



Annual Report 2008 - 09

**Balmer Lawrie Investments Ltd.**

(A Government of India Enterprise)

# Balmer Lawrie Investments Ltd.

(A Government of India Enterprise)

**Board of Directors** : Shri P. Kalyanasundaram, *Chairman*  
Shri Debjyoti Das  
Smt. Anita Chauhan

**Audit Committee** : Shri Debjyoti Das, *Chairman*  
Shri P. Kalyanasundaram  
Smt. Anita Chauhan

**Investors' Grievance Committee** : Smt. Anita Chauhan, *Chairman*  
Shri P. Kalyanasundaram  
Shri Debjyoti Das

**Company Secretary** : Shri P. K. Ghosh

**Banker** : State Bank of India

**Auditors** : Messrs J. Gupta & Co.,  
*Chartered Accountants*

**Internal Auditors** : Messrs Prasanta Ghosh & Co.  
*Chartered Accountants*

**Registrar & Share Transfer Agent** : C B Management Services (P) Ltd.

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

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**NOTICE  
To the Members**

**NOTICE** is hereby given that the 8th Annual General Meeting of the Members of Balmer Lawrie Investments Ltd., will be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019 on Thursday 24th September, 2009 at 2.30 p.m. to transact the following:-

**ORDINARY BUSINESS**

1. To consider and adopt the audited Profit & Loss Account for the financial year ended 31st March 2009 and the Balance Sheet as at that date along with the Report of the Directors, Auditors and the comments of the Comptroller & Auditor General of India, thereon;
2. To declare dividend out of the profits for the financial year ended 31st March 2009;
3. 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 under Section 619 of the Act, by the Comptroller and Auditor General of India, including the cost of reimbursement of out-of-pocket expenses incurred in connection with the audit of Annual Accounts of the Company for the financial year 2008-09, by the said Auditors.”

**SPECIAL BUSINESS**

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

**4. As an Ordinary Resolution**

“RESOLVED THAT Shri P. Kalyanasundaram, be and is hereby appointed a Director of the Company, whose office shall be subject to retirement by rotation.”

**5. As an Ordinary Resolution**

“RESOLVED THAT Shri Debjyoti Das, be and is hereby appointed a Director of the Company, whose office shall be subject to retirement by rotation.”

**6. As an Ordinary Resolution**

“RESOLVED THAT Smt. Anita Chauhan, be and is hereby appointed a Director of the Company, whose office shall be subject to retirement by rotation.”

Registered Office :  
21, Netaji Subhas Road,  
Kolkata - 700 001.  
Date : 24th August 2009

By Order of the Board

P. K. Ghosh  
Company Secretary

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, 21, Netaji Subhas Road, Kolkata – 700 001, not less than 48 hours before the commencement of the ensuing 8th Annual General Meeting ('AGM'), i.e., by 2.30 p.m. on 22nd September 2009.
3. Corporate members are requested to send a certified copy of their Board resolution under Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the ensuing AGM.
4. The Board of Directors at its meeting held on 25th June 2009, had recommended a dividend of 64% on the paid-up equity share capital of the Company. It is now placed before the members for the purpose of declaration at the ensuing 8th Annual General Meeting. If declared, then dividend will be paid to the shareholders on or around 5th October 2009.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 17th September 2009 to Thursday, 24th September 2009 (both days inclusive).
6. Pursuant to Section 205C of the Companies Act, 1956, the dividend amount which remains unpaid/unclaimed for a period of seven years, are required to be transferred to Investors' Education & Protection Fund. After such transfer, there remains no claim of the shareholders, whatsoever on the said amount. Information on due dates of transfer of the unpaid/unclaimed dividend amount to the Investors' Education & Protection Fund, is provided in the Corporate Governance Report. Shareholders are therefore requested to take steps to en-cash their un-claimed dividend before the due dates of such transfer.
7. Since all the Directors are additional on the Board and will hold office till the date of the ensuing 8th Annual General Meeting, therefore none of the Directors are subject to retirement by rotation at this meeting.
8. 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 but the remuneration, shall be fixed by the Company in the General Meeting. Thus item no.3, under the Ordinary Business has been inserted as an Ordinary Resolution.
9. Explanatory Statement under Section 173(2) of the Companies Act, 1956, relating to Special business is annexed and marked as **Annexure 'A'**.
10. In terms of Clause 49 of the listing agreement with the Stock Exchanges, information of the Additional Directors, namely, Shri P. Kalyanasundaram, Shri Debjyoti Das & Smt. Anita Chauhan who all were already proposed by a member to be appointed as Directors, retiring by rotation, and covered under Item no. 4, 5 & 6, of the Notice are annexed and marked as **Annexure 'B'**.
11. Members are requested to:
  - i. Notify on or before 17th September 2009 the following to C B Management Services (P) Ltd. ('RSTA'), at P-22, Bondel Road, Kolkata – 700 019
    - a. Change of address (including pin code), mandate, etc. with requisite documentary proof; &
    - b. Bank account number, name and address of the bank.
  - ii. Quote the ledger Folio or client ID and DP ID numbers in all their communications addressed either to the Company/ or to the RSTA
  - iii. Bring their copies of Annual Report and show Attendance Slip/Entry Pass at the entrance of the venue of the Meeting. Annual report shall not be distributed at the venue of the Meeting.
  - iv. Submit their Electronic Clearing System ('ECS') mandates, to enable the Company to pay dividend through ECS. Members holding shares in physical form are requested to send their ECS mandates to C B Management Services (P) Ltd. on or before 16th September 2009. Those holding shares in electronic form are requested to send their ECS mandates directly to their Depository Participant ('DP'). Those who have already furnished their ECS Mandates with complete details are not required to furnish unless there is a change in bank details.

**EXPLANATORY STATEMENT****Under Section 173 (2) of the Companies Act, 1956 ('the Act')****Annexure - 'A'****Item no. 4**

Shri P. Kalyanasundaram, a law graduate and Masters in Geology, Economics and Business Administration and a Ph.d. in International business, is in the Services of the Government of India with the Ministry of Petroleum & Natural Gas. Pursuant to the recommendation of the Ministry of Petroleum & Natural Gas, Govt. of India, Shri Kalyanasundaram was appointed an Additional Director with effect from 13th October 2008, as a nominee of the Government of India.

Pursuant to Section 260 of the Act, and Article 97 of the Articles of Association of the Company, Shri Kalyanasundaram shall hold office only up to the date of the ensuing 8th Annual General Meeting.

The Company has received a Notice under Section 257 of the Act, from a member, proposing the appointment of Shri Kalyanasundaram, as Director of the Company, whose office shall be subject to retirement by rotation.

Letter dated 13th October 2008, received from the Ministry of Petroleum & Natural Gas, Government of India on appointment of Shri Kalyanasundaram and the Articles of Association of the Company, are open for inspection at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Board of Directors recommend passing of this Ordinary Resolution.

Except, Shri Kalyanasundaram, none other Directors of your Company are interested or concerned in this proposed Ordinary Resolution.

**Item no. 5**

Shri Debjyoti Das is a Master in Science and a graduate in law. Shri Das is in the services of the Government of India. Pursuant, to the recommendation of the Ministry of Petroleum & Natural Gas, Govt. of India, Shri Das was appointed as Additional Director with effect from 13th April 2009.

Pursuant to Section 260 of the Act, and Article 97 of the Articles of Association of the Company, Shri Das shall hold office only up to the date of the ensuing 8th Annual General Meeting.

The Company has received a Notice under Section 257 of the Act, proposing the appointment of Shri Das, as Director of the Company, whose office shall be subject to retirement by rotation.

Letter dated 13th April 2009, received from the Ministry of Petroleum & Natural Gas, Government of India, on appointment of Shri Das and the Articles of Association of the Company, are open for inspection at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Board of Directors recommend passing of this Ordinary Resolution.

Except, Shri Das, none other Directors of your Company are interested or concerned in this proposed Ordinary Resolution.

**Item no. 6**

Smt. Anita Chauhan is a Bachelor in Arts and a graduate in law. She is in the services of Govt. of India since 1984. She had worked in the Department of Revenue of the Ministry of Finance, Ministry of Heavy Industries and Public Enterprise and in the Ministry of Human Resource Development. She is presently with the Department of Disinvestment, Ministry of Finance. Pursuant, to the recommendation of the Ministry of Petroleum & Natural Gas, Govt. of India, she was appointed as Additional Director with effect from 13th April 2009.

Pursuant to Section 260 of the Act, and Article 97 of the Articles of Association of the Company, Smt. Chauhan shall hold office only up to the date of the ensuing 8th Annual General Meeting.

The Company has received a Notice under Section 257 of the Act, proposing the appointment of Smt. Chauhan, as Director of the Company, whose office shall be subject to retirement by rotation.

Letter dated 13th April 2009, received from the Ministry of Petroleum & Natural Gas, Government of India on appointment of Smt. Chauhan and the Articles of Association of the Company, are open for inspection at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Board of Directors recommend passing of this Ordinary Resolution.

Except, Smt. Chauhan, none other Directors of your Company are interested or concerned in this proposed Ordinary Resolution.

**Brief Profile of the Directors proposed to be appointed at the 8th Annual General Meeting scheduled on 24th September 2009****Annexure - 'B'**

<b>Name of the Director</b>	Shri P. Kalyanasundaram	Shri Debjyoti Das	Smt. Anita Chauhan
<b>Date of Birth</b>	25th December 1954	19th November 1966	21st June 1959
<b>Date of Appointment</b>	13th October 2008	13th April 2009	13th April 2009
<b>Qualification</b>	M. Sc. (Geology), LL.B., M.B.A., M. Phil. (Commerce), M.A. (Eco.), M. Phil. (Social Sc.), Master's Diploma in Public Admn. (Ph. D) International Business	B.Sc, M.Sc., LL.B.	B.A., LL.B
<b>Expertise in specific functional area</b>	Administration, Management and Research.	Finance, Accounts and Law	Elementary Education and Administration.

## DIRECTORS' REPORT

### Dear Members,

Your Directors have the pleasure in presenting their 8th Annual Report together with the audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March 2009.

### World Economy vis-à-vis Indian Economy

#### World Economy

There is an overall slowdown in the world economy. If, we analyze the growth for the last three years, since 2007, it will be observed that growth in world economy is on the decline. In the year 2007, the world economy grew by 5.2% powered by growth in China (11%), India (9%) and Russia (8%). In the year 2008, the growth of world economy declined to the level of 4.8%. Private consumption in the USA has lacked momentum. The real estate sector worldwide has faced severe crisis. In the global economy, volatile oil prices, fluctuating financial markets and continued inflation were the major threats to economic growth in 2008. China and India are the major two countries, which have made maximum contribution to the growth of the world economy. The performance of the developing countries was a key factor in the world economy. In December 2008, the World Bank projected slight global growth of 0.9 per cent. Just 3 months later, i.e., on 31st March 2009, they had revised that figure down to a 1.7 per cent decline. Others say it could be a 2 per cent plus decline. This is a massive change at a global level, and would represent the first drop in global economic growth since the end of World War II. World trade is expected to drop a massive 6.1 per cent this year, again unheard of in the post-war economy. Governments and central bankers have taken drastic measures to try to counteract the sudden slump, but those measures will help only partially in developed nations, which still have trillions of dollars of de-leveraging to complete. Developing nations are in a somewhat better position. China's stimulus package is already having some impact, and growth will continue in China and across the BRIC countries, although at a slower rate than previous years. Unemployment is on the rise. USA is likely to pass the 10 per cent unemployment rate this year, together with many European countries. Though it was predicted that the world economy will come out of the recession by the end of 2009 but the chances are very bleak and practically impossible.

#### Indian Economy

The economy of India is as diverse as it is large, with a number of major sectors including manufacturing industries, agriculture, textiles and handicrafts, and services. Agriculture is a major component of the Indian economy, as over 66% of the Indian population earns its livelihood from this area.

However, the service sector is greatly expanding and has started to assume an increasingly important role. India has become a hub of outsourcing activities for some of the major economies of the world including the United Kingdom and the United States. Outsourcing to India has been primarily in the areas of technical support and customer services.

Ranked by the exchange rate of the United States Dollar, the Indian economy is the twelfth largest in the world.

Over the years the Indian government has taken an economic approach

that has been influenced, in part, by the Socialist movements. The Indian national government has maintained a high and authoritative level of control over certain areas of the Indian economy like the participation of the private sector, foreign direct investment, and foreign trade. World recession had a low impact on Indian economy, except in the areas of information technology and export oriented industry/services.

### Company Performance

The activity of your Company is limited to the extent of holding only the equity shares of its subsidiary, Balmer Lawrie & Co. Ltd., transferred from IBP Co. Ltd. The performance of your company is greatly dependent upon the performance of BL and the amount of dividend declared by the latter. Due to consistent rise in performance of BL, coupled with rise in the amount of dividend declared by BL, your company was able to maintain an outstanding growth. This is evident from the rise in payment of dividend, from a meager 3% (2002-03) to the current recommended dividend of 64% for the financial year 2008-09.

Financial performance of your Company for the year under review, 2008-09, as compared to the immediately preceding year, i.e., 2007-08, is enumerated below:

#### Financial Results

	(Rs. in lakh)	
	Year ended 31st March	
	2009	2008
Surplus for the year before		
Finance charge, depreciation & tax	<b>1848.94</b>	1424.86
Deduct there-from :		
Finance charge & depreciation	—	—
Provision for Taxation	<b>52.77</b>	28.10
Net Profit	<b>1796.17</b>	1396.76
Add/transfer from :		
Profit & Loss Account brought forward	<b>99.74</b>	94.40
Amount available for Appropriation	<b>1895.91</b>	1491.15
Appropriations :		
Interim Dividend (Previous year @30%, i.e., Rs. 3.00 per Equity Share of Rs. 10/- each fully paid-up)	—	665.92
Proposed Final Dividend @ Rs. 6.40 (Rupee Six and paise forty only) per Equity Share of Rs. 10/- each fully paid-up	<b>1420.62</b>	332.96
[Previous year Dividend @ Rs. 1.50 (Rupee One and paise fifty only) per Equity share of Rs. 10/- each fully paid-up, was declared]		
Corporate Tax on Dividend	—	113.17
Transfer to Reserve Fund	<b>359.24</b>	279.36
Surplus carried forward to the next year	<b>116.05</b>	99.74

## **Dividend**

Your Directors are now pleased to recommend, for declaration, a dividend of Rs.6.40 (Rupees Six and paise forty only) per Equity share of Rs.10/- each fully paid-up, i.e., 64%, for the financial year ended 31st March 2009, as against total dividend of Rs.4.50 (Rupees Four and paise fifty only) per Equity share of Rs. 10/- each, fully paid-up, for the previous financial year ended 31st March 2008.

If, the recommended dividend of 64% is declared at the forthcoming Annual General Meeting, then the dividend will be paid to those who are members of the Company as on the date of the commencement of the Book Closing period i.e., on 17th September 2009. In respect of shares held electronically, dividend will be paid to the beneficial owners as per details furnished by the Depositories, i.e., Central Depository Services (India) Ltd. and National Securities Depository Ltd.

## **Deposits with Banks**

Your Company though being a Non-banking Financial Company under Section 45-I(f) of the Reserve Bank of India Act, 1934, was exempted by the Reserve Bank of India from compliance of provisions of compulsory registration and requirement of minimum net owned funds. The Reserve Bank of India, while granting such exemption has prohibited your Company in carrying out any sort of non-banking business. Dividend received from Balmer Lawrie & Co. Ltd., is the only major income of your Company. Estimated surplus funds have been deployed in the Term/Fixed Deposit Schemes of the Banks. As of 31st March 2009, the total amount of deployment in the Term/Fixed Deposit Schemes of the Banks stood at Rs. 2510.00 lacs, which in turn has yielded interest income to the tune of Rs. 178.14 lakhs.

## **Management Discussion and Analysis Report**

Your Company is not engaged in any business activity other than holding of 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.

It is understood that BL has obtained exemption from the Ministry of Company Affairs from attachment of Annual Accounts and Reports of its foreign subsidiary along with its joint venture companies. Further it is understood that BL is presenting the annual accounts of its subsidiary, BLUK, in Indian currency and has consolidated its financial statement with that of the above-referred foreign subsidiary company.

Your Company in terms of Section 212(1) of the Act has attached a copy of the Report and Accounts of BL. Further your Company has furnished the Annual Accounts of BLUK in the manner as was dealt in the Annual Report of BL.

In respect of any further information about the foreign subsidiary company, BLUK, we will cater to the request, if requisitioned by our members.

## **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 disclosures about the above matters, are not applicable to your Company.

## **Particulars of Employees**

Your Company has no employee in respect of whom the statement under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is applicable.

## **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 31st March 2009 and confirm that:

- (i) in the preparation of the accounts for the financial year ended 31st March 2009, 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 ended 31st March 2009 and of the profits 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;
- (iv) that the Directors have prepared the Accounts for the financial year ended 31st March 2009, on a 'Going Concern basis'.

## **Consolidated Financial Statement**

The Equity shareholding of your Company in its subsidiary, Balmer Lawrie & Co. Ltd. ('BL'), is intended to be temporary in nature. Therefore the Consolidated Financial Statement of your Company with BL and group companies of BL (i.e., BL's subsidiaries and joint venture Companies) has not been drawn in terms of paragraph 11(a) of the Accounting Standard-21, issued by the Institute of Chartered Accountants of India ('ICAI').

In terms of the Accounting Standards 21 and 27 issued by ICAI read with Clause 32 of the Listing Agreement with the Stock Exchanges, BL has consolidated its financial statement with that of its subsidiary and joint venture companies, which was duly audited by their Statutory Auditors.

In order to provide an insight about the group's financial performance, such Consolidated Financial Statement of BL along with the Report of the Auditors, is annexed hereto.

## Balmer Lawrie Investments Ltd.

### Corporate Governance

Your Company's Equity Shares is listed with the Stock Exchanges, since the year-end 2002 & early 2003. Your Company is consistently abiding with the various regulations of the Stock Exchanges, including the regulations on Corporate Governance, as provided under Clause 49 of the Listing Agreement. A separate section titled 'Corporate Governance Report' is being furnished in **Annexure I**.

In terms of Clause 49 of the Listing Agreement, the Statutory Auditors have examined the compliance of Corporate Governance guidelines and issued a certificate, which is annexed to this Report and marked as **Annexure II**.

Your Company had already registered its Administrative Ministry, MOP & NG for induction of adequate number of independent Directors.

It is understood that MOP & NG has already initiated the process of the said inductions of independent Directors on the Board & Audit Committee of your Company.

### Directors

Shri P. Kalyanasundaram, a nominee of the Govt. of India was appointed in the capacity of Additional Director with effect from 13th October 2008 and subsequently designated as the Chairman of the Board with effect from 27th October 2008.

Shri Debjyoti Das and Smt. Anita Chauhan, both, were appointed in the capacity of Additional Directors with effect from 13th April 2009 and are nominees of the Govt. of India.

Shri Kalyanasundaram, Shri Das & Smt. Chauhan, all three, will hold their office till the ensuing 8th Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956, has been received from a member proposing their candidatures as Directors, whose office shall be subject to retirement by rotation. Therefore their appointments has been included under 'Special business' of the Notice convening the ensuing 8th Annual General Meeting of your Company.

Shri Atul Kaushik, a Govt. nominated non-executive director, resigned with effect from 13th October 2008.

Shri S. K. Bandyopadhyay, the erstwhile Non-executive Chairman, who was serving the Board since 20th December 2001 as Govt. nominee, resigned with effect from 27th October 2008.

The tenure of Dr. S. Banerjee & Shri C.C. Unnikrishnan, the two independent directors, terminated with effect from 28th December 2008.

Shri Suchindra Misra, a Govt. nominated Non-executive director resigned with effect from 13th April 2009.

Your Directors take this opportunity to appreciate the valuable services rendered by Shri Kaushik, Shri Bandyopadhyay, Dr. Banerjee, Shri Unnikrishnan and Shri Misra, during their respective tenures.

### Auditors

Your Company pursuant to Section 617 of the Companies Act, 1956, falls under the ambit of 'Government Company' and the Comptroller & Auditor General of India ('CAG'), has the power to appoint its Statutory Auditors.

Though such appointment is made by CAG, but in terms of Sections 224(8) (aa) and 619 of the Companies Act, 1956, the privilege of determining/fixing remuneration of the Statutory Auditors of a Government Company vests with the members.

Thus this item has been included under Ordinary Business in the Notice convening the 8th Annual General Meeting of your Company.

The amount of remuneration payable to the Statutory Auditors of your Company is commensurate with the volume of work involved in conducting audit of Annual Accounts for the financial year 2009-10, which cannot be quantified at this stage. Therefore the members are requested to authorize the Board of Directors to determine/fix the remuneration payable to the Statutory Auditors. The members may kindly note that in respect of the financial year 2008-09, the Board had fixed Rs. 15,000/-, as remuneration, which is exclusive of applicable service tax and other re-imburements.

Your Company have already received a letter dated 12th August 2009 from the Office of the CAG, thereby re-appointing Messrs. J. Gupta & Co. Chartered Accountants, in the capacity of Statutory Auditors, with immediate effect.

### Reports of the Auditors

You may appreciate that Report of the Statutory Auditors on Annual Accounts of your Company for financial year ended 31st March 2009, does not have any reservation, qualification or adverse remark.

CAG after their audit has furnished their report, which also does not have any reservation, qualification or adverse remark.

Reports of the Statutory Auditors and CAG, are annexed hereto.

### Appreciation

Your Directors wish to place on record their appreciation for the continued guidance and support extended by the Ministry of Petroleum & Natural Gas & the Department of Disinvestment of the Ministry of Finance and other Ministries. Your Directors also acknowledge the valuable support and services provided by Balmer Lawrie & Co. Ltd. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

On behalf of the Board

P. Kalyanasundaram, *Chairman*  
Debjyoti Das  
Anita Chauhan  
*Directors*

Registered Office :  
21, Netaji Subhas Road  
Kolkata - 700 001.  
Date : 24th August 2009



## REPORT on Corporate Governance

Annexure - 'I'

### What is Corporate Governance?

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships between various stakeholders and the goal for which the corporation is governed. The principal stakeholders are the shareholders, management and the Board of Directors. Other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, the environment and the community at large.

### What is Good Corporate Governance?

Good Corporate Governance is characterized by a firm commitment and adoption of ethical practices by an organization across its entire value chain and in all of its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders (including the minority shareholders) in both good and bad times. To achieve this, checks and practices need to be wholeheartedly embraced.

Key elements of Good Corporate Governance principles, includes –

- (i) Honesty;
- (ii) Trust and integrity;
- (iii) Openness;
- (iv) Performance orientation;
- (v) Responsibility and accountability;
- (vi) Mutual respect; and
- (vii) Commitment to the organization.

Good corporate Governance helps an organization to achieve several objectives and some of the more important ones includes:—

- (a) Developing appropriate strategies to achieve stakeholders objectives;
- (b) Attracting, motivating and retaining talents;
- (c) Creating a secure and prosperous operating environment and improving operational performance; &
- (d) Managing and mitigating risk, thereby protecting and enhancing company's reputation.

In India, the Code of Corporate Governance was based on Codes formulated by CII in April 1998, followed by the recommendations of Kumar Mangalam Birla Committee. Clause 49 of the Listing Agreement with the Stock Exchanges provides the Code of Corporate Governance, which is applicable for all listed Indian Companies.

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 consistent growth in the area of interest income from its bank deposits.

The framework of your Company's Corporate Governance policy is based on the following principles:

- Constitution of a Board of Directors of appropriate composition, size, varied expertise and commitment to discharge their responsibilities and duties.

- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- A sound system of internal control.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Compliance with applicable Rules and Regulations.
- Fair and equitable treatment of 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

Provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement of the Stock Exchanges and the Articles of Association of your Company, govern the composition of the Board.

All the Directors on the Board are non-executive, including the Chairman and all are nominees of the promoter, i.e., Government of India.

As of 30th June 2009, the Board comprised of the following three Directors:

- a. Shri P. Kalyanasundaram
- b. Shri Debjyoti Das
- c. Smt. Anita Chauhan

During the period under review the composition of Board underwent changes. The tenure of the two independent directors, namely, Dr. S. Banerjee and Shri C.C. Unnikrishnan terminated in December 2008 and steps have been taken to fill-up the vacancies. Further three directors, namely Shri Atul Kaushik, Shri S. K. Bandyopadhyay and Shri Suchindra Misra resigned from the Board, which were filled up, by induction of three new set of directors Shri P. Kalyanasundaram, Shri Debjyoti Das & Smt. Anita Chauhan.

#### Equity shareholding

Your Company does not have the criterion of holding qualification shares by its Directors. At the time of formation of the Company, to meet the requirement of minimum number of shareholders, a small part of the Government shareholding to the tune of sixty equity shares were allotted to six individuals (officers of the Government department) as nominees to the Government of India. At present, out of three, none of the Directors hold Equity shares in your Company.

## Balmer Lawrie Investments Ltd.

### Remuneration Policy

All the Directors of your Company are nominees of the Government of India and none of them receive any remuneration including sitting

fees for attending the meetings of the Board or any Board Sub-Committees.

### Other Directorship & Committee positions

Name of the Directors	Directorship in companies other than your Company	Board positions held	Board Sub-Committee position held
Shri P. Kalyanasundaram	Nil	N.A.	N.A.
Shri Debjyoti Das	Nil	N.A.	N.A.
Smt. Anita Chauhan	Nil	N.A.	N.A.

Meetings & Attendance of the Directors at the Board Meetings and Shareholders Meeting held between 1st April 2008 till 30th 2009.

