freight Stations, etc across the country. Emergence of organised Retailing in India, which requires streamlined supply network, is also fuelling growth of the industry. India is poised to become one of the major manufacturing hubs for automotive and pharmaceutical sectors; a natural fallout thereof could be increased demand for logistics services.

#### **Opportunities & Threats**

As per estimates available 82% of freight forwarding business is conducted through Ocean and only 18% through air. This opens a wide business avenue for the SBU in the Ocean sector. As the strength of the SBU-LS lies essentially in interfacing with Government departments and in providing logistics solutions to PSUs, the SBU is increasingly focusing on catering to the ocean import requirements. Restrictions with regard to handling of Government and PSU import by Ocean, however, continue to apply. Nevertheless, the SBU was able to make inroads by offering door-to-door services to its customers. Enhanced focus on Ocean export has yielded positive results, doubling the Ocean export business. The SBU also sees vast opportunity in entering into the Private Sector although this would entail strengthening of the marketing team of the SBU.

All over the globe there has been stiffening of security measures and rightsizing of the airline services. This has resulted in hardening of rates which, in turn, has had a negative impact on air logistics. The continued uncertainty in the global economy and weakening of Rupee against the Dollar also constitute threat perceptions in the growth of the logistics business. However, effort is being made to compensate this loss with growth in the ocean business.

## **Segmentwise or Productwise Performance**

SBU-LS offers a comprehensive array of services including import consolidation by Air and Ocean, customs clearance at various air and sea ports, handling of projects cargo through multi-modal transportation, chartering of aircrafts and vessels besides providing express services.

Air cargo handling and allied support services such as customs clearance and chartering continue to form the core revenue generator of the SBU. The overall growth in turnover/profit of the SBU from air freight and support services in the year under review was around 15% compared to 2010 - 11.

## **Outlook**

The SBU has drawn up ambitious plans to expand its activities across the country by opening new branches at potential locations. During the year 2011 - 12, three new branches have been opened and further expansion plan is under consideration. The SBU also targets to expand its customer base by penetrating into the private sector business. It is also on the lookout for strong associates at suitable locations abroad having growth potential.

## **Risks & Concerns**

The business today has become extremely competitive largely because of low entry barrier in this industry. The Logistics industry continues to be highly fragmented despite frequent mergers and acquisitions taking place. Similarly, backward integration by the shipping lines have now brought them into direct competition for handling of Ocean cargo.

The SBU is well aware of the associated risks and is gearing up to meet the challenges by entering into long-term agreements with its customers, tie-up arrangements with shipping lines and by offering door-to-door services to its customers.

## **Internal Control Systems and their Adequacy**

The SBU is governed by performance budget system and internal control measures whereby its performance is monitored systematically and periodically against targets / norms. ISO accreditation is in place at all major branches of the SBU and these have been successfully renewed during the year. The SBU also has in place an effective internal control mechanism which includes external and periodical internal audits.

## **Discussion on Financial Performance with respect to Operational Performance**

Despite unfavourable economic conditions and the fragmented logistics market, the turnover of the SBU grew impressively in 2011-12. In fact, the SBU achieved its best ever profits through generation of higher business activities and supplementing the same with cost reduction, wherever practicable as also by marketing value-added services to its customers.

## **Material Developments in Human Resources/Industrial Relations**

Industrial relations continued to be cordial at all units of SBU-LS while operating with optimum level of manpower.

## **4. TOURS & TRAVEL [SBU-T&T]**

### **Industry Structure and Developments**

SBU: T&T is one of the largest travel agencies in the country affiliated to the International Air Transport Association [IATA]. The activities of SBU: T&T is primarily dependent on the Aviation sector. India being a developing economy, there is enormous growth potential for aviation. The Indian aviation market is growing at a much faster pace than the global average – about 12% domestically and 8-9% internationally. This growth can substantially be attributed to the liberalization of the Indian aviation sector in the mid-nineties, which ushered in private airlines into the aviation basket. The strong surge in demand since then continues primarily due to the burgeoning middle class with its enhanced purchasing power, which has been accentuated further by attractive low fares offered by the low cost carriers. Aviation forms the backbone of the Tourism industry, which has become synonymous with the Incredible India catchy jingle and the two together have become vehicles of growth for the economy. All these constitute welcome developments for the nation and your Company.

However, of late, the Aviation sector is facing major crises. The national carrier, Air India is being sustained on the life support of state aid, whereas Kingfisher Airlines is passing through extremely challenging times. The sector as a whole is not generating sustainable revenues one would associate with a large high-growth market. In fact, nearly all domestic airlines on an annualised basis, have reported huge losses. The sector requires radical action by the Government by way of rationalisation of taxes, reduction of skyrocketing aviation turbine fuel costs and adoption of suitable investment policies relating to entry of foreign airlines in the Indian skies.

The major clients of the Company are Government Departments and PSUs. Austerity measures instituted for control of Government expenditure in 2010-11 was lifted by the Government of India only to be reintroduced in 2011-12, restricting travel movements by Government employees. This depressed the overall sales to a large extent.

### **Opportunities & Threats**

Business opportunities of the SBU lie in the fact that despite a slowdown in economic growth, International and Domestic Tourism has continued to show growth. The SBU is also poised to have excellent volume of business from Online Travel Portal which is being set up. The portal once fully operational, is likely to open up new source of revenue for the Company. The presence of an extensive network of offices providing comprehensive services, PSU status of the Company, the Recognitions / Affiliations obtained, the presence of experienced manpower, ISO Certification and the 24X7 services offered are all factors contributing to the strengthening of the volumes and the top-line of the SBU.

Amongst the threat perceptions of the SBU are reduction of commission by the European airlines, non-availability of Productivity Linked Bonus [PLB] from Domestic carriers, proposal for weekly settlement by IATA in place of the current practice of fortnightly settlement under BSP [Bank Settlement Plan] which could affect the financials of the SBU being a reduction in credit period, propensity of more direct deals between Airlines and Clients and cut-throat competition

amongst travel agencies / tour operators. However, expansion of value added services, including tour operations and a sustained effort to cut costs is expected to partially offset the negative impact of these trends.

#### **Segmentwise or Productwise Performance**

The business of the SBU comprises three segments viz., Domestic travel, International travel and Tours. During 2011-12, the performance in these segments was generally up to the budget estimates despite the downtrend in the airlines business.

#### **Outlook**

With the growing middle class population, the tours activity is expected to have a positive impact on the SBU. The entry of Low Cost Carriers (LCCs) on both Domestic and International sectors have been a welcome development, which portends to culminate into higher income for SBU: T&T. With the addition of new aircrafts to the fleet of LCCs business is poised to grow further. Besides, the Company expects rise in business volumes on account of setting up of the new tours portal by the SBU with attractively priced packages.

#### **Risks & Concerns**

Despite abysmally low commissions and in case of some airlines, zero commission, competition in the travel & tours market is becoming progressively more intense with small operators offering deep discounts to customers. Another major concern area for the SBU is the deep financial problems being faced by most airlines including the national carrier.

Outstanding debts of various Government Ministries pertaining to their travel bills constitutes a major area of concern for the SBU subjecting the working capital to considerable pressure and adding to the high cost of finance.

With reduced domestic airline seat capacity, consequent to severe curtailment in the Kingfisher Airlines schedule, the prices of domestic tickets would continue their escalating trend and is likely to slow down the growth in domestic travel.

#### **Internal Control Systems and their Adequacy**

SBU: T&T has adequate internal controls as well as proper checks & balances in its systems and procedures.

#### **Discussion on Financial Performance with respect to Operational Performance**

The overall sales performance of the SBU during 2011-12 was marginally better compared to the previous years though the profitability was under stress on account of non-receipt of PLB from Air India.

#### **Material Developments in Human Resources/Industrial Relations**

Industrial relations continued to be satisfactory.

### **5. LOGISTICS INFRASTRUCTURE [SBU-LI]**

#### **Industry Structure and Developments**

The Logistics container market consists of three segments viz., Container Freight Station [CFS], Inland Container Depot [ICD] and Warehousing & Distribution [W&D]. CFS/ICD is a common user custom bonded facility with public authority equipped with warehousing space and handling equipments

and related Information Technology infrastructure. It provides facility for stuffing / de-stuffing and aggregation / segregation of export / import cargo. It is essentially a port away from port and assists in reducing congestion at the ports.

The container handling at Indian ports grew by approximately 6% during 2011-12. The total containerized traffic at major ports accounted for only 20% of the total tonnage handled. This is quite low compared to the world average of 50% cargo being containerised. The total container traffic in India during 2011-12 was around 10 million TEUs (including trans-shipment and coastal movements). None of the ports in India, however, come in the category of top 20 ports of the world.

The SBU currently operates three state-of-the-art CFSs located at Nava Sheva-Navi Mumbai, Chennai and Kolkata. These ports account for nearly 82% of the total containerised traffic at the major Indian ports. The SBU operates its W&D facility at Kolkata and Coimbatore.

#### **Opportunities & Threats**

Ports in India handle approximately 70% of the EXIM trade by value and 82% by volume. Considering the low level of containerised traffic at major ports, there is ample scope for increase in volumes. India is witnessing major infrastructural development including development of new ports. The ongoing development could provide opportunity for SBU-LI to further expand.

As per the last available published data, there are 174 functioning CFSs / ICDs and another 74 are under construction. Rapid increases in CFSs have led to creation of over-capacity in the industry.

The uncertainty in global economic environment and weakening of the Indian Rupee are factors which can impact EXIM trade during the current year.

#### **Segmentwise or Productwise Performance**

Segmentwise performance analysis indicates that SBU: Logistics Infrastructure together with SBU: Logistics Services was the main profit generator for the Company in 2011-12. Compared to the preceding year, the SBU recorded a significant volume growth at all the three locations. Of the total volume handled by the CFSs of the Company, nearly 94% was attributable to handling of import containers, the balance 6% being attributable to handling of export boxes.

W&D activity -- which traditionally was focusing on handling bulk metal -- has initiated steps for increasing covered warehousing to meet the requirements of the retail and the consumer durable sectors. This has helped the activity to show nominal profit.

#### **Outlook**

The SBU through its continued marketing efforts has been able to withstand competitive pressures and has been operating close to 100% capacity compared to the average capacity utilisation of 60% by CFSs in India. The SBU expects to continue its growth orientation. During the year the SBU has embarked on major capacity expansion at all the existing three locations.

#### **Risks & Concerns**

Though there has been a steady growth in container traffic at Indian ports, poor inland connectivity and delays on various

accounts at the ports remain the two greatest areas of concern for growth of container traffic. The competition in the industry has been aggravated by the increased entry of shipping lines in setting up their CFSs. Over-capacity in the industry, rising fuel cost and pricing pressure have led to volatility in the flow of revenue. Unless these are countered effectively through increased volumes, the margins would be under pressure.

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

The SBU has in place an effective internal control mechanism which includes periodical internal and external audit. All three CFSs are certified to ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007. The SBU is also governed by performance budget system and internal control measures whereby its performance is monitored systematically and periodically against targets / norms.

### **Discussion on Financial Performance with respect to Operational Performance**

Segment-wise performance analysis and sales indicate that SBU: LI performed extremely well during the year surpassing its budgeted and the previous year's turnover and profit primarily due to increased utilisation of capacity and tight control over its equipment utilisation.

### **Material Developments in Human Resources / Industrial Relations**

Industrial relations at all the CFSs and W&D units remained cordial though out the year.

## **6. PERFORMANCE CHEMICALS [SBU-PC]**

### **Industry Structure and Developments**

Leather Trade at the global level is currently valued at US\$150 Billion. Considering the projected growth rate of 6% annually, it is likely to reach US\$ 245 billion by 2020.

China is the largest producer, consumer and exporter of leather and leather articles. Chinese leather production is four times that of India while their exports are approximately 20 times that of India. The domestic demand for leather and leather products in China is estimated to be 100 times the size of domestic demand in India.

India's export of Leather & Leather articles stood at US\$ 4.5 billion in the fiscal year 2011-12. India ranks as the fourth largest exporter of leather goods / garments. Focusing on footwear – which forms the core of the Leather industry and constitutes the main engine for growth -- India is the second largest manufacturer of footwear in the world albeit much lower than China which produces about 16% of the global output. The significance of the footwear segment can be gauged from the fact that footwear accounts for about 60% of leather goods export in the world.

Turning to the Leather Chemicals industry, it is observed that the industry in India is dominated by MNCs, who together hold a market share of 40%. The strategy of MNCs is focused on consolidating market share coupled with rationalisation of its product portfolio whereby they periodically exit from product lines assessed as having low margins. They also continually seek growth opportunities through mergers and acquisitions.

India's Leather Chemicals market is estimated at Rs. 1500

crore and it is growing fairly consistently in tandem with the increase in volume of leather processing being done in the country. However, the market is fraught with competition because of overcapacity and the presence of a very large number of leather chemical manufacturers. Consequently, competition is fierce and the market highly price sensitive.

Despite the inherent market complexities, SBU: PC -- harnessing its strength in product development and utilising its high technically qualified manpower -- has generally been able to sustain its market share and even increased its reach into overseas markets.

### **Opportunities & Threats**

SBU: PC is increasingly focusing on penetrating the lucrative overseas markets so as to achieve a turnover with at least 20% exports. The main overseas markets are China, South Korea, Bangladesh and Ethiopia. The export market has considerable potential to absorb high performance fat liquors and leather finishing chemicals.

SBU: PC is planning to enter into Construction Chemicals which has a Rs. 3000 crore domestic market. As a first step, SBU: PC is poised to enter into the Concrete Admixture Segment which represents 35% of the total Construction Chemicals market. A salutary feature is that the SBU is equipped with suitable R&D infrastructure replete with qualified manpower which is networked closely with CISR and other academic institutions for drawing support in pursuit of this activity.

As regards threat perception in the Leather Chemicals business, the primary constraint is availability of Hides & Skins due to reduced slaughtering, which invariably pushes up prices of Hides & Skins and affects the Leather Chemicals market. Also to be mentioned is the price volatility which exists in respect of key raw materials viz., Paraffin Wax and other Petroleum Products which saw a consistent increase during the year. In a buyers' market the increased costs could not be passed on resulting in a reduction of margins. To meet the market dynamics, SBU:PC has been working on substitution of raw materials and change in formulations with the objective of bringing down costs, developing new bases and creating innovative and cost effective formulations.

A challenge which the Company -- being a new entrant in the Construction Chemicals market -- is facing is the question of replacing the existing supplier[s] in order to gain access / entry.

### **Segmentwise or Productwise Performance**

The turnover during 2011-12 remained at the same level as that of the last year with the drop in the indigenous sale of Fat liquor being made up by higher export sales. With the appointment of a big dealer in China and taking cognizance of better performance in the Korean and Bangladeshi market, the SBU achieved its highest ever export volume in the year under review, which was a significant achievement compared to the previous year.

### **Outlook**

The outlook for the Leather Chemicals business appears challenging with the SBU gearing itself to meet the challenges through innovation and intensive R&D work. To improve the future outlook in the Construction Chemicals business, the SBU has begun approaching Infrastructure Companies, Ready

Mix Concrete Plants [RMCs] and builders in the Southern and Eastern India and offered them SNF [Sulphonated Naphthalene Formaldehyde] based Admixtures. In the infrastructure and RMC segments, the SBU achieved some sale in the last quarter of the financial year under report.

In the Admixture segment, the SBU is working on development of Poly Carboxylate Ether based Admixture which is a high quality and high value admixture used for high strength concrete application such as building of bridges, tunnels, high-rise building etc.

#### **Risks & Concerns**

The continuous spiralling of raw material prices, energy and other input costs have relentlessly squeezed the margins in the business and affected the bottom-line. The applicability of the REACH norms, which govern supply of Chemicals to the European Union, and apply to the products used in leather processing is a concern area for the SBU along with the tightening of pollution control norms in relation to the tannery effluents.

#### **Internal Control Systems and their Adequacy**

The SBU has internal control systems commensurate with the complexity and scale of its operation. The manufacturing units, Product Development and marketing functions are now certified for Integrated Management System comprising ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 standards.

#### **Discussion on Financial Performance with respect to Operational Performance**

Sales volume during 2011-12 was lower than the previous year but the turnover achieved remained at the same level despite the tapering global demand.

#### **Material Development in Human Resources / Industrial Relations**

The SBU continues to upgrade the skill of employees through In-house training programmes. Industrial relations continued to be satisfactory.

### **7. TEA [SBU-TEA]**

#### **Industry Structure and Developments**

India's tea production during 2011 was about 988 million Kg up by about 23 million Kg from the previous year figure (965 million Kg). The main reason for the increase in production was favourable weather conditions that prevailed in North-Eastern India coupled with rejuvenation of acreage by planting younger tea plants. The volume of exports also improved from 185 million Kg in 2010 to about 193 million Kg in 2011.

Domestic consumption stood at around 856 million Kg and continued to grow at a rate of around 2% annually. Import of tea aggregated 19 million Kg.

#### **Opportunities & Threats**

In the course of revamping operations, the SBU has installed an automated tea blending process on account of which blending quality has improved and process time reduced considerably. The SBU possesses a modern packaging unit with latest Form-Fill-Seal machines and Tea bagging machines, where capacity utilisation has also improved with

the rationalisation of manpower. Strategically, the SBU is concentrating more on establishing its own brands through presence in various domestic markets, particularly in tier II & III cities, smaller towns and rural markets. The objective inherent here is mitigation of the vagaries of competition from Producer Exporters, who are better placed than the Company to offer tea at competitive rates.

#### **Segmentwise or Productwise Performance**

During the year 2011-12 domestic retail sales have been increasing steadily, spreading gradually in the towns and rural markets in the State of West Bengal & Jharkhand. Moreover, the SBU has entered into a contract with a major tea producer for meeting their blending and packing requirements.

#### **Outlook**

The Company is aggressively working on its domestic retail business by appointing distributors and dealers. In this endeavour, the SBU launched its new products in July 2011 in Eastern India. It has successfully appointed substantial number of distributors in the state of West Bengal, Jharkhand & Maharashtra and this number is increasing with good feedback from customers. In the domestic Retail Segment, the SBU has re-positioned its *Tarang* range of CTC teas in a new avatar and introduced in the market premium range of Darjeeling & Green tea under the trade name *Balmer Lawrie The Tea*.

#### **Risks & Concerns**

The price and quality of tea are critical factors for growth in the market more so because the SBU has to compete with established brands in the markets. The future growth of the SBU is dependent on these factors. Moreover, the SBU needs to build its skill sets to meet its new positioning.

#### **Internal Control Systems and their Adequacy**

The activities of the SBU are strictly governed by the Internal Control System laid down by the Company and the unit has all the requisite ISO certifications.

#### **Discussion on Financial Performance with respect to Operational Performance**

The performance of the SBU has improved considerably in respect of volumes handled. However, its turnover and profitability have remained disappointing.

#### **Material Development in Human Resources / Industrial Relations**

Industrial relations continued to be satisfactory.

### **8. Refinery & Oilfield Services [SBU: ROFS]**

#### **Industry Structure and Developments**

The Refinery & Oilfield Services portfolio consists of Mechanized Tank Sludge Cleaning & Hydrocarbon Recovery Services and also offers systems for prevention of vapour loss of petroleum products from storage tanks and other technology driven services such as Composite repair service, non-metallic technology for repair of pipelines / storage tanks to avoid unplanned shutdown, preventive external action to check corrosion and decontamination services for refineries and petrochemical plants. This is a nascent industry with a very limited number of players in this industry.

## **Opportunities & Threats**

SBU: ROFS enjoys market leadership in processing of oily sludge. Further growth opportunity exists in lagoon sludge cleaning business and this is expected to further intensify with the applicability of stringent pollution norms in the Oil industry. The market for Composite repair is now in its nascent stage but is expected to pick up with the increased awareness of users.

As regards threat perception, there is a threat of new entrants in this niche market though currently not many players are seen in the segment.

## **Segmentwise or Productwise Performance**

The SBU achieved a commendable growth in the turnover of processing of oily sludge during 2011-12 and continued to retain its market leadership in the area of hazardous waste management.

## **Outlook**

For the future, the SBU aims to expand its service portfolio into processing hazardous sludge in other industries. Also on the anvil are plans for increasing market awareness for composite repairing services.

## **Risks & Concerns**

The risk-profile of the SBU centres on threats of competitive technology and processes. The SBU attempts to bring forth technological advancement in its services to reduce human interference.

## **Internal Control Systems and their Adequacy**

The SBU has well defined working procedures to control downtime of plant & machinery. The SBU is accredited to ISO 9001:2008 and procedures are reviewed periodically for compliance.

## **Discussion on Financial Performance with respect to Operational Performance**

SBU: ROFS has recorded more than 70% increase in turnover during the financial year, without any addition to its human resources.

## **Material Development in Human Resources / Industrial Relations**

The SBU operates with a lean manpower structure. The objective is to build up a strong work force where sharing of knowledge within the working team would be the governing principle. With a view to inculcate skill up-gradation, appropriate training programmes are being conducted periodically for functionaries of the SBU.

## **Corporate Social Responsibility**

Corporate Social Responsibility [CSR] is integral to the belief of the Company and is enshrined in the Company's Vision statement. CSR is driven in the Company through two flagship schemes, viz. BLISS [Balmer Lawrie Initiative for Self Sustenance] and SAMBAL [Samaj Mein Balmer Lawrie]. While the first scheme is directed at providing and improving the long term economic sustenance of the under-privileged, the second scheme aims at improving the living standards of the population in and around the Company's work centres.

In pursuance of the Schemes, the Company has undertaken several community development projects, partnering with Non-Government Organizations [NGOs]. The focal areas of intervention are education, health, sanitation, shelter, vocational training, employment generation, integrated village development, rehabilitation of underprivileged and disaster relief.

An aggregate sum of ₹256.65 lakh, which is in excess of 2% of the net profit of the Company, was spent during the year 2011-12, towards CSR activities.

The following activities / initiatives were undertaken in 2011-12:

### **[a] Education**

- [i] The Company awarded scholarship to 75 SC/ST/Physically Challenged students for pursuing Engineering Degree / Diploma Courses across the country. These scholarship grants intended to cover the entire period of the course, were of ₹ 40,000 per annum to each of 50 students pursuing degree courses and of ₹ 30,000 per annum to each of 25 students pursuing diploma courses.
- [ii] The Company provided financial support for renovation and infrastructure development, including setting up of a laboratory and other facilities of Adarsha Bidya Mandir at village Dara, district South-24 Parganas, West Bengal, where the Company in the previous year had already constructed a three-storey building block for Higher Secondary Classes. Around 2500 students, mostly belonging to deprived / disadvantaged sections of the society residing within a radius of 10 Kilometres of the school, are benefited by the initiative. This has also facilitated the employment of 26 teachers recently sanctioned by the State Government.

### **[b] Health**

- [i] The Company sponsored Weekly Thursday Clinics for mothers and children [up to the age of 5 years] at Pailan, District South 24-Parganas, West Bengal towards pre- & post-natal counseling, regular medical check-up, medication, providing nutritious food and improvement of their health. On an average more than 220 patients attended the clinics per week.
- [ii] The Company continued providing support for running a Mobile Medical Unit along with outdoor treatment facilities for aged & immobilized persons in and around Manali, Chennai. On an average around 1000 consultations and treatments were logged per month.
- [iii] The Company installed Reverse Osmosis Plants for providing clean drinking water to the children in primary Schools and Anganwadis at Silvassa.
- [iv] A Primary Health Centre at Bhendkhal Village, Dronagiri, Navi Mumbai was commissioned including provision of necessary infrastructure and medical equipments with the assistance of the Company.

**[c] Sanitation**

- [i] The Company constructed compound wall and toilets in the primary schools for boys and girls at Silvassa;
- [ii] Single-pit individual toilets were also constructed for 89 number of BPL households at Khadoli village at Silvassa.
- [iii] Provision was made for 4 Nos. biological toilets for Child in Need Institute [CINI] for use at 4 different units of CINI situated at Kolkata and South 24-Parganas District in West Bengal. This is a novel environment-friendly concept which converts human waste into non-contaminating, non-toxic water, through application of multi-strain bacteria culture. It is portable and does not require septic tank, sewage line or sludge removable system.

**[d] Employment Generation**

- [i] The Company in collaboration with IATA Training & Development Institute and Trade-Wings Institute of Management launched a CSR initiative across the country in November and December 2011 for imparting three-months' training in Travel & Tourism to 104 girls (Kolkata-23, Pune-8, Mumbai-24, Chennai-25 and Delhi-24) coming from economically weaker sections. The objective of this initiative was to enhance employability of the girl students. This is the first time that IATA has associated itself in such a CSR initiative. The training programme was conducted at the IATA approved training centres of Tradewings in the respective cities. On completion of the course, successful candidates have received Diploma in Travel & Tourism Management. The entire training cost amounting to ₹27 lakh was borne by the Company. Additionally, each trainee was also given a stipend of ₹3,000 per month for a period of three months.
- [ii] A Community Hall was constructed with financial assistance from the Company for imparting vocational training to women at Khadoli Village, Silvassa.
- [iii] The Company sponsored vocational training programme for youths in Welder/Fitter/ Electrician trades, Motor driving, tailoring / embroidery trades at Khadoli village, Silvassa.
- [iv] Soft Skill Training Programmes were also sponsored for the youth at Mandiya Village, Karnataka in the area of Sales & Marketing, F&B Service and ISMO Operation.
- [v] Skill Development Programme in Basic Computer Operations was sponsored for 20 girls from SC / ST/ Backward Categories at Delhi.
- [vi] An income generation programme for 100 disadvantaged women was arranged at Saharanpur, Uttar Pradesh through Self Help Group in Agriculture, Animal Husbandry and Handicrafts.

**[e] Child care & Sustenance**

- [i] The Company sponsored 3 Family Homes [2 at Kolkata and 1 at Vishakhapatnam] of SOS Children's Villages in India comprising 34 destitute orphaned

children to aid their upbringing and rehabilitation.

- [ii] The Company also sponsored 2 classes comprising 31 physically challenged (cerebral palsy) students at Indian Institute of Cerebral Palsy (IICP), Kolkata for their education, development and rehabilitation.
- [iii] 25 children of the Institute for the Backward & Handicapped People at Behala, Kolkata were sponsored for their education, development and rehabilitation. These children suffer from various types of disability and belong to marginalized / disadvantaged sections of the society.
- [iv] 100 school drop-out children of marginalised families from the slums at Kalighat, Tollygunge and New Ali-pore areas of Kolkata were sponsored, for their education and overall development.
- [v] The Company sponsored cooking vessels and one distribution vehicle fitted with accessories for supporting Mid-Day Meal Program run by Akshaya Patra in Delhi Schools.

**[f] Environment Protection**

- [i] More than 1,000 trees were planted in and around factories / units of the Company located all over India.
- [ii] A centre for developing environment awareness on the safety of natural resources / wildlife was set up at Silvassa.
- [iii] The Garden at Wadala, Mumbai for mentally / physically challenged children was maintained by the Company.

**Cautionary Note**

The statements in the Management Discussion & Analysis describing the Company's focal objectives, expectations and anticipations and those of its SBUs may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from the expectations expressed or implied in such forward-looking statements. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of products, input availability and prices, changes in government regulations / tax laws, economic developments within the country and factors such as litigation and Industrial relations.

The information and opinion stated in this section of the Annual Report essentially cover certain forward-looking statements, which the management believes to be true to the best of its knowledge at the time of its preparation. The management shall not be liable to any person or entity for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

The nature of opinions herein are such, that the same may not be disclosed, reproduced or used in whole or in part for any other purpose or furnished to any other person without the prior written permission of the Company.

**Auditors' Report To the Members  
Balmer Lawrie & Co. Limited**

1. We have audited the attached Balance Sheet of Balmer Lawrie & Co. Limited ('the Company') as at 31<sup>st</sup> March, 2012, and also the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the accounts of the Regions audited by Branch Auditors in accordance with the letter of appointment issued by the Comptroller and Auditor General of India. 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 have 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 disclosure in the financial statements. 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 (as amended) ['the Order'] issued by the Central Government of India in terms of Section 227(4A) of the 'Companies Act 1956' (the Act), we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
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 purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. The related Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with in preparing this report.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
- e. Since the Company is a Government Company, the provisions of the Section 274(1) (g) of the Act relating to disqualifications of directors are not applicable, vide Government of India, Department of Company Affairs Notification No. GSR 829(E) dated 21<sup>st</sup> October, 2003.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes and accounting policies thereon and annexed thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - (ii) in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Vidya & Co**  
Chartered Accountants  
Firm Reg No: 308022E

**CA Sarad Jha**  
Partner  
Membership No.050138

Place: Kolkata  
Date: 26<sup>th</sup> May, 2012

**ANNEXURE TO THE AUDITOR'S REPORT  
(Referred to in paragraph 3 of our Report of even date)**

- (i) a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. The company has a regular programme of physical verification of its fixed assets by which Plant and Machinery are verified every year and other fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As explained to us, in accordance with its programme plant and machinery and certain other fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- c. In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of the fixed assets during the year.
- (ii) a. The inventory of the Company has been physically verified during the year by the management. In our opinion, having regard to the nature and location of inventory, the frequency of verification is reasonable.
- b. In our opinion, 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. On the basis of our examination of records of inventory, in our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As represented to us, there are no companies, firms, or other parties to be listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii)(a) to (iii)(g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased are of special nature and for which suitable alternative sources are not readily available for obtaining comparative quotations, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories, fixed assets and for the sales of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in such internal control. **However, the internal control system regarding management of debtors and generation of scrap by the manufacturing units of the company needs to be further strengthened.**
- (v) In view of our comment in paragraph (iii) above, clauses (v)(a) and (v)(b) of paragraph 4 of the Order in respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, and transactions made in pursuance of such contracts or arrangements exceeding the value of Rs. 5 lakhs in respect of any party, are not applicable to the company.
- (vi) The Company has not accepted any deposits from the public within the meaning of the Sections 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
- (vii) In our opinion, the Company's present internal audit system as conducted in phased manner, by a firm of Chartered Accountants, is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of the products of Grease and Lubricants (petroleum products) and Industrial Packaging where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

To the best of our knowledge and according to the information and explanations given to us, the Central Government under the aforesaid Act has not prescribed the maintenance of cost records for any other products or services of the Company.

- (ix)a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Cess and any other material statutory dues applicable to the Company.
- b. According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Service tax, Excise Duty and Cess as at 31st March, 2012 aggregating to ₹. 7,787.79 lakhs; which have not been deposited on account of a dispute, as mentioned in Note no. 26.2(a) to the Accounts showing the amounts involved and the forum where dispute is pending.
- (x) The Company has no accumulated losses as at 31st March, 2012 and it has not incurred cash losses during the financial year ending 31st March, 2012 and immediately preceding financial years.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders as at the Balance Sheet date.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has maintained adequate documents and records in respect of loans and advances granted to a party on the basis of security by way of pledge of shares.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.
- (xvii) On an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long term investment during the year.
- (xviii) 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.
- (xix) The Company has not issued any debentures during the year and therefore no amount is outstanding in respect of debentures as on the Balance Sheet date.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our audit, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor reported during the year, nor have we been informed of such case by the management.

**For Vidya & Co**  
Chartered Accountants  
Firm Reg No: 308022E

**CA Sarad Jha**  
Partner  
Membership No.050138

Place: Kolkata  
Date: 26<sup>th</sup> May, 2012

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS  
OF BALMER LAWRIE & CO. LIMITED, KOLKATA FOR THE YEAR ENDED 31  
MARCH 2012.**

The preparation of financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 26 May 2012,

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act., 1956 of the financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619 (4) of the Companies Act, 1956.

For and on behalf of the  
Comptroller & Auditor General of India

Sd/-

**(Nandana Munshi)**

Principal Director of Commercial  
Audit & Ex-officio Member,  
Audit Board - I,  
Kolkata

Place: Kolkata  
Date: 03 July 2012

**Balance Sheet as at 31st March 2012**

	Note No.	As at 31 March 2012 ( ₹ in lakhs )	As at 31 March 2011 ( ₹ in lakhs )
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	1	1,628.61	1,628.61
Reserves and Surplus	2	60,262.39	51,754.99
<b>Total Shareholders Fund</b>		<b>61,891.00</b>	<b>53,383.60</b>
<b>Non-current Liabilities</b>			
Deferred Tax Liabilities (Net)	3	125.08	765.08
Other Long Term Liabilities	4	4,482.52	4,066.17
Long Term Provisions	5	55.79	75.27
<b>Total Non-current Liabilities</b>		<b>4,663.39</b>	<b>4,906.52</b>
<b>Current Liabilities</b>			
Trade Payables	6	22,522.66	21,984.76
Other Current Liabilities	7	16,198.42	16,311.18
Short Term Provisions	8	10,906.64	9,782.02
<b>Total Current Liabilities</b>		<b>49,627.72</b>	<b>48,077.96</b>
<b>TOTAL</b>		<b>116,182.11</b>	<b>106,368.08</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	9		
Tangible Assets		22,683.39	18,723.58
Intangible Assets		120.68	125.58
Capital Work-in-Progress		496.02	3,258.12
Intangible Assets Under Development		75.95	-
Non-current Investments	10	4,542.25	5,724.12
Long Term Loans and Advances	11	3,072.63	4,156.99
<b>Total Non-current Assets</b>		<b>30,990.92</b>	<b>31,988.39</b>
<b>Current Assets</b>			
Inventories	12	12,335.09	11,931.63
Trade Receivables	13	35,372.94	30,918.99
Cash and Cash Equivalents	14	31,636.52	26,697.50
Short Term Loans and Advances	15	5,319.89	4,500.15
Other Current Assets	16	526.75	331.42
<b>Total Current Assets</b>		<b>85,191.19</b>	<b>74,379.69</b>
<b>TOTAL</b>		<b>116,182.11</b>	<b>106,368.08</b>
Additional Disclosure	26		

The Notes referred above form part of the Accounts  
Significant Accounting Policies form part of the Accounts

**Profit and Loss Statement for the year ended 31st March 2012**

	Note No.	For The Year Ended 31 March 2012 ( ₹ in lakhs)	For The Year Ended 31 March 2011 ( ₹ in lakhs)
<b>Income:</b>			
Revenue from Operations		239,665.37	210,724.46
Less Excise Duty		(11,257.96)	(9,816.53)
Revenue from Operations (Net of Excise)	17	228,407.41	200,907.93
Other Income	18	5,309.87	4,080.09
<b>Total Revenue</b>		<b>233,717.28</b>	<b>204,988.02</b>
<b>Expenses:</b>			
Cost of Materials Consumed & Services Rendered	19	179,527.31	158,975.94
Purchases of Trading Goods	20	33.43	319.01
Changes in inventories of Finished Goods, Work-in-Progress and Trading Goods	21	(13.20)	(1,015.91)
Employee Benefits Expenses	22	14,082.23	13,113.50
Finance Costs	23	469.20	450.62
Depreciation and Amortisation Expenses	24	1,517.61	1,212.77
Other Expenses	25	19,073.43	13,828.21
<b>Total Expenses</b>		<b>214,690.01</b>	<b>186,884.14</b>
<b>Profit before Tax</b>		<b>19,027.27</b>	<b>18,103.88</b>
<b>Tax Expenses:</b>			
Current Year		7,180.00	6,330.00
Earlier Years		(1,320.00)	-
Deferred Tax		(640.00)	(335.00)
<b>Profit after Tax</b>		<b>13,807.27</b>	<b>12,108.88</b>
<b>Earnings per Equity Share: ( ₹)</b> <b>[Basic &amp; Diluted]</b>		<b>84.78</b>	<b>74.35</b>
Additional Disclosure	26		

The Notes referred above form part of the Accounts  
Significant Accounting Policies form part of the Accounts

**BALMER LAWRIE & CO. LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH , 2012**

( ₹ in lakhs )

	<b>YEAR ENDED MARCH 31, 2012</b>	<b>YEAR ENDED MARCH 31, 2011</b>
<b>A. Cash flow from operating activities</b>		
Net profit before tax [ Note 1 ]	18986	18091
Adjustment for		
Depreciation and fixed assets written off	1759	1306
Interest / Dividend	(3018)	(2024)
Provision for diminution in value of investments	1182	
<b>Operating Profit Before Working Capital Changes</b>	<b>18909</b>	<b>17373</b>
Trade and other receivables	(4339)	(5993)
Inventories	(403)	(2762)
Trade Payables	972	4809
<b>Cash generated from operations</b>	<b>15139</b>	<b>13427</b>
Direct Taxes paid	(5114)	(5511)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>10025</b>	<b>7916</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(3283)	(4307)
Sale of Fixed assets	69	20
Purchase of Investments	-	(1330)
Interest received	2386	1626
Dividend received	976	697
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>148</b>	<b>(3294)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(344)	(299)
Dividend paid	(4203)	(3720)
Corporate Tax on Dividend	(687)	(622)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(5234)</b>	<b>(4641)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS ( A+B+C )</b>	<b>4939</b>	<b>(19)</b>
<b>CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	<b>26698</b>	<b>26717</b>
<b>CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>31637</b>	<b>26698</b>

As per our report attached  
**For Vidya & Co.**  
Chartered Accountants  
Firm Registration No. 308022E

**CA Sarad Jha**  
Partner  
Membership No. 050138  
Kolkata, the 26th May , 2012

V. Sinha  
Chairman & Managing Director

M.P. Bezbaruah  
Asish K. Bhattacharyya  
VLVSS Subba Rao  
K. Subramanyan  
P.P. Sahoo

Shri Prakash  
P.K. Bora  
Abha Chaturvedi  
V. N. Sharma  
  
Directors

Amit Ghosh  
Secretary

**NOTES ON CASH FLOW STATEMENT**

1. The above Cash Flow Statement has been prepared under “Indirect Method” set out in Accounting Standard - 3 on “Cash Flow Statements” issued by the Institute of Chartered Accountants of India.

	( ₹ in lakhs )	
	2011-12	2010-11
<b>2. Net Profit after tax as per Profit &amp; Loss Account</b>	<b>13807</b>	12109
Add : Tax Provision (Net)	<b>5220</b>	5995
	<b>19027</b>	18104
Less : Profit / (Loss) on disposal of fixed assets (net)	<b>41</b>	13
<b>Net profit before tax</b>	<b>18986</b>	18091
<b>3. Changes in Working Capital - computation ( Excluding items shown separately )</b>		
<b><u>Current Assets</u></b>		
Sundry Debtors	<b>35373</b>	30910
Loans & Advances	<b>8469</b>	8593
Inventories	<b>12335</b>	11932
	<b>56177</b>	51435
<b><u>Current Liabilities</u></b>		
Trade Payable	<b>42684</b>	41712
Net Current Assets	<b>13493</b>	9723
Changes	<b>3770</b>	3946
<b>4. Component of Cash and Cash equivalent</b>		
Cash and Bank Balances	<b>31637</b>	26698
Cash Credit / Demand Loan	-	-
	<b>31637</b>	26698
Changes	<b>4939</b>	(19)

As per our report attached  
**For Vidya & Co.**  
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 Firm Registration No. 308022E

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 P.K. Bora  
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 V. N. Sharma

Amit Ghosh  
*Secretary*

## **SIGNIFICANT ACCOUNTING POLICIES**

### **1. Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (Companies (Accounting Standard) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

### **2. Fixed Assets and Depreciation**

- a) Fixed Assets are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition.
- b) Fixed Assets manufactured/constructed in-house are valued at actual cost of raw materials, conversion cost and other related costs.
- c) Cost of leasehold land is amortized over the period of lease.
- d) Expenditure incurred during construction of capital projects including related pre-production expenses is treated as Capital Work-in-Progress and in case of transfer of the project to another body, the accounting is done on the basis of terms of transfer.
- e) Fixed assets retired from active use and held for disposal are stated at the lower of book value and net realizable value and are shown separately in the financial statements. Loss determined, if any, is recognized in the profit and loss statement.
- f) Depreciation is provided following the straight line method. Rates of Depreciation are in accordance with the provisions of the Companies Act, 1956, as prevailing from time to time, except for items covered under paragraphs (g) and (h) below.
- g) The company reviews the depreciation policies followed for various items of assets, their useful life and circumstances prevailing in the business so as to make a more appropriate preparation or presentation of the financial statements. Necessary adjustment is made in the depreciation charge for the assets, if any significant variation is noticed in the pattern of economic benefits embodied in the assets. Based on technical review, (i) certain items of Electrical Installations and Equipment, Furniture and Fittings and Typewriter. Accounting Machine and Office Equipment are being depreciated @ of 15%, 20% and 20% per annum respectively; (ii) Mobile Phones @ of 50% per annum; (iii) Motor Cars @ of 20% per annum (iv) Portable Personal Computers @ of 50% per annum; (v) items given to employees under the furniture equipment scheme, @ of 25% per annum for Computers and

15% per annum for Other Items; and (vi) assets whose actual cost does not exceed ₹5000, at the rate of 100% in the year of addition of the asset, irrespective of the date of addition.

- h) Machinery Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular, are treated as fixed assets and depreciated over a period of five years (by charging depreciation @20% p. a on straight line basis) or the residual life of the Principal asset, whichever is lower.

### **3. Valuation of Investments**

The long term investments made by the company appear at cost inclusive of acquisition charges. Provision is made for diminution in value considering the nature and extent of permanent diminution. Current investments appear at lower of cost or fair value.

### **4. Valuation of Inventories**

(i) Inventories are valued at lower of cost or net realisable value. For this purpose, the basis of ascertainment of cost of the different types of inventories is as under -

- a) Raw materials & trading goods (other than tea), stores & spare parts and materials for turnkey projects on the basis of weighted average cost.
- b) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost upto the relative stage of completion.
- c) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
- d) Tea (unblended, blended and packed) - on the basis of specific cost.

(ii) Tools, dies, jigs and fixtures are written-off over the economic life except items costing upto ₹10000 which are charged off in the year of issue.

### **5. Recognition of Revenue**

Revenue is recognised in compliance with the following:

- a) In case of sale of goods :

When the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales are stated exclusive of Sales Tax / VAT.

- b) In case of services rendered:

When performance in full or part as having achieved is recognised by the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from rendering the services. Income from Services are exclusive of Service Tax.

c) In case of project activities:

As per the percentage of completion method after progress of work to a reasonable extent.

d) In case of other income:

i) Interest - on a time proportion basis taking into account the outstanding principal and the relative rate of interest.

ii) Dividend from investments in shares- on establishment of the Company's right to receive.

## 6. Employee Benefits

a) Company's contributions to Provident Fund and Superannuation fund are charged to Profit and Loss Account.

b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards and Leave Travel Assistance are charged to Profit & Loss Account on the basis of actuarial valuation made at the year end.

c) Post retirement medical benefit is also recognised on the basis of actuarial valuation made at the year end.

## 7. Treatment of Prior Period and Extraordinary Items

a) Prior period items which arise in the current period as a result of error or omission in the preparation of prior period's financial statement are separately disclosed in the current statement of profit & loss . However, differences in actual income/expenditure arising out of over or under estimation in prior period are not treated as prior period income / expenditure.

b) Income / Expenditure upto ₹ 10000 in each case pertaining to prior years is charged to the current year.

c) Extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.

## 8. Foreign Currency Translations

a) All transactions in foreign currency other than

those specified below are converted at the exchange rate prevailing on the respective dates of transactions.

b) Monetary items denominated in a foreign currency (such as cash, balance in bank accounts, receivables, payables, etc ) are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.

c) Non-monetary assets denominated in foreign currency such as Long Term Investment, Inventories and Fixed Assets are carried at cost.

d) In case of foreign branch, translation of the financial statement is made on the following basis -

i) Revenue items except opening and closing inventories are converted at average rate. Opening and closing inventories are translated at the rate prevailing at the commencement and close respectively.

ii) Fixed Assets and depreciation are converted at the exchange rate on the date of the transactions.

iii) Other Current Assets and Current Liabilities are converted at the exchange rate as on the date of the Balance Sheet.

e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except as stated above

f) Premium / discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the Profit & Loss Account

## 9. Accounting for Research & Development

a) Revenue Expenditure is shown under Primary Head of Accounts with the total of such expenditure being disclosed in the Notes.

b) Capital expenditure relating to research & development is treated in the same way as other fixed assets.

## 10. Treatment of Grant/Subsidy

a) Revenue grant/subsidy in respect of research & development expenditure is set off against respective expenditure.

b) Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.

c) When grant/ subsidy is received as compensation for extra cost associated with the establishment of

manufacturing units or cannot be related otherwise to any particular fixed assets the grant/subsidy so received is credited to capital reserve. On expiry of the stipulated period set out in the scheme of grant/subsidy the same is transferred from capital reserve to general reserve.

- d) Revenue grant in respect of organisation of certain events is shown under Sundry Income and the related expenses there against under normal heads of expenditure.

## 11. Accounting for Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition, construction or production of assets which take substantial period of time to get ready for its intended use are capitalised as part of the cost of those assets. Other Borrowing Costs are recognised as expense in the period in which they are incurred.

## 12. Impairment of Assets

An assessment is made at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor.

## 13. Cash Flow Statement

Cash Flow Statement, as per Accounting Standard - 3 issued by The Institute of Chartered Accountants of India, is prepared using the Indirect Method.

## 14. Segment Reporting

Segment Reporting is done as per Accounting Standard - 17 issued by The Institute of Chartered Accountants of India. The Company has identified business segment as its primary reporting segment.