In terms of Corporate Governance Guidelines, the Board met more than the statutory minimum of four times in a year. The Board met six times during the period of reporting covering from 1st April 2008 till 30th June 2009,

(i) Dates of the Board Meetings, Board strength and no. of Directors present in each meetings, are given hereunder

Sl No	Date	Board Strength	No. of Directors Present
1	27th July 2008	5	4
2	30th July 2008	5	2
3	25th September 2008	5	3
4	27th October 2008	5	5
5	28th January 2009	2	2
6	25th June 2009	3	3

(ii) Attendance of the Directors at the Board and Shareholders' meetings, are given hereunder

Name of the Directors	Board Meetings						Annual General Meeting
	25th June 2009	28th January 2009	27th October 2008	25th September 2008	30th July 2008	27th June 2008	26 September 2008
Shri S.K. Bandyopadhyay*	N.A	N.A	Yes	Yes	Yes	Yes	Yes
Shri Suchindra Misra **	N.A	Yes	Yes	No	No	Yes	Yes
Shri Atul Kaushik ***	N.A	N.A	N.A	No	No	No	No
Dr. S. Banerjee ****	N.A	N.A	Yes	Yes	Yes	Yes	Yes
Shri C.C. Unnikrishnan ****	N.A	N.A	Yes	Yes	No	Yes	Yes
Shri P. Kalyanasundaram *****	Yes	Yes	Yes	N.A	N.A	N.A	N.A
Shri Debjyoti Das *****	Yes	N.A	N.A	N.A	N.A	N.A	N.A
Smt. Anita Chauhan *****	Yes	N.A	N.A	N.A	N.A	N.A	N.A

\* Resigned w.e.f. 27th October 2008; \*\* Resigned w.e.f. 13th April 2009; \*\*\* Resigned w.e.f. 13th October 2008; \*\*\*\* Tenure ended w.e.f. 28th December 2008; \*\*\*\*\* Inducted w.e.f. 13th October 2008 & \*\*\*\*\* Inducted w.e.f. 13th April 2009

### Information placed before the Board

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

The items, which are normally placed before the Board –

1. Financial Statements, whether quarterly or annual;
2. Statutory Audit Report;
3. Internal Audit Report;

4. Secretarial Audit Report;
5. Comments of the Comptroller & Auditor General of India
6. Status of legal compliance;
7. Terms of reference of the Board Sub-Committees;
8. Recommendations of the Board Sub-Committees, if any;
9. Policy and Procedure pertaining to deployment of surplus funds and its subsequent amendments;

Effective post meeting follow-up takes place backed by review and reporting process of the action taken/pending.

*Compliance of Code of Conduct by the Board members and Senior Management*

The Board laid down the Code of Conduct for the Directors and Senior Management of your Company on 22nd December 2005. On compliance of the referred Code of Conduct during the 12 months period ended 31st March 2009, all the Directors and the Company Secretary (being the only members in the Senior Management team) of your Company has given their individual declaration to the Board. Since the Company does not have any Chief Executive Officer, the Chairman, Shri P. Kalyanasundaram, to that effect has given a composite declaration, which is being furnished in the **Annexure 'X'**, to this Report.

**Board Sub-Committees**

Your Company has three Board Sub-Committees, namely, Audit, Investors' Grievance and Committee for Share transfer, transmission, etc. The Board determined the terms and reference of all the three Board Sub-Committees at the time of their formation. Thereafter no alteration took place in any of the terms and references. Matters requiring attention/approval of the Board were placed in the form of Recommendation/Note, signed by all the Committee members, present at the concerned meeting.

*The Role and the Composition of these Committees including the number of Meetings held and the related Attendances are produced below:*

**Audit Committee**

The Board constituted the Audit Committee on 23rd September 2002 with terms of reference covering most of the aspects stipulated by SEBI. The terms of reference also fully comply with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(IIA) of the Listing Agreement with the Stock Exchanges.

The Role of the Committee includes the following:

- a. Overseeing the Company's financial reporting process;
- b. Adequacy and correctness of the disclosure made in the financial statements;
- c. Recommendation of statutory audit fee payable to the statutory Auditors;
- d. Fixation of other fees payable to the Statutory Auditors;
- e. Recommendation on appointment and removal of the Internal Auditors;
- f. Recommendation of fee payable to the Internal Auditors;
- g. Reviewing the financial statement before submission to the Board, with their recommendation;
- h. Reviewing the internal control system;
- i. Reviewing the adequacy of the internal audit function;
- j. Reviewing the internal audit reports;
- k. Considering other matters as may be required by the Board &
- l. Such other role as may be covered under the listing agreement of the Stock Exchanges

*Composition*

Consequent upon resignation of old directors and induction of new directors, the composition of the Audit Committee underwent changes during the period under review.

Presently, the Committee consists of 3 Board members. All the Members including the Chairman of the Committee are Non-Executive Government Nominees.

As of 30th June 2009, the composition of the Committee is given hereunder: -

Name of the Members	Position held
Shri Debjyoti Das	Chairman
Shri P. Kalyanasundaram	Member
Smt. Anita Chauhan	Member

All the members of the Audit Committee are financially literate and have expertise in finance and general management matters. Shri Debjyoti Das, the Chairman of the Audit Committee, is a Master in Science and an LL. B. He is an expert in the areas of Finance, Accounts and Law. Shri P. Kalyanasundaram, member of the Audit Committee is an LL. B, Masters of Science (Geology), Business Administration, Philosophy (Commerce, Social Science), Arts (Economic), Diploma in Public Administration and Ph. D in International Business. Shri Kalyanasundaram has gained expertise in areas of Administration, Management and Research. Smt. Anita Chauhan, member of the Audit Committee is a Bachelor of Arts and an LL.B. She has served Government of India for several years and has gained expertise in the areas of Human Resource Development (Elementary Education) and Administration. 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 period from 1st April 2008 till 30th June 2009.

(i) *Dates of the Committee meetings, Committee strength and no. of members present in each meetings are given hereunder*

Sl No	Date	Committee Strength	No. of Members' Present
1	27th June 2008	3	3
2	30th July 2008	3	2
3	27th October 2008	3	3
4	25th June 2009	3	3

(ii) *Attendance of the Committee members at the Meetings held during 1st April 2008 to 30th June 2009, are produced below*

Name of the Committee Members	Audit Committee Meetings			
	25 June 2009	27th October 2008	30th July 2008	27th June 2008
Dr. S. Banerjee *	N.A	Yes	Yes	Yes
Shri C.C. Unnikrishnan *	N.A	Yes	No	Yes
Shri Suchindra Misra **	N.A	Yes	Yes	Yes
Shri Debjyoti Das***	Yes	N.A	N.A	N.A
Shri P. Kalyanasundaram****	Yes	N.A	N.A	N.A
Smt. Anita Chauhan***	Yes	N.A	N.A	N.A

\* Ceased to be a Member w.e.f. 28th December 2008.

\*\*Ceased to be a Member w.e.f. 13th April 2009

\*\*\*Inducted as Member w.e.f. 13th April 2009

\*\*\*\*Inducted as Member w.e.f. 27th October 2008

**Investors' Grievance Committee**

The Board constituted the Investors' Grievance Committee on 29th July 2003 and the terms and reference of the Committee, was determined at the time of formation of the Committee. Since formation and till the date of this reporting, there was no alteration of any of the terms and references. It has been formed to oversee redressal of shareholders and investors' grievances, on a periodic manner.

*Composition*

Consequent upon resignation of old directors and induction on new directors, the composition of the Investors' Grievance Committee, also underwent changes.

All the Members of the Committee, including the Chairman, are Non-executive Government Nominees.

*Names of the Members and position held are given hereunder*

Names of the Members	Position held
Smt. Anita Chauhan	Chairman
Shri P. Kalyanasundaram	Member
Shri Debyoti Das	Member

*Meetings & Attendance*

The Corporate Governance Guidelines has not earmarked any minimum stipulation about the number of meetings of Investors' Grievance Committee to be held in a year.

The Committee met three times during 1st April 2008 to 30th June 2009

(i) *Date of the Meetings, Committee Strength and No. of Members Present in each meetings are given hereunder*

Sl No	Date	Committee Strength	No. of Members Present
1	27th June 2009	4	4
2	30th July 2008	4	2
3	27th October 2008	4	4
4	25th June 2009	3	3

*Venue, time and details of Special resolution passed in the last three AGM s' are given hereunder*

Year	Nature of the General Meeting	Venue	Date & Time	Details of the Special Resolution passed
2006	5th AGM	G. D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata 700 019	21st September 2006 at 2.30 p.m.	Keeping of the Register and Index of Members, Annual Return and other related documents at the office of the Registrar & Share Transfer Agent, C B Management Services (P) Ltd.
2007	6th AGM	G. D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata 700 019	25th September 2007 at 2.30 p.m.	Nil
2008	7th AGM	G. D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata 700 019	26th September 2008 at 2.30 p.m.	Nil

**Resolutions passed through Postal Ballot**

During the period under review, i.e., 2008-09, there was no resolution Ordinary or Special that required to be passed by the shareholders through Postal Ballot.

(ii) *Attendance of the Committee members at the Meetings held during 1st April 2008 to 30th June 2009, are produced below*

Name of the Committee Members	Investors' Grievance Committee Meetings			
	25th June 2009	27th October 2008	30th July 2008	27th June 2008
Shri S K Bandyopadhyay	N.A	Yes	Yes	Yes
Dr. S. Banerjee	N.A	Yes	Yes	Yes
Shri C.C. Unnikrishnan	N.A	Yes	No	Yes
Shri Suchindra Misra	N.A	Yes	No	Yes
Smt. Anita Chauhan	Yes	N.A	N.A	N.A
Shri P. Kalyanasundaram	Yes	N.A	N.A	N.A
Shri Debyoti Das	Yes	N.A	N.A	N.A

**Committee of Directors, for Share Transfer, Transmission etc.**

The Committee of Directors for Share transfer, etc., oversees activities connected with physical shares and approves transfer, transmission, subdivision/consolidation of shares, issue of duplicate share certificate(s) in lieu of lost, misplaced, torn and defaced share certificate(s) and re-materialization of shares. At present the Committee consists of three Board members, namely, Shri P. Kalyanasundaram, Shri Debyoti Das and Smt. Anita Chauhan. The Company Secretary, being the Compliance Officer, oversees the share related activities of the Registrar & Share Transfer Agent ('RTA') and is responsible for monitoring the Share registration process and reports to the Committee on a weekly basis along with the recommendation/supporting documents furnished by the RTA.

**General Body Meetings**

The shareholders of the Company generally meet once in a year at the Annual General Meeting (AGM), to consider and approve such items, which requires their approval.

AGM s' are normally held at Kolkata, being the city where the registered office of the Company is situated. Notice along with the Agenda is sent to all the shareholders along with the Annual Accounts and the Report of the Directors and Auditors' thereon within the statutory period.

**Disclosures**

During the financial year ended 31st March 2009, this is to disclose that –

- (a) Apart from transactions with its subsidiary, Balmer Lawrie & Co. Ltd. ('BL'), which have been categorically mentioned under Clause 4(ii) of Schedule 9 to the Notes on Accounts, there have been no other materially significant related-party transactions, during the financial year under review. Further, the above-mentioned transactions with BL were all carried out at arm's length and the disclosures have been made in accordance with the Accounting Standard (AS)-18, of the Institute of Chartered Accountants of India ('ICAI').
- (b) There have been no instances of non-compliance by the Company on capital market related matters and no penalty or stricture have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities during the financial year under review.
- (c) There was no substantial default in the payments to the Shareholders and Creditors of the Company.
- (d) The Company has not accepted any deposits from the Public.
- (e) The Company has filed all the returns, documents and forms within the statutory time with the Registrar of Companies, West Bengal, as required under various provisions of the Companies Act, 1956.
- (f) Secretarial Audit was carried out on quarterly basis by the firm of Practicing Company Secretary for reconciling the total admitted capital with National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL') and the 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.
- (g) The Company has adopted since 22nd December 2005, a Code of Conduct for the Board members and the Senior Management of the Company.
- (h) None of the Directors are holding any Equity share in the Company.
- (i) The Company has no functional directors. None of the Directors receives any remuneration from the Company.
- (j) The 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 Communication**

The quarterly results (un-audited) were announced within a month from the end of each quarter, except the last quarter, i.e., 31st March 2009, where the Company has exercised the option (as permitted under Clause 41 of the Listing Agreement) of announcing the audited financial results for the whole of the financial year (from 1st April 2008 till 31st March 2009), within three months from the end of the quarter.

Such financial results, whether quarterly or annual, were published in 'The Financial Express' (English), 'Aajkal' (Bengali) and 'Janasatta' (Hindi), immediately on the next succeeding day of the Board meeting date, where-in such results were considered and approved.

The Company's corporate website [www.blinv.com](http://www.blinv.com), provides comprehensive portfolio of the Company, including information on financial results (quarterly and annual), report of the Auditors and Directors on the annual financial results, statutory information under Right to Information Act, 2005 & Code of Conduct for the Board members and Senior Management of the Company and are updated on a regular basis.

**Shareholders' Information**

**AGM Details**

*Details of the 8th Annual General Meeting of the Company*

<b>Date &amp; Time</b>	Thursday, 24th September 2009 at 2.30 p.m.
<b>Venue</b>	Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019
<b>Book Closer Dates</b>	From Thursday, 17th September 2009 to Thursday 24th September 2009 (both days inclusive)

*Financial Calendar*

<b>Financial Year 2009-10</b>		
1	Annual General Meeting	24th September 2009 (since scheduled)
2	First quarterly results	30th July 2009 (since held)
3	Second quarterly results	October 2009
4	Third quarterly results	January 2010
5	Annual results	June 2010

*Share Transfer procedure*

As already briefed under the 'Committee of Directors for Share transfer, etc.', the authority relating to physical share transfer, transmission, subdivision/consolidation of shares, issue of duplicate share certificate in lieu of lost, misplaced, torn and defaced share certificates and re-materialization, etc., have been delegated to such Committee, which at present consist of three non-executive Directors, namely, Shri P. Kalyanasundaram, Shri Debjyoti Das and Smt. Anita Chauhan. All requests for share transfer, transmission, etc., are approved by such Committee at its meeting, which are normally held twice a week. Shri P K Ghosh, Company Secretary, is the Compliance Officer under Clause 47 of the Listing Agreement of the Stock Exchanges. As of 31st March 2009, there are no share transfers pending for consideration. In order to have an effective control over the share related activities carried out by the Company's Registrar & Share transfer Agent, C B Management Services (P) Ltd., a monthly audit is carried out by the Company Secretary-in practice.

## Balmer Lawrie Investments Ltd.

### 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 on the Stock Exchanges

The Company is presently listed on the two recognized Stock Exchanges in the Country.

Details of the Stock Exchanges along with Stock Codes are given below

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

The listing fee for the current financial year 2009-10 has been paid to the Stock Exchanges.

The Equity shares of your Company were actively traded in Bombay Stock Exchange Ltd.

### Dematerialization of Shares and Liquidity

The Equity shares of your Company are to be traded in dematerialized mode. The Equity shares are available for trading in both the Depository systems in India, i.e., NSDL and CDSL.

As of 30th June 2009, the distribution of Equity Shares held in physical and dematerialised mode, are produced below

	Nos. of Equity shares	% to the total paid-up capital
Physical	11,68,208	5.26
Demat		
i. National Securities Depository Ltd.	51,25,572	23.09
ii. Central Depository Services (India) Ltd.	1,59,03,489	71.65
	2,21,97,269	100.00

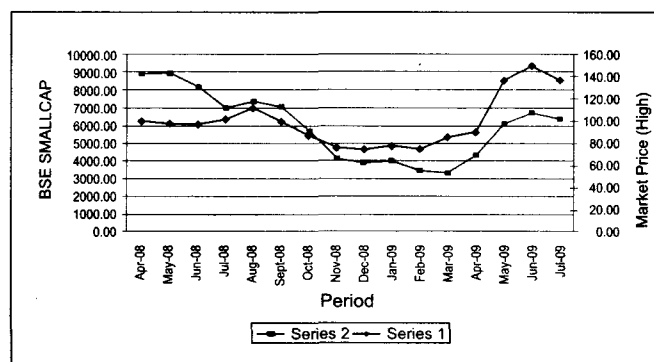
The ISIN number allotted to your Company is INE 525F01017.

The Company, for the financial year 2008-09, has paid the annual custody fee to both the Depositories, NSDL & CDSL,

### Monthly High and Low quotes on Bombay Stock Exchange Ltd. ('BSE') - During the period from 1st April 2008 to July 2009

Month (2008)	High (Rs.)	Low (Rs.)	Month (2009)	High (Rs.)	Low (Rs.)
April	100.20	72.55	January	77.80	61.05
May	98.40	83.25	February	74.30	61.25
June	97.50	78.00	March	85.80	58.00
July	101.00	80.00	April	90.30	65.70
August	111.40	90.25	May	136.85	77.55
September	99.95	71.50	June	149.00	114.70
October	87.45	58.00	July	137.00	117.20
November	76.10	55.25			
December	74.50	58.35			

### Comparative Analysis of the BSE SMALLCAP Index & Market prices (monthly high) of the Equity shares of the Company, as quoted on BSE



### Categories of Shareholders as of 30th June 2009

Category	Total no. of Equity shares	% of the total Equity holding
Promoter & its Associates: President of India (including its nominees)	1,32,46,098	59.67
Foreign National/NRI	1,23,538	0.56
Indian Financial Institution, Mutual Fund & Banks	34,857	0.16
Insurance Companies	18,20,712	8.20
Foreign Institutional Investors	44,092	0.20
Bodies Corporate: Domestic Companies	34,15,158	15.57
Foreign Companies	-	-
Others	35,12,814	15.39
<b>Total</b>	<b>2,21,97,269</b>	<b>100.00</b>

**Dividend History & Amount of Unclaimed Dividend to be transferred to the Investors' Education and Protection Fund**

Leaving apart the first financial year, 2001-02, your Company has been constantly paying dividend to its shareholders.

The amount of dividend paid, since financial year 2002-03 and dividend the corresponding amount of unpaid lying as of 31st March 2009, are given hereunder

Date on which dividend declared & Financial year	Total amount of Dividend (in Rs.) & %	Date of transfer to the unpaid dividend account	Amount of unclaimed dividend as on 31st March 2009 (in Rs.)	% of unclaimed dividend to total dividend Amount	Due date of transfer to the 'Investors' Education and Protection Fund'
24th September 2003 2002-2003	66,59,181.00 3%	30th October 2003	86,904.90	1.31	30th October 2010
24th September 2004 2003-2004	1,77,57,815.00 8%	30th October 2004	2,19,120.60	1.23	30th October 2011
23rd September 2005 2004-2005	2,21,97,269.00 10%	29th October 2005	2,79,839.00	1.26	29th October 2012
21st September 2006 2005-06	3,77,35,357.00 17%	27th October 2006	4,60,934.60	1.22	27th October 2013
31st January 2007 2006-07	2,21,97,269.00 10%	8th March 2007	2,81,905.00	1.27	7th March 2014
25th September 2007 2006-07	3,99,55,084.20 18%	31st October 2007	4,76,533.60	1.22	31st October 2014
30th January 2008 2007-08 Interim	6,65,91,807.00 30%	8th March 2008	8,10,570.00	1.22	8th March 2015
26th September 2008 2007-08 Final	3,32,95,903.00 15%	1st November 2008	4,46,369.00	1.34	1st November 2015

**Dividend through Electronic Clearing Services (ECS)**

In terms of the Circular issued by Securities and Exchange Board of India (Circular no. DCC/FIT/CIR-3/2001 dated 15th October 2001) the Company pays dividend in both the modes, i.e., by physical warrant as well as by ECS mode.

Your Directors for the last financial year ended 31st March 2009, has recommended a dividend @ 64%, i.e., Rs. 6.40p. per Equity Share of Rs. 10/- each, fully paid up.

If, the above-mentioned dividend is declared at the ensuing Annual General Meeting of the Company, then the Shareholders can avail the facility of receiving dividend through ECS, provided:

- if they are located at any of the below mentioned Reserve Bank of India's location:  
Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, Hyderabad, Bangalore, Bhubaneswar, Gawahati, Jaipur, Kanpur, Trivandrum, Nagpur, Chandigarh & Patna;
- the ECS mandate (in the format as attached with this Report) is submitted latest by 17 th September 2009 at the following address:

C B Management Services (P) Ltd.  
Unit: Balmer Lawrie Investments Ltd.  
P-22, Bondel Road,  
Kolkata- 700 019

**Address for Correspondences**

All communications relating to share matters may be addressed to –  
Either –

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

Unit: Balmer Lawrie Investments Ltd.,  
P-22, Bondel Road,  
Kolkata- 700 019  
email id : [rta@cbmsl.com](mailto:rta@cbmsl.com)

Or-

**The Company Secretary**

Balmer Lawrie Investments Ltd.,  
21, Netaji Subhas Road, Kolkata – 700 001  
email id : [blinvestors@balmerlawrie.com](mailto:blinvestors@balmerlawrie.com)

**Certification by the Chairman of the Board & Chairman of the Audit Committee**

It may be pertinent to note that Clause 49 of the Listing Agreement, dealing with Corporate Governance guidelines has stipulated that the 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 31st March 2009, including the Cash Flow Statement.

Your Company neither has a Managing Director nor a Whole-time Finance director on its Board. By virtue of the Service Agreement with Balmer Lawrie & Co. Ltd. your Company receives all sorts of services in the nature of Accounts, Finance, Taxation, Administration etc., from the former. Since the responsibility has been laid on the reporting Company therefore under this situation the requisite certificate was obtained from the Chairman of the Board and the Chairman of the Audit Committee of your Company.

The referred certificate given by Shri P. Kalyanasundaram, Chairman of the Board and Shri Debjyoti Das, Chairman of the Audit Committee is being furnished in **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, to the best of my knowledge and belief would like to declare that all the Board members and the Company Secretary (only member of the Senior Management team) during the twelve months period ended 31st March 2009 have complied with the Code of Conduct which was laid down by the Board on 22nd December 2005

Date: 30th July 2009  
New Delhi

P. Kalyanasundaram  
Chairman – Board

**Annexure - 'Y'**

**Certification by the Chairman of the Board & Chairman of the Audit Committee to the Board**

We, P. Kalyanasundaram, Chairman of the Board and Shri Debjyoti Das, Chairman of the Audit Committee, jointly have reviewed the financial statements for the year ended 31st March 2009 and to the best of our knowledge and belief certify that: -

- (a) These statements do not contain any materially un-true statement or omit any material fact or contain statement that might be misleading;
- (b) These statements give a true and fair view of the state of affairs of the Company and are in confirmatory of the existing Accounting Standards, applicable laws and regulations;
- (c) There was no transaction entered into by the Company which were fraudulent, illegal or violative to the Code of the Conduct of the Company;

We further confirm that establishment and maintenance of the internal control system for financial reporting have been evaluated and discussed with the Statutory Auditors. In case, if any corrective action needs to be taken then the Audit Committee and the Board both shall be appraised.

We both confirm that during the financial year if any of the following situations, occur, then it shall be reported to the Statutory Auditors and the Audit Committee: -

- (a) Significant changes in internal control over financial reporting;
- (b) Significant changes in accounting policies;
- (c) Instances of significant fraud, which we have become aware of, and which involve management or other employees who have significant role in the internal control system over financial reporting.

However, during the year under review there were no such changes or instances.

25th June 2009  
New Delhi

P. Kalyanasundaram  
Chairman – Board

sd/-  
Debjyoti Das  
Chairman-  
Audit Committee

**Auditors' Certificate on Corporate Governance  
To the Members of Balmer Lawrie Investments Ltd.**

**Annexure - 'II'**

We have examined the Compliance of Corporate Governance by Balmer Lawrie Investments Ltd., for the financial year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of 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 Listing Agreement, subject to the followings.

- (i) *Consequent upon the end of tenure of the independent Directors on 28th December 2008, the composition of the Board and Audit Committee was not in compliance with the corporate governance guidelines; &*
- (ii) *Audit Committee met three times instead of the minimum statutory requirement of four times during the period under review and thus did not comply with the corporate governance guidelines.*

It is understood from the management that during the period under review the Audit Committee comprised of three members out of which two were

independent directors and one was non-executive government nominee and due to the end of tenure of both the independent directors the Audit Committee was left with one member and thus could not meet as per the schedule, which was supposedly to be held in the month of January 2009. Further it was understood from the management that the Administrative Ministry of the Company, i.e., Ministry of Petroleum & Natural Gas, has already taken initiative of inducting adequate numbers of independent directors on the Board of the Company.

As required by the Guidance Note issued by the Institute of the Chartered Accountants of India, we state that no investor grievance against the company is pending for a period exceeding one month, as per records maintained by the Company.

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

Kolkata  
August 24, 2009

For and on behalf of  
J. Gupta & Co.  
Chartered Accountants  
S. P. Datta  
Partner  
Membership No. 13852



**AUDITOR'S REPORT**  
**to the Members of Balmer Lawrie Investments Ltd.**

1. We have audited the attached Balance Sheet of Balmer Lawrie Investments Ltd. as at 31st March, 2009, the related Profit & Loss Account for the year ended on that date and Cash Flow Statement annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on audit.
  2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial 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 issued by the Central Govt. of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, as amended by Companies (Auditor's Report) (Amendment) Order, 2004, we enclose in the Annexure, a statement on the matter specified in paragraphs 4 & 5 of the said Order.
  4. Further to our comments in the Annexure referred to above, we report that :
    - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - iv) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - v) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and
    - b) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date  
and,
    - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For J. GUPTA & CO.  
*Chartered Accountants*  
S. P. DATTA  
*Partner*  
Membership No. 13852

Place : Kolkata  
Dated : 25th June, 2009

**ANNEXURE referred to in  
Paragraph (3) of our Report of even date**

1. (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and accordingly, paragraph 4(iii) (b), (c) and (d) of the Order are not applicable.  
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and accordingly, paragraph 4(iii) (f), (g) of the Order are not applicable.
2. In our opinion and according to the information and explanations given to us there is an adequate internal control procedure commensurate with the size of the Company.
3. According to information and explanations given to us, there has been no contract and arrangement during the year, the particulars of which need to be entered into the register maintained under Section 301 of the Act.
4. The Company has not accepted any deposits from the public and hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules made there under are not applicable to the Company.
5. In our opinion, the Company's internal audit system is commensurate with the size and the nature of its business.
6. (a) According to the Company's records undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.  
(b) According to the information and explanations given to us, there were no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other statutory dues outstanding as on 31st March, 2009 for a period of more than six months from the date they became payable.  
(c) According to the records of the Company, there are no outstanding dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as on 31st March, 2009 on account of any dispute.
7. The Company has no accumulated losses as on 31st March, 2009 and it has also not incurred cash losses in the current financial year and in the immediately preceding financial year.
8. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The Company is not carrying on the business of a chit fund and is also not a nidhi/mutual benefit fund/society.
11. Though the Company is a non-banking finance company under the Reserve Bank of India Act, 1934, it is not in the business of trading in securities, debentures and other investments, in terms of the notification issued by the Reserve Bank of India.
12. 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.
13. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
14. The Company has not raised any funds by way of issue of debentures.
15. The Company has not raised any money by public issues.
16. Based upon the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
17. No other clause of the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government, is applicable.