## 15. Intangible Assets

- (a) Expenditure incurred for acquiring intangible assets like software of ₹ 5,00,000 and above and license to use software per item of ₹ 25000 and above, from which economic benefits will flow over a period of time, is capitalized and amortized over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- (b) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

## 16. Provisions, Contingent Liabilities and Capital Commitments

- (a) Provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- (b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company.
- (c) Capital commitments and Contingent liabilities disclosed are in respect of items which exceed ₹1,00,000 in each case.
- (d) Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

As per our report attached  
**For Vidya & Co.**  
Chartered Accountants  
Firm Registration No. 308022E

**CA Sarad Jha**  
Partner  
Membership No. 050138  
Kolkata, the 26th May, 2012

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V. N. Sharma  
  
Directors

Amit Ghosh  
Secretary

**Notes forming part of the Balance Sheet as at 31st March, 2012**

**Note .No.1**

**SHARE CAPITAL**

	As at 31 March 2012		As at 31 March 2011	
	Number	( ₹ in lakhs)	Number	( ₹ in lakhs)
<b>A Share Capital</b>				
<b>Authorised</b>				
Equity Shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00
<b>Issued</b>				
Equity Shares of ₹ 10 each	16,286,081	1,628.61	16,286,081	1,628.61
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 10 each fully paid	16,286,081	1,628.61	16,286,081	1,628.61
<b>Total</b>		<u>1,628.61</u>		<u>1,628.61</u>

**B Rights, Preferences and Restrictions attached to Shares**

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**C Details of Equity Shares held by the Holding Company**

	As at 31 March 2012		As at 31 March 2011	
	No. of shares	%	No. of shares	%
Balmer Lawrie Investments Ltd.	10,064,700	61.80	10,064,700	61.80

**D** There are no other individual shareholders holding 5% or more in the issued share capital of the company.

**E** There has been no movement in the no. of shares outstanding during the year. Further, there has been no change in the number & class of shares issued by the company in the past five year.

**Note No.2**

**RESERVES & SURPLUS**

	As at 31 March 2012 ( ₹ in lakhs)	As at 31 March 2011 ( ₹ in lakhs)
<b>Share Premium Account</b>		
Opening Balance	3,626.77	3,626.77
Closing Balance	3,626.77	3,626.77
<b>General Reserve</b>		
Opening Balance	27,375.47	24,375.47
(+) Current Year Transfer	3,000.00	3,000.00
Closing Balance	<u>30,375.47</u>	<u>27,375.47</u>
<b>Profit &amp; Loss Statement</b>		
Opening balance	20,752.75	16,565.17
(+) Net Profit/(Net Loss) for the current year	13,807.27	12,108.88
(-) Proposed Dividend	4,560.10	4,234.38
(-) Corporate tax on Dividend	739.77	686.92
(-) Transfer to General Reserves	3,000.00	3,000.00
Closing Balance	<u>26,260.15</u>	<u>20,752.75</u>
<b>Total</b>	<u>60,262.39</u>	<u>51,754.99</u>

**Note No. 3**

**DEFERRED TAXATION**

The major components of the net deferred tax liability are :

	<b>As at 31 March 2012</b> <b>( ₹ in lakhs)</b>	<b>As at 31 March 2011</b> <b>( ₹ in lakhs)</b>
<b>Net Opening Balance [A]</b>	<u>765.08</u>	<u>1100.08</u>
<b>Provision for the Current Year</b>		
Liability for timing difference arising during the year on account of		
Add:		
a) Provision for loans, debts, deposits, advances & investment , written back	<b>79.43</b>	31.70
b) Adjustments for VRS expenditure	<b>2.88</b>	2.95
c) Depreciation Allowance	<u>-</u> <b>82.31</b>	<u>(25.00)</u> 9.65
Less:		
i) Fixed Assets written-off in accounts	<b>76.84</b>	31.35
ii) Depreciation Allowance	<b>(98.04)</b>	(54.52)
iii) Provision for Leave /LTA / PRMBS ,etc.	<b>171.58</b>	229.82
iv) Provision for loans, debts, deposits & advances	<u>571.93</u> <b>722.31</b>	<u>138.00</u> 344.65
<b>Net Deferred Tax Liability for the year [B]</b>	<u><b>(640.00)</b></u>	<u>(335.00)</u>
<b>Balance of Deferred Taxation liability [A+B]</b>	<u><b>125.08</b></u>	<u>765.08</u>

**Note No. 4**

**OTHER LONG TERM LIABILITIES**

	<b>As at 31 March 2012</b> <b>( ₹ in lakhs)</b>	<b>As at 31 March 2011</b> <b>( ₹ in lakhs)</b>
Trade Payables	<b>3.89</b>	35.26
Others	<b>4,478.63</b>	4,030.91
<b>Total</b>	<u><b>4,482.52</b></u>	<u>4,066.17</u>

**Note No. 5**

**LONG TERM PROVISIONS**

	<b>As at 31 March 2012</b> <b>( ₹ in lakhs )</b>	As at 31 March 2011 <b>( ₹ in lakhs )</b>
Provision for Employee Benefits	12.04	12.49
Others	43.75	62.78
<b>Total</b>	<u>55.79</u>	<u>75.27</u>

**Note No. 6**

**TRADE PAYABLES**

Trade Payables	22,166.37	21,919.71
Payable to MSME	356.29	65.05
<b>Total</b>	<u>22,522.66</u>	<u>21,984.76</u>

**Note No. 7**

**OTHER CURRENT LIABILITIES**

Income Received in Advance	402.42	438.59
Unclaimed Dividend (*)	161.31	130.25
Other Payables (Details are as per Note No. 26.29 )	15,634.69	15,742.34
<b>Total</b>	<u>16,198.42</u>	<u>16,311.18</u>

(\*)There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund

**Note No. 8**

**SHORT TERM PROVISIONS**

Provision for Taxation (Net of Advance)	6,346.54	5,547.64
Proposed Final Dividend	4,560.10	4,234.38
<b>Total</b>	<u>10,906.64</u>	<u>9,782.02</u>

PARTICULARS	FIXED ASSETS ( in ₹ / lakhs)												
	GROSS BLOCK			DEPRECIATION				IMPAIRMENT OF ASSETS			NET BLOCK		
	As at 1st April, 2011	Additions during the year	Total cost of items sold or Scrapped / Adjusted	As at 31st March, 2012	Upto 31st March, 2011	For the Year	On items sold or Scrapped / Adjusted (*)	Total	As at 1st April, 2011	For the Year	Balance as on 31.3.2012	W.D.V. As at 31st March 2012	W.D.V. As at 31st March 2011
<b>Tangible Assets</b>													
Land - Freehold	1,206.36	67.68	-	1,274.04	-	-	-	-	-	-	-	1,274.04	1,206.36
Land - Leasehold	2,769.53	1,325.99	-	4,095.52	581.84	87.23	669.07	-	-	-	-	3,426.45	2,187.69
Buildings & Sidings	9,883.95	2,001.52	17.62	11,867.85	2,351.33	249.03	2,780.40	70.21	(5.45)	64.76	64.76	9,022.69	7,462.41
Plant & Machinery	12,946.09	1,154.73	283.41	13,817.41	7,566.61	575.49	7,904.34	42.11	-	42.11	42.11	5,870.96	5,337.37
Spares for Plant & Machinery	176.43	57.30	-	233.73	152.27	22.39	174.66	-	-	-	-	59.07	24.16
Electrical Installation and Equipment	2,271.27	212.33	31.54	2,452.06	1,278.29	122.24	1,380.76	1.17	-	1.17	1.17	1,070.13	991.81
Furniture and Fittings	653.97	78.46	28.43	704.00	420.41	42.49	443.13	-	-	-	-	260.87	233.56
Typewriters, Accounting Machine and Office Equipment	1,985.65	418.47	136.84	2,267.28	1,484.41	212.36	1,561.74	-	-	-	-	705.54	501.24
Tube wells, Tanks and Miscellaneous Equipment	986.03	152.89	4.02	1,134.90	621.50	54.47	672.32	3.91	-	3.91	3.91	458.67	360.62
Vehicles	456.56	243.44	8.66	691.34	38.20	125.04	156.37	-	-	-	-	534.97	418.36
Total Tangible Assets	33335.84	5712.81	510.52	38538.13	14494.86	1490.74	15742.79	117.40	(5.45)	111.95	111.95	22683.39	18723.58
Intangible Assets-Computer Software	155.92	27.93	-	183.85	30.34	32.83	63.17	-	-	-	-	120.68	125.58
<b>Total ( A )</b>	<b>33,491.76</b>	<b>5,740.74</b>	<b>510.52</b>	<b>38,721.98</b>	<b>14,525.20</b>	<b>1,523.57</b>	<b>15,805.96</b>	<b>117.40</b>	<b>(5.45)</b>	<b>111.95</b>	<b>111.95</b>	<b>22,804.07</b>	<b>18,849.16</b>

Note 9 ( Continued )													
(B) Assets held for Disposal													
( in ₹ / lakhs )													
PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT OF ASSETS			NET BLOCK			
	As at 1st April, 2011	Additions during the year	Total cost of items sold or Scrapped/ Adjusted	As at 31st March, 2012	Upto 31st March, 2011	For the Year	On items sold or Scrapped/ Adjusted (*)	Total	As at 1st April, 2011	For the Year	Balance as on 31.3.2012	W.D.V. As at 31st March 2012	W.D.V. As at 31st March 2011
<b>Tangible Assets</b>													
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings & Sidings	5.22	-	-	5.22	5.22	-	-	5.22	-	-	-	-	-
Plant & Machinery	33.28	-	-	33.28	33.28	-	-	33.28	-	-	-	-	-
Spares for Plant & Machinery	25.01	-	-	25.01	25.01	-	-	25.01	-	-	-	-	-
Electrical Installation and Equipment	5.32	-	-	5.32	5.32	-	-	5.32	-	-	-	-	-
Furniture and Fittings	1.16	-	-	1.16	1.16	-	-	1.16	-	-	-	-	-
Typewriters, Accounting Machine and Office Equipment	3.04	-	-	3.04	3.04	-	-	3.04	-	-	-	-	-
Tubewells, Tanks and Miscellaneous Equipment	7.98	-	-	7.98	7.98	-	-	7.98	-	-	-	-	-
<b>TOTAL (B)</b>	<b>81.01</b>	-	-	<b>81.01</b>	<b>81.01</b>	-	-	<b>81.01</b>	-	-	-	-	-
Total Tangible Assets	33416.85	6712.81	510.52	38619.14	14675.87	1490.74	242.81	15823.80	117.40	(5.45)	111.95	22683.39	18723.58
Total Intangible Assets-Computer Software	155.92	27.93	-	183.85	30.34	32.83	-	63.17	-	-	-	120.68	125.58
<b>GRAND - TOTAL (A+B)</b>	<b>33,572.77</b>	<b>5,740.74</b>	<b>510.52</b>	<b>38,802.99</b>	<b>14,606.21</b>	<b>1,523.57</b>	<b>242.81</b>	<b>15,886.97</b>	<b>117.40</b>	<b>(5.45)</b>	<b>111.95</b>	<b>22,804.07</b>	<b>18,849.16</b>
2010-11	31,088.27	2,665.40	180.90	33,572.77	13,473.44	1,212.77	80.00	14,606.21	117.40	-	117.40	18,849.16	

	2011-12	2010-11
Depreciation for the year as above	1,523.57	1,212.77
Less: Prior Period Adjustment	5.96	-
Depreciation as per Profit & Loss Account	<u>1,517.61</u>	<u>1,212.77</u>

Depreciation for the year as above  
Less: Prior Period Adjustment  
Depreciation as per Profit & Loss Account

**Unquoted, unless otherwise stated  
Non Current Investment**

**Trade Investments**

**Investment in Equity Instruments**

(Fully paid stated at Cost)

**(i) In Joint Venture Companies**

Transafe Services Ltd.

11,361,999 ( 11,361,999) equity shares  
of ₹ 10 each

**As at 31 March 2012  
( ₹ in lakhs)**

**As at 31 March 2011  
( ₹ in lakhs)**

**1,165.12**

**1,165.12**

Less: Provision for diminution in value

**1,165.12**

**1,165.12**

(Carried in books at a value of ₹ 1 only )

AVI-OIL India (P) Ltd.

**450.00**

**450.00**

4,500,000( 4,500,000) Equity  
shares of ₹ 10 each

Balmer Lawrie -Van Leer Ltd.

**1,164.55**

**1,164.55**

6,319,978 (6,319,978) Equity shares of ₹ 10 each

Balmer Lawrie (UAE) LLC

**890.99**

**890.99**

9,800 (9,800) Shares of AED 1,000 each

Balmer Lawrie Hind Terminal Pvt. Ltd.

**0.50**

5,000 ( NIL) equity shares of ₹10 each

**(ii) In Subsidiary Company**

Balmer Lawrie (UK) Ltd.

**1,874.06**

**1,874.06**

33,80,312 (3,380,312) Ordinary Shares of GBP 1 each

**Investments in Preference Shares**

(Fully paid stated at Cost)

Transafe Services Ltd.

13,300,000 Cumulative Redeemable Preference  
shares of ₹10 each

**1,330.00**

**1,330.00**

Less Provision for diminution in value

**1,182.37**

**147.63**

**-**

**1,330.00**

**Total**

**4,527.73**

**5,709.60**

**Other Investments**

**Investment in Equity Instruments**

Bridge & Roof Co. (India) Ltd.

**14.01**

**14.01**

3,57,591 (3,57,591) equity shares of ₹ 10 each

Biecco Lawrie Ltd.

**-**

**-**

1,95,900 (1,95,900) equity shares of Rs. 10 each  
(Carried in books at a value of ₹ 1 only )

Duncan Brothers & Co. Ltd. (Quoted)

**0.06**

**0.06**

71 Equity Shares of ₹ 10 each

Woodlands Multispeciality Hospitals Ltd.

**0.45**

**0.45**

8850 Equity Shares of ₹ 10 each

**Total**

**14.52**

**14.52**

**Total**

**4,542.25**

**5,724.12**

**Aggregate amount of quoted investments at cost (Market  
value of ₹ 0.15 (2010-11 - ₹ 0.15 lakhs)**

**0.06**

**0.06**

**Aggregate amount of unquoted investments at cost**

**4,542.19**

**5,724.06**

**4,542.25**

**5,724.12**

**Note No. 11**

**LONG TERM LOANS AND ADVANCES**

	<b>As at 31 March 2012</b> <b>( ₹ in lakhs )</b>	<b>As at 31 March 2011</b> <b>( ₹ in lakhs )</b>
<b>Capital Advances</b>		
Unsecured, considered good	450.63	187.07
	<u>450.63</u>	<u>187.07</u>
<b>Security Deposits</b>		
Unsecured, considered good	464.06	642.40
	<u>464.06</u>	<u>642.40</u>
<b>Loans and advances to related parties</b>		
Secured, considered good		
Balmer Lawrie Van-leer Ltd. (*)	908.96	1,817.92
Unsecured, considered good		
Transafe Services Ltd.	180.00	180.00
Doubtful		
Balmer Lawrie Van-leer Ltd.	908.96	-
Less: Provision		
Balmer Lawrie Van-leer Ltd.	<u>(908.96)</u>	<u>-</u>
	<u>1,088.96</u>	<u>1,997.92</u>
<b>Other loans and advances</b>		
Secured, considered good	651.43	734.49
Unsecured, considered good	417.55	595.11
Doubtful	270.50	89.58
Less: Provision	<u>(270.50)</u>	<u>(89.58)</u>
	<u>1,068.98</u>	<u>1,329.60</u>
<b>Total</b>	<u>3,072.63</u>	<u>4,156.99</u>

(\*) 11,361,999 Equity Shares of Transafe Services Ltd. held by Balmer Lawrie Van Leer Ltd. have been pledged in favour of the Company as a security against loan.

## Note No. 12

## INVENTORIES

	As at 31 March 2012 (₹ in lakhs)	As at 31 March 2011 (₹ in lakhs)
Raw Materials and components	6,434.73	6,756.11
Goods-in-transit	639.18	-
Slow Moving & Non moving	186.95	91.98
Less: Adjustment for Slow & Non moving	(111.26)	(64.70)
<b>Total - Raw Materials and components</b>	<b>7,149.60</b>	<b>6,783.39</b>
Work in Progress	792.83	733.87
<b>Total - Work in Progress</b>	<b>792.83</b>	<b>733.87</b>
Finished goods	3,492.48	3,524.02
Goods-in transit	423.07	472.10
Slow Moving & Non moving	483.11	361.07
Less: Adjustment for Slow & Non moving	(295.15)	(214.51)
<b>Total - Finished Goods</b>	<b>4,103.51</b>	<b>4,142.68</b>
Trading Goods	3.82	10.41
<b>Total - Trading Goods</b>	<b>3.82</b>	<b>10.41</b>
Stores and spares	262.19	233.48
Slow Moving & Non moving	64.81	72.65
Less: Adjustment for Slow & Non moving	(41.95)	(45.08)
<b>Total - Stores &amp; Spares</b>	<b>285.05</b>	<b>261.05</b>
Loose Tools	0.28	0.23
<b>Total - Loose Tools</b>	<b>0.28</b>	<b>0.23</b>
<b>Total</b>	<b>12,335.09</b>	<b>11,931.63</b>

## Note No.13

## TRADE RECEIVABLES

	As at 31 March 2012 (₹ in lakhs)	As at 31 March 2011 (₹ in lakhs)
<b>Trade receivables outstanding for a period less than six months</b>		
Unsecured, considered good	31,717.89	27,097.11
Unsecured, considered doubtful	-	3.04
Less: Provision for doubtful debts	-	(3.04)
	<b>31,717.89</b>	<b>27,097.11</b>
<b>Trade receivables outstanding for a period exceeding six months</b>		
Unsecured, considered good	3,655.05	3,821.88
Unsecured, considered doubtful	1,161.08	1,077.84
Less: Provision for doubtful debts	(1,161.08)	(1,077.84)
	<b>3,655.05</b>	<b>3,821.88</b>
<b>Total</b>	<b>35,372.94</b>	<b>30,918.99</b>

**Note No.14**

**CASH AND CASH EQUIVALENTS**

	As at 31 March 2012 (₹ in lakhs)	As at 31 March 2011 (₹ in lakhs)
Balances with banks	2,269.55	2,598.99
Cheques, drafts in hand	5.38	-
Cash in hand	23.25	12.34
	<u>2,298.18</u>	<u>2,611.33</u>
<b>Balances with bank</b>		
As Margin Money	43.20	43.20
In Short Term Deposit Account	29,133.83	23,912.72
In Dividend Account	161.31	130.25
	<u>29,338.34</u>	<u>24,086.17</u>
<b>Total</b>	<u>31,636.52</u>	<u>26,697.50</u>

**Note No.15**

**SHORT-TERM LOANS AND ADVANCES**

<b>Deposits</b>		
Unsecured, considered good (To Balmer Lawrie Investments Ltd-Holding Co. ₹3.82 (₹1.85))	1,335.07	1,298.22
	<u>1,335.07</u>	<u>1,298.22</u>
<b>Loans and advances to related parties</b>		
Unsecured, considered good		
Balmer Lawrie Van Leer Ltd.	5.46	31.04
Transafe Services Ltd.	131.61	35.98
Balmer Lawrie UAE Ltd.	8.58	3.89
	<u>145.65</u>	<u>70.91</u>
<b>Other Loans &amp; Advances</b>		
Secured, considered good (₹ Nil(₹ 0.74 lakhs ) due from Directors)	121.39	123.18
Unsecured, considered good	3,717.78	3,007.84
Doubtful	172.71	4.35
Less:Provision	(172.71)	(4.35)
	<u>3,839.17</u>	<u>3,131.02</u>
<b>Total</b>	<u>5,319.89</u>	<u>4,500.15</u>

**Note No.16**

**OTHER CURRENT ASSETS**

Other Accured Income	526.75	331.42
<b>Total</b>	<u>526.75</u>	<u>331.42</u>

**Note No.17**

**REVENUE FROM OPERATIONS**

	<b>For The Year Ended 31 March 2012 (₹ in lakhs)</b>	<b>For The Year Ended 31 March 2011 (₹ in lakhs)</b>
Sale of products	98,626.14	85,931.77
Less : Excise Duty	(11,257.96)	(9,816.53)
Sales of Products (Net of Excise )	87,368.18	76,115.24
Sale of Services	139,066.56	122,038.08
Sale of Trading Goods	47.06	342.00
Other Operating Income	1,925.61	2,412.61
<b>Total</b>	<b>228,407.41</b>	<b>200,907.93</b>

**Note No.18**

**OTHER INCOME**

Interest Income	2,799.88	1,860.76
Dividend Income	976.08	696.93
Other Non-operating Income	1,533.91	1,522.40
<b>Total</b>	<b>5,309.87</b>	<b>4,080.09</b>

**Note No.19**

**COST OF MATERIALS CONSUMED & SERVICES RENDERED**

Cost of Materials Consumed	64,865.00	55,800.52
Cost of Services Rendered	114,662.31	103,175.42
<b>Total</b>	<b>179,527.31</b>	<b>158,975.94</b>

**Note No.20**

**PURCHASE OF TRADING GOODS**

Trading Goods	33.43	319.01
<b>Total</b>	<b>33.43</b>	<b>319.01</b>

**Note No.21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADING GOODS**

		<b>For The Year Ended 31 March 2012 (₹ in lakhs)</b>	<b>For The Year Ended 31 March 2011 (₹ in lakhs)</b>
Change in Trading Goods	Opening	10.41	-
	Closing	3.82	10.41
	Change	<u>6.59</u>	<u>(10.41)</u>
Change in Work In Progress	Opening	733.87	749.62
	Closing	792.83	733.87
	Change	<u>(58.96)</u>	<u>15.75</u>
Change in Finished Goods	Opening	4,142.68	3,121.43
	Closing	4,103.51	4,142.68
	Change	<u>39.17</u>	<u>(1,021.25)</u>
<b>Total</b>		<b>(13.20)</b>	<b>(1,015.91)</b>

**Note No.22**

**EMPLOYEE BENEFITS EXPENSES**

Salaries and Incentives	11,309.63	10,044.02
Contributions to Provident & Other Funds	1,523.21	1,705.50
Staff Welfare Expenses	1,249.39	1,363.98
<b>Total</b>	<u>14,082.23</u>	<u>13,113.50</u>

**Note No.23**

**FINANCE COSTS**

Interest Cost	344.41	299.18
Bank Charges	124.79	151.44
<b>Total</b>	<u>469.20</u>	<u>450.62</u>

**Note No.24**

**DEPRECIATION & AMORTISATION EXPENSES**

Depreciation	1,484.78	1,191.74
Amortisation of Intangible Assets	32.83	21.02
<b>Total</b>	<u>1,517.61</u>	<u>1,212.76</u>

	<b>For The Year Ended 31 March 2012 ( ₹ in lakhs)</b>	<b>For The Year Ended 31 March 2011 ( ₹ in lakhs)</b>
Manufacturing Expenses	842.05	716.93
Consumption of Stores and Spares	593.81	490.98
Excise duty on Closing Stock (Refer Note no. 26.18 )	148.63	239.23
Repairs & Maintenance - Buildings	560.37	509.22
Repairs & Maintenance - Plant & Machinery	238.31	236.74
Repairs & Maintenance - Others	364.26	357.15
Power & Fuel	2,165.37	1,828.73
Electricity & Gas	268.16	232.62
Rent	751.52	703.47
Insurance	133.95	105.77
Packing, Despatching, Freight and Shipping Charges	2,546.89	2,297.72
Rates & Taxes	137.49	148.01
Auditors Remuneration and Expenses	17.17	16.89
Write Off of Debtors, Deposits, Loan & Advances	325.74	172.92
Provision for diminution in the value of Investments	1,182.37	-
Provision for Doubtful Debts & Advances	1,762.76	373.65
Fixed Assets Written Off	234.90	94.39
Loss on Disposal of Fixed Assets	10.03	0.39
Selling Commission	320.75	297.69
Cash Discount	253.49	305.22
Travelling Expenses	865.29	750.11
Printing and Stationery	198.98	187.24
Motor Car Expenses	108.97	93.68
Communication Charges	296.02	282.07
Miscellaneous Expenses	4,581.82	3,465.99
Prior Period - Income	(0.07)	-
Prior Period - Expenses	408.30	14.47
	<b>19,317.33</b>	<b>13,921.28</b>
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	<b>(243.90)</b>	<b>(93.07)</b>
<b>Total</b>	<b>19,073.43</b>	<b>13,828.21</b>

**Note No. 26****ADDITIONAL DISCLOSURES**

## 26.1

- (a) Fixed Deposit with bank amounting to ₹. 1.57 lakhs (₹ 1.37 lakhs) are lodged with certain authorities as security.
- (b) Conveyance deeds of certain land costing ₹. 3,007.51 lakhs (₹. 1,733.57 lakhs) and buildings, with written down value of ₹. 2,930.28 lakhs (₹. 1,672.90 lakhs) are pending registration / mutation.
- (c) Certain buildings & sidings with written down value of ₹. 4,794.34 lakhs (₹. 4,237.88 lakhs) are situated on leasehold/rented land. Some of the leases with Kolkata Port trust have expired and are under renewal. Action has been taken for finalising the agreements with Kolkata Port Trust for renewal of such pending cases.

## 26.2 Contingent Liabilities as at 31st March, 2012 not provided for in the accounts are:

- (a) Disputed demand for Excise Duty, Income Tax, Sales Tax and Service Tax amounting to ₹. 7,787.79 lakhs (₹. 6,879.20 lakhs) against which the Company has lodged appeal/petition before appropriate authorities. Details of such disputed demands as on 31st March, 2012 are given in Annexure – A.
- (b) Claims against the company not acknowledged as debts amounts to ₹. 779.53 lakhs (₹. 710.47 lakhs) in respect of which the Company has lodged appeals/petitions before appropriate authorities. In respect of employees/ex-employees related disputes, financial effect is ascertainable on settlement.
- (c) Bills discounted with banks ₹. 12.67 Lakhs (₹. 108.85 Lakhs).

## 26.3 Counter guarantees given to Standard Chartered Bank, Bank of Baroda, HSBC, State Bank of India, Canara Bank and Indusind Bank in respect of guarantees given by them amounts to ₹. 10,779.88 lakhs (₹. 9,493.18 lakhs).

## 26.4 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for [net of advances paid – ₹. 188.24 lakhs (2010-11 ₹. 195.92 lakhs)] amounted to ₹. 1,875.37 lakhs (₹. 1,405.25 lakhs).

## 26.5 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the auditors

## 26.6 The amount of exchange difference credited to Profit &amp; Loss account is ₹. -283.66 lakhs (₹. 41.79 lakhs).

## 26.7 Confirmation letters have been issued in respect of trade receivables, loans and advances and deposits of the company but not responded to in many cases. Hence unconfirmed balances are subject to reconciliation and consequent adjustments, if any, would be determined / made on receipt of such confirmation.

## Balmer Lawrie & Co. Ltd.

<b>26.8 Remuneration of Managing Director and Wholetime Directors :</b>	<b>2011-12</b>	<b>2010-11</b>	
	<b>₹./Lakhs</b>	<b>₹./Lakhs</b>	
Salaries	126.32	86.10	
Contribution to Provident and Gratuity Fund	18.24	12.01	
Perquisites	17.36	10.55	
	<u>161.92</u>	<u>108.66</u>	
<b>26.9 Auditors' remuneration and expenses:</b>			
Statutory Auditors			
- Audit Fees	3.50	3.50	
- Tax Audit Fees	0.70	0.70	
- Other Capacity for Limited Review and other certification jobs	1.90	1.90	
Branch Auditors			
- Audit Fees	7.81	7.76	
- Other Capacity	-	-	
- Expenses relating to audit of Accounts	3.26	3.03	
	<u>17.17</u>	<u>16.89</u>	
<b>26.10 (a) Stock &amp; Sale of Goods Manufactured (with own materials) :</b>			
<b>Class of Goods</b>	<b>Opening Value</b>	<b>Closing Value</b>	<b>Sales Value</b>
	<b>₹./Lakhs</b>	<b>₹./Lakhs</b>	<b>₹./Lakhs</b>
Greases & Lubricating Oils	3,629.94 (2,569.74)	3,533.50 (3,629.94)	40,504.56 (34,922.04)
Barrels and Drums	389.22 (423.46)	398.23 (389.22)	46,943.69 (40,424.09)
Blended Teas including Bulk, Packets and Tea Bags	18.65 (1.51)	8.03 (18.65)	146.14 (116.22)
Leather Auxiliaries	104.87 (125.92)	163.75 (104.87)	5,370.32 (5,406.29)
Others including Manufacturing Scrap	- (0.80)	- (-)	1,255.53 (1,208.29)
	<u>4,142.68</u> <u>(3,121.43)</u>	<u>4,103.51</u> <u>(4,142.68)</u>	<u>94,220.24</u> <u>(82,076.91)</u>

26.10 (b) **Stock & Sale of Goods Manufactured (with customers' materials) :**

<b>Class of Goods</b>	<b>Opening Value</b> ₹./Lakhs	<b>Closing Value</b> ₹./Lakhs	<b>Sales Value</b> ₹./Lakhs
Greases & Lubricating Oils	-	-	4,405.90
	(-)	(-)	(3,843.66)
Blended Tea	-	-	-
	(-)	(-)	(11.20)
	-	-	4,405.90
	(-)	(-)	(3,854.86)

26.10(c) **Work in Progress**

	<b>Value</b> ₹./Lakhs
Greases and Lubricating Oils	157.39
	(92.59)
Barrels and Drums	591.33
	(622.28)
Tea	9.93
	(-)
Leather Auxiliaries	34.18
	(19.00)
	792.83
	(733.87)

26.11 **Analysis of Raw Materials Consumed (excluding materials supplied by Customers)**

	<b>Value</b> ₹./Lakhs
Steel	31,736.64
	(26,908.78)
Lubricating Base Oils	17,328.23
	(14,950.50)
Additives and other chemicals	4,316.79
	(4,366.39)
Vegetable and Other Fats	2,847.79
	(2,763.24)
Drum Closures	1,424.88
	(1,160.71)
Paints	1102.17
	(810.01)
Paraffin Wax	905.51
	(919.20)
Tea	94.27
	(109.86)
Others	5,108.72
	(3,811.83)
	64,865.00
	(55,800.52)

**26.12 Value of Raw Materials, Components and Spare Parts consumed:**

<b>Raw Materials</b>	<b>2011-12</b>		<b>2010-11</b>	
	<b>₹./Lakhs</b>	<b>(%)</b>	<b>₹./Lakhs</b>	<b>(%)</b>
Imported	1,820.88	2.79	1,909.28	3.42
Indigenous	63,240.01	97.21	53,891.24	96.58
	<u>65,060.89</u>	<u>100.00</u>	<u>55,800.52</u>	<u>100.00</u>
<b>Spares &amp; Components</b>	<b>₹./Lakhs</b>	<b>(%)</b>	<b>₹./Lakhs</b>	<b>(%)</b>
Imported	25.12	5.24	22.71	11.22
Indigenous	453.44	94.76	179.77	88.78
	<u>478.56</u>	<u>100.00</u>	<u>202.48</u>	<u>100.00</u>

**26.13 (a) Purchase and Sale of Trading Goods :**

<b>Class of Goods</b>	<b>Purchase ₹./Lakhs</b>	<b>Sale ₹./Lakhs</b>
Speciality Containers	33.41	34.55
	(297.53)	(331.46)
Coolants	0.02	12.51
	(21.48)	(10.54)
	<u>33.43</u>	<u>47.06</u>
	<u>(319.01)</u>	<u>(342.00)</u>

**26.13 (b) Stock of Trading Goods :**

<b>Class of Goods</b>	<b>Opening Value ₹./Lakhs</b>	<b>Closing Value ₹./Lakhs</b>
Coolants	10.41	3.82
	(-)	(10.41)
<b>Total</b>	<u>10.41</u>	<u>3.82</u>
	<u>(-)</u>	<u>(10.41)</u>

**26.14 (a) Value of Imports on C.I.F basis:**

	<b>2011-12 ₹./Lakhs</b>	<b>2010-11 ₹./Lakhs</b>
Raw Materials	2,713.30	(1,550.03)
Components and Spare Parts	34.54	(30.03)
Capital Goods	79.40	(245.06)
	<u>2,827.24</u>	<u>(1,825.12)</u>

**26.14 (b) Expenditure in Foreign Currency:**

Services	9,794.81	(7,927.52)
Others	383.37	(67.97)
	<u>10,178.18</u>	<u>(7,995.49)</u>

**26.14 (c) Earnings in Foreign Currency:**

	<b>2011-12</b>	2010-11
	<u>₹./Lakhs</u>	<u>₹./Lakhs</u>
Export of Goods and Components calculated on F.O.B basis as invoiced	1,093.04	(1,031.70)
Interest and Dividend	918.76	(576.75)
Services	647.21	(649.01)
Freight, Insurance, Exchange Gain and Miscellaneous items	12.96	( 19.62)
	<u>2,671.97</u>	<u>(2,277.08)</u>

Earnings from services exclude deemed exports of ₹. 177.94 Lakhs (₹. 77.16 lakhs).

26.15 Research and Development expenditure charged to Profit & Loss Account during the year 2011-12 amounts to ₹. 523.47 lakhs (₹. 352.22 lakhs).

26.16 Excess Income Tax provision in respect of earlier years amounting to ₹. 1,320.00 lakhs ( ₹. Nil Lakhs ) has been reversed in the current year.

26.17 During the current financial year, the performance of Transafe Services Ltd. (TSL), was not upto the levels envisaged in the Corporate Debt Restructuring Scheme (CDR) due to adverse market conditions. Considering the same, the Company, as a measure of prudence, has provided a sum of ₹. 1,181.87 lakhs towards diminution in the value of investments in TSL. Further, the Company, has also made a provision of ₹. 908.96 lakhs, which is 50% of the loan provided earlier to Balmer Lawrie-Van Leer Ltd. (another joint venture company) for acquisition of shares of TSL.

26.18 The amount of Excise duty deducted from the amount of “Sales – Manufactured Goods” is relatable to Sales made during the period and the amount of Excise Duty recognised separately in Note 25 – “Other Expenses” is related to the difference between the closing stock and the opening stock.

**26.19 Employee Benefits**

Consequent to Accounting Standard 15 on Employee Benefits (Revised) issued by the Institute of Chartered Accountants of India being applicable to the Company during the year, the prescribed disclosures are made in Annexure B.

Defined Benefit Plans / Long Term Employee benefits in respect of Gratuity, Leave Encashment and Long Service Awards are recognised in the Profit & Loss Account on the basis of Actuarial valuation done at the year end. The details of such employee benefits as recognised in the financial statements are attached as Annexure B.

**26.20 Loans and Advances in the nature of loans to Subsidiary / Joint Ventures / Associates**

The company does not have any Loans and Advances in the nature of Loans provided to its Subsidiary / Joint Venture Companies / Associates as at the year end except as is disclosed in 26.21 (ii) below.

**26.21 Related Party Disclosure**

<b><u>i) Name of Related Party</u></b>	<b><u>Nature of Relationship</u></b>
Balmer Lawrie Investments Ltd.	Holding Company
Balmer Lawrie (U.K.) Ltd.	Wholly owned Subsidiary
Transafe Services Ltd	Joint Venture
Balmer Lawrie - Van Leer Ltd.	Joint Venture
Balmer Lawrie (UAE) Llc.	Joint Venture
Avi - Oil India (P) Ltd.	Joint Venture
Balmer Lawrie Hind Terminals Pvt. Ltd.	Joint Venture
Proseal Closures Ltd.	Subsidiary of Balmer Lawrie Van Leer Ltd.
PT Balmer Lawrie Indonesia	Joint Venture of Balmer Lawrie (UK) Ltd.
Shri S K Mukherjee, Chairman and Managing Director	Key Management Personnel (till 31-12-2011)
Shri V Sinha, Chairman and Managing Director	Key Management Personnel (Director (Service Businesses) upto 31-03-2011; C&MD w.e.f. 01-01- 2012)
Shri V N Sharma, Director (Manufacturing Businesses)	Key Management Personnel
Shri K Subramanyan, Director(Finance)	Key Management Personnel
Shri P.P. Sahoo, Director (HR & CA)	Key Management Personnel (w.e.f. 14-12-2011)

**ii) Transactions with Related Parties**

<u>Type of Transaction</u>			<u>Holding</u>	<u>Subsidiary</u>	<u>Joint</u>	<u>Key</u>	<u>TOTAL</u>
			<u>Company</u>		<u>Ventures</u>	<u>Management</u>	
						<u>Personnel</u>	
a)	Sale of Goods	31/03/12	2.67	-	-	-	2.67
		31/03/11	1.45	-	2.61	-	4.06
b)	Purchase of Goods	31/03/12	-	-	1,602.08	-	1,602.08
		31/03/11	-	-	1,602.52	-	1,602.52
c)	Value of Services Rendered	31/03/12	19.88	-	398.13	-	418.01
		31/03/11	18.12	-	415.02	-	433.14
d)	Value of Services Received	31/03/12	-	-	888.27	-	888.27
		31/03/11	-	-	70.91	-	70.91
e)	Remuneration to Directors	31/03/12	-	-	-	166.67	166.67
		31/03/11	-	-	-	111.09	111.09
f)	Income from leasing or hire purchase agreement	31/03/12	-	-	1.20	-	1.20
		31/03/11	-	-	1.37	-	1.37
g)	Purchase of Fixed Assets	31/03/12	-	-	8.08	-	8.08
		31/03/11	-	-	-	-	-
h)	Investment in shares as on	31/03/12	-	1,874.06	2,653.67	-	4,527.73
		31/03/11	-	1,874.06	3,835.54	-	5,709.60
i)	Loans given as on	31/03/12	-	-	1,088.96	-	1,088.96
		31/03/11	-	-	1,997.92	0.74	1,998.66
j)	Dividend Income	31/03/12	-	-	975.01	-	975.01
		31/03/11	-	-	696.21	-	696.21
k)	Dividend Paid	31/03/12	2,616.82	-	-	-	2,616.82
		31/03/11	2,314.88	-	-	-	2,314.88
l)	Interest Income	31/03/12	-	-	214.94	-	214.94
		31/03/11	-	-	210.87	-	210.87
m)	Amount received on a/c. of salaries, etc. of employees deputed or otherwise	31/03/12	11.93	-	87.77	-	99.70
		31/03/11	8.64	-	76.81	-	85.46
n)	Net outstanding recoverable as on	31/03/12	3.82	-	195.72	-	199.54
		31/03/11	1.85	-	400.27	0.74	402.86
o)	Net outstanding payable as on	31/03/12	-	-	167.11	-	167.11
		31/03/11	-	-	243.16	-	243.16
p)	Provision for advances/ investments	31/03/12	-	-	2418.55	-	2418.55
		31/03/11	-	-	-	-	-

## 26.22 Segment Reporting

Information about business segment for the year ended 31st March, 2012 in respect of reportable segments as defined by the Institute of Chartered Accountants of India in the Accounting Standard – 17 in respect of “Segment Reporting” is attached as Annexure - C.

## 26.23 Earnings per Share

- (i) Earnings per share of the company has been calculated considering the Profit after Taxation of ₹.13,807.28 lakhs (₹.12,108.90 lakhs) as the numerator.
- (ii) The weighted average number of equity shares used as denominator is 1,62,86,081 ( 1,62,86,081 ) and face value per share is ₹. 10.
- (iii) The nominal value of shares is ₹.1,628.61 lakhs ( ₹. 1,628.61 lakhs ) and the earnings per share (Basic and Diluted ) for the year on the above mentioned basis comes to ₹. 84.78 (₹. 74.35)

## 26.24 Disclosure of Interests in Joint Venture Companies

<u>Name of Joint Venture Company</u>	<u>Proportion of Shareholding</u>	<u>Country of Incorporation</u>
Balmer Lawrie (UAE) Llc.	49%	United Arab Emirates
Balmer Lawrie Van Leer Ltd	40%	India
Transafe Services Ltd.	50%	India
Avi Oil India (P) Ltd.	25%	India
Balmer Lawrie Hind Terminals Pvt. Ltd.	50%	India

The Company's proportionate share of the estimated amount of contracts remaining to be executed on Capital Accounts relating to the Joint Venture Companies and not provided for in their respective financial statements amounts to ₹. 174.65 lakhs (₹. 134.88 lakhs).

The aggregate amounts of each of the assets, liabilities, income and expenses related to the interests in the Joint Venture companies are as follows :-

Assets	-	₹. 42,555.65 lakhs ( ₹. 39,909.92 lakhs)
Liabilities	-	₹. 30,054.61 lakhs ( ₹. 32,513.96 lakhs)
Income	-	₹. 37,830.28 lakhs ( ₹. 37,909.95 lakhs)
Expenses	-	₹. 36,399.41 lakhs ( ₹. 37,192.24 lakhs )

## 26.25 Cost of Services is comprised of :

	<u>₹./Lakhs</u>	<u>₹./Lakhs</u>
Air / Rail travel costs	86,830.67	(81,332.18)
Air / Ocean freight	21,532.09	(17,368.09)
Transportation / Handling	5,230.85	(3,902.15)
Other Service charges	1,068.70	(573.00)
	<u>1,14,662.31</u>	<u>(1,03,175.42)</u>

**26.26 Capital Work in Progress as at the Balance Sheet date is comprised of :**

<b>Asset Classification (*)</b>	<b>₹./Lakhs</b>	<b>₹./Lakhs</b>
Leasehold Land	-	(1,262.26)
Building	252.67	(1,411.04)
Plant & Machinery	173.91	(243.89)
Electrical Installation & Equipment	14.03	(41.30)
Furniture & Fittings	3.60	(3.53)
Typewriters, Accounting Machine & Off. Equipment	0.50	(176.32)
Tubewells, Tanks & Misc. Equipment	51.31	(5.28)
Vehicles	-	(114.50)
	<b>496.02</b>	<b>(3,258.12)</b>

(\*) Subject to final allocation / adjustment at the time of capitalisation

26.27 Miscellaneous Expenses shown under “Other Expenses” (Note no. 25) do not include any item of expenditure which exceeds 1% of the total revenue.

26.28 (a) Certain fixed deposits amounting to ₹. 2,700.00 lakhs (₹. Nil) are pledged with a bank against short term loans availed from the said bank. However, there are no loans outstanding against these pledges as on 31.3.2012.

(b) Certain fixed deposits amounting to ₹. 43.20 lakhs (₹. Nil) are pledged with a bank against guarantees availed from the said bank.

**26.29 Details of Other Payables (Note no. 7)**

	<b>₹./Lakhs</b>	<b>₹./Lakhs</b>
Employee Payables	3239.45	(2731.75)
Statutory Liabilities	1683.32	(1360.93)
Others	10711.92	(11649.66)
	<b>15634.69</b>	<b>(15742.34)</b>

**26.30**

(a) The financial statements have been prepared as per revised Schedule VI to the Companies Act, 1956.

(b) Previous year’s figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures .

(c) Figures in brackets relate to previous year.