For J. GUPTA & CO.  
*Chartered Accountants*

S. P. DATTA  
*Partner*

Place : Kolkata  
Dated : 25th June, 2009

Membership No. 13852

**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 Ltd, Kolkata for the year ended 31st March 2009.**

The preparation of financial statements of Balmer Lawrie Investments Limited, Kolkata for the year ended 31 March 2009 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 25-06-2009.

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 Investments Limited, Kolkata for the year ended 31 March 2009. This supplementary audit has been carried out independently 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/-  
(Dr. Smita S. Chaudhri)  
Principal Director of Commercial  
Audit & Ex-Officio Member,  
Audit Board – I,  
KOLKATA

Place : Kolkata  
Date : 3rd August 2009

<b>BALANCE SHEET</b> <b>as at 31st March, 2009</b>
---

Sources of Funds	Schedules		As at 31st March, 2008		
		Rs.	Rs.	Rs.	Rs.
<b>Sources of Funds</b>					
Shareholders' Funds					
Share Capital	1	22,19,72,690		22,19,72,690	
Reserves and Surplus	2	22,55,14,707	44,74,87,397	18,79,59,761	40,99,32,451
			<u>44,74,87,397</u>		<u>40,99,32,451</u>
<b>Application of Funds</b>					
Investments	3		32,67,77,030		32,67,77,030
Net Current Assets					
Current Assets, Loans and Advances					
Cash and Bank Balances	4	25,54,31,483		11,68,76,095	
Loans and Advances	5	1,11,87,908		32,13,929	
		<u>26,66,19,391</u>		<u>12,00,90,024</u>	
Less : Current Liabilities and Provisions	6				
Current Liabilities		38,46,503		36,38,700	
Provisions		14,20,62,521		3,32,95,903	
		<u>14,59,09,024</u>		<u>3,69,34,603</u>	
Net Current Assets			<u>12,07,10,367</u>		<u>8,31,55,421</u>
			<u>44,74,87,397</u>		<u>40,99,32,451</u>
<b>Notes on Accounts</b>	9				
<b>Significant Accounting Policies</b>	10				

*The Schedules referred to above form part of the Accounts.*

*In terms of our report of even date attached herewith.*

For J. GUPTA & CO.  
Chartered Accountants  
S. P. DATTA  
Partner  
Membership No. 13852  
Kolkata, 25th June, 2009

On behalf of the Board

P. Kalyanasundaram  
Chairman

Debjyoti Das  
Anita Chauhan  
Directors

P. K. Ghosh  
Secretary

<b>PROFIT AND LOSS ACCOUNT</b> <b>for the year ended 31st March, 2009</b>
--

	<i>Schedules</i>	<b>Rs.</b>	<i>As at</i> <b>31st March, 2008</b>
			<b>Rs.</b>
<b>Income</b>			
Other Income	7	<b>18,89,14,343</b>	14,61,87,402
<b>Expenditure</b>			
General Expenditure	8	<b>40,19,875</b>	37,01,552
Profit before Taxation		<b>18,48,94,468</b>	14,24,85,850
Provision for Taxation - Current		<b>52,77,000</b>	28,10,000
Provision for Taxation - Deferred		<b>—</b>	—
Profit after Taxation		<b>17,96,17,468</b>	13,96,75,850
Balance Brought Forward		<b>99,74,420</b>	94,39,558
Available for Appropriation		<b>18,95,91,888</b>	14,91,15,408
Interim Dividend		<b>—</b>	6,65,91,807
Proposed Final Dividend		<b>14,20,62,521</b>	3,32,95,903
Corporate Tax on Dividend		<b>—</b>	1,13,17,278
Transfer to Reserve Fund		<b>3,59,24,000</b>	2,79,36,000
Balance Carried Forward		<b>1,16,05,367</b>	99,74,420
Earning per share (Rs.) [Basic & Diluted]		<b>8.09</b>	6.29
<b>Notes on Accounts</b>	<b>9</b>		
<b>Significant Accounting Policies</b>	<b>10</b>		

*The Schedules referred to above form part of the Accounts.*

*In terms of our report of even date attached herewith.*

For J. GUPTA & CO.  
Chartered Accountants  
S. P. DATTA  
Partner  
Membership No. 13852  
Kolkata, 25th June, 2009

On behalf of the Board  
P. Kalyanasundaram  
Chairman  
Debjyoti Das  
Anita Chauhan  
Directors

P. K. Ghosh  
Secretary

**SCHEDULES forming part of the Balance Sheet as at 31st March, 2009**

		Rs.	As at 31st March, 2008	Rs.
<b>SCHEDULE 1</b>	<b>SHARE CAPITAL</b>			
<b>Authorised</b>				
2,50,00,000 Equity Shares of Rs. 10 each		<b>25,00,00,000</b>		25,00,00,000
<b>Issued, Subscribed and Paid up</b>				
2,21,97,269 Equity Shares of Rs. 10 each fully paid up		<b>22,19,72,690</b>		22,19,72,690
*Out of the above, 2,21,47,269 Equity Shares of Rs. 10 each was allotted as fully paid 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 Sections 391 to 394 of the Companies Act, 1956				
		<b>22,19,72,690</b>		22,19,72,690
<b>SCHEDULE 2</b>	<b>RESERVES AND SURPLUS</b>			
Capital Reserve		<b>10,53,04,340</b>		10,53,04,340
Balance available as per Scheme of Arrangement & Reconstruction between IBP Co. Ltd. and Balmer Lawrie Investments Limited and their respective shareholders and creditors in terms of Sections 391 to 394 of the Companies Act, 1956 on reconstruction of IBP Co. Ltd.				
Reserve Fund				
As per last Account	7,26,81,000		4,47,45,000	
Add : Transfer from Profit & Loss Account	<b>3,59,24,000</b>	<b>10,86,05,000</b>	2,79,36,000	7,26,81,000
Profit & Loss Account		<b>1,16,05,367</b>		99,74,421
		<b>22,55,14,707</b>		18,79,59,761
<b>SCHEDULE 3</b>	<b>INVESTMENTS</b>			
Long Term Investments				
Trade Investments				
Investment in Subsidiary Company				
Balmer Lawrie & Co. Ltd. (Quoted)				
Fully Paid up – as per Scheme of Arrangement & Reconstruction between IBP Co. Ltd. and Balmer Lawrie Investments Limited and their respective shareholders and creditors in terms of Sections 391 to 394 of the Companies Act, 1956.				
1,00,64,700 Equity Shares of Rs. 10 each		<b>32,67,77,030</b>		32,67,77,030
		<b>32,67,77,030</b>		32,67,77,030
Market value of Investments		<b>239,38,88,895</b>		373,45,06,935

**SCHEDULES forming part of the Balance Sheet as at 31st March, 2009**

<b>CASH AND BANK BALANCES</b>		Rs.	As at 31st March, 2008 Rs.
<b>SCHEDULE 4</b>			
With Scheduled Banks			
In Current Accounts		13,69,306	3,03,193
In Short Term Deposit Account		25,10,00,000	11,35,00,000
In Dividend Accounts		30,62,177	30,72,902
		<u>25,54,31,483</u>	<u>11,68,76,095</u>
<b>SCHEDULE 5</b>			
<b>LOANS AND ADVANCES</b>			
Advances			
Unsecured			
Considered Good			
Subsidiary Company			
Others		98,67,075	15,96,670
Advance payment of tax		13,20,833	16,17,259
		<u>1,11,87,908</u>	<u>32,13,929</u>
<b>SCHEDULE 6</b>			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities			
Sundry Creditors			
- Due to Small Scale Industries		—	—
- Due to others		7,84,326	5,65,798
Investor Education and Protection Fund shall be credited by the following amount			
- Unclaimed Dividend [Refer Note below]		30,62,177	30,72,902
		<u>38,46,503</u>	<u>36,38,700</u>
Provisions			
Proposed Final Dividend		14,20,62,521	3,32,95,903
Taxation (net of Advances – (2007-08; Rs. Nil))		—	—
		<u>14,20,62,521</u>	<u>3,32,95,903</u>
		<u>14,59,09,024</u>	<u>3,69,34,603</u>

Note : There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education & Protection Fund.

**SCHEDULES forming part of the Profit & Loss Account for the year ended 31st March, 2009**

<b>SCHEDULE 7</b>		Rs.	As at 31st March, 2008 Rs.
<b>OTHER INCOME</b>			
Income from Investments			
Dividend		17,10,99,900	13,58,73,450
Interest on Deposit [Tax deducted at source Rs. 19,86,563] (2007-08 – Rs. 25,06,716)		1,78,14,443	1,02,72,076
Misc. Income		—	41,876
		<u>18,89,14,343</u>	<u>14,61,87,402</u>
<b>SCHEDULE 8</b>			
<b>GENERAL EXPENDITURE</b>			
Salaries & Wages, Welfare Expenses		8,28,699	5,88,960
Contribution to Provident & Other Fund		61,793	48,053
Service Charges		15,38,723	15,33,714
Listing Fees & Other Fees		2,93,004	3,30,043
Bank Charges		1,441	2,015
Auditor's Remuneration and Expenses		35,899	36,517
Travelling Expenses		2,15,918	1,78,820
Printing and Stationery		4,64,185	3,39,487
Telephone, Telex, Postage, Cables and Telegrams		3,08,060	3,58,176
Miscellaneous Expenses		2,72,153	2,85,767
		<u>40,19,875</u>	<u>37,01,552</u>

**NOTES ON ACCOUNTS**

**SCHEDULE 9**

1. 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 Sections 391 to 394 of the Companies Act, 1956. The scheme became effective on 5 February, 2002 with an appointed date of 15 October, 2001.

2. 1,32,46,098 Equity Shares are held by President of India (including its nominees)

**3. Auditors' remuneration represent :**

	Rs.	Rs.
<b>Statutory Auditors</b>		
- Audit Fees	16,545	16,854
- Tax Audit Fees	5,515	5,618
- Limited review and other certification jobs	13,839	14,045
	35,899	36,517

[Included Service Tax paid/payable amounting to Rs. 3399 (Rs. 4017)]

**4. Related party disclosure**

**i) Name of Related Party**

Balmer Lawrie & Co. Limited (BL)  
Balmer Lawrie (UK) Ltd.  
Transafe Services Ltd.

Balmer Lawrie-Van Leer Ltd.  
Balmer Lawrie (UAE) LLC.  
Avi-Oil India (P) Ltd.  
Proseal Closures Ltd.

**Nature of Relationship**

Subsidiary Company  
Wholly Owned Subsidiary of BL  
An Associate on which the subsidiary of the Company is having significant influence  
- Do -  
- Do -  
- Do -  
Subsidiary of Balmer Lawrie Van Leer Ltd.

**ii) Transactions/Balances with Related Parties**

<u>Type of Transaction</u>		<u>Subsidiary (BL)</u> (Rs.)
a) Purchase of Goods	31/03/09	92,380
	31/03/08	90,625
b) Value of Services Received	31/03/09	14,19,650
	31/03/08	14,13,772
c) Dividend Income	31/03/09	17,10,99,900
	31/03/08	13,58,73,450
d) Investment in Shares as on	31/03/09	32,67,77,030
	31/03/08	32,67,77,030
e) Outstanding Payable	31/03/09	1,26,332
	31/03/08	1,45,540

5. The Company holds 61.8% shares of Balmer Lawrie & Co. Ltd. (BL). However, since the control in BL is intended to be temporary because the Subsidiary (BL) has been acquired and held exclusively with a view to its subsequent disposal in future, Consolidated Financial Statement of the Company with BL has not been drawn in terms of para 11 (a) of Accounting Standard – 21 – Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

**6. Segment Reporting**

The Company's only business is investment in its subsidiary Balmer Lawrie & Co. Limited, 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.

**7. Earnings per share**

- i) Earnings per share of the Company has been calculated considering the Profit of Rs. 17,96,17,468 the numerator. (Previous year – Rs. 13,96,75,850).
- ii) The weighted average number of equity shares used as denominator is 2,21,97,269 (Previous year 2,21,97,269).
- iii) Earnings per share (Basic and Diluted) for the year on the above mentioned basis comes to Rs. 8.09 (Previous year - Rs. 6.29)

**8. Miscellaneous Expenses (Schedule 8) represent :**

	2008-09 Rs.	2007-08 Rs.
Statutory Publication	1,09,858	1,29,689
Gift & Presentation	1,03,116	93,272
Other Misc. Expenses	59,179	62,806
	2,72,153	2,85,767

9. Previous year's figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures.



**SIGNIFICANT ACCOUNTING POLICIES**

**SCHEDULE 10**

**1. Valuation of Investments**

The investments made by the Company appear at cost inclusive of acquisition charges. Provision is made for ~~diminution in value~~, if any, considering the nature and extent of temporary/permanent diminution.

**2. Recognition of Revenue**

Revenue is recognised in compliance with the following :

- i) Dividend from investments – on establishment of the Company's right to receive.
- ii) Interest – on a time proportion basis taking into account the outstanding principal and the relative rate of interest.

**3. Accounting for Borrowing Cost**

Borrowing Costs, 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 expense in the period in which they are incurred.

In terms of our report of even date

For J. GUPTA & CO.  
*Chartered Accountants*  
S. P. DATTA  
*Partner*  
Membership No. 13852  
Kolkata, 25th June, 2009

On behalf of the Board

P. Kalyanasundaram  
*Chairman*

Debjyoti Das  
Anita Chauhan  
*Directors*

P. K. Ghosh  
*Secretary*

<b>CASH FLOW STATEMENT</b> <b>for the year ended 31st March, 2009</b>
--

(Rupees in lakh)

	Year Ended March 31, 2009	Year ended March 31, 2008
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax/ Operating Profit before Working Capital Changes	1,849	1,425
Trade and Other Receivables	(83)	16
Trade Payables	2	-
<b>Cash Generated from Operations</b>	<b>1,768</b>	<b>1,441</b>
Direct Taxes paid	(50)	(37)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,718</b>	<b>1,404</b>
<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	(333)	(1,050)
Corporate Tax on Dividend	—	(181)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(333)</b>	<b>(1,231)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>1,385</b>	<b>173</b>
<b>CASH &amp; CASH EQUIVALENTS – OPENING BALANCE</b>	<b>1,169</b>	<b>996</b>
<b>CASH &amp; CASH EQUIVALENTS – CLOSING BALANCE</b>	<b>2,554</b>	<b>1,169</b>

**NOTES ON CASH FLOW STATEMENT**

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

Cash and Bank Balances	2,554	1,169
	<u>2,554</u>	<u>1,169</u>
Changes	<u>1,385</u>	<u>173</u>

For J. GUPTA & CO.  
Chartered Accountants

S. P. DATTA  
Partner

Membership No. 13852  
Kolkata, 25th June, 2009

On behalf of the Board

P. Kalyanasundaram  
Chairman

Debjyoti Das  
Anita Chauhan  
Directors

P. K. Ghosh  
Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No. 

9	3	7	5	9
---	---	---	---	---

 State Code 

2	1
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date                      Month                      Year

**II. Capital raised during the year (Amount in Rs. Lakhs)**

Public Issue 

		N	I	L
--	--	---	---	---

 Rights Issue 

		N	I	L
--	--	---	---	---

Bonus Issue 

		N	I	L
--	--	---	---	---

 Private Placement 

		N	I	L
--	--	---	---	---

**III. Position of Mobilisation and Deployment of funds (Amount in Rs. Lakhs)**

Total Liabilities 

	4	4	7	5
--	---	---	---	---

 Total Assets 

	4	4	7	5
--	---	---	---	---

SOURCES OF FUND

Paid up Capital 

	2	2	2	0
--	---	---	---	---

 Reserves & Surplus 

	2	2	5	5
--	---	---	---	---

Secured Loans 

		N	I	L
--	--	---	---	---

 Unsecured Loans 

		N	I	L
--	--	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets 

		N	I	L
--	--	---	---	---

 Investments 

	3	2	6	8
--	---	---	---	---

Net Current Assets 

	1	2	0	7
--	---	---	---	---

 Misc. Expenditure 

		N	I	L
--	--	---	---	---

Accumulated Losses 

		N	I	L
--	--	---	---	---

**IV. Performance of the Company (Amount in Rs. Lakhs)**

Turnover 

	1	8	8	9
--	---	---	---	---

 Total Expenditure 

			4	0
--	--	--	---	---

Profit/(Loss) Before Tax 

	1	8	4	9
--	---	---	---	---

 Profit/(Loss) After Tax 

	1	7	9	6
--	---	---	---	---

Earning Per Share (in Rs.) 

	8	.	0	9
--	---	---	---	---

 Dividend Rate (%) 

			6	4
--	--	--	---	---

**V. Genetic Names of Three Principal Products/Services of the Company (as per monetary terms)**

Item Code No.  
(ITC Code) 

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

Item Code No.  
(ITC Code) 

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

Item Code No.  
(ITC Code) 

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

On behalf of the Board

For J. GUPTA & CO.  
Chartered Accountants

S. P. DATTA  
Partner

Membership No. 13852  
Kolkata, 25th June, 2009

P. Kalyanasundaram  
Chairman

Debjyoti Das  
Anita Chauhan

Directors

P. K. Ghosh  
Secretary

**STATEMENT REGARDING SUBSIDIARY COMPANY**  
**Pursuant to Section 212 (1) of the Companies Act, 1956**

**Balmer Lawrie & Co. Limited**

(Rs.)

a) Holding Company's Interest : 1,00,64,700 Equity shares of Rs. 10 each fully paid up at cost	32,67,77,030
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, 2009	62,79,71,936
ii) for the previous financial years (Cumulative)	165,87,19,544
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, 2009	17,10,99,900
ii) for the previous financial years (Cumulative)	36,63,55,080

For J. GUPTA & CO.  
*Chartered Accountants*  
S. P. DATTA  
*Partner*  
Membership No. 13852  
Kolkata, 25th June, 2009

On behalf of the Board

P. Kalyanasundaram  
*Chairman*

Debjyoti Das  
Anita Chauhan  
*Directors*

P. K. Ghosh  
*Secretary*

Report & Accounts of  
**BALMER LAWRIE & CO. LTD.**  
for the financial year ended 31st March, 2009



## Directors' Report

The Directors have immense pleasure in presenting the 92nd Report on the state of affairs of your Company for the financial year ended 31 March 2009, together with the audited Balance Sheet and Profit & Loss Account of the Company.

Rs. in lakh

### Overall Financial Results

	Financial Results for the Company Year ended on 31 March		Consolidated Financial Results Year ended on 31 March	
	2009	2008	2009	2008
Surplus for the year before				
Finance charge, depreciation & tax	<b>16726</b>	14521	<b>20109</b>	18000
Deduct therefrom :				
Finance charge & depreciation	<b>1570</b>	1478	<b>3716</b>	3291
Provision for Taxation	<b>4995</b>	4350	<b>5478</b>	4727
	<b>10161</b>	8693	<b>10915</b>	9982
Add transfer from :				
Profit & Loss Account	<b>8854</b>	6400	<b>17447</b>	13849
<b>Total Amount available for Appropriation :</b>	<b>19015</b>	15093	<b>28362</b>	23831
Appropriations :				
Proposed Dividend @ Rs. 20.00 per Equity Share (Previous year Rs. 17.00 per Equity Share)	<b>3257</b>	2769	<b>3332</b>	2844
Corporate Tax on Dividend	<b>554</b>	470	<b>592</b>	491
Transfer to General Reserve/ Minority interest etc.	<b>3000</b>	3000	<b>3125</b>	3081
Surplus carried forward to next year	<b>12204</b>	8854	<b>21313</b>	17415
<b>Total of Appropriations</b>	<b>19015</b>	15093	<b>28362</b>	23831

### Overview

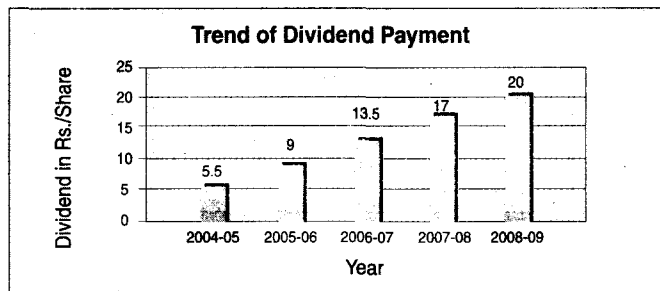
Despite the prevailing slow-down of domestic economy and the down turn in major global economies, your Company recorded significant achievements in the year 2008-09 in business and operations, which are as follows:

- The Company recorded its highest ever Turnover with net sales crossing Rs.1697 crore as against Rs.1486 crore in 2007-08, marking an increase of 14%.
- Profit Before Tax increased from Rs.130 crore in 2007-08 to Rs. 152 crore in 2008-09, an increase of more than 16% over the previous year.
- Profit After Tax increased from Rs. 86.93 crore in the previous year and crossed the Rs. 100 crore mark to record Rs. 101.61 crore in 2008-09, an increase of 16.9% over the previous year.
- Segment-wise performance analysis and sales indicate that five Segments viz., Travel & Tours, Industrial Packaging, Grease & Lubricants, Logistics Infrastructure & Services were the main revenue generators.

### Dividend

A dividend of Rs.20.00 per equity share of Rs. 10 each [equivalent to 200%] for the year ended 31 March 2009 – as against Rs. 17 per equity share in the previous year – has been recommended by the Board of Directors for declaration by the Members at the ensuing 92nd

Annual General Meeting to be held on 24 September 2009. 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 100% subsidiary of your Company. The principal business activities of BLUK were Leasing & Hiring of Marine Freight Containers and Import, Warehousing, Blending & Packaging of Speciality Tea. The Company had exited the Tea business in the financial year 2007-08.

In the financial year under report, the Marine Freight Container activity has been handicapped due to ageing and diminution of the fleet size.

The fleet of containers, since inception, was managed by TAL International Container Corporation of USA (TAL) through two fleet management agreements both of which expired a few years back. Several attempts were made to get the same renewed. TAL was also approached to buy the fleet since the same was very widely dispersed and it would have been operationally and financially unviable to regroup the fleet at any single location. An agreement in this regard was reached in July 2008 and the entire fleet was transferred to them by BLUK on 31st July 2008. BLUK is now scanning the environment for new opportunities. In the meanwhile, its surplus fund is lying invested in Bank deposit.

### **Exemption from attaching accounts of the Subsidiary**

The Ministry of Corporate Affairs, New Delhi, vide their approval no. 47/517/2009-CL-III dated 2 July 2009 has exempted your Company from attaching the Annual Accounts of Balmer Lawrie (UK) Ltd, the wholly owned subsidiary of your Company for the year ended 31 March 2009 with its Annual Accounts for the same period. However, such accounts have been duly consolidated in terms of applicable Accounting Standards.

### **Report on Joint Ventures**

#### **AVI-OIL India Private Ltd. (AVI-OIL)**

The year 2008-09 witnessed a revival in the sales performance of Avi-Oil with the said company achieving the highest sales since its inception in terms of the gross value. During this period, the JV blended 1253 KL of lubricating oil, reprocessed and packed 19 MT of greases and manufactured 120 MT of synthetic ester base-stocks. The Company successfully exported base esters to Nyco, France after extension of the Technical Collaboration Agreement till December 2013.

In recognition of the JV company's contribution to indigenization of aviation lubricants, the Society of Indian Aerospace Technologies and Industries conferred on the said company the "Award for excellence in aerospace indigenization". Another significant achievement by the Joint Venture was the certification of compliance with the Quality Standard SAE AS 9100, RevB for "Quality Management Systems – Aerospace Requirements", which is an internationally recognized quality standard for the aerospace industry. Renewal of registration with the Sri Lankan Air Force and the Civil Aviation Authority of Nepal led to an increase in the export of its products.

Avi-Oil has recommended dividend at the rate of Re. 1.00 per equity share (equivalent to 10%) for the year 2008 – 09, which is an improvement of 5% over previous year.

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

During 2008-09, BLVL recorded an increase of 8.84% over the previous year in net sales & other income primarily on account of volume growth in Plastic Container Division at Mumbai & Chennai. In quantitative terms, sales of both 'Valerex 20' & 'Valerex 200' under the Plastic Container Division have shown considerable improvement. The performance of the Steel Drum Closure Division has, however, been affected both in terms of Production and Sales which have gone down by about 24% compared to the last year principally due to shifting of operation from Chembur to Turbhe, the time taken for stabilization of plant and processes at the new location, and the adverse impact of the economic meltdown both in the national & the international market. Significantly, sales revenue from the Blow Moulding Division has risen by about 31%.