**Statement of Disputed Dues as on 31st March, 2012  
(Not provided for in the accounts)**

Name of the Statute	Nature of the Dues	Amount (₹/ Lakhs)		Period to which the amount relates	Forum Where dispute is pending
		2011-12	2010-11		
Sales Tax Act.	Sales Tax	17.67	17.67	Asst yr 1994/95	Tribunal, Mumbai
		1.55	1.55	Asst Yr 1994/95	- do -
		-	1.35	Asst yr 2004/05	Dy. Commissioner, Mumbai
		8.91	8.91	Asst yr 2003/04	- do -
		0.98	0.98	Asst yr 2003/04	- do -
		-	87.25	Asst yr 2003/04	- do -
		2.23	2.23	Asst yr 2003/04	- do -
		-	0.26	Asst yr 2004/05	- do -
		0.81	0.81	Asst yr 2003/04	- do -
		5.78	5.78	Asst Yr 2000/01	- do -
		0.90	0.90	Asst yr 2000/01	- do -
		0.61	0.61	Asst Yr 2001/02	- do -
		8.08	8.08	Asstt Yr 2000/01	- do -
		4.85	4.85	Asstt Yr 2001/02	- do -
		1.35	1.35	Asst yr 2000/01	- do -
		1.68	1.68	Asst yr 2001/02	- do -
		1.37	1.37	Asst yr 2001/02	- do -
		-	105.20	Asst yr 2002/03	Asst. Commissioner, Mumbai
		-	1.78	Asstt Yr 2001/02 (WBST Act. 94)	Dy. Commissioner, West Bengal
		-	2.18	Asstt Yr 2001/02 (CST Act. 56)	- do -
		-	13.25	Asstt Yr 2003/04 (WBST Act. 94)	- do -
		-	25.73	Asstt Yr 2003/04 (CST Act. 56)	- do -
		7.07	7.07	Asstt Yr 2007/08 (VAT Act. 03)	Sr. Jt. Commissioner, Appeal West Bengal
		-	271.33	Asstt Yr 2007/08 (CST Act. 56)	- do -
		80.23	13.17	Asst yr 1992/93	CTO, Kochi
		15.62	69.38	Asstt Yr 1993/94	- do -
		2.25	2.25	Asstt Yr 2005/06	- do -
		6.63	6.63	Asstt Yr 2005/06	- do -
		-	15.62	Asstt Yr 1993/94	Appeal pending before STAT, Kochi
		1.82	1.82	Asstt Yr 2003/04	Asst. Commissioner, Chennai
14.95	14.95	Asstt Yr 2008/09	Appeal pending with AAC		
1.64	1.64	Asstt Yr 2008/09	- do -		

Name of the Statute	Nature of the Dues	Amount (₹/Lakhs)		Period to which the amount relates	Forum Where dispute is pending
		2011-12	2010-11		
		14.65	14.65	Asstt Yr 1998/99	Appeal pending before STAT
		11.86	15.16	Asstt Yr 2004/05	Dy. Commissioner, West Bengal
		-	48.17	Asstt Yr 2004/05	- do -
		72.94	72.94	Asst. Year 2005/06	Appeal pending with Sales Tax Appellate & Revision Board
		37.04	-	VAT A/c. 03	- do -
		116.64	-	CST 06-07	- do -
		117.89	117.89	Asst. Year 2005/06	- do -
		2.17	2.17	Asstt Yr 1998/99	AAC, Chennai
		47.30	47.30	Asst Yr 1996/97	Appeal pending with AAC, Chennai
		12.14	12.14	Asst Yr 1996/97	- do -
		32.59	-	Asst Yr 2007/08	Appellate & Revision Board
		17.11	-	Asst Yr 2008/09	Appellate & Revision Board [VAT]
		261.00	-	Asst Yr 2008/09	- do -
<b>SUB TOTAL</b>		<b>930.29</b>	<b>1,028.05</b>		
Central Excise Act	Excise Duty	91.15	91.15	October, 2000	High Court, Mathura
		262.30	262.30	July'97	Appellate Tribunal, Kolkata
		16.31	16.31	Feb.'2004	- do -
		47.00	-	04/10/2002	- do -
		321.17	305.02	Jul 00 to Dec 02	Commissioner, Mumbai
		49.20	46.45	Feb.'2004	Jt Commissioner, Mumbai
		9.92	8.79	April'08	Addl. Commissioner, Mumbai
		1.12	3.97	2006/07	Commissioner (Appeal), Mumbai
		15.63	-	22-11-2011	Addl. Commissioner (CE)
		0.19	-	05/05/2011	Dy. Commissioner (CE)
		12.63	6.87	March, 2011	Comm (Appeals), Mumbai
		0.16	0.16	Feb.'2010	Dy. Commissioner (Central Excise), Kolkata
		2.46	2.46	March'2010	- do -
		8.92	3.73	March, 2002	Asstt Commissioner, Mumbai
		58.60	34.94	2008-09	Commissioner (Appeal), Mumbai
		341.67	195.94	2004-05	- do -
		218.03	-	.18-09-2002	CESTAT
		99.29	-	.02-05-2003	- do -
		9.07	-	08-05-2006	- do -
		30.10	-	18-10-2011	Commissioner (Appeal)
		1.42	-	.06-07-1995	Asst. Commissioner
		12.18	-	.17-07-1995	- do -
		9.97	-	.27-04-1995	- do -
		1.09	-	08-09-1995	- do -
<b>SUB TOTAL</b>		<b>1,619.57</b>	<b>978.09</b>		

Name of the Statute	Nature of the Dues	Amount (₹/ Lakhs)		Period to which the amount relates	Forum Where dispute is pending
		2011-12	2010-11		
Cess		85.50	80.56	Asstt Yr 1999/00	High Court, Mumbai
		70.65	66.51	Asstt Yr 2000/01	- do -
<b>SUB TOTAL</b>		<b>156.15</b>	<b>147.08</b>		
Service Tax Act	Service Tax	277.70	261.97	Aug.'02 - March'05	Commissioner of Central Excise (Adjn), Mumbai
		169.64	159.28	April'05 - March'06	- do -
		181.72	169.89	July, 2007	- do -
		202.61	186.20	14-05-2009 to 29-12-2009	Commissioner of Registered Commissionerate, Mumbai
		41.58	36.24	14-05-2009 to 29-12-2009	- do -
		6.26	-	19-03-2010	Commissioner (Appeal) Service Tax
		7.21	-	April'08-Dec.'10	Dy. Commissioner (Service Tax) (Mumbai)
		3054.72	3054.72	Oct'02-March.'07	CESTAT, West Bengal
		0.68	-	Jan.'11-Oct.'11	Suppdt. Mumbai
		1.67	-	April'06-Dec.'10	- do -
		-	2.40	March, 2010	Dy. Commissioner (Service Tax) West Bengal
		7.17	4.38	28, November, 2007	CESTAT, Ahmedabad
		-	1.92	21-07-2009	Commissioner of Central Excise (Appeals), Chennai
		982.27	716.14	April'08 to March'09	Commissioner of Central Excise, Mumbai
		25.19	25.19	Asstt Yr 2005-06 /2006-07	Addl. Commissioner (Service Tax), West Bengal
		-	0.92	April, 2010	Addl. Commissioner (Service Tax) West Bengal
		10.03	9.33	Apr 06 to Feb 10	Asstt Commissioner, Mumbai
		2.17	2.00	Mar 10 to Dec 10	Superintendent, Mumbai
		3.63	3.37	Apr 06 to Dec 10	Asstt Commissioner, Mumbai
		-	12.66	21.01.2011	Commisioner(Appeals),Gurgaon
		17.69	17.69	Mar-09	Comm. of Central Excise, Coimbatore
		9.03	-	06-01-2012	- do -
		46.41	46.41	Jan-11	Appellate Tribunal
		22.83	14.68	Nov-10	Additional Commissioner, Mumbai
		0.58	0.58	Nov-10	Dy. Commissioner, Mumbai
		0.43	-	Nov.'05-Aug.'07	Commissioner of Central Excise (Appeal)
		7.79	-	Nov.'05-Aug.'07	- do -
		2.77	-	Nov.'05-Aug.'07	- do -
		<b>5,081.78</b>	<b>4,725.98</b>		
<b>GRAND TOTAL</b>		<b>7,787.79</b>	<b>6,879.20</b>		

Disclosure requirements under AS- 15 for Employee Benefits for BL  
Employee Benefits ( Refer note no. 26.19 )

Annexure - B  
₹ / lakhs

Particulars	Gratuity		Post-retirement Medical		Leave Encashment		Long Service Award	
	(Funded)		(Non-Funded)		(Non-Funded)		(Non-Funded)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>I Net Asset / (Liability) recognised in the Balance Sheet as at March 31, 2012</b>								
1 Present value of funded obligations - A	3,590.67	3,087.93	236.69	200.68	2,961.24	2,604.18	378.30	301.76
2 Fair Value of Plan Assets - B	3,128.16	2,740.32	-	-	-	-	-	-
3 (Deficit) / Surplus - ( A - B )	(462.51)	(347.61)	(236.69)	(200.68)	(2,961.24)	(2,604.18)	(378.30)	(301.76)
4 Net Asset / Liabilities								
- Asset	-	-	-	-	-	-	-	-
- Liabilities	(462.51)	(347.61)	(236.69)	(200.68)	(2,961.24)	(2,604.18)	(378.30)	(301.76)
<b>II Expense Recognised in the Profit &amp; Loss Account for the year ended March 31, 2012</b>								
1 Current Service Cost	218.03	187.00	-	-	673.27	574.04	-	-
2 Interest on Defined Benefit Obligation	239.03	211.74	15.94	11.56	201.97	168.37	21.62	-
3 Expected Return on Plan Assets	241.51	212.00	-	-	-	-	-	-
4 Net Actuarial Losses / (Gains) recognised during the year	(5.79)	97.63	46.47	54.25	(185.20)	(125.46)	117.84	373.60
5 Past Service Cost	183.71	-	-	-	-	-	-	-
6 Excess Contribution made in earlier years to be adjusted in future years	-	-	-	-	-	-	-	-
Total (1+2-3+4 + 5)	393.47	284.37	62.41	65.81	690.04	616.95	139.46	373.60
Actuarial return on Plan Assets	-	-	-	-	-	-	-	-
<b>III Change in present value of obligation during the year ended March 31, 2012</b>								
1 Opening Defined Benefit Obligation	3,087.93	2,713.20	200.68	154.17	2,604.18	2,222.03	301.76	38.55
2 Past Service Cost	183.71	-	-	-	-	-	-	-
3 Current Service Cost	218.03	187.00	-	-	673.27	574.04	-	-
4 Interest Cost	239.03	211.74	15.94	11.56	201.97	168.37	21.62	-
5 Actuarial Losses / (Gains)	62.08	108.83	46.47	54.25	(185.20)	(125.46)	117.84	373.60
6 Benefits Paid	200.11	132.84	26.40	19.30	332.98	234.80	62.92	110.39
7 Closing Defined Benefit Obligation (1+2+3+4-5 - 6)	3,590.67	3,087.93	236.69	200.68	2,961.24	2,604.18	378.30	301.76
<b>IV Change in fair value of Plan Assets during the year ended March 31, 2012</b>								
1 Opening Fair Value of Plan Assets	2,740.32	2,311.64	-	-	-	-	-	-
2 Expected Return	241.51	212.00	-	-	-	-	-	-
3 Actuarial (Losses)/Gains on Plan Assets	67.87	11.19	-	-	-	-	-	-
4 Assets Distributed on settlements	-	-	-	-	-	-	-	-
5 Contribution by employer	278.57	338.33	-	-	-	-	-	-
6 Benefits Paid	200.11	132.84	-	-	-	-	-	-
7 Closing Fair Value of Plan Assets ( 1+2+3-4+5-6)	3,128.16	2,740.32	-	-	-	-	-	-
<b>V The Major categories of Plan Assets as a percentage of total Plan Assets</b>								
1 Government of India Securities / State Govt (s) Securities	30.74%	30.97%	} Not Applicable	} Not Applicable	} Not Applicable	} Not Applicable	} Not Applicable	} Not Applicable
2 Corporate Bonds	61.48%	60.06%						
3 Others	7.78%	8.97%						
<b>VI Principal Actuarial Assumptions as at March 31, 2012</b>								
1 Discount Rate (p.a.)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
2 Expected Rate of Return on Plan Assets (p.a.)	8.00	8.00	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>VII The employees are assumed to retire at the age of 60 (sixty) years</b>								
<b>VIII The mortality rates considered are as per the published rates in the LIC (1994-96) ULTIMATE TABLE.</b>								
<b>IX The valuations have been done using the Projected Unit Credit Method.</b>								

Information About Business Segments for the Year Ended 31st March 2012

Annexure - C  
₹ / lakhs

	Industrial Packaging		Logistics Infrastructure & Services		Tours and Travel		Greases and Lubricants		Others		Consolidated Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
<b>SEGMENT REVENUE</b>												
External Revenue	44,485.30	38,545.71	45,833.32	35,431.81	92,328.74	87,026.80	38,580.35	33,170.77	6,908.99	6,453.44	2,28,136.71	2,00,628.53
Inter-Segment Revenue	1,871.20	1,422.40	36.81	36.38	41.14	45.40	435.09	66.75	34.08	32.11	2,418.32	1,603.04
Total Segment Revenue	46,356.50	39,968.11	45,870.13	35,468.19	92,369.88	87,072.19	39,015.44	33,237.52	6,943.07	6,485.55	2,30,555.03	2,02,231.57
Less :												
Inter-Segment Revenue											2,418.32	1,603.04
Add :												
Other Unallocable Revenue											270.71	279.41
<b>TOTAL REVENUE</b>											2,28,407.42	2,00,907.93
<b>SEGMENT RESULT</b>												
Profit / (Loss) before Interest & Tax	3,334.10	3,597.55	12,728.54	9,207.34	2,979.89	3,606.48	3,065.19	3,157.18	67.19	103.22	22,174.91	19,671.77
Less :												
Interest Expense												
Prior Period Adjustment												
Other Unallocable Expenditure (net of Unallocable Revenue)											469.21	450.61
<b>TOTAL PROFIT BEFORE TAX</b>											2,270.12	1,102.83
<b>OTHER INFORMATION</b>												
Segment Assets	15,665.33	14,988.82	19,877.44	17,901.31	17,037.41	16,190.04	18,666.12	16,511.03	5,034.40	5,150.19	76,300.70	70,741.39
Other Unallocable Assets											39,881.39	33,626.67
Total Assets	5,512.51	6,066.27	13,456.48	13,194.29	5,709.06	5,615.18	7,390.32	7,631.00	1,604.83	1,169.50	1,16,182.09	1,06,368.05
Segment Liabilities	586.67	497.47	1,260.53	2,345.86	132.93	100.93	511.00	343.03	563.48	633.53	33,673.20	33,676.23
Other Unallocable Liabilities	335.60	305.00	473.73	344.03	66.00	39.03	230.40	185.27	411.89	329.45	20,492.84	18,543.14
Total Liabilities											54,166.04	52,219.37
Capital Expenditure											3,054.60	3,920.81
Depreciation											1,517.62	1,212.77
Impairment loss on Fixed Assets											-	-
Amortisation of Deferred Revenue Expenditure											-	-

Notes :

1. Details of products / services included in each of the above Business Segments are given below :

Industrial Packaging -	Barrels & Drums
Logistics Infrastructure & Services -	Logistics Services & Logistics Infrastructure
Travel & Tours -	Travel (Ticketing), Tours & Money Changing Activities
Greases & Lubricants -	Greases & Lubricating Oils
Others -	Engineering & Projects Services, Tea Blending & Packaging, Leather Chemicals etc.

2. Segment Revenue, Segment Expenses and Segment Results include transfers between Business Segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods and are eliminated in consolidation.

**STATEMENT REGARDING SUBSIDIARY COMPANY  
Pursuant to Section 212(1) and (3) of the Companies Act, 1956**

<b>BALMER LAWRIE (UK) LTD</b>	<b>USD</b>	<b>Converted @ ₹ 50.27/USD</b>
a) Holding Company's Interest:		
Entire Issued Share Capital of Ordinary Shares of £ 1 each fully paid up at cost	53,37,478	26,83,15,019
b) Net aggregate amount of Subsidiary's profit/(loss) not dealt with in the Holding Company's accounts:		
i) for the subsidiary's financial year ended 31st March, 2012	97,524	49,02,531
ii) for the previous financial years (cumulative)	30,60,175	15,38,34,997
c) Net aggregate amount of Subsidiary's profit/(loss) dealt with in the Holding Company's accounts:		
i) for the Subsidiary's financial year ended 31st March, 2012	Nil	Nil
ii) for the previous financial years	Nil	Nil

As per our report attached  
**For Vidya & Co.**  
Chartered Accountants  
Firm Registration No. 308022E

**CA Sarad Jha**  
*Partner*  
Membership No. 050138  
Kolkata, the 26th May , 2012

V. Sinha  
*Chairman & Managing Director*

M.P. Bezbaruah  
Asish K. Bhattacharyya  
VLVSS Subba Rao  
K. Subramanyan  
P.P. Sahoo

*Directors*

Shri Prakash  
P.K. Bora  
Abha Chaturvedi  
V. N. Sharma

Amit Ghosh  
*Secretary*

**Subsidiary Company**  
**Balmer Lawrie (UK) Limited**

**Pursuant to Approval Given under Section 212 (8) of the Companies Act, 1956 by the Department of  
Company Affairs, Government of India**

**Financial Statements For The Year Ended 31st March, 2012 is furnished in Indian Rupees converted at the  
exchange rate as on 31.03. 2012 - ₹ 50.27/USD**

# Balmer Lawrie (UK) Limited (Registered Number: 02764967)

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2012

The directors present their report with the financial statements of the company for the year ended 31st March 2012.

### PRINCIPAL ACTIVITY

The company was earlier engaged in Leasing and Hiring of Marine Freight Containers and Tea Warehousing, Blending and packaging. After exiting these two businesses the proceeds are being used to fund other business opportunities.

### REVIEW OF BUSINESS

The Company has invested approximately US\$1.32 million equivalent to Indonesian Rupiah 12.30 billion, being 50% of the paid up capital of a Joint Venture company (JVC) that had been formed in Indonesia. Balance 50% of the paid up capital of JVC is subscribed by PT Imani Wicaksana, Indonesia to manufacture and market lubricating grease and other lubricants in Indonesia. The plant was commissioned during the current financial year and is in the process of stabilisation.

The Company is at present having no other business and have invested the surplus funds of approximately \$7.1 million in term deposits with Banks to fund future business opportunities.

### DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2011 to the date of this report.

V Sinha  
K Subramanyan

Other changes in directors holding office are as follows:  
S K Mukherji - resigned 31st December 2011  
P Basu - appointed 1st January 2012

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### AUDITORS

The auditors, Haines Watts Slough LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Date: 21 May 2012

ON BEHALF OF THE BOARD  
V Sinha - Director

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BALMER LAWRIE (UK) LIMITED

We have audited the financial statements of Balmer Lawrie (UK) Limited for the year ended 31st March 2012 on pages 106 to 108. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 84, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

Kalbinder Sanghera (Senior Statutory Auditor)  
for and on behalf of Haines Watts Slough LLP  
Statutory Auditor  
Sterling House  
177-181 Farnham Road  
Slough  
SL1 4XP  
Date: 21 May 2012

# Balmer Lawrie (UK) Limited

## Profit and Loss Account for the year ended 31st March 2012

	Notes	31/03/2012	(₹Lakhs) 31/03/2011
Turnover		-	-
Administrative expenses		(4.12)	(3.42)
<b>Operating loss</b>	2	<b>(4.12)</b>	<b>(3.42)</b>
Interest receivable and similar charges	3	70.18	61.16
<b>Profit on ordinary activities before taxation</b>		<b>66.06</b>	57.74
Tax on profit on ordinary activities	4	(17.04)	(15.87)
<b>Profit for the financial year</b>		<b>49.02</b>	<b>41.87</b>

## Balance Sheet as at 31st March 2012

	Notes	31/03/2012	31/03/2011
<b>Fixed Assets</b>			
Investments	5	662.09	662.09
		<b>662.09</b>	662.09
<b>Current Assets</b>			
Debtors	6	43.45	39.21
Cash at bank and in hand		3587.00	3542.57
		<b>3630.45</b>	3581.78
<b>Creditors</b>			
Amounts falling due within one year	7	(22.02)	(22.37)
<b>Net current assets</b>		<b>3608.43</b>	3559.41
<b>Total assets less current liabilities</b>		<b>4270.52</b>	4221.50
		<b>4270.52</b>	<b>4221.50</b>
<b>Capital and Reserves</b>			
Called up share capital	8	2683.15	2683.15
Profit and loss account	9	1587.37	1538.35
Shareholders' fund - equity interests		<b>4270.52</b>	<b>4221.50</b>

These financial statements have been prepared in accordance with the special provisions of Part 15 the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008 ).

The financial statements were approved by the Board of Directors on 21st May 2012 and were signed on its behalf by :

P Basu  
Director

K Subramanyan  
Director

V. Sinha  
Director

Notes to the Financial Statements for the year ended 31st March 2012

1 Accounting Policies

**Basis of preparation of financial statements**

The company's activities are more dependent on the American dollar than Sterling.

Consequently, the company's financial statements are prepared in American dollars on applying the following bases:

(a) Monetary assets and liabilities denominated in a foreign currency were translated into dollars at the foreign exchange rates ruling at the balance sheet date;

(b) Revenue and expenses in foreign currencies were translated in dollars at the average rate for the year;

(c) Any gains or losses arising on translation were taken to the profit and loss account.

**Accounting Convention**

The financial statements are prepared under the historical cost convention and have been prepared on a going concern basis.

**Deferred Tax**

Deferred Tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Investments in Joint Ventures**

Investments in Joint Ventures are carried out at cost or valuation. Cost is based on the fair value of the consideration paid for the investment, including acquisition costs.

Where a different value is demonstrated by a significant third party event, the investment is carried at a corresponding revalued amount. In the case of a permanent impairment in the carrying value of the asset, a write down provision is made in the profit and loss account.

(₹ lakhs)

	31/03/2012	31/03/2011
<b>2 Operating Loss</b>		
The operating loss is stated after charging/(crediting) :		
Auditors' remuneration	2.01	2.01
Foreign exchange differences	(0.53)	(1.08)
Directors' remuneration and other benefits etc	-	-
<b>3 Interest receivable and similar income</b>		
Deposit account interest	70.18	61.16
<b>4 Taxation</b>		
<b>Analysis of the tax charge</b>		
The tax charge on the profit on ordinary activities for the year was as follows:		
Current Tax:		
UK corporation tax	17.04	15.87
Tax on profit on ordinary activities	17.04	15.87
<b>5 Fixed Asset Investment</b>		
<b>Cost</b>		
At 1 April 2011	662.09	592.23
Addition	-	69.86
At March 31 2012	662.09	662.09
Net Book Value	662.09	662.09
The company's investments at the balance sheet date in the share capital of companies include the following:		
<b>Joint Venture</b>		
PT Balmer Lawrie Indonesia		
Country of incorporation : Indonesia		
Nature of business: Manufacture and sale of greases and lubricants		
Class of shares : % holding		
Ordinary 50		
Aggregate capital and reserves	715.86	1183.63
Loss for the year	(467.77)	(169.37)

# Balmer Lawrie (UK) Limited

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2012

	31/03/2012	31/03/2011
<b>6 Debtors</b>		
Prepayments and accrued income	<u>43.45</u>	<u>39.21</u>
	<u>43.45</u>	<u>39.21</u>
<b>7 Creditors : Amounts falling due within one year</b>		
Tax	<u>17.04</u>	15.87
Accruals and deferred income	<u>4.98</u>	<u>6.50</u>
	<u>22.02</u>	<u>22.37</u>
<b>8 Called up Share Capital</b>		
Nominal Value		
<b>Authorised issued and fully paid</b>		
3,380,312 Ordinary Shares of 1 each	<u>2683.15</u>	<u>2683.15</u>

### 9 Reserves

At 1 April 2011  
 Profit for the year  
 At 31 March 2012

Profit and Loss account
<u>1538.35</u>
<u>49.02</u>
<u>1587.37</u>

### 10 Ultimate controlling party

The company's ultimate parent company and controlling party is Balmer Lawrie & Co. Limited, a company incorporated in India by virtue of it being a wholly owned subsidiary undertaking.

## Detailed Trading and Profit & Loss Account for the year ended 31 March 2012

	31/3/2012	31/3/2011
<b>Income</b>		
<b>Other Income</b>		
Deposit account interest	-	-
	<u>70.18</u>	<u>61.16</u>
	<u>70.18</u>	<u>61.16</u>
<b>Expenditure</b>		
Rates and water	-	(0.95)
Accountancy	2.53	3.29
Auditors' remuneration	2.01	2.01
Foreign exchange gains	<u>(0.53)</u>	<u>(1.08)</u>
	<u>4.01</u>	<u>3.27</u>
	<u>66.17</u>	<u>57.89</u>
<b>Finance costs</b>		
Bank charges	<u>0.11</u>	<u>0.15</u>
<b>Net Profit</b>	<u>66.06</u>	<u>57.74</u>

**Auditors' Report on the Consolidated Financial Statements**

To the Board of Directors of Balmer Lawrie & Co. Limited

1. We have audited the attached Consolidated Balance sheet of Balmer Lawrie & Co. Limited ('the Company'), and its subsidiary and five Joint Venture companies (collectively referred to as 'the Group') as at 31st March 2012, and also the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated 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 free of material misstatements. 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. We did not audit the financial statements of its subsidiary and the joint ventures whose financial statements reflect the Group's share of total assets of Rs. 45,747 lakhs as at 31st March, 2012 and the Group's share of total revenues of Rs. 38,149 lakhs and net cash inflows amounting to Rs. 621 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of such subsidiary and joint ventures, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of interests in Joint Ventures), as notified under the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiary and Joint ventures included in the Consolidated Financial Statements.
5. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiary and joint ventures, 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 state of affairs of the Group as at 31st March 2012;
  - b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - c) in the case of the Consolidated Cash Flow Statement, of the Group for the year ended on that date.