Unabated increase in price of main raw materials viz. Polymer & Steel in the first half of financial year coupled with general price inflation in all consumables, decline of demand during second half of the year due to fear of global recession & retention of high priced raw material inventory has had an adverse impact on net margin, which have resulted into negative Profit Before Tax of Rs.278.98 lakh of BLVL

during the year under review. Unexpected depreciation of the Rupee resulted in unprecedented foreign exchange losses on imports.

In October 2008 the Steel Drum Closure Division was shifted to a new location at Turbhe, Navi Mumbai where the Division has become fully operational. The Sale transaction with Hindustan Petroleum Corporation Ltd. (HPCL) has been completed in April 2009 when physical possession of vacant property at Chembur and factory buildings appurtenant thereto were handed over to HPCL against payment of balance sales consideration. Similarly, transfer of leasehold land at MIDC - Turbhe from Balmer Lawrie & Co. Ltd was also completed with the signing of a tripartite agreement with BLVL, your Company and MIDC. With this, the process of purchase and sale of properties, which had begun in 2007-08 stands completed. Consequent to shifting of the Closure Division, the Registered Office of BLVL has been shifted from Mumbai to Navi Mumbai.

During the year under review, BLVL had its shares de-listed from Bombay Stock Exchange Ltd, the only Stock Exchange with which it was listed and consequently the shares of BLVL are no longer listed with any Stock Exchange. In the wake of the de-listing, Greif International Holding B.V., in terms of agreement with your Company bought back 23,62,598 equity shares (representing 15%) from existing public shareholders. The shareholding of your Company in BLVL continues to remain at 40.12% and the residual balance shares of 4.76% is held by the public.

#### **Transafe Services Limited (TSL)**

The Turnover of TSL for the financial year ended 31st March 2009 at Rs.90.43 crore recorded a modest growth of around 6% when compared with the turnover of Rs. 85.11 crore during the previous year. The Earnings Before Interest Depreciation Taxation & Amortisation [EBIDTA] of the JV in the year 2008-09 at Rs.39.63 crore was up by about 17% as compared to Rs. 33.79 crore achieved in the last year. However, the Earnings After Tax has gone down by about 6% from Rs.8.69 crore last year to Rs.8.21 crore in 2008-09 on account of the impact of higher finance cost and depreciation.

Following the re-structuring of its business into four SBUs viz., Indian Container Leasing, Indo Trailer Logistics, Creative Containers and Glacio Cold Chain Logistics as reported last year and taking cognizance of its strategically located manufacturing units at Kharagpur in West Bengal, Dharuhera in Haryana and Coimbatore in Tamil Nadu, the JV is well placed to accelerate its growth and contribute to the logistics services activity in India.

In March 2009, your Company participated in the Rights issue of TSL resulting in allotment of 18,23,998 new equity shares to the Company in the ratio of 3:10, the shares having been offered at a premium of Rs. 6 per share. After the Rights issue, the shareholding of Balmer Lawrie & Co. Ltd. in TSL stood enhanced to 34.78% since ICICI Venture Funds Management Co. Ltd., being the Funds Managers to the two shareholders of TSL, abstained from participating in the Rights offer.

Having regard to the bright prospects of this JV, the Company has recently acquired a further 15.22% of the paid-up equity capital of TSL from ICICI Venture whereby the equity shareholding of your Company in TSL currently stands increased to 50%.

TSL has recommended dividend at the rate of Rs. 1.50 per equity share (equivalent to 15%) for the year 2008 – 09, which is a marginal increase of Re 0.25 per share from previous year.

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

BLUAE registered an all-time record turnover during the year 2008 achieving volume growth in almost all the products and the substantial price increases obtained from customers in the international markets. However, the growth in the volumes witnessed a sharp decline towards



the last quarter of the year arising out of the global economic downturn and the financial crisis affecting the world economy. With a sluggish market, competitor activities are becoming intense causing concern. Nevertheless, BLUAE is confident of facing the challenge and maintaining its position in the market.

The price of the main raw materials viz. CR Steel, tin plate and HDPE are continuously on the decline from the record high levels witnessed last year and there is a constant pressure from the customers to decrease the product prices which could adversely affect the Turnover and profitability of BLUAE. It will be a real challenge to the JV to resist the customer pressure on the one hand and to protect/ enhance the market share on the other.

Generally, the drop in the crude oil prices from record levels seen in the middle of last year is reflecting upon the investments and growth in the various segments in the Middle East and this factor could also affect the JV's growth/volumes. BLUAE is taking proactive steps to control costs, improve various efficiency parameters so as to be cost competitive vis-à-vis the competitor.

Notwithstanding the above, BLUAE continues to retain its dominant position in the market by maintaining customer satisfaction at a high level. BLUAE is driven by high business ethics and dependability marking it out as a reliable supplier of choice. BLUAE continued to upgrade its facilities and increase its capacities apart from enlarging the product range through continuous investments. It has successfully completed the construction of its own warehouse on the plot of land taken at Dubai Investment Park and expects savings in rent in the coming years.

### Memorandum of Understanding (MoU)

Your Company, enters into an MoU with the Government of India, Ministry of Petroleum and Natural Gas every year detailing therein various targets on operational, financial and efficiency parameters besides matters like customer satisfaction, quality and human resource development. The targets fixed are evaluated at the year-end by the Government of India, Department of Public Enterprises, (DPE). It is indeed a matter of great pride to report that your Company has obtained the highest rating category viz. "excellent" for the financial year 2007-08. Result of MoU signed for the financial year 2008-09 by the Company is yet to be announced by DPE.

### Human Resource Management

The strategic objective of the Company is to remain a market leader in its chosen fields of activities and provide utmost value to the customers and other stakeholders. The approach to Human Resource Management policy and practices in the Company is centered around partnering the businesses to achieve the referred objectives with emphasis on

- [i] Enhancing work force productivity;
- [ii] Upgrading people management capabilities; and
- [iii] Developing Leaders.

### Employment of Special Categories

The actual number of employees, Group-wise, under various special categories as on 31st March, 2009 are given below :

Group	SC	ST	OBC(*)	PH	Women	Minorities
A	28	5	2	1	27	28
B	23	2	31	1	37	12
C	24	2	12	3	19	5
D [including 'D1]	85	10	21	6	6	95
Total	160	19	66	11	89	140

[\*] - Recruited on or after 8th September, 1993.

### Employee Relations

Revised Pay and allowances have been introduced for Officers and non-Unionized Supervisory staff based on guidelines laid down by the Department of Public Enterprises, Government of India.

In so-far-as Unionized Staff is concerned, fresh settlements are under discussions with the collectives wherever the Long Term Settlements have expired.

The Management of your Company has always been pro-active towards pursuing a policy of consulting the collectives; hence Consultative Forums exist to resolve disputes/differences. Consequently, employee relations continue to be cordial.

Workmen/Officers are thus represented in various trusts formed by the Company to administer employee benefit schemes. Plant level committees are in place to discuss and settle productivity and work related matters expeditiously.

### Implementation of "The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995"

In compliance with the provision in the Persons With Disabilities [Equal Opportunities, Protection of Rights and Full Participation] Act, 1995, the Company has identified posts for recruitment of persons with disabilities. Action is on hand to fill up the shortfall vacancies.

### Implementation of Official language

The Government directives with respect to implementation of official language policy are followed in the Company. The Company was awarded the 1st prize amongst PSUs at Kolkata for implementation of Hindi by the Calcutta Town Official Language Committee.

### Women Empowerment

The Company believes in providing equal opportunities to women in employment. The present strength of women employees is 6.25%, despite the fact that a large chunk of our workforce constitutes shop-floor workers. The Company has created an atmosphere conducive for women employees to join and build a career in this organization.

### Global Compact

The Company remains committed towards fulfillment and furtherance of principles enumerated in the Global Compact. During the year, the Company -- besides promoting greater environmental responsibility through Occupational Health & Safety Assessment Sequence [OHSAS] certification of three of its Manufacturing Units -- has also approved a Project on Wind Energy with the objective of promoting clean technology. The 'Communication on Progress' is available on the Site of Global Compact Society as well as on the Company's website.

### Vigilance

In the financial year 2008-09, Vigilance Department has established its presence in all spheres of company functions in a meaningful manner. Though the mainstream activities are on prevention of corruption for which the orthodox methods of carrying out periodic and surprise inspections are in place, the Vigilance Department focused on revision of extant rules, procedures and systems to bring adequate transparency and reduce human interface in various operations of the Company. In compliance of Central Vigilance Commission's directive, Vigilance Department is advising the Management for rotation of officials posted in sensitive positions every three years. The endeavors by the Vigilance Department have sensitized employees at all levels of the evil consequences of corruption in the public life. The Vigilance Department has made available the Circulars / Guidelines issued by Central Vigilance Commission, the Administrative Ministry and the Department of Public Enterprises to key officials in the form of booklets

for ready reference. Vigilance Awareness Week was observed in November 2008, where suppliers, customers, dealers etc. were briefed on the procedure for making complaints under Government of India Resolution on PIDPI (Public Interest Disclosure and Protection of Informers), Complaint Handling Policy and Initiatives taken to improve system/procedure to bring transparency.

The Board of Directors continued to review activities of the Vigilance Department twice a year.

## 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 2009, 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 2009 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 2009 on a 'going concern basis'.

## Consolidated Financial Statement

The financial statements of your Company have been duly consolidated with its subsidiary and joint ventures in pursuance of Clauses 32, 41 as well as 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 Corporate Governance is also furnished with this Report as required under Clause 49 of the Listing Agreement with the Stock Exchanges along with the Auditor's Certificate regarding Compliance of the conditions of Corporate Governance.

## Particulars of Employees

During the financial year, the Company did not have any employee who received remuneration of Rs. 2,00,000 or more per month or Rs. 24,00,000 per annum. Therefore, the disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has not been made.

## 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 2009 is set out elsewhere in the Annual Report.

## Directors

In accordance with the provisions of Article 12 of the Articles of Association, Shri M Singh, Government Nominee Director and Shri K Subramanyan, Director (Finance) would retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment at the said Meeting.

Shri VLVSS Subba Rao has joined your Board as the nominee of Government of India, Ministry of Petroleum and Natural Gas with effect from 13 October 2008.

Pursuant to Section 260 of the Companies Act, 1956 and Articles 7A and 9 of the Articles of Association of the Company read with letter No. 34011/9/2005-CA dated 14 November 2008 from the Ministry of Petroleum & Natural Gas, Government of India, Shri Asish K Bhattacharyya, Shri Kashi C Murarka, Shri Arun Seth, Smt. Abha Chaturvedi, Shri P K Bora and Shri M P Bezbaruah have been appointed as non-official part-time Independent directors on the Board of the Company with effect from 26 December 2008. A Brief Profile of the Directors appears elsewhere in the Report. With the induction of the Independent Directors and reconstitution of the Audit Committee, the powers envisioned under the 'Miniratna Guidelines' of the Government of India have become exercisable by the Board of your Company.

## 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. The remuneration of the Auditors for the year 2009-10 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

It is a matter of satisfaction that the Auditors' Report dated 16 June 2009 for the year ended 31 March 2009 does not contain any reservation, qualification or adverse remark.

The Statutory Auditors have opined that there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.

The Statutory Auditors have also opined that the Balance Sheet of the Company as at 31 March 2009 and the Profit & Loss account and the Cash Flow Statement for the year ended on that date are in agreement with the books of account and comply with the Accounting Standards referred to in Section 211(3C) of the Act.

## Acknowledgement

The Board of Directors wish to place on record its appreciation of the excellent contribution made by the employees for their co-operation, dedication, commitment, perseverance and collective contribution to the achievement of new milestones. The Directors would also wish to thank the customers, dealers, business associates/consultants, bankers, auditors, solicitors, lawyers and all other stakeholders for their continued support, association and confidence reposed in 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 the valuable guidance, support and co-operation extended to the Company from time to time.

Finally, the Directors also wish to place on record their special appreciation to the valued Shareholders of the Company.

Registered Office :  
Balmer Lawrie House  
21 Netaji Subhas Road  
Kolkata 700 001  
21st August 2009

On behalf of the Board of Directors  
S K Mukherjee      *Managing Director*  
P Radhakrishnan      *Wholtime 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, 2009**

**1. CONSERVATION OF ENERGY**

**a) Energy conservation measures taken**

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

- Electricity and fuel consumption per unit of production were monitored regularly at all manufacturing plants and corrective actions taken as needed.
- In SBU- IP, Silvassa unit Air turbine type exhaust fans were introduced to conserve energy. In Sewree unit Variable frequency drives ( 2 Nos) were introduced for air compressors. Power factor correction capacitors were replaced in Silvassa, Sewree, Kolkata and Chennai units.
- Based on Energy audit conducted at SBU- LC, Chennai Variable frequency drives were incorporated in the spray drier unit.

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

- Based on Energy Audit conducted on select plants/offices, investments towards installation of energy efficient drive systems, improvements in power factors etc. have been made in some of the plants.
- Electrical distribution system of corporate head office is being revamped to improve energy efficiency.

**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 increases 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 given in the annexed Form B.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- f)** Efforts at developing export market for lubricants have seen a set back due to collapse of major economies and other developing economies. However detailed plans have been drawn up to consolidate and grow on such efforts once the developing economies recover from the set back.

**g) Total foreign exchange used and earned :**

		Rs. in Crore
Total Foreign Exchange used	:	144.28
Total Foreign Exchange earned	:	18.99

**Note :** Particulars of foreign exchange used/earned during the year given under clauses 15.14(a), 15.14(b) and 15.14(c) of Schedule 15 of Notes on Accounts.

**FORM - A**

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

**A. Power & Fuel Consumption**

	<u>2008-09</u> <u>Current Year</u>	<u>2007-08</u> <u>Previous Year</u>
<b>1. Electricity</b>		
(a) Purchased		
Units ('000 kwh)	<b>7206.74</b>	8087
Total amount (Rs. Lakh)	<b>389.38</b>	451.33
Rate/Unit (Rs./kwh)	<b>5.40</b>	5.58
(b) Own generation		
(i) Through diesel generator		
Units ('000 kwh)	<b>744.84</b>	851
Units per ltr. of diesel oil	<b>2.15</b>	2.66
Cost/unit (Rs./unit)	<b>11.73</b>	12.36

# Balmer Lawrie & Co. Ltd.

	<u>2008-09</u> <u>Current Year</u>	2007-08 <u>Previous Year</u>
(ii) Through steam turbine/generator Units		
Units per ltr. of fuel oil/gas	N.A.	N.A.
Cost/unit		
<b>2. Coal</b>		
Quantity (tonnes)	N.A.	N.A.
Total Cost		
Average Rate		
<b>3. Furnace Oil</b>		
Quantity (kl.)	1485.01	1808
Total amount (Rs. lakh)	530.69	542.64
Average Rate (Rs./kl.)	35736.46	30005
<b>4. Other/Internal Generation</b>		
Quantity		
Total Cost	N.A.	N.A.
Cost/unit		
<b>B. Consumption per unit of production</b>	<u>2008-09</u> <u>Current Year</u>	2007-08 <u>Previous Year</u>
Lubricating greases		
• Electricity (kwh/mt-kl)	74	68
• Furnace Oil (l/mt-kl)	18	16
Barrels & Drums		
• Electricity (kwh/unit)	1.54	1.79
• Furnace Oil (l/unit)	0.45	0.52
Synthetic Fat Liquors		
• Electricity (kwh/mt)	190	225
• Furnace Oil (l/unit)	52	57
Syntans		
• Electricity (kwh/mt)	207	226
• Furnace Oil (l/unit)	23	30

## Notes :

- Figures represent energy consumption in the manufacturing units of SBUs Industrial Packaging, Greases & Lubricants and Leather Chemicals. SBU IP had discontinued production at Panipat and Mathura while unit at Asaoti was commissioned.
- Figures are based on equivalent units of production as appropriate.
- Increases in electricity/furnace oil usage per equivalent unit of production in SBU : IP, SBU G&L and decrease in electricity usage for Synthetic Fat Liquors are 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**

**1) 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, leather chemicals and industrial packaging.
- In Lubricants (Greases & Lubricating Oils), R&D efforts at value engineering and upgradation of current products had been prioritized due to the sudden spike in base oil prices. Further efforts were directed at development & commercialization of identified high volume & eco-friendly products, viz. superior quality lithium & sulphonate complex greases, lubricants for railways, sugar industries, mining sectors, automotive sector etc. Application of Nano-technology in lubricants is being explored with a leading university.
- In Leather Chemicals, the thrust of development had been towards high performance fat liquors for sophisticated leather segments and on a range of polymeric syntans. Eco-friendly tanning agents are also being developed.
- In Industrial Packaging, efforts in R&D had been towards development of value added barrel variants and also development of more efficient & productive manufacturing processes.

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

- R&D efforts in lubricants and leather chemicals have helped the Company to introduce new product ranges as also to remain cost effective in existing products thereby helping the respective SBUs to remain competitive.
- R&D efforts in Industrial Packaging would help the Company to augment its portfolio of speciality barrels and improvement in manufacturing processes would help retaining technological leadership in the industry.

**3) Future Plan and action**

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

- Value engineering of existing product ranges
- Development of new ranges of speciality/high performance products in lubricants & leather chemicals and also value added industrial packaging applications.
- Development of systems and equipment to aid in cost effective manufacturing etc.

**4) Expenditure on R&D**

	Rs. Lakh	
	2008-09	2007-08
Capital	47.20	16.78
Revenue	271.45	219.53
Total	318.65	236.31
Total R&D expenditure as % of Turnover	0.19	0.16

**II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS**

**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**

- Partly off-setting the increase in cost of production despite steep increases in prices of key raw material and other inputs.
- Augmentation of Company's products basket in target market segments leading to addition of new customers and retention of existing customers.
- Increased competitiveness & customer satisfaction.
- Introduction of environment friendly & safe practices.  
Foray into Export Market

**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 been fully absorbed? : Not Applicable
- iv) If not absorbed, areas where this has not taken place. : Not Applicable  
Reasons there of and future plan of action.

**Report on Corporate Governance**  
[Forming Part of the Directors' Report for the year 2008-09]

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

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

**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 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.

During the financial year under report, the Ministry of Petroleum & Natural Gas, Government of India, being the Administrative Ministry of the Company, appointed 6 non-official / part-time Independent Directors on the Board of the Company. Following the induction of the said Directors, the Board of Directors and the Audit Committee have been reconstituted and their composition is in compliance with Clause 49 of the Listing Agreement with Stock Exchanges and the provisions of the Companies Act, 1956.

As on 31 March 2009, the Board consisted of 12 Directors, viz, 4 Whole-time Directors, 2 Non-Whole-time Government Nominee Directors and 6 Non-Wholetime Independent Directors mentioned herein below:

*Whole-time Directors*

- Shri S K Mukherjee (Managing Director)**
- Shri P Radhakrishnan (Director – Service Businesses)**
- Shri V N Sharma (Director – Manufacturing Businesses)**
- Shri K Subramanian (Director – Finance)**

*Government Nominee Directors*

- Shri M Singh**
- Shri VLVSS Subba Rao**

*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 S K Mukherjee**

*Managing Director*

Shri S K Mukherjee was appointed Managing Director by the Government of India, on 1 April 2005. He has served the Company in various capacities since January 1976. Shri Mukherjee is a Bachelor of Commerce and is a qualified Cost Accountant (AICWAI). He has a total working experience of 40 years including 33 years in the Company during which he gained specialization in the functional areas like Accounts & Finance, Taxation and General/Strategic Management. Shri Mukherjee's expertise is built on assignments both at the Strategic Business Unit as well as at the Corporate levels.

**Shri P Radhakrishnan**

*Director – [Service Businesses]*

Shri P Radhakrishnan was appointed Whole-time Director on 11 March 2003 by the Government of India and was further re-appointed at the 88th Annual General Meeting held on 23 September 2005. He is a Bachelor of Arts (Economics) and also holds Diploma in Social Work. Shri Radhakrishnan has a total working experience of 36 years during which he developed expertise in the functional areas of General Management and Human Resource Management.

**Shri V N Sharma**

*Director [Manufacturing Businesses]*

Shri V N Sharma was appointed Whole-time Director by the Government of India, on 20 January 2005 and was further re-appointed at the 90th Annual General Meeting held on 25 September 2007. He is a Bachelor of Technology (Chemical Engineering) and also holds Post Graduation Diploma in Business Management. Shri Sharma has a total working experience of 33 years during which he has developed expertise in the functional areas of Production and Operations Management, Project Management, R & D Management as well as General Management.

**Shri K Subramanian**

*Director [Finance]*

Shri K Subramanian was appointed Whole-time Director by the Government of India on 30 December 2005. He is a Bachelor of Commerce and a qualified Chartered Accountant (ACA). He has a working experience of 31 years during which he has developed expertise in the functional areas of Accounts & Finance, Taxation and General Management.

**Shri M Singh**

*Government Nominee Director*

Shri M Singh was appointed as non-executive Director on the Board on 21 February 2006 based on direction from the Government of India dated 17 February 2006. He is a Bachelor of Arts, a Masters in Public Administration and also an LL.B. He is a member of the IAS (1989 batch). He has a working experience of 20 years during which he has developed expertise in the functional areas of Law, Public Administration and Management.

**Shri VLVSS Subba Rao**

*Government Nominee Director*

Shri VLVSS Subba Rao was appointed as non-executive Director on the Board on 13 October 2008 based on direction from the Government of India dated 13 October 2008. He holds a Master Degree in Economics and is a member of Indian Economic Services. He has a working experience of about 22 years during which he has developed knowledge and expertise in the functional area of Finance, Project Appraisal, Trade Logistics, Training and economic administration.

**Shri K C Murarka**

*Independent Director*

Shri K C Murarka was appointed as additional director on the Board on 26 December 2008. Shri Murarka is an Independent Director of the Company. Shri Murarka is a Bachelor of Science. He has a working experience of 40 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 as additional director on the Board on 26 December 2008. Shri Seth is an Independent Director of the Company. Shri Seth is a Bachelor of Technology and Master in Business Administration. He has a working experience of over 30 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 as additional director on the Board on 26 December 2008. Shri Bezbaruah is an Independent Director of the Company. Shri Bezbaruah is a Master of Arts as well as Master in Public Administration. He is a retired IAS and

has a working experience of 37 years in the area of civil services.

**Shri P K Bora**

*Independent Director*

Shri P K Bora was appointed as additional director on the Board on 26 December 2008. Shri Bora is an Independent Director of the Company. Shri Bora is a Master of Arts (in English) and also a retired IAS. He has a working experience of 40 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 as additional director on the Board on 26 December 2008. Shri Bhattacharyya is an Independent Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost & Works Accountants of India, besides being a Master of Commerce, D. Phil. and Diploma in Management Accounting (ICA). Shri Bhattacharyya has a working experience of 36 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 as additional director on the Board on 26 December 2008. Smt Chaturvedi is an Independent Director of the Company. She is a Ph D. She has a working experience of over 38 years in the areas of teaching, research and management consultancy. Her areas of specialization are Human Resource, Organization Behaviour and Organization Sociology.

- b) 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 during the financial year 2008-09 are enumerated as follows:

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 26 September 2008
Shri S K Mukherjee	5	2	0	0	Yes
Shri M Singh	0	1	1	0	Yes
Shri VLVSS Subba Rao	0	1 <sup>2</sup>	0	0	NA
Shri P Radhakrishnan	2	1	0	0	Yes
Shri V N Sharma	3	1	0	0	Yes
Shri K Subramanyan	1	0	1	0	Yes
Shri K C Murarka <sup>3</sup>	1	1	0	0	NA
Shri Arun Seth <sup>3</sup>	7	0	0	1	NA
Shri M P Bezbaruah <sup>3</sup>	0	0	1	0	NA
Shri P K Bora <sup>3</sup>	0	1	0	0	NA
Shri Asish K Bhattacharyya <sup>3</sup>	2	3	0	0	NA
Smt Abha Chaturvedi <sup>3</sup>	1	0	0	0	NA

<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' Grievance Committee have only been shown above.

<sup>2</sup> Shri Subba Rao ceased to be a member of the Audit Committee from 26 December 2008.

<sup>3</sup> The Director was inducted as non-official part-time Independent Director of the Company vide board resolution dated 26 December 2008.

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 2008-09 is shown below:

Name of the Director	Board Meetings held during 2008-09						
	15 April 2008	16 June 2008	30 July 2008	26 September 2008	31 October 2008	30 January 2009	23 March 2009
Shri S K Mukherjee	✓	✓	✓	✓	✓	✓	✓
Shri M Singh	✓	✓	✓	✓	✓	X	X
Shri VLVSS Subba Rao*	NA	NA	NA	NA	✓	✓	✓
Shri P Radhakrishnan	✓	✓	✓	✓	✓	✓	✓
Shri V N Sharma	✓	✓	✓	✓	✓	✓	✓
Shri K Subramanyan	✓	✓	✓	✓	✓	✓	✓
Shri K C Murarka**	NA	NA	NA	NA	NA	✓	X
Shri Arun Seth**	NA	NA	NA	NA	NA	✓	✓
Shri M P Bezbaruah**	NA	NA	NA	NA	NA	✓	✓
Shri P K Bora**	NA	NA	NA	NA	NA	X	✓
Shri Asish K Bhattacharyya**	NA	NA	NA	NA	NA	✓	✓
Smt Abha Chaturvedi**	NA	NA	NA	NA	NA	X	✓

\*Shri Subba Rao was inducted as Additional Director of the Company on 13 October 2008 in the vacancy caused by the cessation of Shri Atul Kaushik as a Director.

\*\*Inducted as non-official part-time Independent Directors on the Board on 26 December 2008.

## Committees of the Board

### 1. Audit Committee

The terms of reference of the Audit Committee, as stands now, which are in line with the Companies Act, 1956, the Listing Agreement and the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2007 *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 and approval of payment to statutory auditors for any other services.
- Review with the management the quarterly and 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 including follow-up action on the audit observations of the C&AG Audit, if any.
- Review and pre-approve all related party transactions. For the purpose the Committee may designate a member who shall be responsible for pre-approving 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.
- Reviewing with the management, the statement of uses/



application of funds raised through an issue 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 and discuss with internal auditors any significant findings and follow-up thereon.
- Reviewing with the Management, internal auditors, independent auditor significant audit findings during the year including status of the previous audit recommendations.
- 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.
- Review Certification/Declaration of financial statements by the Chief Executive/Chief Finance Officer.
- 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.
- Review the findings of any internal investigations by the internal auditors/auditors etc. into the matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature.
- Review the Whistle Blower Mechanism to be instituted and to protect Whistle Blowers.

During the financial year, the constitution of the Audit Committee underwent changes in view of changes in the composition of Board and, in particular, on account of induction of the Independent Directors on the Board of the Company. Accordingly, the Audit Committee was reconstituted on 26th December, 2008 to make the composition of the Committee 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-wholetime Independent Directors and one non-wholetime Government Nominee Director. Shri M P Bezbaruah, being an Independent Director, is the elected Chairman of the Committee. Shri P K Bora, Shri K C Murarka, Shri Asish K Bhattacharyya, Shri M Singh, and Shri S K Mukherjee 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 2008-09					
	15 April 2008	16 June 2008	30 July 2008	31 Oct. 2008	30 Jan. 2009	23 Mar. 2009
Shri M P Bezbaruah	NA	NA	NA	NA	✓	✓
Shri M Singh	✓	✓	✓	✓	X	X
Shri Asish K Bhattacharyya	NA	NA	NA	NA	✓	✓
Shri K C Murarka	NA	NA	NA	NA	✓	X
Shri P K Bora	NA	NA	NA	NA	X	✓
Shri S K Mukherjee	✓	✓	✓	✓	✓	✓
Shri VLVSS Subba Rao*	NA	NA	NA	✓	NA	NA

\*Shri Subba Rao was inducted as member of the Audit Committee in place of Shri Atul Kaushik in the month of October 2008 and ceased to be a member of the Committee upon its reconstitution on appointment of the Independent Directors.

## 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 the Managing Director and the Director (Service Businesses) as Members. On 15th June, 2009 the Committee met and took on record the status of investors' grievances as well as the services rendered during the financial year 2008-09. The terms of reference of the Committee are as per the terms set out in the Listing Agreement.

The particulars of investors' complaints during 2008-09 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, bisharegrievance@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 direct 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 2008 to 31 March 2009.

The Company had received NIL communications in the nature of complaint and 181 general communications during the financial year 2008-09 and all of them 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	5	NIL	NIL	NIL	NIL	NIL
Non-receipt of share certificates on sub-division, consolidation, duplicate and renewal of share certificates	3	NIL	NIL	NIL	NIL	NIL
Loss of share certificates	10	NIL	NIL	NIL	NIL	NIL
Change of address	20	NIL	NIL	NIL	NIL	NIL
Transmission, Registration of power of attorney, death, marriage certificates etc.	1	NIL	NIL	NIL	NIL	NIL
Non-receipt of dividend	14	NIL	NIL	NIL	NIL	NIL
Revalidation/Fresh issue of Dividend warrant	86	NIL	NIL	NIL	NIL	NIL
Details of Electronic Clearance System or mandates or bank details	25	NIL	NIL	NIL	NIL	NIL
Deletion of name of deceased joint holders	3	NIL	NIL	NIL	NIL	NIL
Queries from SEBI	NIL	NIL	NIL	NIL	NIL	NIL
Queries from CLB, Stock Exchanges and Depositories	4	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	NIL	NIL	NIL	NIL	NIL	NIL
Miscellaneous	10	NIL	NIL	NIL	NIL	NIL
<b>Total :</b>	<b>181</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

### 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 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 30th 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 consists of three members, viz., Smt. Abha Chaturvedi, Independent Director, who is the Chairperson, Shri VLVSS Subba Rao, Government Nominee Director and Shri Arun Seth, Independent Director. The first meeting of the Committee took place on 8th April 2009 to examine various issues that had become relevant in the context of pay revision of the officers and the meeting was attended by all the members.

### 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/stock of dividend warrants, 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 conducted in 2008. Responses reflected that the services to the shareholders are generally satisfactory. As the Company is committed to persistently improve and raise the standard of service to the shareholders, a self-addressed postage prepaid response sheet is circulated along with this Annual Report to encourage shareholders in providing response.

**Secretarial Audit**

During the Financial year 2008-09, Secretarial 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) and 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 2007-08, this audit has been duly conducted in the year 2008-09 to check the quality of compliance of all applicable laws under which the Company and its Strategic Business Units operate. The Board reviewed the report of such legal compliance audit and found the same as satisfactory.

**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 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 Electronic Clearing Services (ECS)**

As per Circular issued by Securities and Exchange Board of India (Circular no. DCC/FITT/CIR/-3-2001 dated 15 October 2001), the Company encourages use of ECS for payment of Dividend, wherever available. Requests have been made like in earlier years to the shareholders for adoption of ECS facility. It is strongly recommended that the shareholders located at major cities may obtain their dividend through ECS to enable the Company to reduce costs of payment through physical mode as well as in the interest of prompt encashment by the Members.

**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 2000-01 has been deposited with the "Investor Education and Protection Fund " of the Central Government, by the Company on 8 December 2008.

The details of dividends remaining unclaimed as on 30 June 2009, which may, in future be required to be transferred to the Investor Education and Protection Fund by the Company are as below:

Date on Dividend Payment	For the Financial Year	Total Amount of Dividend (Rs.)	Dividend per share (Rs.)	Amount of Unclaimed Dividend as on 30 June 2009 (Rs.)	% of Unclaimed Dividend on the total Dividend	Due date* of transfer to Investor Education and Protection Fund
3 October 2002	2001-02	2,93,14,946.00	1.80	3,38,686.00	1.16	3 October 2009
1 October 2003	2002-03	5,04,86,851.00	3.10	5,64,596.00	1.12	1 October 2010
1 October 2004	2003-04	5,70,01,284.00	3.50	5,21,796.30	0.92	1 October 2011
29 September 2005	2004-05	8,95,73,446.00	5.50	8,34,289.50	0.93	29 September 2012
25 September 2006	2005-06	14,65,74,729.00	9.00	12,53,026.00	0.85	25 September 2013
3 October 2007	2006-07	21,98,62,093.50	13.50	19,77,953.00	0.90	31 October 2014
3 October 2008	2007-08	27,68,63,377.00	17.00	25,35,340.00	0.92	1 November 2015

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

# Balmer Lawrie & Co. Ltd.

During 1 April 2008 to 30 June 2009, 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 issued by Ministry of Law, Justice & Company Affairs, Department of Company Affairs vide F. No. 5/199-IPC-I, dated 21-6-2002:

Quarter ended	Due date of compliance	Date of compliance
30 June 2008	5 July 2008	2 July 2008
30 September 2008	5 October 2008	3 October 2008
31 December 2008	5 January 2009	2 January 2009
31 March 2009	5 April 2009	2 April 2009
30 June 2009	5 July 2009	3 July 2009

## General Body Meetings

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

Date & Time	Venue	Type of Meeting	Special Resolution passed
26 September 2008 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	91st Annual General Meeting (AGM)	Nil
25 September 2007 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	90th AGM	Nil
21 September 2006 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	89th AGM	Nil

## Resolutions passed through Postal Ballot

During the financial year 2008-09, there was no resolution – ordinary or special – that required to be passed by the Shareholders through Postal Ballot.

## Disclosures

- There was no materially significant related party transaction executed during the financial year ended 31 March 2009 requiring disclosure under Clause 49 of the Listing Agreement, except as has been mentioned under Clause 15.21(i) and (ii) of Schedule-15 of the Notes on 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 2009.
- 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 (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; however, the Company is yet to implement other non-mandatory requirements of Clause 49 including 'Whistle Blower Policy' for which the mechanism for adoption is under consideration.

## h) 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 /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 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 Committee attended by them.

Details of remuneration paid to the Directors during 2008-09 are enumerated hereunder :

(All figures in Rs.)

Name of the Director	Salaries and allowances	Contribution to provident fund	Contribution to gratuity fund	Other benefits and perquisites	Sitting fees	Total Remuneration
Shri S K Mukherjee	990602.00	99982.00	468329.00	242499.00	-	1801322.00
Shri M. Singh	-	-	-	-	-	-
Shri VLVSS Subba Rao	-	-	-	-	-	-
Shri P Radhakrishnan	906420.00	100181.00	547916.00	418725.00	-	1973242.00
Shri V N Sharma	813578.00	91104.00	433468.00	240034.00	-	1578184.00
Shri K Subramanyan	1054240.00	91899.00	433468.00	198198.00	-	1777805.00
Shri K C Murarka	-	-	-	-	-	-
Shri Arun Seth	-	-	-	-	20000.00	20000.00
Shri M P Bezbaruah	-	-	-	-	40000.00	40000.00
Shri P K Bora	-	-	-	-	20000.00	20000.00
Shri Asish K Bhattacharyya	-	-	-	-	40000.00	40000.00
Smt Abha Chaturvedi	-	-	-	-	10000.00	10000.00

- i) The Code of Conduct for Directors and Senior Management Personnel of the Company is operational. Declaration by the CEO under Clause 49 of the Listing Agreement has been set out elsewhere in the Annual Report.
- j) The number of equity shares of the Company being held by the Directors are as follows:

Name of the Director	Shares held in the Company
Shri S K Mukherjee	383
Shri V N Sharma	1650*
Shri K Subramanyan	101

\*Including 250 shares held jointly [with his wife as the first holder]

- k) The Company has instituted a revised 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 has become fully operational and the norms are being given effect to at the corporate and the SBU levels.

**Shareholders' Information**

Date and time of the

92nd Annual General Meeting : 24 September 2009 at 10.30 a.m.

Venue

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

Financial year ended on

: 31 March 2009.

Dividend Payment date

: The dividend warrants would be posted or dividends would be transferred through ECS on or after 29 September 2009 and within 30 days from the date of declaration as provided in the Companies Act, 1956.

Date of Book Closure:

14 September 2009 to 24 September 2009 (Both days inclusive)

# Balmer Lawrie & Co. Ltd.

The shareholders are required to submit ECS mandate / bank particulars, on or before 13 September 2009 at the following address:

## Link Intime India Pvt. Ltd.

59-C, Chowringhee Road, 3rd 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 2009-10 paid to the Stock Exchanges on
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	523319	24 April 2009
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400051	BALMLAWRIE	17 April 2009
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 created an exclusive e-mail ID viz, blsharegrievance@balmerlawrie.com to enable the investors lodge their complaint/grievance, if any.
- All communications relating to share registry matters may be addressed to:

## Link Intime India Pvt. Ltd.

59-C, Chowringhee Road, 3rd 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 – 700 001  
Phone: (033) 2222 5322/5314  
Fax: (033) 2222 5292  
E-Mail: dey.sk@balmerlawrie.com or  
mukhopadhyay.c@balmerlawrie.com

## Distribution of Shareholding on the basis of face value of equity shares held as on 31 July 2009

Face Value of Equity Shares (Rs.)	Number of Shareholders	Percentage of total Shareholders	Number of Shares	Percentage of total Shareholdings
Upto 50	9311	57.57	200143	1.23
51 to 100	2779	17.18	244682	1.50
101 to 200	1688	10.44	271133	1.66
201 to 300	638	3.94	168699	1.04
301 to 400	339	2.10	123069	0.76
401 to 500	389	2.41	187215	1.15
501 to 1000	523	3.23	402094	2.47
1001 to 2000	276	1.71	406099	2.49
2001 to 3000	87	0.54	214321	1.32
3001 to 4000	39	0.24	138878	0.85
4001 to 5000	24	0.15	110418	0.68
5001 to 10000	41	0.25	299099	1.84
10001 & above	39	0.24	13520231	83.02
<b>Total</b>	<b>16173</b>	<b>100.00</b>	<b>16286081</b>	<b>100.00</b>

**Distribution of Shareholding as on 31 July 2009 on the basis of category of Shareholders**

	<b>Category</b>	<b>No. of shares held</b>	<b>Percentage of Shareholding</b>
<b>A</b>	<b>Promoter's Holding</b>		
<b>1</b>	Promoters	Nil	Nil
	– Indian promoters		
	– Foreign promoters	Nil	Nil
	<b>Sub - Total</b>	<b>Nil</b>	<b>Nil</b>
<b>B</b>	<b>Non-Promoter's Holding</b>		
<b>2</b>	<b>Institutional Investors</b>		
	a) Mutual Funds and UTI	629496	3.87
	b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)	1953481	11.99
	c) Foreign Institutional Investors	106029	0.65
	<b>Sub-Total</b>	<b>2689006</b>	<b>16.51</b>
<b>3</b>	<b>Others</b>		
	a) Bodies Corporate*	10663093	65.47
	b) Indian Public	2830639	17.38
	c) Non-Resident Indians/Overseas	103343	0.63
	d) Any other	–	–
	<b>Sub-Total</b>	<b>13597075</b>	<b>83.49</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 31 July, 2009**

<b>Category</b>	<b>Number of Physical Shares</b>	<b>Number of Shares dematerialized</b>	<b>Total Number of Shares</b>	<b>Percentage of Equity holding</b>
Foreign Nationals	17806	191566	209372	1.29
Financial Institutions and Banks	12306	1937155	1949461	11.97
Balmer Lawrie Investments Limited (a Government company)	0	10064700	10064700	61.80
UP State Government	4020	0	4020	0.02
Mutual Fund	650	628846	629496	3.87
Bodies Corporate	8664	589729	598393	3.67
Directors & their relatives	484	1650	2134	0.01
Public	408752	2419753	2828505	17.37
<b>TOTAL</b>	<b>452682</b>	<b>15833399</b>	<b>16286081</b>	<b>100.00</b>

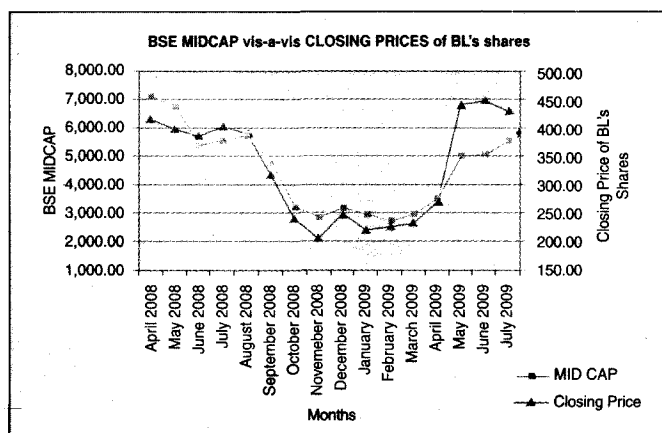
## Percentage of physical and dematerialized shares as on 31 July 2009

Type of shares	%
Physical	2.78
Dematerialized	97.22
Total	100.00

## 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 2008 to July 2009) :

Month-Year	High Rs.	Low Rs.	Volume of Transaction (Nos.)
April 2008	434.95	358.10	55717
May 2008	425.90	361.00	53170
June 2008	433.00	355.05	84940
July 2008	434.00	345.00	47077
August 2008	430.00	380.60	35413
September 2008	434.70	270.85	79646
October 2008	339.95	212.25	63775
November 2008	284.00	205.00	65193
December 2008	263.40	201.00	19156
January 2009	272.00	216.00	19727
February 2009	258.90	223.05	39842
March 2009	275.00	210.55	196283
April 2009	318.00	239.00	126088
May 2009	448.00	275.05	266525
June 2009	493.00	401.15	401814
July 2009	473.00	403.05	372253

## Share Price of the Equity Shares of the Company vis-a-vis the BSE MIDCAP



## Location of the Business

Name of the business	Location	ISO 9001:2000 accreditation	ISO 14001:2004 accreditation
Greases & Lubricants	<b>Manufacturing Units :</b>		
	Chennai*	✓	✓
	Kolkata	✓	✓
	Mumbai	✓	-
	Silvassa	✓	✓
	Taloja	✓	-
	<b>Marketing Offices :</b>		
	Bangalore	-	-
	Calicut	-	-
	Chennai	-	-
	Kolkata	-	-
	Mumbai	-	-
	New Delhi	-	-
	Raipur	-	-
Secunderabad	-	-	
Vadodara	-	-	
Industrial Packaging	Chennai	-	✓
	Kolkata	✓	-
	Mumbai	✓	-
	Silvassa	✓	-
	Asaoti**	-	-
	<b>Marketing Office :</b> New Delhi, Baroda and at all the places mentioned above		
Leather Chemicals	<b>Manufacturing units :</b>		
	Chennai	-	-
	Manali*	✓	✓
	<b>Technical Service centres :</b>		
	Chennai	-	-
	Kanpur	-	-
	Kolkata	-	-
	Ranipet	-	-
	Ambur	-	-
	<b>Marketing Office :</b>		
	Chennai	-	-
	Kolkata	-	-
Delhi	-	-	
Kanpur	-	-	
Ranipet	-	-	
Logistics Infrastructure	Chennai	✓	-
	Kolkata	✓	-
	Navi Mumbai	✓	-
	Coimbatore	-	-
Logistics Services :	Ahmedabad	-	-
	Bangalore	✓	-
	Chennai	✓	-
	Coimbatore	-	-
	New Delhi	✓	-
	Hyderabad	✓	-
	Karur	-	-
	Kochi	-	-
	Kolkata	✓	-
	Lucknow	-	-
	Mumbai	✓	-
	Pune	-	-
	Thiruvananthapuram	-	-
	Tuticorin	-	-
	Visakhapatnam	-	-



Name of the business	Location	ISO 9001:2000 accreditation	ISO 14001:2004 accreditation
Engineering & Technology Services and Refinery & Oil Field Services	Kolkata	✓	-
Tea Blending & Packaging	Kolkata	-	-
Travel and Tours	Ahmedabad	-	-
	Bangalore	✓	-
	Bhubaneswar	-	-
	Chennai	✓	-
	New Delhi	✓	-
	Hyderabad	✓	-
	Kanpur	-	-
	Kolkata	✓	-
	Lucknow	✓	-
	Mumbai	✓	-
	Pune	-	-
	Tiruvananthapuram	-	-
Vadodara	-	-	

\* In addition to the above, Chennai office of SBU: Greases & Lubricants and Manali office of SBU: Leather Chemical have the accreditation of OHSAS 18001:2007 of TUV:SUD

\*\* In addition to the above, the SBU [Industrial Packaging] has the accreditation of ISO 9001:2008 for Asaoti.

## Declaration by Managing Director (CEO) Under Clause 49 of the Listing Agreement

To  
The Members of  
Balmer Lawrie & Co. Ltd.

I, S. K. Mukherjee, 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 2009.

Kolkata  
15 June 2009

S. K. Mukherjee  
Managing Director

**Auditor's Certificate on Corporate Governance  
To the Members of Balmer Lawrie & Company Limited**

We have examined the compliance of conditions of Corporate Governance by Balmer Lawrie and Company Limited ("the company"), for the ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governacne is the responsibility of the company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither and audit nor an expression of opinion on the finaancial 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 directors and the management, subject to the following :

(a) the number of non-executive directors was less than fifty percent of the strength of Board of Directors (Clause 49(IA) up to 26 December 2008;

- (b) the Audit Committee of the company was reconstituted on 30 January 2009 by inducting independent directors, consequently the Chairman of the Audit Committee was also not an independent director and the quorum did not comprise of any independent directors (Clause 49 (IIA) (i) & (iii) and 49(II B) up to that date;
- (c) the Audit Committee did not comprise of minimum number of members (i.e. three members) for the period from 15th April 2008 to 12th October 2008, following the resignation of one of the Audit Committee members;

We certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place of Signature Kolkata  
Date : 21st August 2009

For GUPTA & CO.  
*Chartered Accountants*  
S. K. Ganguli  
*Partner*  
Membership No. 6622

## **Management Discussion and Analysis**

[Forming Part of the Directors' Report for 2008-09]

Balmer Lawrie & Co. Ltd. is a multi-product, multi-location company engaged in both manufacturing and service businesses.

The business of your Company comprises eight Strategic Business Units (SBUs). Each SBU is discussed separately herein below:

### **1. INDUSTRIAL PACKAGING (SBU-IP)**

#### **Industry structure and developments**

Historically, the Company is the largest manufacturer of industrial packaging containers. The Company manufactures and markets 165, 200 and 210 litre capacity mild steel barrels from its six manufacturing units spread across the country.

The consumers of the containers are leading manufacturers in their respective industry segments viz., lubricating oils and greases, transformer oil, agrochemicals, fine chemicals, paint, food products, chemicals and bitumen. The containers are utilized for safe packing, transport and storage of products.

The operations of the Industrial Packaging industry is characterized by low growth rate, surplus capacities and a large number of manufacturers leading to depressed margins. The year witnessed high volatility in price of cold rolled steel, the main raw material for steel barrels.

During 2008-09, the SBU retained its lead position in terms of market share.

#### **Opportunities & Threats**

The major opportunities for the SBU lie in :

- Extension of product range
- Leveraging the benefit of its multi-locational presence and well accepted quality standards across diverse industry segments leading to "most preferred supplier" status with a large base of customers
- Leveraging its leading edge technologies and technical expertise.
- Moving up the value chain as a packaging, filling and logistics service provider to a large volume of customers.

The major threats being faced by the SBU are:

- Excess manufacturing capacity in the Industry leading to depressed pricing.
- Emerging competition from alternative products such as plastic drums.
- Volatility in steel industry leading to unstable product pricing.

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

The performance of the SBU during the first half of the year was buoyant. However, on account of the global economic downturn, the market declined by 35 - 40% during the period from October 2008 – January 2009. Demand showed gradual recovery since then.

#### **Outlook**

Demand for the SBU's product stabilized in last month of the year under review and indicative trends appear to be positive for the near term.

Although the SBU had to contend with depressed volumes in the second half of the financial year under report, the indicators since

then are that volume and market share would remain stable in 2009 -10.

#### **Risks & Concerns**

Risk perception of the SBU becomes significant in the context of growing competition from plastic drums, over capacity in the industry exerting pressure on selling price and margins, low entry barrier in terms of capital investment, and slowdown in exports and overall industrial activity. Volatility in input costs, especially steel and paint, has generally subjected the industry, in which the SBU operates, to operational pressures.

Sluggish growth rate in demand for / consumption of lubricants, which comprises the single largest consumer segment is another area of concern.

#### **Internal Control Systems and their adequacy**

The SBU is governed by performance budget system and other internal controls are also in place for monitoring performance against targets/norms. All plants of the SBU are covered under BIS certification. Four out of the six plants under the SBU are certified to ISO 9001:2000 Quality Management Systems. Additional checks through Internal Audit, Vigilance Inspection, etc. are maintained.

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

Owing to high input costs, erosion in the market demand and subsequently vastly reduced sales volumes in the second half for the SBU, the financial performance for the year was affected.

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

The SBU continues to enjoy cordial relationship with employees at all its units. The Panipat unit was closed with effect from November 2008.

### **2. GREASES AND LUBRICANTS (SBU - G&L)**

#### **Industry structure and developments**

The lubricant industry in India is estimated to have a turnover of around Rs. 10,000 crore per annum with consumption of about 1.10 million tonnes in 2008-09. The automotive sector accounts for about 65% of the total lubricant market and balance 35% is shared by industrial and marine sectors. The per capita consumption of lubricants in India is only 1 kg per annum compared to 30 kg in the USA, 14 kg in Western Europe and 2 kg in China. The world lubricant market is projected at 39 million tonnes, the USA being the biggest consumer traditionally. However, Asia has now overtaken North America and accounts for over 30% of the global consumption with China, Japan and India being the main growth engines.

The lubricant market in India is extremely competitive with a large number of players including global majors as well as small regional players and several units in the un-organised sector.

The year 2008-09 saw unprecedented volatility in crude oil price; it soared to \$142 per barrel in July 2008 and dropped to a low of about \$ 32 per barrel in December. This was also reflected, with some time lag, in prices of lubricating base oils. The year 2008-09 also saw a contraction in the Indian lubricant market and several lubricant companies have reported loss in volumes.

A moderate pick-up in demand is being seen in the current year.

## Opportunities & Threats

India's economic growth with high emphasis on infrastructure development should lead to good growth in the demand for lubricants. Opportunities also exist to develop and promote eco-friendly biodegradable lubricants and other high-end innovative products leveraging the Company's strong in-house R&D.

Technological advancements resulting in longer drain intervals for lubricants and use of filled-for-life lubricants are likely to reduce specific consumption of lubricants and thereby affect volume growth. Increasing prices of lubricating base oils and certain other inputs, now being witnessed and appreciation of the US Dollar are factors likely to adversely impact the lubricant business in 2009-10.

## Segmentwise or Productwise Performance

The business of SBU-G&L broadly comprises [a] Processing business or contract manufacturing for others (including oil/lube companies) and [b] Direct Sales of own branded products (*Balmerol*).

The grease processing business has been steady. *Balmerol* business recorded growth in turnover compared to the previous year despite a drop in volume. Several new grades of high performance greases and industrial speciality oils were introduced during the year.

## Outlook

An uptrend in demand for lubricants is seen from the beginning of this financial year. Base oil prices were favourable but have been spiralling upwards since May 2009. Overall, the business conditions were encouraging in the first quarter. While outlook for the rest of the year does not appear to be as bright, growth in business volumes and financial performance is expected.

## Risks & Concerns

The major risks emanate from the steep upward trend in domestic prices of base oils coupled with inadequate availability. Margins get eroded in a rising base oil price scenario because of the commitment to some major customers at fixed prices as per contractual terms. Adverse impact of the apparently weak monsoon on economic growth and consequently on the demand for lubricants is also a concern.

## Internal Control Systems and their adequacy

The SBU has adequate internal control systems suited to its business needs.