**For Vidya & Co**  
Chartered Accountants  
Firm Reg No: 308022E

**CA Sarad Jha**  
Partner  
Membership No.050138

Place: Kolkata  
Date: 26<sup>th</sup> May, 2012

**CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED**  
**Balance Sheet as at 31st March 2012**

	Note No.	As at 31.03.2012		As at 31.03.2011	
		Consolidated with Subsidiary ( ₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ Lakhs)	Consolidated with Subsidiary ( ₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ Lakhs)
<b>EQUITY AND LIABILITIES</b>					
Shareholders' Funds					
Share Capital	1	1,628.61	1,628.61	1,628.61	1,628.61
Reserves and Surplus	2	62,215.29	74,219.20	53,522.33	63,434.02
Total Shareholders' Funds		63,843.90	75,847.82	55,150.94	65,062.63
Minority Interest		-	305.71	-	231.32
Non-current Liabilities					
Long Term Borrowings	3	768.68	12,547.90	287.76	12,698.03
Deferred Tax Liabilities (Net)		93.46	590.58	735.72	1,255.99
Other Long Term Liabilities	4	4,487.13	3,801.60	4,074.19	2,602.76
Long Term Provisions	5	55.79	789.01	75.27	654.51
Total Non-current Liabilities		5,405.06	17,729.09	5,172.94	17,211.30
Current Liabilities					
Short Term Borrowings	6	254.85	7,388.92	-	7,254.63
Trade Payables		22,545.52	27,765.50	21,984.75	27,358.11
Other Current Liabilities	7	16,359.39	18,043.08	16,398.63	18,094.38
Short Term Provisions	8	10,964.51	14,848.77	9,818.78	13,259.59
Total Current Liabilities		50,124.27	68,046.27	48,202.16	65,966.71
<b>TOTAL</b>		<b>119,373.23</b>	<b>161,928.88</b>	<b>108,526.04</b>	<b>148,471.96</b>
<b>ASSETS</b>					
Non-current Assets					
Fixed Assets	9				
Tangible Assets		23,595.98	41,342.86	18,847.82	37,112.57
Intangible Assets		120.68	160.81	125.58	169.27
Capital Work-in-Progress		496.02	1,083.43	3,631.89	4,343.19
Intangible Assets under Development		75.95	75.95	-	8.41
Non-current Investments	10	2,668.19	14.52	3,850.06	14.52
Long Term Loans and Advances	11	3,072.63	3,012.98	4,156.99	3,442.79
Other Non-current Assets	12	5.59	7.53	5.21	27.31
Total Non-current Assets		30,035.04	45,698.08	30,617.56	45,118.06
Current Assets					
Inventories	13	12,589.60	28,724.73	11,975.32	26,801.51
Trade Receivables	14	35,494.52	43,907.86	30,973.95	38,938.29
Cash and Cash Equivalents	15	35,278.56	35,681.18	29,954.97	30,442.08
Short Term Loans and Advances	16	5,448.75	6,813.84	4,672.83	6,400.46
Other current Assets	17	526.76	1,103.19	331.42	771.55
Total current Assets		89,338.19	116,230.80	77,908.48	103,353.90
<b>TOTAL</b>		<b>119,373.23</b>	<b>161,928.88</b>	<b>108,526.04</b>	<b>148,471.96</b>
Additional Disclosure	23				

The Notes referred above form part of the Accounts  
Significant Accounting Policies form part of the Accounts

As per our report attached  
**For Vidya & Co.**  
Chartered Accountants  
Firm Registration No. 308022E

**CA Sarad Jha**  
Partner  
Membership No. 050138  
Kolkata, the 26th May, 2012

V. Sinha  
Chairman & Managing Director

M.P. Bezbaruah  
Asish K. Bhattacharyya  
VLVSS Subba Rao  
K. Subramanyan  
P.P. Sahoo

Shri Prakash  
P.K. Bora  
Abha Chaturvedi  
V. N. Sharma  
Directors

Amit Ghosh  
Secretary

**CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED**  
**Profit and Loss Statement for the year ended 31<sup>st</sup> March 2012**

	Note No.	For The year ended 31.03.2012		For The year ended 31.03.2011	
		Consolidated with Subsidiary ( ₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ Lakhs)	Consolidated with Subsidiary ( ₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ Lakhs)
<b>Income:</b>					
Revenue From operations		239,913.46	279,242.55	210,809.77	249,346.77
Less Excise Duty		(11,257.96)	(12,098.69)	(9,816.53)	(10,638.36)
Revenue From operations (Net of Excise )	18	228,655.50	267,143.86	200,993.24	238,708.41
Other Income	19	5,380.08	4,721.99	4,147.14	4,341.92
<b>Total Revenue</b>		<b>234,035.58</b>	<b>271,865.86</b>	<b>205,140.38</b>	<b>243,050.33</b>
<b>Expenses:</b>					
Cost of Materials Consumed /Services Rendered		179,965.60	203,669.30	159,082.97	181,378.45
Purchase of Trading Goods		33.43	66.44	319.01	343.26
Changes In inventories of Finished Goods, Work-in-progress,Trading goods		(183.09)	(3.08)	(1,051.15)	(1,267.00)
Employee Benefits Expenses	20	14,170.37	18,057.00	13,178.28	17,107.96
Finance Costs	21	573.39	2,300.55	447.88	2,423.69
Depreciation and Amortization Eexpenses		1,559.49	3,496.73	1,217.88	3,147.69
Other expenses	22	19,125.51	24,057.19	13,884.17	21,137.23
<b>Total Expenses</b>		<b>215,244.71</b>	<b>251,644.12</b>	<b>187,079.04</b>	<b>224,271.28</b>
<b>Profit Before tax</b>		<b>18,790.87</b>	<b>20,221.74</b>	<b>18,061.34</b>	<b>18,779.04</b>
<b>Tax Expense:</b>					
Current Tax		5,875.97	6,078.52	6,343.95	6,496.11
Deferred Tax		(639.89)	(663.05)	(359.89)	(550.47)
<b>Profit/(Loss) for the period</b>		<b>13,554.79</b>	<b>14,806.26</b>	<b>12,077.28</b>	<b>12,833.40</b>
Minority Interest		-	74.38	-	58.04
<b>Earnings per equity share {Basic &amp; Diluted}</b>		<b>83.23</b>	<b>90.91</b>	<b>74.16</b>	<b>78.80</b>
Additional Disclosure	23				

The Notes referred above form part of the Accounts  
 Significant Accounting Policies form part of the Accounts

As per our report attached  
**For Vidya & Co.**  
 Chartered Accountants  
 Firm Registration No. 308022E

**CA Sarad Jha**  
 Partner  
 Membership No. 050138  
 Kolkata, the 26th May , 2012

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 P.P. Sahoo

Directors

Shri Prakash  
 P.K. Bora  
 Abha Chaturvedi  
 V. N. Sharma

Amit Ghosh  
 Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH , 2012

	(₹ in lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>A. Cash Flow from Operating Activities</b>		
Net profit before Tax [Note]	20152	18601
<b>Adjustment for</b>		
Depreciation and fixed assets written off	3780	3228
Foreign Exchange	284	(35)
Profit on sale of investment	48	(14)
Interest/Dividend	(1698)	(154)
Investments written off/Provision for diminution in value	318	376
Provision of write down of inventories to net realisable value	109	(276)
<b>Operating Profit Before Working Capital Changes</b>	22993	21726
Trade and other receivables	(3736)	(6602)
Inventories	(250)	(4522)
Trade Payables	324	5793
<b>Cash generated from operations</b>	19331	16395
Direct Taxes paid	(5312)	(5916)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	14019	10479
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed assets	(4929)	(6134)
Sale of Fixed assets	117	568
Purchase of Investments	(40)	(1391)
Sale of Investments	-	22
Interest received	2253	61
Dividend received	1008	730
<b>NET CASH FROM INVESTING ACTIVITIES</b>	(1591)	(6144)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	(454)	(367)
Proceeds from other Borrowings	215	1088
Interest paid	(1536)	(275)
Dividend paid	(4397)	(3803)
Corporate Tax on Dividend	(696)	(642)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	(6868)	(3999)
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS ( A+B+C )</b>	5560	336
<b>CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	28452	28116
<b>CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE</b>	34012	28452

## NOTE ON CASH FLOW STATEMENT

- 1 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Accounting Standard - 3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

	(₹ in lakhs)	
	2011-12	2010-11
2 Net Profit after Tax as per Profit & Loss Account	14806	12833
Add : Tax Provision (Net)	5416	5946
	20222	18779
Less : Profit / (Loss) on Disposal of Fixed Assets (Net)	70	178
Net Profit before Tax	20152	18601

As per our report attached  
**For Vidya & Co.**  
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Firm Registration No. 308022E

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Kolkata, the 26th May , 2012

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P.K. Bora  
Abha Chaturvedi  
V. N. Sharma  
Directors

Amit Ghosh  
Secretary

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (Companies (Accounting Standard) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

### 2. Fixed Assets and Depreciation

- a) Fixed Assets are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition.
- b) Fixed Assets manufactured/constructed in-house are valued at actual cost of raw materials, conversion cost and other related costs.
- c) Cost of leasehold land is amortised over the period of lease.
- d) Expenditure incurred during construction of capital projects including related pre-production expenses is treated as Capital Work-in-Progress and in case of transfer of the project to another body, the accounting is done on the basis of terms of transfer.
- e) Fixed assets retired from active use and held for disposal are stated at the lower of book value and net realizable value and are shown separately in the financial statements. Loss determined, if any, is recognised in the profit and loss statement.
- f) Depreciation is provided following the straight line method. Rates of Depreciation are in accordance with the provisions of the Companies Act, 1956, as prevailing from time to time, except for items covered under paragraphs (g) and (h) below.
- g) The company reviews the depreciation policies followed for various items of assets, their useful life and circumstances prevailing in the business so as to make a more appropriate preparation or presentation of the financial statements. Necessary adjustment is made in the depreciation charge for the assets, if any significant variation is noticed in the pattern of economic benefits embodied in the assets. Based on technical review, (i) certain items of Electrical Installations and Equipment, Furniture and Fittings and Typewriter, Accounting Machine and Office Equipment are being depreciated @ of 15%, 20% and 20% per annum respectively; (ii) Mobile Phones @ of 50% per annum; (iii) Motor Cars @ of 20% per annum; (iv) Portable Personal Computers @ of 50% per annum; (v) items given to employees under the furniture equipment scheme, @ of 25% per annum for Computers and 15% per annum for Other Items; and (vi) assets whose actual cost does not exceed ₹5000, @ of 100% in the year of addition of the asset, irrespective of the date of addition.
- h) Machinery Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular, are treated as fixed assets and depreciated over a period of five years (by charging depreciation (@ 20% p. a. on straight line basis) or the residual life of the Principal asset, whichever is lower.

### 3. Valuation of Investments

The long term investments made by the company appear at cost inclusive of acquisition charges. Provision is made for diminution in value considering the nature and extent of permanent diminution. Current investments appear at lower of cost or fair value.

### 4. Valuation of Inventories

- (i) Inventories are valued at lower of cost or net realisable value. For this purpose, the basis of ascertainment of cost of the different types of inventories is as under -

- a) Raw materials & trading goods (other than tea), stores & spare parts and materials for turnkey projects on the basis of weighted average cost.
- b) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost upto the relative stage of completion.
- c) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
- d) Tea (unblended, blended and packed) - on the basis of specific cost.
- (ii) Tools, dies, jigs and fixtures are written-off over the economic life except items costing upto ₹10000 which are charged off in the year of issue.

### 5. Recognition of Revenue

Revenue is recognised in compliance with the following :

- a) In case of sale of goods :  
When the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales are stated exclusive of Sales Tax / VAT.
- b) In case of services rendered:  
When performance in full or part as having achieved is recognised by the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from rendering the services. Income from Services are exclusive of Service Tax.
- c) In case of project activities:  
As per the percentage of completion method after progress of work to a reasonable extent.
- d) In case of other income:
  - i) Interest - on a time proportion basis taking into account the outstanding principal and the relative rate of interest.
  - ii) Dividend from investments in shares - on establishment of the Company's right to receive.

### 6. Employee Benefits

- a) Company's contributions to Provident Fund and Superannuation Fund are charged to Profit and Loss Account.
- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards and Leave Travel Assistance are charged to Profit & Loss Account on the basis of actuarial valuation made during the year.
- c) Post retirement medical benefit is also recognised on the basis of actuarial valuation made during the year.

### 7. Treatment of Prior Period and Extraordinary Items

- a) All prior period items which arise in the current period as a result of error or omission in the preparation of prior period's financial statement are separately disclosed in the current statement of profit & loss. However, differences in actual income/expenditure arising out of over or under estimation in prior period are not treated as prior period income/expenditure.
- b) Income / Expenditure upto ₹10000 in each case pertaining to prior years is charged to the current year.
- c) All extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the

statement of accounts.

**8. Foreign Currency Translations**

- a) All transactions in foreign currency other than those specified below are converted at the exchange rate prevailing on the respective dates of transactions.
- b) Monetary items denominated in a foreign currency (such as cash, balance in bank accounts, receivables, payables, etc ) are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
- c) Non-monetary assets denominated in foreign currency such as Long Term Investment, Inventories and Fixed Assets are carried at cost except that the exchange differences relating to liabilities for acquisition of fixed assets are adjusted in the cost of the asset.
- d) In case of foreign branch, translation of the financial statement is made on the following basis:
  - i) Revenue items except opening and closing inventories are converted at average rate. Opening and closing inventories are translated at the rate prevailing at the commencement and close respectively.
  - ii) Fixed Assets and depreciation are converted at the exchange rate on the date of the transactions.
  - iii) Other Current Assets and Current Liabilities are converted at the exchange rate as on the date of the Balance Sheet.
- e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except as stated above.
- f) Premium / discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the Profit & Loss Account.

**9. Accounting for Research & Development**

- a) Revenue Expenditure is shown under Primary Head of Accounts with the total of such expenditure being disclosed in the Notes.
- b) Capital expenditure relating to research & development is treated in the same way as other fixed assets.

**10. Treatment of Grant/Subsidy**

- a) Revenue grant/subsidy in respect of research & development expenditure is set off against respective expenditure.
- b) Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.
- c) When grant/ subsidy is received as compensation for extra cost associated with the establishment of manufacturing units or cannot be related otherwise to any particular fixed assets the grant/subsidy so received is credited to capital reserve. On expiry of the stipulated period set out in the scheme of grant/subsidy the same is transferred from capital reserve to general reserve.
- d) Revenue grant in respect of organization of certain events is shown

under Sundry Income and the related expenses there against under normal heads of expenditure.

**11. Accounting for Borrowing Cost**

Borrowing Costs that are directly attributable to the acquisition, construction or production of assets, which take substantial period of time to get ready for its intended use, are capitalised as part of the cost of those assets. Other Borrowing Costs are recognised as expense in the period in which they are incurred.

**12. Impairment of Assets**

An assessment is made at each Balance Sheet date to determine whether there is an indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor.

**13. Cash Flow Statement**

Cash Flow Statement, as per Accounting Standard - 3 issued by The Institute of Chartered Accountants of India, is prepared using the Indirect Method.

**14. Segment Reporting**

Segment Reporting is done as per Accounting Standard - 17 issued by The Institute of Chartered Accountants of India. The Company has identified business segment as its primary reporting segment with secondary information reported geographically.

**15. Intangible Assets**

- (a) Expenditure incurred for acquiring intangible assets like software of ₹5,00,000 and above and license to use software per item of ₹25000 and above, from which economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- (b) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

**16. Provisions, Contingent Liabilities and Capital Commitments**

- (a) Provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- (b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company.
- (c) Capital commitments and Contingent liabilities disclosed are in respect of items which exceed ₹1,00,000 in each case.
- (d) Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

As per our report attached  
**For Vidya & Co.**  
 Chartered Accountants  
 Firm Registration No. 308022E

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 Kolkata, the 26th May, 2012

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*Directors*

Amit Ghosh  
*Secretary*

**Note No.1  
Share Capital**

	As at 31 March 2012		As at 31 March 2011	
	Consolidated with Subsidiary (₹ in lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in lakhs)	Consolidated with Subsidiary (₹ in lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in lakhs)
<b>Authorised</b>				
30,000,000 Equity Shares of ₹ 10 each	3,000.00	3,000.00	3,000.00	3,000.00
<b>Issued</b>				
16,286,081 Equity Shares of ₹ 10 each	1,628.61	1,628.61	1,628.61	1,628.61
Detail of Shares Issued Subscribed an Fully Paid				
Equity Shares fully paid in Cash 9065547 of ₹ 10/- each	906.55	906.55	906.55	906.55
Fully Paid up pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd. 448130 of ₹ 10/- each	44.81	44.81	44.81	44.81
Fully Paid up pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd. 6772404 of ₹ 10/- each	677.24	677.24	677.24	677.24
<b>Total Subscribed &amp; Fully Paid</b>	<b>1,628.61</b>	<b>1,628.61</b>	<b>1,628.61</b>	<b>1,628.61</b>

**Note No. 2**

**Reserves & Surplus**

**Capital Reserves On Consolidation**

Opening Balance	-	588.93	-	611.96
(+) Current Year Transfer	824.98	2,027.30	521.82	1,552.30
Closing Balance	824.98	2,616.23	521.82	2,164.26

**Securities Premium Account**

Opening Balance	3,626.77	4,199.98	3,626.77	4,199.98
Closing Balance	3,626.77	4,199.98	3,626.77	4,199.98

**Contingency Reserve**

Opening Balance	-	58.60	-	60.91
Closing Balance	-	58.60	-	60.91

**General Reserve**

Opening Balance	27,375.47	35,329.78	24,375.47	31,405.52
(+) Current Year Transfer	3,000.00	3,799.78	3,000.00	3,924.26
Closing Balance	30,375.47	39,129.56	27,375.47	35,329.78

**Investment All Reserve**

Opening Balance	-	3.96	-	3.96
Closing Balance	-	3.96	-	3.96

**Foreign Exchange Conversion Reserve**

Opening Balance	10.56	152.87	-	-
(+) Current Year Transfer	87.19	887.40	(37.12)	105.19
Closing Balance	97.75	1,040.28	(37.12)	105.19

**Profit & Loss Statement**

Opening balance	22,035.40	21,569.93	17,879.42	18,163.22
(+) Net Profit/(Net Loss) For the current year	13,554.79	14,806.26	12,077.28	12,833.40
(-) Proposed Dividends	4,560.10	4,558.72	4,234.38	4,565.04
(-) Corporate tax on dividend	739.77	770.43	686.92	706.07
(-) Transfer to General Reserves	3,000.00	3,876.46	3,000.00	4,155.58
Closing Balance	27,290.32	27,170.58	22,035.40	21,569.93
	-	-	-	-
<b>Total</b>	<b>62,215.29</b>	<b>74,219.20</b>	<b>53,522.33</b>	<b>63,434.02</b>

**Note No.3****Long Term Borrowings**

	As at 31 March 2012		As at 31 March 2011	
	Consolidated with Subsidiary ( ₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ in Lakhs)	Consolidated with Subsidiary ( ₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ in Lakhs)
<b>Secured</b>				
Term loans				
from banks	768.68	11,611.95	287.76	11,806.45
from other parties	-	74.92	-	69.41
Loans and advances from related parties	-	720.64	-	635.62
	<u>768.68</u>	<u>12,407.51</u>	<u>287.76</u>	<u>12,511.48</u>
<b>Unsecured</b>				
Other loans and advances	-	140.39	-	186.55
<b>Total</b>	<u>768.68</u>	<u>12,547.90</u>	<u>287.76</u>	<u>12,698.03</u>

**Note No.4****Other Long Term Liabilities**

Trade Payables	3.89	167.48	35.26	315.08
Trade Payables MSME	-	-	-	-
Others	4,483.24	3,634.12	4,038.93	2,287.68
<b>Total</b>	<u>4,487.13</u>	<u>3,801.60</u>	<u>4,074.19</u>	<u>2,602.76</u>

**Note No.5****Long Term Provisions**

Provision for employee benefits	12.04	705.33	12.49	566.37
Others	43.75	83.68	62.78	88.14
<b>Total</b>	<u>55.79</u>	<u>789.01</u>	<u>75.27</u>	<u>654.51</u>

**Note No.6****Short Term Borrowings**

<b>Secured</b>				
Other Loans & advances				
from banks	254.85	6,510.99	-	6,480.60
	<u>254.85</u>	<u>6,510.99</u>	<u>-</u>	<u>6,480.60</u>
<b>Unsecured</b>				
Other loans and advances				
Term Loan -Bank	-	458.30	-	633.61
Other Loan Bank	-	239.10	-	-
From other	-	180.53	-	140.42
	<u>-</u>	<u>877.93</u>	<u>-</u>	<u>774.03</u>
<b>Total</b>	<u>254.85</u>	<u>7,388.92</u>	<u>-</u>	<u>7,254.63</u>

**Note No.7**

**Other Current Liabilities**

	As at 31 March 2012		As at 31 March 2011	
	Consolidated with Subsidiary ( ₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ in Lakhs)	Consolidated with Subsidiary ( ₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ in Lakhs)
Current maturities of long-term debt	113.75	1,029.30	35.67	566.57
Current maturities of finance lease obligations	4.06	4.06	3.24	3.24
Interest accrued but not due on borrowings	-	61.18	-	98.10
Interest accrued and due on borrowings	-	59.42	-	86.32
Income received in advance	402.42	528.76	438.59	785.33
Unpaid dividends	161.31	164.71	130.25	134.44
Other payables	15,677.85	16,195.65	15,790.88	16,420.38
<b>Total</b>	<b>16,359.39</b>	<b>18,043.08</b>	<b>16,398.63</b>	<b>18,094.38</b>

**Note No.8**

**Short Term Provisions**

Provision for employee benefits	-	82.46	-	94.56
Others	-	-	-	-
Provision for Taxation (Net of Advance)	6,352.90	6,457.18	5,551.08	5,586.01
Proposed Final Dividend	4,560.10	5,552.09	4,234.38	5,271.58
Others	51.51	2,757.04	33.32	2,307.44
<b>Total</b>	<b>10,964.51</b>	<b>14,848.77</b>	<b>9,818.78</b>	<b>13,259.59</b>