The SBU has detailed Management Information System and control measures to monitor performance against budget / targets. On-line Depot Management System has been introduced in all regions in view of the growing retail sales volume. The control systems are continuously tested and where needed reviewed/strengthened through Internal Audit and Vigilance inspection exercises. The Quality and Environment Management System at all plants are certified to ISO 9001:2000 and ISO 14001:2004 standards. The Chennai plant has also received Occupational Health & Safety Assessment Sequence [OHSAS] 18001 Certification.

## Discussion on Financial Performance with respect to Operational Performance

The results for 2008-09 have been just short of what was achieved during the previous year. The sales volume, turnover and profit achieved during the year are viewed to be good considering the

unprecedented situation in regard to prices of base oils particularly in the earlier part of the financial year and the contraction in market for lubricants

## Material Developments in Human Resources /Industrial Relations

The industrial relations scenario in all the Divisions / Units of the SBU continues to remain cordial and peaceful at all levels.

### 3. LOGISTICS SERVICES (SBU – LS)

#### Industry Structure and Developments

India's logistics sector attracted investments worth Rs. 23,200 crore in first half of 2008 outclassing some of the major sectors including aviation, metals, mining and consumer durables amongst others.

The year 2008-09 saw an unprecedented worldwide recession, which was also reflected in the Indian economy. The global downturn affected logistics business also and after continuous growth, the year 2008-09 saw a marginal dip in the freight handled by various airports. Since the impact was felt in India only from October 2008 onwards, the year closed posting better results than the previous year.

SBU-LS of the Company offers comprehensive range of logistics solutions, which include Import Consolidation by air, Air and Sea freight forwarding, Customs clearance, Handling of Project Cargo and Multi-modal transportation, Chartering of aircrafts & vessels and Door-to-Door Services.

#### Opportunities and Threats

In the wake of the global economic slowdown, exports from India were badly hit since many MNCs were concentrating on consolidation of their main offices and even focusing on closure of some of their other offices. Exports would thus take some time to pick up.

The major difficulty the SBU is facing is the restrictions imposed on it by the Ministry of Shipping & Surface Transport with regard to handling Government and PSU cargo moving by sea. This poses severe restrictions in its foray into sea imports.

#### Segmentwise or Productwise Performance

Despite the economic downturn, the performance of the SBU during 2008-09 bettered that of the previous years both in respect of turnover and profitability. As in the previous year, about 70% of the turnover was contributed by air and related logistics activities.

#### Outlook

On account of the global meltdown, the turnover and profit growth as seen in the past year is likely to remain under pressure. However, the SBU still expects to do better due to its concerted efforts towards widening of the client base.

#### Risks & Concerns

The industry continues to remain highly fragmented in India with most of the MNCs having business presence along with the Indian Companies. The MNCs endeavour to offer better rates and most of the liners are now directly entering into the market through their sister logistics companies. There has also been a shift of EXIM trade to China, South Africa and other Middle East countries, which is an area of concern assessed as moderate. The SBU is fully seized of the risks and is, accordingly, gearing itself up to retain its market share.

**Internal Control Systems and their adequacy**

The SBU has in place an effective internal control mechanism, which includes internal and external audit. All major branches and the SBU office are certified to ISO standards.

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

During 2008-09, the SBU-LS was one of the main revenue generators for the Company and maintained its growth under both criteria viz., Turnover and Profit.

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

The SBU continued to maintain cordial industrial relations at all its offices while operating with optimum level of manpower.

**4. TRAVEL AND TOURS (SBU -T&T)****Industry structure and developments**

The SBU is one of the largest IATA affiliated travel agencies in the country operating in the organized sector. The Travel facilitation industry has around 1500 IATA approved agents and over 15000 non-IATA agents operating in the country.

The Travel and Tours Industry is highly fragmented and the industry is accompanied by financial compulsions of the airlines, which has led to a decline in commissions and earnings. The airlines had resorted to 0% commission with effect from 1 November 2008, however, after persistent follow-up by the trade associations and industry members, payment of commission was restored with effect from 1 January 2009 by all Domestic carriers and some International carriers also. However, most of the European carriers continue to follow the 0% regime. The commission of 5% of the basic fare has now been revised to 3% basic fare plus taxes effective 1 January 2009.

Against the above backdrop, the following developments took place with respect to the SBU:

- The Bhubaneswar branch received recognition from IATA during the year 2008-09.
- Full-fledged Money Changers' license was received by the Bangalore and Mumbai branches.
- Kolkata and Lucknow branches have also been ISO Certified by Intertek.
- A travel office has been opened at Kanpur and Pune in July and August 2008 respectively.
- The SBU handled Common Wealth Youth Games organized at Pune in October 2008.
- All-India help line No. 1800 2000 300 has been activated for the benefit of customers.
- Leave Travel Concession (LTC) Domestic Package business aggregating more than Rs. 28 crore were secured by various branches during the year.

**Opportunities and Threats**

The major opportunities for the SBU lie in the large number of airlines offering a multiplicity of destinations, the presence of a relatively large number of low-cost carriers, a higher disposable income coupled with expected steady growth in domestic and outbound tourism in the medium / long-term after reversal of the current economic slowdown.

The major threats being faced by the SBU are reduction of

commission, disintermediation with the popularization of the internet resulting in direct deals between Airlines and clients, tie-up between banks and airlines to give higher discounts to the clients and reduction in air traffic – domestic and foreign – following the economic downturn.

**Segmentwise or Productwise Performance**

The business performance from the domestic travel outpaced the budgeted performance. However, International and others sectors fell marginally short of expectations.

**Outlook**

The outlook for Travel and Tourism trade for 2009-10 appears to be extremely challenging. Owing to general economic downturn and consequent economy measures, there is visible down trend in the travel budget by the major corporate and other clients. In the Government sector also the volume of travel has tapered off post-election and also as a part of cost cutting exercise. Therefore, overall market is expected to be challenging because of low margins and recessionary conditions, especially in the near to medium term.

**Risks & Concerns**

In spite of lower commission, the competition in the market is getting intense day by day as private sector operators are offering huge discounts and incentives to the clients leaving inadequate margin. The future expectation is that the airlines may eventually take a re-look at the commission structure and possibly may implement zero commission uniformly.

The major concerns of the SBU are retention of clients providing services matching their expectations and better recovery of claims from debtors.

**Internal Control Systems and their adequacy**

The Internal Audit assignments as per the programme were duly carried out during the year, which were also reviewed by the Audit Committee. As per the Internal Auditors, the systems and procedures followed by the SBU have been found to be adequate from Internal control standpoint.

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

Despite the economic downturn and its impact especially in the last quarter of the year, the SBU – T&T significantly improved its performance under both criteria viz., Turnover and Profit. This was mainly due to sustained effort by the SBU to widen customer base and offer high quality service.

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

Industrial relations in the SBU have been cordial all through the year.

**5. LOGISTICS INFRASTRUCTURE (SBU- LI)****Industry structure & development**

Logistic infrastructure comprises two activities (a) Container Freight Stations and (b) Warehousing & Distribution.

Container Freight Station (CFS) operates as an extension of the Port and helps decongesting the Port. It provides facilities for storage of containers, Customs clearing, aggregation and segregation of long distance cargo, warehousing and transportation to and from Ports. Thus the Port concentrates on quick turnaround of containers and container ships, while storage, customs clearance etc. are done at the CFS.

Ports are the gateway to International trade and handle over 90% of foreign trade. More than 50% of the world's sea trade is containerised. The Indian Container traffic has been showing quantum growth in line with the GDP and Foreign Trade growth. Container traffic since 2002 has grown exponentially and has averaged at around 15% per annum.

The impressive performance of the Indian economy, which entailed a constant year-on-year growth in GDP and International trade, suffered a serious setback during 2008 - 09 due to the global recession, impact of which was first felt by the country and specially the shipping trade in October 2008. There was a steep drop in Import containers, which was first seen at Nhava Sheva during October 2008 and thereafter at Chennai and Kolkata – three locations where the Company operates CFSs.

Despite the economic slowdown, it is anticipated that the year-on-year growth of GDP is likely to continue in the long term and the same will provide impetus to growth of container traffic and cargo containerisation levels in India, which currently is significantly lower than international levels. The government's focus on development of Infrastructure and various fiscal measures taken will be expected to provide a further fillip to growth. Consequently, major cut back in planned investments in the Port Sector / Port related infrastructure is not likely.

The Company has three CFSs at Navi-Mumbai, Chennai and Kolkata and these three ports account for a substantially large proportion of the total containers being handled by major Indian Ports. However, a number of other ports are registering robust growth or are in the threshold of such growth; as such, the Company is exploring possibilities of setting up new CFSs.

Warehousing & Distribution (W&D) activity of the Company has hitherto been restricted to Kolkata and essentially handle bulk metals. The industry has largely been in the unorganized sector, but the last few years' growth in sectors, such as, consumer durables, retail, soft goods, etc., has attracted significant investments in the warehousing sector. The organised sector is entering the warehousing industry and the Company too has set up its first 1,580 sq. m of covered warehousing at Kolkata with ongoing plans of increasing the space. This was complemented with operations also being started at Coimbatore during the later part of the year.

#### **Opportunities & Threats**

Despite the slowdown in the global economy and the Indian economy, indications are that the Indian economy would continue to grow, riding on the back of domestic consumption. This would therefore lead to growth in Imports / Containerisation as well as in the Warehousing & Distribution sector. Ports continue to lay emphasis on quick turnaround time of vessels and reducing congestion at the docks and this has created a stimulus for increased volume of business for CFSs and Warehousing. Moreover, planned investment in new ports/container terminal at Ennore, Chennai, Vishakhapatnam, etc., continue to be on track.

In the short term due to slow down of the economy, it has been seen that importers / users of CFSs are trying to expeditiously clear consignments with a view to cutting down their costs. Further, a large numbers of CFSs are coming up at Mumbai, Chennai and Kolkata, some of which are owned and operated by shipping lines and this constitutes a major threat to the SBU. In fact, shipping lines are moving deeper into the value chain by getting into every aspect of shipping and providing total logistics solutions. All this has resulted in pricing pressure and thus a squeeze on margins. However, with the anticipated increase in

volumes, growth momentum is expected to be sustained in the medium to long term.

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

In the current year Kolkata CFS has posted a 104% volume growth in Import TEUs coupled with 148% increase in its bottom line as compared to the previous year. Chennai - CFS operated at 117% capacity for most part of the year and registered growth of 18% in turnover and 15% increase in its bottom line. Despite a drop in Mumbai – CFS, the SBU was able to increase the all-India volume of containers handled over the previous year.

W & D activity posted a break even after many years as a consequence of 18% growth in volume and 56% increase in turnover.

#### **Outlook**

The Company is exploring possibilities of increasing capacity at Kolkata CFS besides the ongoing expansion of Chennai CFS with a view to increasing market share. However, the global economic recession has hit the EXIM trade hard and would make the outlook for the SBU extremely challenging at all locations in the coming year. It is however, felt that improvements in the economic environment would start sometime towards the third/fourth quarter of 2009. Therefore, the SBU continues to go ahead with its plans of upgrading existing facilities and setting up new facilities with specific emphasis on the east and southern coast.

#### **Risks and Concerns**

More than 50% of the country's EXIM container traffic moves through Jawaharlal Nehru Port Trust at Navi Mumbai. Increasing saturation of this port along with excess industry capacity is a major risk. Another area of concern springs from some of the shipping lines setting up their own CFSs. Possibility of resultant loss of market share is a risk factor assessed as moderate to significant. The Kolkata Port with its historical legacy of being a city port has made efforts to improve performance but congestion is making it look less attractive to the shipping lines. Adverse changes in Customs Regulations or Port policies are inherent risks of this SBU.

#### **Internal Control Systems and their adequacy**

The SBU has well defined and established working procedures and control systems. These are reviewed at periodic intervals to ensure optimal utilisation and protection of resources.

Internal Audit is carried out at regular intervals covering functional and financial areas to ensure compliance with accepted standards and procedures. All the CFSs are ISO certified.

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

Despite intensive competition and effects of the economic downturn, the SBU has been major revenue generator and shown increase in both revenue turnover and profits during 2008-09.

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

Industrial relations at all the CFSs and W&D units have been cordial throughout the year.

### **6. LEATHER CHEMICALS (SBU – LC)**

#### **Industry structure and developments**

The Company's SBU-Leather Chemicals manufactures and

markets Performance Chemicals for Leather processing and is the market leader in Fat liquors.

India's Leather and Leather products industry is reported to have a turnover of 6 billion US Dollars of which 3.5 billion US Dollars represent exports, mainly to the European Union and USA. During the first half of 2008-09, export of Leather and Leather products showed a growth of 15% year-on-year in US Dollar terms. However, there was sharp fall in exports from November 2008.

Leather Chemicals Industry experienced a low market growth aligned with the trend in leather industry's exports. Flare-up in raw material prices added to the leather chemical industry's woes in a situation when the customers were themselves adversely affected due to developments in western economies.

#### **Opportunities and Threats**

India has become one of the global sourcing centres for finished leather and leather products on account of availability of raw materials and the capabilities the Indian leather industry has developed in meeting the demands of the most discerning global markets. The economic growth in the country and developments such as the emergence of modern retailing outlets in the cities is popularizing leather goods including branded products.

The projected growth of the Indian leather industry offers wider opportunities for the Company to cater to its requirements for high performance chemicals. The Company also sees opportunity in overseas markets.

The strengths of the SBU continue to be in the area of providing excellent value to its customers through its range of fat liquors and syntans.

Volatility in input prices and periodic flow of low-priced imports of chemicals are issues that the Company has to face.

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

Despite the difficulties encountered during the year, the SBU achieved growth in volumes and turnover.

#### **Outlook**

Revival of demand from certain sectors of the leather industry is being seen and assuming this to be sustained, the SBU expects its physical performance to improve over the previous year.

#### **Risks & Concerns**

Competition from imports at prices that seem un-remunerative at times and the volatility in input prices with erratic supply are the major risks the SBU faces.

Exchange rate of the US Dollar is also a crucial factor since it affects the fortunes of the export oriented leather industry and also affects the Company's own export competitiveness.

#### **Internal Control Systems and their adequacy**

The SBU has internal control systems commensurate with the complexity and scale of operation. The SBU has an IT-enabled business operation system. The production units as well as the product development and marketing functions are certified for integrated Management System comprising of ISO 9000: 2000, ISO 14000 and ISO 18000 standards.

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

The SBU achieved increase in sales both in volume as well as

in turnover. The turnover increased by more than 21% but the bottom line remained under pressure.

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

Industrial relations continue to be satisfactory.

### **7. REFINERY & OILFIELD SERVICES (SBU- ROFS)**

#### **Industry structure and developments**

The Refinery & Oilfield Services portfolio has been carved out of the erstwhile SBU: Engineering & Technology Services. The SBU provides mechanized tank & lagoon cleaning services in the refineries & exploration sites. The SBU also provides services in the area of vapour loss prevention in tankages.

The SBU is planning to augment its portfolio through providing services for decontamination of process equipment, particularly in the refineries and is also developing high technology-driven services pertaining to composite repairs of oil pipelines and tankages.

#### **Opportunities and Threats**

The SBU provides a window of opportunity for the Company to grow in areas, where the longstanding relationships with various oil companies can be leveraged to enter into high technology oil related areas. The focus of the Company is on providing environment friendly services, centred around prevention & recovery of hydrocarbon wastes. This area is expected to grow with increased all-round concern on the twin aspects of environment and safety.

#### **Outlook**

Substantial opportunities are visualized in the Refinery and Oilfield Services operation, inasmuch as - besides the currently used technologies in sludge cleaning and vapour loss prevention - new technologies are being explored for adoption in suitable association with international technology suppliers. The objective would be to provide a basket of services in this area to the oil industry.

#### **Risks and Concerns**

The risks of the SBU mostly emanate from threats of competing technologies & processes. The SBU needs to constantly review the various options available to its clients and adapt itself both technologically & commercially, to offer economic solutions. This imperative becomes very important as most job offerings are through the tendering process. Inflexibility of the oil sector companies to deal with adaptations necessary in the post-tendering period, arising out of variances from tender data and stipulations, often cause problems in concluding assignments.

#### **Internal Control Systems and their adequacy**

The SBU has defined and established working procedures and control systems, which are ISO9001: 2000 accredited. These procedures are reviewed periodically to ensure their adequacy and adaptation to changing needs.

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

The SBU has recorded almost a 70% increase in turnover, for the activities brought under fold of the restructured workings. The profitability of the SBU has also been encouraging.

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

The SBU-ROFS operates with a lean manpower structure. The

skills and the operational knowledge requirements of the manpower in the SBU are quite different from those required in other SBUs of the Company, warranting fresh recruitments, both for meeting up with new requirements, arising out of growth as also for replacement requirements. This process has a somewhat long lead-time, impeding opening up of new work fronts and exploration areas.

## 8. TEA (SBU – TEA)

### Industry structure and developments

India's Tea production during the calendar year 2008 was about 980 Million-Kg, up by about 35 Million-Kg from last year. With no carry forward crop, India could barely meet the increased demand for domestic consumption. Consumption in the domestic market continued to rise by around 3% during the year under review.

During the calendar year 2008 India exported 196 Million-Kg, up by about 17 Million-Kg from 2007. The reasons for this increase was primarily lower output from African countries, mainly Kenya.

### Opportunities and Threats

Although the SBU-Tea does not have any backward / forward integration or any branded tea consumer pack, the SBU does possess a blending and packaging Unit and continues to leverage on this strength in packing for high value-added markets, such as the UK, Japan, etc.

The major tea consuming / importing countries follow tendering procedures in sourcing tea. While participating in the tenders as a Merchant Exporter, the Company continues to face stiff competition from the Producer-Exporters who are better positioned to offer teas at competitive prices.

### Segmentwise or Productwise Performance

Export sales of the SBU during 2008-09 were similar to those achieved in 2007-08.

### Outlook

Due to severe shortfall in production of tea in major tea producing countries and increase in domestic consumption, tea prices continued to remain high. This rise in tea prices also affected the unit's margins as more and more buyers are becoming price sensitive due to the ongoing economic slowdown, especially in UK and Japan - the two markets where we have a presence.

### Risks & Concerns

- a) After sale of Balmer Lawrie (UK)'s tea blending and packaging operations in the UK, the Division has been supplying teas to Harrods through two contract packers in UK. Both these two contract packers have tea plantation interests in India.
- b) The increasing demand from developed countries, like Japan, Germany, etc., for supply of tea having no chemical / pesticide residue and also conforming to non-use of chemicals as per their rigid specifications is an area of concern.
- c) The SBU's overheads are fairly high due to manpower costs being not commensurate with the volume of business it can generate.

### Internal Control Systems and their adequacy

The activities of the SBU are strictly governed by the internal control system laid down by the Company in various operation manuals.

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

The SBU has been concentrating on sales to a niche

segment/developed market that can offer better price. The financial performance of the SBU was subdued on account of the factors set out herein above.

### Material Developments in Human Resources/Industrial Relations

The industrial relation situation in the SBU is cordial.

### SPECIALITY CONTAINERS

Further to what had been reported in the Annual Report for the year 2007-08 in respect of the above business, the sale of Speciality Containers activity of the Company at Coimbatore has been completed and it has been handed over to Transafe Service Limited as a going concern with effect from 1 October 2008 and the consideration money of Rs. 289 lakh has duly been received by the Company.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

- a) Your Company remains committed to the socio-economic development and up-liftment of the disadvantaged and economically weaker sections of the society as also empowerment of women. To achieve this objective, the Company has earmarked a portion of its net profit for financing different CSR projects which are implemented with collaboration with various NGOs / VSSOs of repute. The progress is monitored by the Company.
- b) For the forthcoming year 2009-10, your Company is committed to spend a larger amount towards CSR initiatives of the Company. This will include various CSR Projects under Tribal Sub-Plan, Special Component Plan and Gender Budgeting, besides assistance towards disaster relief and rehabilitation.
- c) The Company also has structured two flagship programmes which are proposed to be rolled out tentatively during the financial year 2009-10 titled "Balmer Lawrie Initiative for Self Sustenance [BLISS]" aimed at promoting self-sustenance of disadvantaged / economically backward sections and "Samaj Mein Balmer Lawrie [SAMBAL]" aimed at participating in the overall development of habitations / communities around its work centers. These programmes, it is hoped, would go a long way in strengthening of the Corporate Sustainability initiatives of the Company.

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**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 expectations. 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  
of Balmer Lawrie and Company Limited**

1. We have audited the attached **Balance Sheet of Balmer Lawrie and Company Limited** (the Company) as at March 31, 2009, and also the Profit and Loss Account 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.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Profit and Loss Account, Balance Sheet and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act;
  - (v) This being Government company, the provisions of 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 October, 2003.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
    - (a) in the case of the Balance Sheet, of the state of the Company's affairs as at March 31, 2009;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 ('the order') as amended, issued by the Central Government of India in terms of Section 227 (4A) of the 'Companies Act, 1956' of India (the Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The related Branch Auditor's

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Kolkata, June 15, 2009

Membership No. : 6622

**Annexure to Auditor's Report**

The Annexure referred to in paragraph 3 of the Auditor's Report of even date to the Members of Balmer Lawrie and Company Limited ('the Company') on the financial statements for the year ended 31st March 2009. We report that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of 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 the nature of its assets. As explained to us, in accordance with this programme, plant and machinery and certain other fixed assets were verified during the year and no material discrepancies were noticed on such verification.
2. (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 inventory 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 the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

**Annexure to Auditor's Report (Contd.)**

3. 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 ('the Act'). Accordingly, paragraphs 4(iii)(b) to 4(iii)(g) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.

Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure on the part of the Company to correct major weaknesses in the aforesaid internal control system.

5. In view of our comment in paragraph (3) above, paragraphs 4(v)(a) and 4(v)(b) of the Order in respect of contracts or arrangements referred to in Section 301 of the Act, and transactions made in pursuance of such contracts or arrangements exceeding the value of five lakh rupees in respect of any party, are not applicable to the Company.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the company's present internal audit system (a firm of chartered accountants has been appointed for the purpose) as conducted in a phased manner is commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company in respect of the products of Grease and Lubricants (Petroleum products) and Tea Blending 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 Act, 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.

9. (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, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

Further, there were no dues on account of cess under Section 441A of the Act, since the aforesaid section has not yet been made effective by the Central Government of India.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars

lakhs, which have not been deposited on account of a dispute, are as mentioned in note 15.2(a) (Annexure-A) of Schedule 15 to the accounts showing the amounts involved and the forum where dispute is pending.

10. The Company has no accumulated losses as at 31st March, 2009, and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. The Company has not debenture holder.

12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. 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.

16. In our opinion, and according to the information and explanations given to us, and on an overall basis, the term loans have been applied for the purposes for which they were obtained. The Company did not have any outstanding term loan as at 31 March, 2009.

17. On the basis of 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.

18. In view of our comment in paragraph (3) above, the question of any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act does not arise.

19. The Company has not issued any debentures during the year and no amount is outstanding in respect of debentures as on the balance sheet date.

20. The Company has not raised any money by public issued during the year.

21. 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, noticed or reported during the year, nor have we been informed of such case by the management.

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Kolkata, June 15, 2009

Membership No. : 6622

**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 2009.**

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The preparation of financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2009 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 16 June 2009.

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 2009. 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/-  
(A. Roychoudhury)  
Principal Director of Commercial  
Audit & Ex-Officio Member,  
Audit Board – I,  
KOLKATA

Dated : Kolkata  
10 July, 2009

**Balance Sheet as at 31st March, 2009**

Sources of Funds	SCHEDULES	As at 31st March, 2009		As at 31st March, 2008	
		Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
<b>Shareholders' Funds</b>					
Share Capital	1	1,628.61		1,628.61	
Reserves and Surplus	2	37,206.15	38,834.76	30,855.56	32,484.17
<b>Loan Funds</b>					
Secured	3		—		641.66
Deferred Taxation Liability	15.26		530.08		1,410.08
			<b>39,364.84</b>		<b>34,535.91</b>
<b>Application of Funds</b>					
<b>Fixed Assets</b>					
Gross Block	4	30,155.49		28,847.69	
Less : Depreciation		13,086.39		12,526.68	
Less : Impairment of Assets		150.87		211.24	
Net Block		16,918.23		16,109.77	
Capital Expenditure in Progress including Pre-Production Expenses		308.93		581.17	
Advance against Capital Expenditure		77.04	17,304.20	128.26	16,819.20
Investments	5		5,005.96		4,714.12
<b>Net Current Assets</b>					
<b>Current Assets, Loans and Advances</b>					
Inventories	6	7,884.72		8,635.95	
Debtors	7	22,852.53		25,252.70	
Cash and Bank Balances	8	24,873.31		10,693.59	
Loans and Advances	9	6,838.09		6,304.17	
		62,448.65		50,886.41	
Less :					
Current Liabilities and Provisions	10				
Current Liabilities		33,898.09		30,585.00	
Provisions		11,495.88		7,322.37	
		45,393.97		37,907.37	
Net Current Assets			17,054.68		12,979.04
Miscellaneous Expenditure on Voluntary Retirement Schemes (to the extent not written off or adjusted)			—		23.55
			<b>39,364.84</b>		<b>34,535.91</b>
<b>Notes on Accounts</b>	15				
<b>Significant Accounting Policies</b>	16				

The Schedules referred to above form part of the Accounts.