Note No. 9 Fixed Assets	Fixed Assets										₹/in lakhs		
	Gross Block					Accumulated Depreciation					Net Block		
	Balance as at 1 April 2011	Additions	(Disposals)	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluations	(On disposals)	Balance as at 31 March 2012	Balance as at 31 March 2011		
<b>Tangible Assets</b>													
Land	1,292.89	67.68	-	-	1,360.57	-	-	-	-	1,360.57	1,292.89		
Lease Hold Land	1,639.68	68.90	-	-	1,708.57	-	-	-	-	1,708.57	1,639.68		
Buildings	2,769.53	1,325.99	-	-	4,095.52	581.84	87.23	-	-	3,426.45	2,187.69		
Plant and Equipment	3,420.41	1,325.99	(17.62)	(70.21)	4,746.40	611.00	95.79	-	-	4,039.60	2,809.41		
Furniture and Fixtures	9,893.75	2,195.02	(17.62)	(70.21)	12,000.95	2,351.61	255.91	(5.45)	180.04	2,782.10	7,471.94		
Vehicles	15,962.32	2,337.57	(17.62)	(70.21)	18,212.06	4,220.09	562.27	(5.45)	180.04	4,956.95	11,672.02		
Office equipment	16,385.25	2,190.65	(318.97)	(47.19)	18,209.74	9,618.84	800.12	-	(261.18)	10,157.79	6,719.22		
	43,644.99	3,385.44	(500.74)	(47.19)	46,482.50	24,706.96	2,205.64	-	(395.14)	26,517.46	18,890.84		
	657.28	87.71	(28.43)	-	716.56	421.15	45.98	-	(19.77)	447.36	236.12		
	1,203.04	104.08	(31.75)	-	1,275.37	796.84	79.01	-	(22.50)	853.35	406.20		
	477.16	256.80	(8.66)	-	725.30	38.44	130.52	-	(6.87)	162.08	438.72		
	1,737.46	343.96	(29.14)	-	2,052.28	593.32	279.29	-	(25.47)	847.13	1,144.15		
	1,985.65	418.47	(136.84)	-	2,267.28	1,484.41	212.36	-	(135.03)	1,561.74	501.24		
	2,344.59	431.61	(279.09)	-	2,497.11	1,794.32	231.54	-	(276.10)	1,749.75	747.35		
	33,461.52	6,542.32	(510.52)	(117.40)	39,375.92	14,496.29	1,532.11	(5.45)	(242.81)	15,780.15	23,595.77		
	69,952.50	7,997.55	(858.35)	(117.40)	76,974.29	32,722.52	3,453.53	(5.45)	(539.17)	35,631.43	41,342.86		
<b>Intangible Assets</b>													
Computer software	155.92	27.93	-	-	183.85	30.34	32.83	-	-	63.17	120.68		
Licenses and franchise	175.51	39.24	-	-	214.75	33.49	38.75	-	-	72.25	142.50		
	128.38	-	-	-	128.38	101.12	8.94	-	-	110.07	27.25		
	155.92	27.93	-	-	183.85	30.34	32.83	-	-	63.17	125.58		
	303.89	39.24	-	-	343.13	134.62	47.70	-	-	182.32	169.27		
Capital Work In Progress	3,631.89	(3,135.87)	-	-	496.02	-	-	-	-	-	496.02		
	4,353.79	(3,259.02)	-	-	1,094.77	10.60	0.95	-	-	11.55	1,083.21		
	3,631.89	(3,135.87)	-	-	496.02	-	-	-	-	-	496.02		
	4,353.79	(3,259.02)	-	-	1,094.77	10.60	0.95	-	-	11.55	1,083.21		
Intangible assets under Development	-	75.95	-	-	75.95	-	-	-	-	-	-		
	8.41	67.54	-	-	75.95	-	-	-	-	-	8.41		
	-	75.95	-	-	75.95	-	-	-	-	-	-		
	8.41	67.54	-	-	75.95	-	-	-	-	-	8.41		
	37,249.32	3,510.33	(510.52)	(117.40)	40,131.74	14,526.63	1,564.95	(5.45)	(242.81)	15,843.32	22,605.29		
	74,618.59	4,845.30	(858.35)	(117.40)	78,488.14	32,867.74	3,502.18	(5.45)	(539.17)	35,825.30	41,633.44		
<b>Grand Total</b>													

2011-12      2010-11

1,559.50      1,217.88

3,496.73      3,147.69

Depreciation charged in P&L Account

Consolidated with Subsidiary

Consolidated with Subsidiary & Joint Venture Companies

Fixed Assets		Fixed Assets held for Disposal										₹/in lakhs	
		Gross Block			Accumulated Depreciation				Net Block				
		Balance as at 1 April 2011	Additions (Disposals)	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charges for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2011		
	<b>Tangible Assets</b>												
Land	Consolidated with Subsidiary	-	-	-	-	-	-	-	-	-	-	-	
	Consolidated with Subsidiary & Joint Venture Companies	-	-	-	-	-	-	-	-	-	-	-	
Lease Hold Land	Consolidated with Subsidiary	-	-	-	-	-	-	-	-	-	-	-	
	Consolidated with Subsidiary & Joint Venture Companies	-	-	-	-	-	-	-	-	-	-	-	
Buildings	Consolidated with Subsidiary	5.22	-	-	5.22	5.22	-	-	-	5.22	-	-	
	Consolidated with Subsidiary & Joint Venture Companies	5.22	-	-	5.22	5.22	-	-	-	5.22	-	-	
Plant and Equipment	Consolidated with Subsidiary	71.59	-	-	71.59	58.29	-	-	-	58.29	13.30	13.30	
	Consolidated with Subsidiary & Joint Venture Companies	71.59	-	-	71.59	58.29	-	-	-	58.29	13.30	13.30	
Furniture and Fixtures	Consolidated with Subsidiary	1.16	-	-	1.16	1.16	-	-	-	1.16	-	-	
	Consolidated with Subsidiary & Joint Venture Companies	1.16	-	-	1.16	1.16	-	-	-	1.16	-	-	
Vehicles	Consolidated with Subsidiary	-	-	-	-	-	-	-	-	-	-	-	
	Consolidated with Subsidiary & Joint Venture Companies	-	-	-	-	-	-	-	-	-	-	-	
Office equipment	Consolidated with Subsidiary	3.04	-	-	3.04	16.34	-	-	-	16.34	(13.30)	(13.30)	
	Consolidated with Subsidiary & Joint Venture Companies	3.04	-	-	3.04	16.34	-	-	-	16.34	(13.30)	(13.30)	
Total	Consolidated with Subsidiary	81.01	-	-	81.01	81.01	-	-	-	81.01	0.00	0.00	
	Consolidated with Subsidiary & Joint Venture Companies	81.01	-	-	81.01	81.01	-	-	-	81.01	0.00	0.00	
Grand Total	Consolidated with Subsidiary	81.01	-	-	81.01	81.01	-	-	-	81.01	0.00	0.00	
	Consolidated with Subsidiary & Joint Venture Companies	81.01	-	-	81.01	81.01	-	-	-	81.01	0.00	0.00	

**Note No. 10  
INVESTMENTS****Non Current Investment****Trade Investment**

Investment in Equity Instruments

(Fully paid stated at Cost)

In Joint Venture Companies

Transafe Services Ltd.

11,361,999 ( 11,361,999) equity shares of ₹ 10 each  
(Carried in books at a value of ₹ 1 only )

	As at 31 March 2012		As at 31 March 2011	
	Consolidated with Subsidiary ( ₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ in Lakhs)	Consolidated with Subsidiary ( ₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies ( ₹ in Lakhs)
<b>Trade Investment</b>				
Investment in Equity Instruments (Fully paid stated at Cost) In Joint Venture Companies Transafe Services Ltd. 11,361,999 ( 11,361,999) equity shares of ₹ 10 each (Carried in books at a value of ₹ 1 only )	-	-	-	-
AVI-OIL India (P) Ltd. 4,500,000( 4,500,000) ordinary shares of ₹ 10 each	450.00	-	450.00	-
Balmer Lawrie -Van Leer Ltd. 6,319,978 (6,319,978) equity shares of ₹ 10 each	1,164.55	-	1,164.55	-
Balmer Lawrie (UAE) LLC 9,800 (9,800) Shares of AED 1,000 each	890.99	-	890.99	-
Balmer Lawrie Hind Terminal Pvt. Ltd. 5,000 ( NIL) equity shares of ₹10 each	0.50	-	-	-
<b>Investments in Preference Shares</b> (Fully paid stated at Cost) Transafe Services Ltd.				
13,300,000 Cumulative Redeemable Preference shares of ₹10 each	147.63	-	1,330.00	-
<b>Total</b>	<b>2,653.67</b>	<b>-</b>	<b>3,835.54</b>	<b>-</b>
<b>Other Investments</b>				
Investment in Equity Instruments Fully paid stated at Cost Bridge & Roof Co. (India) Ltd. 3,57,591 (3,57,591) equity shares of ₹ 10 each	14.01	14.01	14.01	14.01
Biecco Lawrie Ltd. 1,95,900 (1,95,900) equity shares of Rs. 10 each (Carried in books at a value of ₹ 1 only )	0.00	0.00	0.00	0.00
Duncan Brothers & Co. Ltd. (Quoted) 71 Equity Shares of ₹ 10 each	0.06	0.06	0.06	0.06
Woodlands Multispeciality Hospitals Ltd. 8850 Equity Shares of ₹ 10 each	0.45	0.45	0.45	0.45
<b>Total</b>	<b>14.52</b>	<b>14.52</b>	<b>14.52</b>	<b>14.52</b>
<b>Total</b>	<b>2,668.19</b>	<b>14.52</b>	<b>3,850.06</b>	<b>14.52</b>

**Note No.11**  
**Long Term Loans and Advances**

	As at 31 March 2012		As at 31 March 2011	
	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)
<b>Capital Advances</b>				
Secured, considered good	-	0.04	-	-
Unsecured, considered good	450.63	455.69	187.07	250.16
	<u>450.63</u>	<u>455.73</u>	<u>187.07</u>	<u>250.16</u>
<b>Security Deposits</b>				
Secured, considered good	-	12.56	-	12.99
Unsecured, considered good	464.06	518.33	642.40	692.09
Doubtful	-	2.35	-	0.69
Less: Provision	-	(2.35)	-	(0.69)
	<u>464.06</u>	<u>530.89</u>	<u>642.40</u>	<u>705.08</u>
<b>Other loans and advances</b>				
Secured, considered good	651.43	664.95	734.49	748.10
Unsecured, considered good	417.55	1,361.41	595.11	1,739.45
Doubtful	270.50	279.48	89.58	95.30
Less: Provision	(270.50)	(279.48)	(89.58)	(95.30)
	<u>1,068.98</u>	<u>2,026.36</u>	<u>1,329.60</u>	<u>2,487.55</u>
<b>Loans and advances to related parties</b>				
Secured, considered good	908.96	-	1,187.92	-
Unsecured, considered good	1,088.96	-	810.00	-
Doubtful	-	-	-	-
Less: Provision	(908.96)	-	-	-
	<u>1,088.96</u>	<u>-</u>	<u>1,997.92</u>	<u>-</u>
<b>Total</b>	<u>3,072.63</u>	<u>3,012.98</u>	<u>4,156.99</u>	<u>3,442.79</u>

**Note No.12**  
**Other Non Current Assets**

	As at 31 March 2012		As at 31 March 2011	
	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)
<b>Long term trade receivables</b>				
Secured, considered good	-	1.90	-	10.03
Unsecured, considered good	5.59	5.63	5.21	17.28
Doubtful	-	7.44	-	7.97
Less: Provision	-	(7.44)	-	(7.97)
<b>Total</b>	<b>5.59</b>	<b>7.53</b>	<b>5.21</b>	<b>27.31</b>

**Note No.13**  
**Inventories**

Raw Materials and components	6,611.40	18,939.97	6,757.24	17,723.96
Goods-in transit	639.18	2,517.73	-	1,476.94
Slow Moving & Non moving	186.95	186.95	91.98	91.98
Less; Provision for Slow & Non moving	(111.26)	(299.09)	(64.70)	(135.02)
<b>Total</b>	<b>7,326.27</b>	<b>21,345.56</b>	<b>6,784.52</b>	<b>19,157.85</b>
Work-in-progress	798.48	1,212.29	733.87	1,691.99
<b>Total</b>	<b>798.48</b>	<b>1,212.29</b>	<b>733.87</b>	<b>1,691.99</b>
Finished goods	3,560.07	4,341.41	3,524.02	4,238.86
Goods-in transit	423.07	423.07	472.10	472.10
Slow Moving & Non moving	483.11	483.11	361.07	361.07
Less; Provision for Slow & Non moving	(295.15)	(295.15)	(214.51)	(214.51)
<b>Total</b>	<b>4,171.10</b>	<b>4,952.44</b>	<b>4,142.68</b>	<b>4,857.52</b>
Trading Goods	3.82	3.82	52.97	52.97
<b>Total</b>	<b>3.82</b>	<b>3.82</b>	<b>52.97</b>	<b>52.97</b>
Stores and spares	262.19	1,170.66	233.48	993.81
Goods-in transit	64.81	64.81	72.65	72.65
Slow Moving & Non moving	(41.95)	(41.95)	-	-
Less: Provision for Slow & Non moving	-	-	(45.08)	(45.08)
<b>Total</b>	<b>285.05</b>	<b>1,193.52</b>	<b>261.05</b>	<b>1,021.38</b>
Loose Tools	0.73	0.73	0.23	0.23
<b>Total</b>	<b>0.73</b>	<b>0.73</b>	<b>0.23</b>	<b>0.23</b>
Others (Specify nature)	4.14	16.37	-	19.58
<b>Total</b>	<b>4.14</b>	<b>16.37</b>	<b>-</b>	<b>19.58</b>
<b>Total</b>	<b>12,589.60</b>	<b>28,724.73</b>	<b>11,975.32</b>	<b>26,801.51</b>

**Note No.14**  
**Trade Receivables**

Trade receivables outstanding for a period less than six months				
Unsecured, considered good	31,839.47	39,166.48	27,152.07	33,849.66
Unsecured, considered doubtful	-	1,231.02	3.04	1,535.42
Less: Provision for doubtful debts	-	(167.70)	(3.04)	(288.77)
	<b>31,839.47</b>	<b>40,229.80</b>	<b>27,152.07</b>	<b>35,096.31</b>
Trade receivables outstanding for a period exceeding six months				
Unsecured, considered good	3,655.05	3,678.06	3,821.88	3,841.99
Unsecured, considered doubtful	1,161.08	1,751.25	1,077.84	1,482.71
Less: Provision for doubtful debts	(1,161.08)	(1,751.25)	(1,077.84)	(1,482.71)
	<b>3,655.05</b>	<b>3,678.06</b>	<b>3,821.88</b>	<b>3,841.99</b>
<b>Total</b>	<b>35,494.52</b>	<b>43,907.86</b>	<b>30,973.95</b>	<b>38,938.29</b>

**Note No.15**  
**Cash and cash equivalents**

	As at 31 March 2012		As at 31 March 2011	
	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)
Balances with banks	5,870.25	5,926.19	5,716.21	5,885.97
Cheques, drafts on hand	5.38	63.27	-	114.77
Cash on hand	23.25	39.09	12.34	18.47
	-	-	-	-
Balances with bank	<u>29,379.68</u>	<u>29,652.63</u>	<u>24,226.42</u>	<u>24,422.88</u>
As margin money	43.20	238.92	43.20	183.77
In short term deposit Account dividend account	29,175.17	29,249.00	24,052.97	24,104.67
	161.31	164.71	130.25	134.44
<b>Total</b>	<u>35,278.56</u>	<u>35,681.18</u>	<u>29,954.97</u>	<u>30,442.08</u>

**Note No.16**  
**Short-term loans and advances**

Deposits				
Unsecured, considered good	1,335.07	1,486.09	1,298.22	1,447.28
	<u>1,335.07</u>	<u>1,486.09</u>	<u>1,298.22</u>	<u>1,447.28</u>
Others Loans & Advances				
Secured, considered good	121.39	139.61	154.00	170.49
Unsecured, considered good	3,846.64	4,974.53	3,149.70	4,631.85
Doubtful	172.71	172.71	4.35	9.99
Less:Provision	(172.71)	(172.71)	(4.35)	(9.99)
	<u>3,968.03</u>	<u>5,114.14</u>	<u>3,303.70</u>	<u>4,802.34</u>
Loans and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	145.65	213.61	70.91	150.84
Doubtful	-	-	-	-
Less:Provision for doubtful loans and advances	-	-	-	-
	<u>145.65</u>	<u>213.61</u>	<u>70.91</u>	<u>150.84</u>
<b>Total</b>	<u>5,448.75</u>	<u>6,813.84</u>	<u>4,672.83</u>	<u>6,400.46</u>

**Note No.17**  
**Other current assets**

Other Accrued Income	526.76	1,103.19	331.42	771.55
<b>Total</b>	<u>526.76</u>	<u>1,103.19</u>	<u>331.42</u>	<u>771.55</u>

**Note No. 18  
Revenue From Operation**

	For the Year Ended 31 March 2012		For the Year Ended 31 March 2011	
	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)
Sale of products	98,874.23	133,984.47	86,017.08	120,338.99
Sale of services	139,066.56	140,205.89	122,038.08	123,144.84
Sale of Trading goods	47.06	47.06	342.00	342.00
Sale of Turnkey Projects	-	-	-	-
Other operating revenues	1,925.61	5,005.13	2,412.61	5,520.94
Less: Excise duty	(11,257.96)	(12,098.69)	(9,816.53)	(10,638.36)
<b>Total</b>	<b>228,655.50</b>	<b>267,143.86</b>	<b>200,993.24</b>	<b>238,708.41</b>

**Note No.19  
Other Income**

Interest Income	2,869.95	2,793.23	1,927.79	1,853.80
Dividend Income	976.08	32.58	696.93	33.39
Net gain/loss on sale of investments	-	6.83	-	10.34
Other non-operating income (Net of expenses directly attributable)	1,534.05	1,889.35	1,522.42	2,444.39
<b>Total</b>	<b>5,380.08</b>	<b>4,721.99</b>	<b>4,147.13</b>	<b>4,341.92</b>

**Note No.20  
Employee Benefits Expense**

Salaries and incentives	11,397.77	14,917.94	10,108.80	13,663.10
Contributions to Provident Fund & Other Fund	1,523.21	1,634.12	1,705.50	1,821.63
Staff welfare expenses	1,249.39	1,504.94	1,363.98	1,623.23
<b>Total</b>	<b>14,170.37</b>	<b>18,057.00</b>	<b>13,178.28</b>	<b>17,107.96</b>

**Note No.21  
Finance Cost**

Interest expense	394.73	1,942.42	301.85	2,101.51
Other borrowing costs	127.95	307.42	153.25	329.40
Applicable net gain/loss on foreign currency transactions	50.71	50.71	(7.22)	(7.22)
<b>Total</b>	<b>573.39</b>	<b>2,300.55</b>	<b>447.88</b>	<b>2,423.69</b>

**Note No.22**  
**Other Expenses**

	For the Year Ended 31 March 2012		For the Year Ended 31 March 2011	
	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)	Consolidated with Subsidiary (₹ in Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ in Lakhs)
Manufacturing Expenses	842.05	1,054.07	716.93	993.03
Consumption of Stores and Spares	593.81	1,731.51	490.98	1,613.36
Excise duty on Closing Stock	148.63	153.38	239.23	246.55
Repairs & Maintenance - Buildings	560.37	632.32	509.22	551.30
Repairs & Maintenance - Plant & Machinery	238.31	440.11	236.74	460.50
Repairs & Maintenance - Others	369.78	507.17	358.81	532.99
Power & Fuel	2,165.37	3,689.79	1,828.73	3,066.31
Electricity & Gas	268.16	268.16	232.62	232.62
Rent	764.52	1,038.93	713.61	1,466.92
Insurance	136.64	182.80	107.06	158.06
Packing, Despatching, Freight and Shipping Charges	2,546.89	3,431.22	2,297.72	3,104.44
Rates & Taxes	137.49	197.35	147.18	200.99
Auditors Remuneration and Expenses	19.06	44.62	18.66	42.38
Write Off of Debtors ,Deposits, Loan & Advances	325.74	332.22	172.92	568.71
Provision for diminution in the value of Investments	1,182.37	-	-	-
Provision for Doubtful Debts & Advances	1,762.76	2,041.65	373.65	866.75
Fixed Assets Written Off	234.90	234.90	94.39	94.39
Loss on Disposal of Fixed Assets	10.03	10.03	0.39	2.98
Selling Commission	325.52	475.43	299.46	489.67
Cash Discount	253.49	256.23	305.22	309.01
Travelling Expenses	889.93	1,023.28	768.58	894.21
Printing and Stationary	198.98	217.47	187.24	206.89
Motor Car Expenses	112.44	242.93	95.42	208.12
Communication Charges	300.99	357.40	285.14	346.53
Miscellaneous Expenses	4,572.97	5,476.28	3,482.87	4,472.17
Prior Period - Income	(0.07)	(0.07)	-	-
Prior Period - Expenses	408.30	408.30	14.47	101.40
	<b>19369.41</b>	<b>24447.47</b>	<b>13977.24</b>	<b>21230.30</b>
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	(243.90)	(390.29)	(93.07)	(93.07)
<b>Total</b>	<b>19125.51</b>	<b>24057.19</b>	<b>13884.17</b>	<b>21137.23</b>

### Note-23 Additional Disclosures

#### 23.1 Disclosure of Interests in Subsidiary and Joint Venture Companies

Name of Subsidiary/ Joint Venture Company	Nature of Relationship	Proportion of Shareholding	Country of Incorporation
Balmer Lawrie (UK) Ltd.	Subsidiary	100%	United Kingdom
Balmer Lawrie (UAE) Llc.	Joint Venture	49%	United Arab Emirates
Balmer Lawrie -Van Leer Ltd.	Joint Venture	40%	India
Transafe Services Ltd.	Joint Venture	50%	India
Avi - Oil India Private Ltd.	Joint Venture	25%	India
Balmer Lawrie Hind Terminals Pvt. Ltd.	Joint Venture	50%	India

Note: The accounting year of all the aforesaid companies is the financial year except for Balmer Lawrie (UAE) Llc which follows calendar year as the accounting year.

23.2 1,00,64,700 Equity Shares are held by Balmer Lawrie Investments Ltd. (Holding Company).

23.3 (a) Fixed Deposit with bank amounting to ₹ 1.57 Lakhs ( ₹1.37 Lakhs ) are lodged with certain authorities as security.

(b) Conveyance deeds of certain land costing ₹ 3,007.51 Lakhs ( ₹ 1,733.57 Lakhs) and buildings, with written down value of ₹ 2,930.28 Lakhs ( ₹ 1,672.90 Lakhs) are pending registration / mutation.

(c) Certain buildings & sidings with written down value of ₹ 4,794.34 Lakhs ( ₹4,237.88 Lakhs) are situated on leasehold/ rented land.

23.4 Contingent Liabilities as at 31<sup>st</sup> March, 2012 not provided for in the accounts are:

(a) Disputed demand for Excise Duty, Customs Duty, Income Tax, and Sales Tax amounting to ₹ 7,845.18 Lakhs ( ₹ 7,024.80 Lakhs) against which the Company has lodged appeal/petition before appropriate authorities.

(b) Claims against the company not acknowledged as debts amount to ₹ 836.93 Lakhs ( ₹ 710.47 Lakhs) in respect of which the Company has lodged appeals/petitions before appropriate authorities. In respect of employees/ex-employees related disputes financial effect is ascertainable on settlement; no settlement was reached during the year.

(c) Bills discounted with banks ₹ 12.67 Lakhs ( ₹ 108.85 Lakhs).

23.5 Counter guarantees given to various banks in respect of guarantees/ loans given by them amount to ₹ 12,392.90 Lakhs ( ₹ 11,961.71 Lakhs).

23.6 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for amounted to ₹ 2,050.01 Lakhs ( ₹ 1,540.13 Lakhs).

#### 23.7 Segment Reporting

Information about business and geographical segment for the year ended 31<sup>st</sup> March, 2012 in respect of reportable segments as defined by the Institute of Chartered Accountants of India in the Accounting Standard – 17 in respect of “Segment Reporting” is attached as Annexure - A.