As per our report attached

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

S. K. Mukherjee  
Managing Director

K. Subramanyan  
Abha Chaturvedi  
V. N. Sharma  
P. Radhakrishnan

Asish Bhattacharyya  
V. Subha Rao  
M. Singh  
P. K. Bora

Directors

Amit Ghosh  
Secretary

**Profit and Loss Account for the year ended 31st March, 2009**

		SCHEDULES	Rs./Lakhs	2007-2008 Rs./Lakhs
<b>Income</b>				
Sales				
	Manufactured Goods		63,058.22	59,891.00
	Less : Excise Duty		7,921.85	8,556.38
			<u>55,136.37</u>	<u>51,334.62</u>
	Trading Goods		200.51	62.35
	Turnkey Projects		2,197.08	4,847.85
	Services		1,06,342.53	87,806.30
	Other Income	11	5,780.09	4,534.71
			<u>1,69,656.58</u>	<u>1,48,585.83</u>
<b>Expenditure</b>				
	Raw Materials Consumed		41,331.71	37,456.68
	Purchases			
	– Trading Goods		152.09	49.49
	– Turnkey Projects		2,109.07	4,624.01
	Cost of Services		87,101.46	73,302.66
	General Expenditure	12	22,746.43	19,168.13
	Depreciation		1,051.67	1,182.16
	Accretion (-)/Decretion to Inventories	13	(1.52)	(248.89)
	Prior Period Adjustments	14	9.30	8.92
			<u>1,54,500.21</u>	<u>1,35,543.16</u>
	Profit before Taxation		15,156.37	13,042.67
	Provision for Taxation – Current		5,785.00	5,340.00
	– Deferred	15.26	(880.00)	(1,060.00)
	– Fringe Benefit Tax		90.00	70.00
	Profit after Taxation		10,161.37	8,692.67
	Balance Brought Forward		8,853.32	6,399.81
	Available for Appropriation		<u>19,014.69</u>	<u>15,092.48</u>
	Proposed Final Dividend		3,257.22	2,768.63
	Corporate Tax on Dividend		553.56	470.53
	Transfer to General Reserve		3,000.00	3,000.00
	Balance Carried Forward		<u>12,203.91</u>	<u>8,853.32</u>
	<b>Earnings Per Share (Rs.) [Basic &amp; Diluted]</b>		<b>62.39</b>	<b>53.37</b>
	<b>Notes on Accounts</b>	15		
	<b>Significant Accounting Policies</b>	16		

The Schedules referred to above form part of the Accounts.

As per our report attached

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
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Kolkata, the 15th June, 2009

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Asish Bhattacharyya  
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M. Singh  
P. K. Bora

Directors

Amit Ghosh  
Secretary

**Schedules forming part of the Balance Sheet as at 31st March, 2009**

SCHEDULE 1		SHARE CAPITAL		As at 31st March, 2008
		<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	
<b>Authorised</b>				
3,00,00,000	(3,00,00,000) Equity Shares of Rs. 10 each	<b>3,000.00</b>		<b>3,000.00</b>
<b>Issued and Subscribed</b>				
90,65,547	(90,65,547) Equity Shares of Rs. 10 each fully paid up in cash	<b>906.56</b>		906.56
4,48,130	(4,48,130) Equity Shares of Rs. 10 each allotted as fully paid shares pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd. with the Company	<b>44.81</b>		44.81
67,72,404	(67,72,404) Equity Shares of Rs. 10 each allotted as fully paid Bonus Shares by way of Capitalisation of General Reserve and Share premium	<b>677.24</b>		677.24
		<b>1,628.61</b>		<b>1,628.61</b>

Note : Out of the above, 1,00,64,700 (1,00,64,700) Equity Shares are held by Balmer Lawrie Investments Ltd. (Holding Company)

SCHEDULE 2		RESERVES AND SURPLUS			As at 31st March, 2008
		<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Share Premium Account					
As per last Account			<b>3,626.77</b>		<b>3,626.77</b>
Foreign Projects Reserve					
As per last Account		<b>5.00</b>		261.94	
Less : Transferred to General Reserve		-	<b>5.00</b>	256.94	<b>5.00</b>
General Reserve					
As per last Account		<b>18,370.47</b>		15,113.53	
Add : Transferred from Foreign Projects Reserve		-		256.94	
Add : Transferred from Profit & Loss Account		<b>3,000.00</b>	<b>21,370.47</b>	3,000.00	<b>18,370.47</b>
Profit and Loss Account			<b>12,203.91</b>		<b>8,853.32</b>
			<b>37,206.15</b>		<b>30,855.56</b>

SCHEDULE 3		SECURED LOANS		As at 31st March, 2008
		<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	
<b>From Banks</b>				
Term Loan	(secured by way of <i>pari-passu</i> first charge on certain movable fixed assets and some immovable properties of the company)	-		641.66
		-		<b>641.66</b>

Note : The Company presently has sanctioned working capital fund based limits of Rs. 10,000.00 lakhs (Rs. 10,000.00 lakhs) from a consortium of bankers. Such working capital facilities are being used by the company from time to time during the year and are secured by hypothecation of stocks and debtors of the company. However, the utilisation of such limits as at the year end was Rs.Nil (Rs. Nil).

## Schedules forming part of the Balance Sheet as at 31st March, 2009

### SCHEDULE 4

(In Rs./Lakhs)

(A) Assets held for active use

#### FIXED ASSETS

PARTICULARS	GROSS BLOCK			Original Cost as at 31st March, 2009	DEPRECIATION				IMPAIRMENT OF ASSETS			NET BLOCK	
	Original Cost as at 1st April, 2008	Additions during the year	Total Cost of Items sold or scrapped/ adjusted		Up to 31st March, 2008	For the year	On items sold or scrapped/ adjusted(*)	Total	As on 1st April 2008	For the year	Balance as on 31.3.2009	W.D.V. as at 31st March 2009	W.D.V. as at 31st March 2008
Land – Freehold	1,213.99	0.48	6.25	<b>1,208.22</b>	—	—	—	—	—	—	<b>1,208.22</b>	1,213.99	
– Leasehold	2,362.59	—	—	<b>2,362.59</b>	406.01	45.15	—	451.16	—	—	<b>1,911.43</b>	1,956.58	
Buildings & Sidings	8,441.47	834.61	168.74	<b>9,107.34</b>	1,808.74	188.76	50.17	1,947.33	134.89	(60.37)	74.52	<b>7,085.49</b>	6,497.84
Plant & Machinery	10,557.12	878.15	150.61	<b>11,284.66</b>	5,949.56	523.78	91.85	6,381.49	43.35	—	43.35	<b>4,859.82</b>	4,564.21
Spares for Plant & Machinery	617.08	6.93	2.50	<b>621.51</b>	580.89	14.71	2.50	593.10	10.54	—	10.54	<b>17.87</b>	25.65
Electrical Installation and Equipment	1,745.83	210.30	35.62	<b>1,920.51</b>	1,104.19	85.95	31.46	1,158.68	17.41	—	17.41	<b>744.42</b>	624.22
Furniture and Fittings	522.02	44.11	8.27	<b>557.86</b>	383.04	29.54	7.99	404.59	—	—	—	<b>153.27</b>	138.98
Typewriters, Accounting Machine and Office Equipment	1,657.64	191.30	61.70	<b>1,787.24</b>	1,249.51	116.88	58.06	1,308.33	1.14	—	1.14	<b>477.77</b>	406.99
Tubewells, Tanks and Miscellaneous Equipment	868.41	63.78	3.52	<b>928.67</b>	508.17	44.89	2.84	550.22	3.91	—	3.91	<b>374.54</b>	356.33
Vehicles	70.52	11.17	0.01	<b>81.68</b>	16.79	7.47	(0.01)	24.27	—	—	—	<b>57.41</b>	53.73
<b>Total (A)</b>	<b>28,055.67</b>	<b>2,240.83</b>	<b>437.22</b>	<b>29,860.28</b>	<b>12,006.90</b>	<b>1,057.13</b>	<b>244.86</b>	<b>12,819.17</b>	<b>211.24</b>	<b>(60.37)</b>	<b>150.87</b>	<b>16,890.24</b>	<b>15,838.53</b>

## Schedules forming part of the Balance Sheet as at 31st March, 2009

## SCHEDULE 4 (Contd.)

(In Rs./Lakhs)

## (B) Assets held for Disposal

## FIXED ASSETS

PARTICULARS	GROSS BLOCK			Original Cost as at 31st March, 2009	DEPRECIATION			Total	IMPAIRMENT OF ASSETS			NET BLOCK	
	Original Cost as at 1st April, 2008	Additions during the year	Total Cost of Items sold or scrapped/adjusted		Up to 31st March, 2008	For the year	On items sold or scrapped/adjusted(*)		As on 1st April 2008	For the year	Balance as on 31.3.2009	W.D.V. as at 31st March, 2009	W.D.V. as at 31st March 2008
Land - Leasehold	63.09	—	56.91	6.18	12.00	—	11.31	0.69	—	—	—	5.49	51.09
Buildings & Sidings	302.69	—	292.50	10.19	112.70	—	107.49	5.21	—	—	—	4.98	189.99
Plant & Machinery	252.71	—	16.42	236.29	235.22	—	16.42	218.80	—	—	—	17.49	17.49
Spares for Plant & Machinery	78.46	—	53.45	25.01	78.46	—	53.45	25.01	—	—	—	—	—
Electrical Installation and Equipment	78.07	—	72.71	5.36	65.40	—	60.08	5.32	—	—	—	0.04	12.67
Furniture and Fittings	1.50	—	0.34	1.16	1.50	—	0.33	1.17	—	—	—	(0.01)	—
Typewriters, Accounting Machine and Office Equipment	3.22	—	0.18	3.04	3.22	—	0.18	3.04	—	—	—	—	—
Tubewells, Tanks and Miscellaneous Equipment	11.28	—	3.30	7.98	11.28	—	3.30	7.98	—	—	—	—	—
<b>Total (B)</b>	<b>791.02</b>	<b>—</b>	<b>495.81</b>	<b>295.21</b>	<b>519.78</b>	<b>—</b>	<b>252.56</b>	<b>267.22</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>27.99</b>	<b>271.24</b>
<b>Grand - Total (A+B)</b>	<b>28,847.69</b>	<b>2,240.83</b>	<b>933.03</b>	<b>30,155.49</b>	<b>12,526.68</b>	<b>1,057.13</b>	<b>497.42</b>	<b>13,086.39</b>	<b>211.24</b>	<b>(60.37)</b>	<b>150.87</b>	<b>16,918.23</b>	<b>16,109.77</b>
2007-2008	28,328.02	1,225.98	706.31	28,847.69	11,852.38	1,184.82	510.52	12,526.68	117.38	93.86	211.24	16,109.77	—

Depreciation for the year as above

Less : Prior Period Adjustment

Depreciation as per Profit &amp; Loss Account

**2008-09**  
**Rs./****1,057.13****5.46****1,051.67**2007-08  
**Rs.**

1,184.82

2.66

1,182.16



**Schedules forming part of the Balance Sheet as at 31st March, 2009**

SCHEDULE 5	INVESTMENTS		As at		
			31st March, 2008		
		<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
<b>Unquoted, unless otherwise stated</b>					
<b>Long Term Investments</b>					
<b>(a) Trade Investments</b>					
Fully paid up – at cost					
3,57,591	(3,57,591) Equity Shares of Rs. 10 each Bridge and Roof Co (India) Ltd.	<b>14.01</b>		14.01	
1,95,900	(1,95,900) Equity Shares of Rs. 10 each Biecco Lawrie Ltd. (carried in books at a value of Re.1)				
79,03,998	(60,80,000) Equity Shares of Rs. 10 each in Transafe Services Ltd. (incl. 28,80,000 Equity shares allotted during 2008-09 on Rights basis)	<b>611.84</b>		320.00	
45,00,000	(45,00,000) Ordinary Shares of Rs. 10 each in Avi-Oil India (P) Ltd.	<b>450.00</b>		450.00	
9,800	(9,800) Shares of Dhs. 1000 each in Balmer Lawrie (UAE) LLC	<b>890.99</b>		890.99	
63,19,978	(63,19,978) Equity Shares of Rs. 10 each in Balmer Lawrie-Van Leer Ltd.	<b>1,164.55</b>	<b>3,131.39</b>	1,164.55	2,839.55
<b>(b) Investment in Subsidiary Company</b>					
Balmer Lawrie (UK) Ltd.					
Fully Paid up – at cost					
33,80,312	(33,80,312) Ordinary Shares of Pound 1 each		<b>1,874.06</b>		1,874.06
<b>(c) Other Investments</b>					
Fully paid up – at cost					
71	(71) Equity Shares of Rs. 100 each in Duncan Brothers & Co. Ltd. (Quoted)	<b>0.06</b>		0.06	
172	(172) 1/2% Redeemable Registered Debentures of Rs. 100 each in The East India Clinic Ltd.	<b>0.17</b>		0.17	
280	(280) 5% Non-redeemable Debenture Stock 1957 of Rs. 100 each in the East India Clinic Ltd.	<b>0.28</b>		0.28	
			<b>0.51</b>		0.51
			<b>5,005.96</b>		4,714.12
<b>Quoted Investment – at cost</b>					
[Market value Rs. 0.15 Lakhs (2007/08 – Rs. 0.15 Lakhs)]					
			<b>0.06</b>		0.06
<b>Unquoted Investment – at cost</b>					
			<b>5,005.90</b>		4,714.06
			<b>5,005.96</b>		4,714.12

**Schedules forming part of the Balance Sheet as at 31st March, 2009**

SCHEDULE 6	INVENTORIES		As at 31st March, 2008	
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Raw Materials [net of provision Rs. 125.89 lakhs (2007-08 - Rs. 50.00 lakhs)]		<b>4,281.76</b>		4,922.89
Finished Products [net of provision Rs. 52.81 lakhs (net of provision Rs. 52.81 lakhs)]		<b>2,607.45</b>		2,491.34
Trading Goods		-		24.45
Work-in-Progress [net of provision Rs. 20.55 lakhs (2007-08 Rs. Nil lakhs)]		<b>651.05</b>		724.47
Stock-in-Transit				
Raw Materials	<b>39.35</b>		158.13	
Finished Products	<b>82.73</b>	<b>122.08</b>	99.45	257.58
Stores and Spare Parts [net of provision Rs. 0.93 lakhs (2007-08 - Rs. Nil lakhs)]		<b>221.90</b>		215.00
Loose Tools		<b>0.48</b>		0.22
		<b>7,884.72</b>		<b>8,635.95</b>

[Refer to point 3 of Schedule 16 for method of valuation of Inventories]

SCHEDULE 7	DEBTORS		As at 31st March, 2008	
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Debts due for more than six months				
Unsecured				
Considered Good	<b>3,294.42</b>		2,563.34	
Considered doubtful	<b>877.94</b>		758.55	
	<b>4,172.36</b>		3,321.89	
Less : Provision for Doubtful Debts	<b>877.94</b>	<b>3,294.42</b>	758.55	2,563.34
Other Debts				
Unsecured				
Considered Good	<b>19,558.11</b>	<b>19,558.11</b>	22,689.36	22,689.36
		<b>22,852.53</b>		<b>25,252.70</b>

SCHEDULE 8	CASH AND BANK BALANCES		As at 31st March, 2008	
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Cash in Hand [including cheques and stamps - Rs. 3.74 Lakhs (2007-08 - Rs. 46.22 Lakhs)]		<b>15.07</b>		57.77
With Scheduled Banks				
In Current Accounts	<b>4,486.64</b>		2,537.14	
In Short Term Deposit Account	<b>20,242.93</b>		8,001.84	
In Dividend Accounts	<b>81.07</b>	<b>24,810.64</b>	59.66	10,598.64
With Standard Chartered Bank, Dubai in Current Accounts [Maximum Amount at any time during the year Rs. 47.60 (2007-08 - Rs. 37.18 Lakhs)]		<b>47.60</b>		37.18
		<b>24,873.31</b>		<b>10,693.59</b>

**Schedules forming part of the Balance Sheet as at 31st March, 2009**

SCHEDULE 9	LOANS AND ADVANCES		As at	
			31st March, 2008	
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Advances recoverable in cash or in kind or for value to be received – Considered Good				
Secured		<b>899.92</b>		921.68
[Due from Director and another officer – Rs. 2.97 Lakhs Maximum amount due at any time during the year Rs.3.64 lakhs (2007/08 – Due Rs. 3.61 Lakhs and Maximum amount due Rs. 6.79 Lakhs)]				
Unsecured				
Holding Company				
Balmer Lawrie Investments Limited	<b>1.26</b>		1.46	
Others	<b>3,865.89</b>		3,011.74	
Considered Doubtful	<b>99.71</b>		68.80	
	<b>4,866.78</b>		4,003.68	
Less : Provision	<b>99.71</b>	<b>4,767.07</b>	68.80	3,934.88
Deposits – Unsecured				
Considered Good		<b>1,584.05</b>		1,949.33
Balance with Customs, Port Trust, Central Excise etc. Considered Good		<b>486.97</b>		419.96
		<b>6,838.09</b>		6,304.17

SCHEDULE 10	CURRENT LIABILITIES AND PROVISIONS		As at	
			31st March, 2008	
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
<b>Current Liabilities</b>				
Sundry Creditors				
– Due to micro and small enterprises		<b>24.32</b>		45.50
– Due to Others		<b>32,645.50</b>		29,017.23
Amounts received in advance against contracts		<b>1,147.20</b>		1,462.61
Investor Education and Protection Fund shall be credited by the following amount namely :				
– Unclaimed Dividend [Refer Note below]		<b>81.07</b>		59.66
		<b>33,898.09</b>		30,585.00
<b>Provisions</b>				
Contingency				
As per last Account	-		100.00	
Less : Transferred to Provision for Doubtful Debts/Inventory	-	-	100.00	-
Provision against Guarantee obligations	<b>1,159.29</b>		1,545.72	
Less : Payment made during the year	<b>386.43</b>	<b>772.86</b>	386.43	1,159.29
Proposed Final Dividend		<b>3,257.22</b>		2,768.63
Taxation, net of Advance Payment		<b>7,465.80</b>		3,394.45
		<b>11,495.88</b>		7,322.37
		<b>45,393.97</b>		37,907.37

Note : There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.

**Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2009****SCHEDULE 11****OTHER INCOME**

	<u>Rs./Lakhs</u>	2007-2008 <u>Rs./Lakhs</u>
Income from Long Term Investments		
Trade Investments		
Dividend	689.20	580.76
Interest on Advances, Deposits,		
Deferred Credit and Overdue Debts (Gross)	1,572.90	718.00
[Tax deducted at source Rs. 140.55 Lakhs (2007/08 - Rs. 66.54 Lakhs)]		
Profit on Disposal of Fixed Assets	232.54	200.61
Surrender/Transfer of Leasehold Rights	934.40	316.00
Export Incentives	17.25	19.41
Rent	279.55	274.80
Packing and Despatching	339.64	327.05
Discount and Commission	1.96	14.48
Claims	7.25	4.09
Liabilities/Provisions		
no longer required written back	659.75	417.01
Sundries	1,045.65	1,662.50
	<u>5,780.09</u>	<u>4,534.71</u>

**Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2009**

**SCHEDULE 12**

**GENERAL EXPENDITURE**

	<u>Rs./Lakhs</u>	<u>2007-2008</u> <u>Rs./lakhs</u>
Salaries, Wages, Bonus, Pensions and Gratuity [includes Pensions to Ex-Directors Rs. 1.64 Lakhs (2007/08 – Rs. 1.05 Lakhs)]	<b>8,842.39</b>	6,938.12
Contribution to Provident and Other Funds	<b>579.93</b>	743.72
Workmen and Staff Welfare Expenses	<b>701.94</b>	663.34
Manufacturing Expenses	<b>563.64</b>	493.35
Excise Duty [Refer Note no. 15.17]	<b>271.18</b>	142.79
Consumption of Stores and Spare Parts	<b>394.27</b>	403.68
Repairs and Maintenance		
Buildings	<b>617.68</b>	392.61
Plant & Machinery	<b>136.39</b>	133.18
Others	<b>204.70</b>	167.29
Power & Fuel	<b>1,390.62</b>	1,200.01
Electricity and Gas	<b>219.65</b>	170.30
Rent	<b>518.37</b>	402.75
Insurance	<b>85.86</b>	82.62
Packing, Despatching, Freight and Shipping Charges	<b>1,519.36</b>	1,426.13
Rates and Taxes	<b>114.30</b>	99.65
Interest [including Rs. 32.93 Lakhs on Fixed Loans (2007/08 – Rs. 66.51 Lakhs)]	<b>518.04</b>	295.47
Auditors' Remuneration and Expenses	<b>13.33</b>	10.90
Bad Debts written off	<b>87.96</b>	98.61
Advances written off	<b>37.41</b>	5.54
Fixed Assets written off	<b>63.57</b>	23.62
Provision for slow/non-moving inventory	<b>150.18</b>	-
Provisions for Debts, Deposits, Loans and Advances considered doubtful	<b>420.34</b>	474.14
Impairment of Fixed Assets	-	93.86
Loss on Disposal of Fixed Assets	<b>0.20</b>	8.65
Selling Commission	<b>353.00</b>	410.54
Cash Discount	<b>268.81</b>	209.51
Bank Charges and Discount	<b>121.46</b>	103.07
Travelling Expenses	<b>802.45</b>	681.48
Printing and Stationery	<b>225.43</b>	151.68
Motor Car Expenses	<b>69.09</b>	71.08
Telephone, Telex, Postage, Cables and Telegrams	<b>256.24</b>	233.55
Donations	<b>1.27</b>	<b>5.20</b>
Turnover Tax/Additional Tax on Sales Tax	<b>0.49</b>	-
Amortisation of Deferred Revenue Expenditure (VRS)	<b>23.56</b>	300.88
Expenditure on VRS for current year	<b>44.46</b>	-
Miscellaneous Expenses	<b>3,180.62</b>	2,554.87
	<b>22,798.19</b>	19,192.19
Less : Provision for Debts, Deposits, Loans & Advances and Investments considered doubtful, written back	<b>51.76</b>	24.06
	<b>22,746.43</b>	19,168.13

# Balmer Lawrie & Co. Ltd.

## Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2009

### SCHEDULE 13

### ACCRETION (-) / DECRETION TO INVENTORIES

	2007-2008			
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Stocks and Work-in-Progress				
Opening Balance				
Trading Goods	24.45		22.59	
Work-in-Progress	724.47		853.84	
Finished Products	<u>2,590.79</u>	<u>3,339.71</u>	<u>2,214.39</u>	3,090.82
Less : Closing Balance				
Trading Goods	-		24.45	
Work-in-Progress	651.05		724.47	
Finished Goods [including in transit Rs. 82.73 Lakhs (2007/08 – Rs. 99.45)]	<u>2,690.18</u>	<u>3,341.23</u>	<u>2,590.79</u>	3,339.71
		<u>(1.52)</u>		<u>(248.89)</u>

### SCHEDULE 14

### PRIOR PERIOD ADJUSTMENTS

	2007-2008	
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Income		
Sales		
Manufactured Goods	-	(-) 5.62
Services	<u>-</u>	<u>(-) 0.07</u>
		<u>(-) 5.69</u>
Expenditure		
General Expenditure	3.84	0.57
Depreciation	<u>5.46</u>	<u>2.66</u>
	<u>9.30</u>	<u>3.23</u>
Net Debit	<u>9.30</u>	<u>8.92</u>

**Notes on Accounts****SCHEDULE 15**

- 15.1 (a) Fixed Deposit with bank amounting to (Rs. 2.12 Lakhs) (Rs. 0.95 lakhs) are lodged with certain authorities as security.
- (b) Conveyance deeds of certain land costing Rs. 1,807.80 Lakhs (Rs.1,844.67 lakhs) and buildings, with written down value of Rs. 113.94 Lakhs (Rs. 117.13 lakhs) are pending registration / mutation.
- (c) Certain buildings & sidings with written down value of Rs. 4,157.90 Lakhs (Rs.3,655.07 lakhs) are situated on leasehold/rented land.
- 15.2 Contingent Liabilities as at 31st March, 2009 not provided for in the accounts are:
- (a) Disputed demand for Excise Duty, Income Tax, Sales Tax and Service Tax amounting to Rs. 6,101.52 lakhs (Rs. 2,275.79 lakhs) against which the Company has lodged appeal/petition before appropriate authorities. Details of such disputed demands as on 31st March, 2009 are given in Annexure – A.
- (b) Claims against the company not acknowledged as debts amounts to Rs.697.48 lakhs (Rs. 756.38 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 ;
- 15.3 Counter guarantees given to Standard Chartered Bank, Bank of Baroda, Canara Bank, HSBC, State Bank of India, United Bank of India and Indusind Bank in respect of guarantees given by them amounts to Rs. 4,290.27 Lakhs (Rs. 4,067.37 lakhs).
- 15.4 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for [net of advances paid - Rs.48.12 Lakhs (2007-08 Rs. 1.46 lakhs)] amounted to Rs. 1,564.85 Lakhs (Rs. 1,699.77 lakhs).
- 15.5 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.
- 15.6 The amount of exchange difference credited to Profit & Loss Account is Rs. (-)471.01 lakhs (Rs.145.61 lakhs).
- 15.7 Confirmation letters have been issued in respect of debts, 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.

**Notes on Accounts (Contd.)**

15.8 Remuneration of Managing Director and Wholetime Directors :

	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Salaries	<b>37.65</b>	(33.76)
Contribution to Provident and Gratuity Fund	<b>22.66</b>	(3.06)
Perquisites	<b>11.00</b>	(7.99)
	<b><u>71.31</u></b>	<b><u>(44.81)</u></b>

15.9 Auditors' remuneration and expenses :

Statutory Auditors		
— Audit Fees	<b>3.00</b>	(2.50)
— Tax Audit Fees	<b>0.70</b>	(0.45)
— Other Capacity for Limited Review and other certification jobs	<b>1.90</b>	(1.65)
Branch Auditors		
— Audit Fees	<b>6.21</b>	(4.85)
— Expenses relating to audit of Accounts	<b>1.52</b>	(1.45)
	<b><u>13.33</u></b>	<b><u>(10.90)</u></b>

Tax Audit fees payable to the statutory auditors in other capacity for the year 2007-08 are net of adjustment of excess provision made in 2006-07 amounting to Rs. 0.25 Lakhs.