#### 23.8 Earnings per Share

(a) Earnings per share of the company has been calculated considering the Profit after Taxation of ₹ 14,806.26 Lakhs ( ₹ 12,833.40 Lakhs) as the numerator.

(b) The weighted average number of equity shares used as denominator is 1,62,86,081 (1,62,86,081).

(c) The nominal value of shares is ₹ 1,628.61 Lakhs ( ₹ 1,628.61 Lakhs) and the earnings per share (Basic and Diluted ) for the year on the above mentioned basis comes to ₹ 90.91 ( ₹ 78.80 ).

23.9 (a) The financial statements have been prepared as per revised Schedule VI to the Companies Act, 1956.

(b) Previous year's figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures .

(c) Figures in brackets relate to previous year.

As per our report attached  
For Vidya & Co.  
Chartered Accountants  
Firm Registration No. 308022E

CA Sarad Jha  
Partner  
Membership No. 050138  
Kolkata, the 26th May , 2012

V. Sinha  
Chairman & Managing Director

M.P. Bezbaruah  
Asish K. Bhattacharyya  
VLVSS Subba Rao  
K. Subramanyan  
P.P. Sahoo

Directors

Shri Prakash  
P.K. Bora  
Abha Chaturvedi  
V. N. Sharma

Amit Ghosh  
Secretary

**CONSOLIDATED  
Information about Business Segments for the Year Ended 31st March, 2012**

Annexure - A  
₹Lakhs

	Industrial Packaging		Logistics Infrastructure & Services		Tours and Travel		Greases and Lubricants		Others		Consolidated Total	
	2011 - 12	2010 - 11	2011 - 12	2010 - 11	2011 - 12	2010 - 11	2011 - 12	2010 - 11	2011 - 12	2010 - 11	2011 - 12	2010 - 11
<b>SEGMENT REVENUE</b>												
External Revenue	76797	69741	45833	35796	92329	87398	39756	34150	12157	11209	266871	238295
Inter-Segment Revenue	1871	2062	37	36	41	44	435	123	34	32	2418	2298
Total Segment Revenue	78667	71803	45869	35833	92370	87442	40191	34273	12191	11241	269289	240593
Less : Inter-Segment Revenue											2418	2299
Add : Other Unallocable Revenue											272	413
<b>TOTAL REVENUE</b>											267143	238708
<b>SEGMENT RESULT</b>												
Profit / (Loss) before Interest & tax	6533	6212	12729	9199	2880	3549	2850	3178	(586)	278	24506	22415
Less : Interest Expense											2301	2423
Prior Period Adjustment											408	101
Other Unallocable Expenditure (net of Unallocable Revenue)											1574	1111
<b>TOTAL PROFIT BEFORE TAX</b>											20222	18779
<b>OTHER INFORMATION</b>												
Segment Assets	39327	39828	19880	17901	17037	16181	21631	17337	23262	20759	121138	112006
Other Unallocable Assets											40791	36466
Total Assets	21935	21506	13459	13194	5709	5606	9114	7810	15002	17593	161929	148472
Segment Liabilities	587	1196	1261	2346	133	101	511	343	563	1092	65218	65710
Other Unallocable Liabilities	1313	1264	474	344	66	39	338	288	1307	1234	19967	16212
Total Liabilities	-	-	-	-	-	-	-	-	-	-	85185	81922
Capital Expenditure											3056	5077
Depreciation											3497	3148
Impairment loss on Fixed Assets											-	-
Amortisation of Deferred Revenue Expenditure											-	-

**Notes :**

Information About Geographical Segments for the Year Ended 31st March 2012

1. Details of products / services included in each of the above Business Segments are given below :

Indian Operations	Overseas	Operations	Consolidated - Total
2011 - 12	2011 - 12	2010 - 11	2010 - 11
₹/Lakhs	₹/Lakhs	₹/Lakhs	₹/Lakhs
242884	24259	23050	238708
132294	29635	23317	148472
2430	625	624	5077

- Industrial Packaging - Barrels, Drums & Closures  
Logistics Infrastructure & Services - Logistics Services & Logistics Infrastructure  
Travel & Tours - Travel (Ticketing), Tours & Money Changing activities  
Greases & Lubricants - Greases, Lubricating Oils & Aviation Lubricants  
Others - Tea Blending & Packaging, Leather Chemicals, Operating Lease of Freight Containers, etc. Marine
- Segment Revenue, Expenses and Result include transfers between Business and Geographical Segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods and are eliminated in consolidation.
- Overseas operations under Geographical Segments represent Industrial Packaging activity in UAE and Greases & Lubricating Oils activity in Indonesia.

## OFFICE & PLANT LOCATIONS

### REGISTERED OFFICE

21 Netaji Subhas Road, Kolkata-700 001  
 Phone: (033) 22225218  
 Fax: (033) 22225678  
 Website: www.balmerlawrie.com

### INDUSTRIAL PACKAGING

<b>Mumbai</b>	<b>Plant &amp; SBU Office</b>	149, Jackeria Bander Road Sewree(W), Mumbai-400015 Phone: 009122-24171489 Fax: 009122-24137448
<b>New Delhi</b>	<b>Sales Office</b>	Amba Deep Building, (20th Floor) 14 Kasturba Gandhi Marg New Delhi-110 001 Phone: 009111 23738346/23325344 Fax: 009111 23328344/23316933
<b>Silvassa</b>	<b>Plant</b>	23/1/1, Khadoli, Silvassa-396 230 Phone: 0091 260 2699064/65, 3254564 Fax: 0091 260 2699046
<b>Chennai</b>	<b>Sales Office</b>	32, Sattangadu Village Thiruvottiyur - Manali Road Manali, Channai-600 068 Phone: 0091 44 25941438 Fax: 0091 44 25941157/25943653
<b>Kolkata</b>	<b>T&amp;PD</b>	Container Division P-4/1, Oil Installation Road, Kolkata-700 088 Phone: 0091 33 24393808 Fax: 0091 33 24393793
<b>Asaoti</b>	<b>Plant</b>	Village Piyala, Post Asaoti Faridabad, Haryana-121 102 Phone: 009112 92205073 Fax: 009112 92215090
<b>Baroda</b>	<b>Marketing Office</b>	G, 5-9 Stop-N-Shop Plaza, Near Afttel Tower, R. C. Dutt Road, Alkapuri, Baroda-390 007 Phone: 0091 0265-2325459 Fax: 0091 0265-2314835
<b>Chittoor</b>		62, Patnam (Village & Post) Thavanan Palli, Nandal, Chittoor (OT) Pin- 517 131 Phone: 08573-281077 Fax: 08573-281088

### GREASES & LUBRICANTS

<b>Chennai</b>	<b>Plant</b>	32, Sattangadu Village Manali, Chennai 600 068 Phone: (044) 25941551/25946500 Fax: (044) 25941436
<b>Kolkata</b>	<b>Plant &amp; SBU Office</b>	P-43, Hide Road Extension Kolkata 700 088 Phone: (033) 24395769 / 24393448 Fax: (033)24392277
<b>Silvassa</b>	<b>Plant</b>	Survey No. 201/L, Sayli Rakholi Road, Silvassa 396230 (UT of D & N.H) Phone: (0260)2680026 Fax: (0260)2641315
<b>Mumbai</b>	<b>Plant</b>	149, Jackeria Bunder Road, Sewree(W), Mumbai - 400 015 Phone: (022)21432421/22/23 Fax: (022) 24146274

<b>Kolkata</b>	<b>ARL</b>	P-43, Hide Road Extension Kolkata-700088 (W.B.) Phone: 033-24395405,24395406 Fax: 033-24395764
<b>Kolkata</b>	<b>Marketing Office</b>	P-43, Hide Road Extension Kolkata-700088 (W.B.) Phone: (033) 2439 3448/2450 5400 Fax: (033) 2439 2277/2439 2765 Email: chakrabarti.s@balmerlawrie.com
<b>Mumbai</b>	<b>Marketing Office</b>	149, Jakeria Bander Road, Sewree (w), Mumbai 400 015 Phone: (022) 24130544 Fax: (022) 2414 6274 Email: mumbaimktg@balmerlawrie.com
<b>New Delhi</b>	<b>Marketing Office</b>	Ambadeep Building, 11th Floor, 14, Kasturba Gandhi Marg, New Delhi-110 001 Phone: 011 2335 1477/0370 Fax: (011) 2376 6685 Email: mohapatra.sr@balmerlawrie.com
<b>Secund-erabad</b>	<b>Marketing Office</b>	141/2, Durga Bhavan, Rashtrapati Road Secunderabad - 500 003 Phone: (040) 2753 3936 Fax: (040) 2753 7365 Email: blglsc@vsnl.net
<b>Vadodara</b>	<b>Marketing Office</b>	G-5-9 Stop-N-Shop Plaza R. C. Dutt Road, Alkapuri, Vadodara- 390007. Phone: (0265) 2337608 / 232 7473 Fax: (0265) 2314835 Email: blglbaroda@vsnl.net
<b>Bengaluru</b>	<b>Marketing Office</b>	S-1868, 1st H Main, IInd Stage D Block, Rajajinagar, Bengaluru-560 010 Phone: (080) 23427210 Fax: (080) 2342 7210 Email: balmerol@vsnl.net
<b>Raipur</b>	<b>Marketing Office</b>	Arihant Complex, Room No.206, 2nd floor, Station Road, Raipur - 492 009 Phone & Fax: (0771) 404 4739 Email: chopra.n@balmerlawrie.com
<b>Chennai</b>	<b>Marketing Office</b>	628, Anna Salai Teynampet, Chennai-600 018 Phone: (044) 2430 2503/2504 Fax: (044) 2430 2503 Email: srinivasan.s@balmerlawrie.com
<b>Pune</b>	<b>Marketing Office</b>	16 & 17, C'Block, Shreenath Plaza Building, Fergusson College Road, Pune-411005 Phone: (020) 25514330/4331 Email: gupta.abhishek@balmerlawrie.com
<b>Jaipur</b>	<b>Marketing Office</b>	E-20 No. B-5, Triveni Complex Transport Nagar, Jaipur-302 003. Phone: (0141) 264 1146 Email: srivastava.rajan@balmerlawrie.com
<b>Indore</b>	<b>Marketing Office</b>	Flat No. 303, Block 'B' Shivnest Palace, Bhola Ram Ustad Marg, Indore-452 001. Email: ramanamurthy.v@balmerlawrie.com

## TRAVEL & TOURS

<b>Ahmedabad Branch Office</b>	2nd Floor, Suyog Complex Drive-in-Road, Ahmedabad-380 052 Phone: 27497509/27497512/55522185/55522186 Fax: (079) 27492952 Email: charan.ps@balmerlawrie.com	<b>Chandigarh Branch Office</b>	SCO - 53, First Floor, Sector - 47 C, Chandigarh -160 047 Phone: 2630752 Fax: (0172)2632368 Email: singh.tp@balmerlawrie.com blchandigarh209@gmail.com
<b>Bengaluru Branch Office</b>	01 Ground Floor, Batra Centre 27 & 27/1, Alsoor Road, Bengaluru-560 042 Phone: 25328381(D) 25321804, 25321533/ 25321534/25321655, 25321535/25581004/6/7/8 Fax: (080)25580090 Email: phatarphekar.s@balmerlawrie.com	<b>Deharadun Branch Office</b>	1st Floor, NCR Plaza, New Cantt Road, Deharadun - 248 001 Phone: 2793303/3027/3043 Fax: (0135) 2756671 Email: balmerlawrie.ddn@gmail.com
<b>Vadodara Branch Office</b>	G-5-9, Stop-N-Shop Plaza R.C.Dutt Road, Alkapuri, Vadodara-391 007 Phone: 2353775/2340196/2340514/2364267 Fax: (0265) 2314835 Email: charan.ps@balmerlawrie.com	<b>Bokaro Branch Office</b>	OLD TA Building, Room No. 14 & 15 Bokaro-827 001 Phone: 222051 Fax: (06542) 221545 Email: tvl.bokaro@balmerlawrie.com
<b>Bhubaneswar Branch Office</b>	108/B, Janpath Unit III 2nd Floor Bhubaneswar-751 001 Phone: 2536225/2536178/2536154 Fax: (0674)12536186 Email: singh.arvind@balmerlawrie.com	<b>Port Blair Branch Office</b>	7, M. G Road, Middle Point, 1st Floor, Port Blair-744101 Phone: (03192) 240045/048 Email: tvl.portblair@balmerlawrie.com
<b>Chennai Branch Office</b>	Balmer Lawrie House 628, Anna Salai, Teynampet, Chennai-600 018 Phone: 24349593/24349038/24321209/ 24349604/24349343/24338222/24349739/24321219 Fax: (044)24342579 Email: prabhakar.m@balmerlawrie.com	<b>Goa Branch Office</b>	12, Shiv Towers, 6th Floor Near Panjim Bus Station Panjim. Goa - 403 001 Phone: 2437792/93/4 Fax: (0832)2437795 Email: blgoa2011@balmerlawrie.com
<b>Hyderabad Branch Office</b>	302, Regency House 680,Somajiguda, Hyderabad-500 482 Phone: 23414553/23400642/23403067/ 23400845 Fax: (040) 23406399 Email: nair.sr@balmerlawrie.com	<b>New Delhi Branch Office</b>	Ground Floor, Scope Complex Core 8, Lodhi Road, New Delhi-11 0003 Phone: 24367702/46412227 Fax: 011-46412235/011-24361526 Email: malik.s@balmerlawrie.com
<b>Kolkata Branch Office</b>	21, Netaji Subhash Road, Kolkata-700 001 Phone: 22134786/22610586/22225211/ 22225213/ 22225216/ 22225217/ 22225225 Fax: (033) 22134618 Email: nath.sk@balmerlawrie.com	<b>LOGISTICS SERVICES</b>	
<b>Lucknow Branch Office</b>	302, 3rd Floor, Sriram Towers Ashok Marg, Near Hazrat Ganj, Lucknow-226 001 Phone: 2286189/2288361/2288362/2288363 Fax: (0522)2288364 Email: khare.m@balmerlawrie.com	<b>Kolkata Branch &amp; SBU</b>	21, Netaji Subhas Road, Kolkata-700 001 Phone: 0091 33 22134658, 22225456 Fax: 0091 33 22225282
<b>Mumbai Branch Office</b>	5 J.N. Heredia Marg Ballard Estate, Mumbai-400 038 Phone: 66361240(D) Fax: (022) 66361110 Email: grover.m@balmerlawrie.com	<b>Mumbai Branch Office</b>	101,102,103 ASCOT Centre Next to Le Meridien Hotel D. P. Road, Andheri(E), Mumbai-400 099 Phone: 0091 22 28266707/8249 Fax: 0091 22 28364311
<b>Thiruvananthapuram Branch Office</b>	TC 15/50(3) New TC 30/96, Vellayambalam Thiruvananthapuram-695 010 Phone: 2314998(D)/2315027/2314980/2314981 2315205/2315301 Fax: (0471)2315201 Email: a.ramakrishnan@balmerlawrie.com	<b>New Delhi Branch Office</b>	32-33 Kushal Bazar, (Ground Floor) Nehru Place, New Delhi-110 019 Phone: 0091 11 26467565, 26441390 Fax: 0091 11 26467383
<b>Pune Branch Office</b>	Office No. 16 & 17, C - Wing, Shrinath Plaza, 1st Floor, Dnyaneshwar Paduka Chowk, Fergusson College Road, Pune - 411 005 Phone: 25514330/31 /32/33 Fax: (020) 25514334 Email: balmerlawrie.pune@gmail.com	<b>Bengaluru Branch Office</b>	No.342 Konena Agrahara Airport Exit Road, HAL Post, Bengaluru-560 017 Phone: 0091 80 25227221/8769 Fax: 0091 80 25227231
		<b>Chennai Branch Office</b>	Balmer Lawrie House 628 Anna Salai, Teynampet, Chennai-600 018 Phone: 0091 44 24302450 Fax: 0091 44 24348066
		<b>Hyderabad Branch Office</b>	301 Regency House 680 Samajiguda, Hyderabad -500 082 Phone: 0091 40-23415272 Fax: 0091 40-23400958
		<b>Ahmedabad Branch Office</b>	Suyog Complex (2nd Floor) Near Kamala Kamdhenu Hall Drive-in-Road, Ahmedabad-380 052 Phone: 0091 79 27498971/27447185 Fax: 0091 79 27492952

# Balmer Lawrie & Co. Ltd.

<b>Kochi</b>	<b>Branch Office</b>	2nd Floor, Door No. 39/4108, Rukiya Bagh Bldg., M. G. Road Ravipuram, Kochi-682 016 Phone: 0091 484 2358024/25 Fax: 0091 484 2358026	<b>Chennai</b>	<b>PDC</b>	32, Sattangadu Village, Thiruvoltiyur Manali Road Manali, Chennai-600 068 Phone: 0091 44-2594 6600 Fax: 0091 44 2238 4034
<b>Coimbatore</b>	<b>Branch Office</b>	5/245 Thadagam Main Road Kanuvai, Coimbatore-641108 Phone: 0091 422 2405527 Fax: 0091 422 2405510	<b>Chennai</b>	<b>Tech. Service Centre</b>	70-72, Developed Industrial Estate Rajiv Gandhi Salai, Perungudi, Chennai 600 096 Phone: 0091 44 2496 0157 / 2496 7220 / 2496 7221
<b>Karur</b>	<b>Branch Office</b>	No 42,1 st Floor, Periyar Nagar CG Apartment Road, Karur-639 002 Phone: 0091 4324 232025	<b>Kanpur</b>	<b>Tech. Service Centre</b>	2A/1(A), Jajmau, Opp. All Badar Mosque Near Supreme Petroleum Kanpur208010, U.P Phone: 099350 61087
<b>Lucknow</b>	<b>Branch Office</b>	302 Shriram Tower, 13 Ashok Marg, Lucknow-226 001 Phone: 0091 522 2288361-3 Fax: 0091 522 2288364	<b>Ranipet</b>	<b>Tech. Service Centre</b>	NO.18, 2nd Floor, Othawadai Street Navalpur, Ranipet-632 402, Vellore District Phone: 0091 41 72273408
<b>Pune</b>	<b>Branch Office</b>	10, Aditya Shagun Mall, Bavadhan Khurd NDA-Pashan Road, Pune-411 021 Phone/Fax: 0091 20 54731573	<b>Kolkala</b>	<b>Tech. Service Centre</b>	Zone-1, Plot no. 63A (near CETP) Calcutta Leather Complex 24 Prgs (South) West Bengal-743502 Phone: 0091 09903009703/09727
<b>Thiruvananthapuram</b>	<b>Branch Office</b>	TC 34/1307 (2) Motherland Buildings Airport-Valiyathura Road Thiruvananthapuram-695 008 Phone: 0091 471 2503713, 2506483 Fax: 0091 471 2503694	<b>Ambur</b>	<b>Tech. Service Centre</b>	C/o, Zubaida Tanning Industries No. 4/172, Gudiyatham Road Thuthipet, Ambur-635 802 Phone: 0091 4174 244468
<b>Tuticorin</b>	<b>Branch Office</b>	4B/A-28, 1st Floor, Mangal Mall Mani Nagar, Palayamkotai Road Tuticorin-628 003 Phone: 0091 461 2320803 Fax: 0091 461 2322887	<b>Vaniyambadi</b>	<b>TSC</b>	1/188, Cutchery Road, Extension Valayampattu Village Vaniyambadi-635 751, Vellore District Phone: 0091 4174 233006
<b>Visakhapatnam</b>	<b>Branch Office</b>	Flat No. 28-21-1 (S-1), II Floor Classic Complex Prakashrao Pet, Dabagardens, Visakhapatnam-530 029 Phone: 0091 891 2564922,7693	<b>TEA Kolkata</b>	<b>Plant &amp; SBU Office</b>	P-43 Hide Road Extension Kolkata-700 088 Phone: 033 24505553/24396071/24505551 Fax: 033 24392704 Email: ccutea@balmenlawrie.com
<b>Gwalior</b>	<b>Branch Office</b>	FL-163 Deen Dayal Nagar Gwalior (MP) Phone: (M) 096304 37077	<b>Kolkata</b>	<b>Sales Outlet</b>	21, Netaji Subhas Road, Kolkata-700 001 Phone: 0091 33 22225229
<b>Mangalore</b>	<b>Branch Office</b>	C-1, 1st floor, Ramabhavan Complex Kodialbail, Mangalore 575 012, Karnataka Phone: 0824 2411868	<b>LOGISTICS INFRASTRUCTURE</b>		
<b>Bhubaneswar</b>	<b>Branch Office</b>	108/B, Janpath, Unit No-III, 2nd floor Bhubaneswar-75 1001 Phone: 0674-2536225, 2536178. Fax: 0674-2536186	<b>Kolkata</b>	<b>SBU Office</b>	21 Netaji Subhas Road, Kolkata-700 001 Phone: 033 2222 5735 Fax: 033 2222 5353
<b>Ludhiana</b>	<b>Branch Office</b>	C-148 CFS Road, Phase-5, Focal Point, Ludhiana- 141 010, Punjab. Phone: 098184 03535	<b>Kolkata</b>	<b>CFS &amp; W&amp;D</b>	P-3/1 Transport Depot Road Kolkata-700 088 Phone: 0091 33 2450 6818 Fax: 0091 33 2449 8355
<b>Goa</b>	<b>Branch Office</b>	Shop. No: 5, Ground Floor, Dr. Ozler Forum, Next to Roy petrol Pump Vasco Da Gama Goa-403 802 Phone: 00 91 832 2500282 / 280 / 284.	<b>Mumbai</b>	<b>CFS</b>	Plot no. 1, Sector 7, Dronagiri Node Opp JNPT.Navi, Mumbai-400 707 Phone: 0091 22 2747 1042 Fax: 0091 22 2747 2943
<b>PREFORMANCE CHEMICAL</b>			<b>Chennai</b>	<b>CFS</b>	32, Sattangadu Village, Thiruvoltiyur Manali Road, Manali, Chennai-600 068 Phone: 0091 44 2594 2751 Fax: 0091 44 2594 1863
<b>Chennai</b>	<b>Plant &amp; SBU Office</b>	32, Sattangadu Village, Thiruvottiyur Manali Road, Manali, Chennai-600 068 Phone: 0091 44-25941547 Fax: 0091 44-25945006	<b>Coimbatore</b>	<b>W&amp;D</b>	Warehousing and Distribution 5/245 Thadagam Main Road, Kanuvai Coimbatore-641 108 Phone: 0091 422 2400342
<b>Delhi</b>	<b>Sales Office</b>	Kanchan Jangha Apartment 18A, F Block, Sector 53, Noida-201 301, UP. Phone: 0091 1202586755	<b>REFINERY &amp; OILFIELD SERVICES</b>		
			<b>Kolkata</b>	<b>SBU Office</b>	21 Nelaji Subhas Road, Kolkata-700 001 Phone: 0091 33 2222 5610/2213 4674 Fax: 0091 33 5444/5333