15.10 Particulars in respect of goods manufactured :

(a) Capacity and Production :

Class of Goods	Unit	Installed Capacity (Single Shift Basis)	Actual Production		
			With own materials	With customers' materials	Total
Greases & Lubricating Oils	M.T./K.L.	73,200	25,375	9,530	34,905
		(71,600)	(29,892)	(8,900)	(38,792)
Barrels and Drums	Nos.	39,08,500	30,62,636	—	30,62,636
		(43,74,500)	(31,58,753)	(2,90,896)	(34,49,649)
Blended Tea including Bulk, Packets and Tea Bags	M.T.	3,000	141	83	224
		(3,000)	(139)	(73)	(212)
Leather Auxiliaries	M.T.	3,350	5,222	—	5,222
		(3,350)	(4,876)	—	(4,876)

- (i) Under the Industrial Policy Statement dated 24th July, 1991, and the notifications issued thereunder, no licensing is required for the Company's products.
- (ii) Installed Capacities are as certified by the Management.
- (iii) Production of Barrels and Drums and Blended Teas do not include Nil Nos. (2,400 Nos.) and 83 M.T. (457 M.T.) respectively manufactured through outside parties.



**Notes on Accounts (Contd.)**

**15.10 (b) Stock & Sale of goods manufactured (with own materials) :**

Class of Goods	Unit	Opening		Closing		Sales	
		Quantity	Value Rs./Lakhs	Quantity	Value Rs./Lakhs	Quantity	Value Rs./Lakhs
Grease & Lubricating Oils	M.T./K.L.	3,116 (2,414)	2,022.76 (1,554.82)	3,170 (3,116)	2,190.28 (2,022.76)	25,254 (29,121)	24,133.62 (23,040.41)
Barrels and Drums	Nos.	44,858 (30,938)	372.83 (256.88)	42,235 (44,858)	335.65 (372.83)	29,73,062 (30,39,277)	30,521.47 (29,127.51)
Blended Teas including Bulk, Packets and Tea Bags	M.T.	46 (255)	25.25 (129.95)	2 (46)	3.09 (25.25)	267 (804)	438.64 (649.11)
Leather Auxiliaries	M.T.	300 (488)	153.52 (249.76)	274 (300)	146.28 (153.52)	5,248 (5,064)	3,956.05 (3,325.43)
Others including Manufacturing Scrap			16.43 (22.33)		14.88 (16.43)		967.34 (1,048.63)
			2,590.79 (2,213.74)		2,690.18 (2,590.79)		60,017.11 (57,162.41)

Sales do not include Greases & Lubricating Oils 67 M.T./K.L. (69 M.T./K.L.), Barrels and Drums 92,197 Nos. (1,07,956 Nos.) and Blended Teas 1 M.T. (1 M.T.) internally consumed.

**15.10 (c) Stock & Sale of goods manufactured (with customers' materials) :**

Class of Goods	Unit	Opening		Closing		Sales	
		Quantity	Value Rs./Lakhs	Quantity	Value Rs./Lakhs	Quantity	Value Rs./Lakhs
Greases & Lubricating Oils	M.T./K.L.	— (—)	— (—)	— (—)	— (—)	9,530 (8,900)	3,013.96 (2,446.89)
Barrels and Drums	Nos.	10,278 (10,278)	— (0.64)	— (—)	— (—)	— (3,01,174)	— (254.95)
Blended Teas including Bulk, Packets and Tea Bags	M.T.	— (—)	— (—)	— (—)	— (—)	83 (73)	27.15 (26.75)
			— (0.64)		— (—)		3,041.11 (2,728.59)

**15.11 Analysis of Raw Materials consumed (excluding materials supplied by customers) :**

	Unit	Quantity	Value Rs./Lakhs
Steel	M.T.	56,276 (58,245)	21,954.31 (19,770.68)
Lubricating Base Oils	K.L.	21,543 (25,177)	10,037.23 (8,083.85)
Additives and other Chemicals	M.T./K.L.	4,382 (4,590)	3,470.00 (2,782.43)
Vegetable and Other Fats	M.T.	2,284 (2,676)	1,435.32 (1,383.64)
Tea	M.T.	267 (796)	258.10 (194.01)
Drum Closures	Set	27,08,131 (28,24,192)	820.01 (726.97)
Paraffin Wax	M.T.	1,162 (1,023)	820.88 (564.33)
Paints	Ltr.	5,98,418 (7,51,030)	553.65 (641.96)
Others			1982.21 (3,308.81)
			41,331.71 (37,456.68)

**Notes on Accounts (Contd.)**

**15.12 Value of Raw Materials, Components and Spare Parts consumed :**

	<u>Rs./Lakhs</u>	<u>%</u>	<u>Rs./Lakhs</u>	<u>%</u>
Imported	1,594.57	3.82	(1,663.92)	(4.39)
Indigenous	40,131.41	96.18	(36,196.44)	(95.61)
	<u>41,725.98</u>	<u>100.00</u>	<u>(37,860.36)</u>	<u>(100.00)</u>

**15.13 (a) Purchase and Sale of Trading Goods :**

<u>Class of Goods</u>	<u>Unit</u>	<u>Purchase</u>		<u>Sale</u>	
		<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
			<u>Rs./Lakhs</u>		<u>Rs./Lakhs</u>
Leather Auxiliaries	M.T.	-	-	12	31.23
		(54)	(40.87)	(26)	(56.27)
Speciality Containers	Nos.	19	152.09	19	169.28
		(-)	(-)	(-)	(-)
Lids	Nos.	-	-	-	-
		(2,91,300)	(8.62)	(2,91,300)	(6.08)
			<u>152.09</u>		<u>200.51</u>
			<u>(49.49)</u>		<u>(62.35)</u>

Sales Leather Chemicals and Lids do not include 5 M.T. (31 M.T.) and 1200 Nos (Nil Nos.) respectively used for internal consumption.

**15.13 (b) Stock of Trading Goods :**

<u>Class of Goods</u>	<u>Unit</u>	<u>Opening</u>		<u>Closing</u>	
		<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
			<u>Rs./Lakhs</u>		<u>Rs./Lakhs</u>
Leather Auxiliaries	M.T.	17	24.42	-	-
		(20)	(22.56)	(17)	(24.42)
Lids		1,200	0.03	-	-
		(1,200)	(0.03)	(1,200)	(0.03)
Total			<u>24.45</u>		<u>-</u>
			<u>(22.59)</u>		<u>(24.45)</u>

**15.14 (a) Value of Imports on C.I.F. basis :**

	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Raw Materials	1,295.05	(1,859.30)
Components and Spare Parts	19.63	(20.32)
Capital Goods	192.61	(10.77)
Turnkey Purchases	-	(28.25)
Trading Goods	-	(76.30)
	<u>1,507.29</u>	<u>(1,994.94)</u>

**15.14 (b) Expenditure in Foreign Currency :**

	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Services	12,835.37	(11,424.14)
Others	85.30	(117.83)
	<u>12,920.67</u>	<u>(11,541.97)</u>

**Notes on Accounts (Contd.)**

<b>15.14 (c) Earnings in Foreign Currency :</b>	<b>Rs./Lakhs</b>	<b>Rs./Lakhs</b>
Export of Goods and Components calculated on F.O.B. basis as invoiced	<b>967.34</b>	(681.58)
Interest and Dividend	<b>593.46</b>	(442.33)
Services	<b>323.88</b>	(232.67)
Freight, Insurance, Exchange Gain and Miscellaneous Items	<b>14.26</b>	(14.58)
	<b>1,898.94</b>	(1,371.16)

Earnings from services exclude deemed exports of Rs. 39.82 Lakhs (Rs. 103.34 lakhs).

- 15.15 Research and Development expenditure charged to Profit & Loss Account during the year 2008-09 amounts to Rs. 271.45 lakhs (Rs. 219.53 lakhs)
- 15.16 Operations at the Lube Blending Plant at Talaja remain suspended since 2006-07 due to unremunerative orders.
- 15.17 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 Schedule 12 - "General Expenditure" is related to the difference between the closing stock and the opening stock.
- 15.18 **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, Long Service Awards and Leave Travel Assistance 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.

- 15.19 **Loans and Advances in the nature of loans to Subsidiary/Joint Ventures/Associates**
- The company do not have any Loans and Advances in the nature of Loans provided to its subsidiary/Joint Venture Companies/Associates as at the year end.

**15.20. Related Party Disclosure**

<b>i) Name of Related Party</b>	<b>Nature of Relationship</b>
Balmer Lawrie Investments Ltd.	Holding Company
Balmer Lawrie (UK) Ltd.	Wholly Owned Subsidiary
Transafe Services Ltd	Joint Venture
Balmer Lawrie-Van Leer Ltd.	Joint Venture
Balmer Lawrie (UAE) Lic.	Joint Venture
Avi-Oil India (P) Ltd.	Joint Venture
Proseal Closures Ltd.	Subsidiary of Balmer Lawrie-Van Leer Ltd.
Shri S. K. Mukherjee, Managing Director	Key Management Personnel
Shri P. Radhakrishnan, Director (Services Businesses)	Key Management Personnel
Shri V. N. Sharma, Director (Manufacturing Businesses)	Key Management Personnel
Shri K. Subramanyan, Director (Finance)	Key Management Personnel

**Notes on Accounts (Contd.)**

**ii) Transactions with Related Parties**

Type of Transaction		Holding Company	Subsidiary	Joint Ventures	Key Management Personnel	Total
		(Rs./Lakhs)	(Rs./Lakhs)	(Rs./Lakhs)	(Rs./Lakhs)	(Rs./Lakhs)
a) Sale of goods	31/03/2009	0.91	—	0.41	—	1.32
	31/03/2008	0.91	237.08	2.63	—	240.62
b) Purchase of goods	31/03/2009	—	—	949.92	—	949.92
	31/03/2008	—	—	724.23	—	724.23
c) Value of services rendered	31/03/2009	14.19	—	407.80	—	422.00
	31/03/2008	14.14	—	395.36	—	409.50
d) Value of services received	31/03/2009	—	—	5.55	74.41	79.96
	31/03/2008	—	—	27.54	46.95	74.49
e) Income from leasing or hire purchase agreement	31/03/2009	—	—	33.56	—	33.56
	31/03/2008	—	—	10.55	—	10.55
f) Expenses from leasing or hire purchase agreement	31/03/2009	—	—	5.59	—	5.59
	31/03/2008	—	—	—	—	—
g) Investment in shares as on	31/03/2009	—	1,874.06	3,117.38	—	4,991.44
	31/03/2008	—	1,874.06	2,825.54	—	4,699.60
h) Loans given as on	31/03/2009	—	—	—	2.97	2.97
	31/03/2008	—	—	—	3.61	3.61
i) Dividend Income	31/03/2009	—	—	688.84	—	688.84
	31/03/2008	—	—	580.67	—	580.67
j) Interest Income	31/03/2009	—	—	81.89	0.03	81.92
	31/03/2008	—	—	—	0.04	0.04
k) Amount received on a/c. of salaries, etc. of Employees deputed or otherwise	31/03/2009	6.75	—	24.74	—	31.49
	31/03/2008	5.29	1.50	24.47	—	31.26
l) Guarantee given during the year ended	31/03/2009	—	—	—	—	—
	31/03/2008	—	—	—	—	—
m) Net outstanding recoverable as on	31/03/2009	1.26	—	767.13	2.97	771.36
	31/03/2008	1.45	0.21	238.51	3.61	243.78
n) Net outstanding payable as on	31/03/2009	—	—	116.61	—	116.61
	31/03/2008	—	—	142.34	—	142.34
o) Balance outstanding against guarantee given as on	31/03/2009	—	—	579.64	—	579.64
	31/03/2008	—	—	966.07	—	966.07

**Notes on Accounts (Contd.)**

15.21 The Engineering & Technology Services Division of the Company had during the year 2008-09 undertaken various project assignment for which accounting has been done based on Accounting Standard – 7 (AS-7) – Construction Contracts. The relevant particulars of the project activity are as follows :

	<u>2008-09</u>	<u>2007-08</u>
	Rs./Lakhs	Rs./Lakhs
a) Amount of contract revenue recognised as revenue in the period	<b>2,197.08</b>	4,847.84
b) Method used to determine the contract revenue recognised in the period	<b>Percentage Completion Method</b>	
c) Methods used to determine the stage of completion of contracts in progress	<b>Based on certification of physical progress</b>	
d) Aggregate amount of costs incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress		
– Costs incurred	<b>1,713.38</b>	2,682.14
– Recognised Profit	<b>-153.16</b>	126.84
e) Advances received for contracts in progress	–	–
f) Amount of retentions for contracts in progress	<b>124.54</b>	246.08
g) Gross amount due from customers for contract work as an asset	<b>Nil</b>	Nil
h) Gross amount due to customers for contract work as a liability	<b>Nil</b>	Nil

The aforesaid information is based on technical estimates of percentage of Projects completed and expenses likely to be incurred as certified by the Management and relied upon by the Auditors.

15.22 An amount of Rs. 506.99 lakhs due from State Company for Food Stuff Trading, Iraq against supply of Tea during the financial year 2005-06 has been netted off with the corresponding back to back liability of Rs. 503.71 lakhs for procurement and supply of Tea against this export order with an Indian supplier and the balance amount of Rs. 3.28 lakhs, being doubtful in nature, has been fully provided as doubtful as doubtful debts.

15.23 Trade discount to the extent of Rs. 431.71 lakhs accounted for in the previous financial year under Miscellaneous Expenses - Discount (other than cash) has now been re-grouped as Trade Discount and netted off with sales to make it comparable with current year's figures.

**15.24 Segment Reporting**

Information about business segment for the year ended 31st March, 2009 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.

**15.25 Earnings per Share**

- (i) Earnings per share of the Company has been calculated considering the Profit after Taxation of Rs.10,161.37 lakhs (Rs. 8,692.67 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 Rs. 10.
- (iii) The nominal value of shares is Rs.1,628.61 lakhs (Rs. 1,628.61 lakhs) and the earnings per share (Basic and Diluted) for the year on the above mentioned basis comes to Rs. 62.39 (Rs. 53.37)

**15.26 Accounting for Deferred Taxation**

The major components of the net deferred tax liability are :

	<u>2008-09</u>		<u>2007-08</u>	
	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
<b>Net Opening Balance [A]</b>		<b>1410.08</b>		<b>2470.08</b>
<b>Provision for the Current Year</b>				
Liability for timing difference arising during the year on account of :				
a) Provision for loans, debts, deposits, advances & investment, written back	<b>17.59</b>		8.18	
b) Adjustments for VRS expenditure	<b>1.07</b>		–	
c) Adjustment for Tax rate Difference	–	<b>18.66</b>	24.22	32.40
Less :				
i) Fixed Assets written-off in accounts	<b>21.61</b>		8.03	
ii) Depreciation Allowance	<b>25.57</b>		99.74	
iii) Adjustment of VRS expenses	–		45.88	
iv) Superannuation Contribution Charged off	–		102.45	
v) Leave/LTA/PRMBS, PF, etc.	<b>213.88</b>		54.15	
vi) Provision for slow/non-moving inventory	<b>51.05</b>		–	
vii) Impairment of Assets	–		31.91	
viii) Salary revision	<b>444.79</b>		589.08	
vii) Provision for loans, debts, deposits & advances	<b>141.76</b>	<b>(–) 898.66</b>	161.16	(–) 1092.40
<b>Net Deferred Tax Liability for the year [B]</b>		<b>(–) 880.00</b>		<b>(–) 1060.00</b>
<b>Balance of Deferred Taxation Liability [A+B]</b>		<b>530.08</b>		<b>1410.08</b>

**Notes on Accounts (Contd.)**

**15.27 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) Lic.	49%	United Arab Emirates
Balmer Lawrie-Van Leer Ltd.	40%	India
Transafe Services Ltd.	35%	India
Avi-Oil India (P) Ltd.	25%	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 Rs. 165.52 Lakhs (Rs. 2,029.13 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	Rs. 39,861.86 lakhs	(Rs. 24,525.74 lakhs)
Liabilities	Rs. 30,380.76 Lakhs	(Rs. 8,734.45 lakhs)
Income	Rs. 33,800.44 Lakhs	(Rs. 27,584.16 lakhs)
Expenses	Rs. 32,854.84 Lakhs	(Rs. 26,402.92 lakhs)

**15.28 Cost of Services is comprised of :**

	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Air/Rail travel costs	<b>61,914.31</b>	(52,444.84)
Air/Ocean freight	<b>22,367.18</b>	(17,986.49)
Transportation/Handling	<b>2,215.69</b>	(1,972.95)
Other Service charges	<b>604.28</b>	(898.38)
	<b>87,101.46</b>	(73,302.66)

**15.29 Capital Work in Progress as at the Balance Sheet date is comprised of :**

<u>Asset Classification (*)</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Building	<b>115.22</b>	(238.11)
Plant & Machinery	<b>143.81</b>	(253.26)
Electrical Installation & Equipment	<b>10.74</b>	(68.72)
Furniture & Fittings	<b>-</b>	(6.95)
Typewriters, Accounting Machine & Off. Equipment	<b>0.89</b>	(8.46)
Tubewells, Tanks & Misc. Equipment	<b>38.27</b>	(5.67)
	<b>308.93</b>	(581.17)

(\*) Subject to final allocation/adjustment at the time of capitalisation

15.30 Miscellaneous Expenses shown under "General Expenditure" (Schedule 12) do not include any item of expenditure which exceeds 1% of the total revenue.

15.31 (a) Previous year's figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures.

(b) Figures in brackets relate to previous year.

## Significant Accounting Policies

### SCHEDULE 16

#### 1. 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) The Company reviews the depreciation policies followed for various items of assets, its 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 the above technical review, certain items of Electrical Installations and Equipment, Furniture and Fittings and Typewriter, Accounting Machine and Office Equipment are being depreciated at the rate of 15%, 20% and 25% respectively on straight line basis.
- g) Depreciation is provided in accordance with the provisions of the Companies Act, 1956, prevailing from time to time at the straight line method except (i) for mobile phones at the rate of 50% per annum and (ii) for items given to employees under the furniture equipment scheme which has been provided at the rate of 25% per annum for computers and 15% per annum for other items.
- 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.

#### 2. 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.

#### 3. 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 Rs. 10000 which are charged off in the year of issue.

#### 4. 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.

#### 5. Employee Benefits

- a) Company's contributions to Provident 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.

#### 6. Payments made under Voluntary Retirement / Separation Schemes

- a) Compensation comprising of Ex-gratia, Notice-Pay and Rehabilitation Grant payable to employees separating under Voluntary Retirement/Separation Scheme till 31 March, 2005

**Significant Accounting Policies (Contd.)**

is treated as Deferred Revenue Expenditure and is written off as per following instalments :-

- (i) Paid up to December, 1999 - Five equal yearly instalments ;
- (ii) Paid during January, 2000 to March, 2005 - Sixty equal monthly instalments.
- b) Compensation under Voluntary Retirement/Separation Scheme - Charged off in the same financial year. with effect from 1st April, 2005
- c) The balance of deferred revenue expenditure at the year end to the extent not written off or adjusted in respect of (a) above is carried forward in the Balance Sheet as Miscellaneous Expenditure.

**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) 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) Current assets (other than inventories) and current liabilities are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
- c) 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.

**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 with secondary information reported geographically.

Signature to Schedules 1 to 16

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

S. K. Mukherjee  
Managing Director

K. Subramanyan  
Abha Chaturvedi  
V. N. Sharma  
P. Radhakrishnan  
Asish Bhattacharyya  
V. Subha Rao  
M. Singh  
P. K. Bora  
Directors

Amit Ghosh  
Secretary



PART - I

**Statement of Disputed Dues as on 31st March, 2009**  
(Not provided for in the accounts)

ANNEXURE - A

Name of the Statute	Nature of the Dues	Amount (Rs./lakhs)		Period to which the amount relates	Forum where dispute is pending
		2008-09	2007-08		
Sales Tax Act	Sales Tax	17.67	17.67	Assessment Year 1994/95	Tribunal, Mumbai
		1.55	1.55	Assessment Year 1994/95	Tribunal, Mumbai
		-	2.03	Assessment Year 1996/97	Dy. Commissioner, Mumbai
		-	9.50	Assessment Year 1996/97	Dy. Commissioner, Mumbai
		-	7.15	Assessment Year 1996/97	Dy. Commissioner, Mumbai
		-	0.56	Assessment Year 1997/98	Dy. Commissioner, Mumbai
		-	2.00	Assessment Year 1996/97	Dy. Commissioner, Mumbai
		-	21.21	Assessment Year 1997/98	Dy. Commissioner, Mumbai
		-	0.50	Assessment Year 1997/98	Dy. Commissioner, Mumbai
		-	0.82	Assessment Year 1998/99	Dy. Commissioner, Mumbai
		0.52	0.52	Assessment Year 1998/99	Dy. Commissioner, Mumbai
		9.67	9.67	Assessment Year 1998/99	Dy. Commissioner, Mumbai
		0.40	0.40	Assessment Year 1998/99	Dy. Commissioner, Mumbai
		1.02	1.02	Assessment Year 1999/00	Dy. Commissioner, Mumbai
		0.35	0.35	Assessment Year 1999/00	Dy. Commissioner, Mumbai
		2.02	2.02	Assessment Year 1999/00	Dy. Commissioner, Mumbai
		1.54	1.54	Assessment Year 1999/00	Dy. Commissioner, Mumbai
		1.79	1.79	Assessment Year 2000/01	Dy. Commissioner, Mumbai
		5.78	5.78	Assessment Year 2001/02	Dy. Commissioner, Mumbai
		0.90	0.90	Assessment Year 2000/01	Dy. Commissioner, Mumbai
		0.61	0.61	Assessment Year 2001/02	Dy. Commissioner, Mumbai
		8.08	8.08	Assessment Year 2000/01	Dy. Commissioner, Mumbai
		4.85	4.85	Assessment Year 2001/02	Dy. Commissioner, Mumbai
		1.35	1.35	Assessment Year 2001/02	Dy. Commissioner, Mumbai
		1.68	1.68	Assessment Year 2002/03	Dy. Commissioner, Mumbai
		1.37	1.37	Assessment Year 2002/03	Dy. Commissioner, Mumbai
		0.73	-	Assessment Year 2002/03	Dy. Commissioner, Mumbai
		0.72	-	Assessment Year 2002/03	Dy. Commissioner, Mumbai
		2.36	-	Assessment Year 2002/03	Dy. Commissioner, Mumbai
		3.78	3.78	Assessment Year 1996/97 (WBST Act. 94)	Appliate & Revisional Board
		55.90	-	Assessment Year 2002/03	Dy. Commissioner, West Bengal
		43.97	-	Assessment Year 2003/04	Asst. Commissioner, Mumbai
		0.26	-	Assessment Year 2002/03	Jt. Commissioner, Mumbai
		24.36	-	Assessment Year 2002/03	Asst. Commissioner, Mumbai
		1.78	51.55	Assessment Year 2001/02 (WBST Act. 94)	Dy. Commissioner, West Bengal
		2.18	73.47	Assessment Year 2001/02 (CST Act. 56)	Dy. Commissioner, West Bengal
		15.84	12.26	Assessment Year 2002/03 (CST Act. 56)	Dy. Commissioner, West Bengal
		1.50	13.05	Assessment Year 2002/03 (CST Act. 56)	Dy. Commissioner, West Bengal
		13.25	127.87	Assessment Year 2003/04 (CST Act. 56)	Dy. Commissioner, West Bengal
		25.73	75.90	Assessment Year 2003/04 (CST Act. 56)	Dy. Commissioner, West Bengal
		-	3.85	Assessment Year 1988/89	CTO, Kochin
		-	0.96	Assessment Year 1990/91	CTO, Kochin
		-	0.59	Assessment Year 1991/92	CTO, Kochin
		-	0.99	Assessment Year 1992/93	CTO, Kochin
		13.17	13.17	Assessment Year 1992/93	CTO, Kochin
		69.38	69.38	Assessment Year 1993/94	CTO, Kochin
		-	9.34	Assessment Year 1993/94	CTO, Kochin
		-	0.84	Assessment Year 1994/95	CTO, Kochin
		-	5.13	Assessment Year 1995/96	CTO, Kochin
		2.25	2.25	Assessment Year 2005/06	CTO, Kochin
6.63	6.63	Assessment Year 2005/06	CTO, Kochin		
15.62	15.62	Assessment Year 1993/94	Appeal Tribunal, Kochin		
1.82	1.82	Assessment Year 2003/04	Asst. Commissioner Chennai		
14.95	-	Assessment Year 2008/09	Appeal pending with AAC		
1.64	-	Assessment Year 2008/09	Appeal pending with AAC		
14.65	14.65	Assessment Year 1998/99	AAC, Chennai		
44.38	18.26	Assessment Year 2004/05	Dy. Commissioner, West Bengal		
93.90	93.89	Assessment Year 2004/05	Dy. Commissioner, West Bengal		
109.13	-	Assessment Year 2005/06	Dy. Commissioner, West Bengal		
157.83	-	Assessment Year 2005/06	Appelate Tribunal, Kochin		
9.76	9.76	Assessment Year 1998/99	Appelate Tribunal, Kochin		
<b>Sub Total</b>	<b>808.62</b>	<b>729.93</b>			

**Statement of Disputed Dues as on 31st March, 2009  
(Not provided for in the accounts)**

Name of the Statute	Nature of the Dues	Amount (Rs./lakhs)		Period to which the amount relates	Forum where dispute is pending
		2008-09	2007-08		
Central Excise Act	Excise Duty	91.15	91.15	October, 2000	High Court, Delhi
		262.30	262.30	July, 1997	Appellate Tribunal, Kolkata
		16.31	16.31	Feb. 2004	Appellate Tribunal, Kolkata
		-	11.20	May 2004	CESTAT
		275.87	264.20	July 00 to Dec. 02	Commissioner, Mumbai
		42.48	40.49	Feb. 2004	Jt. Commissioner, Mumbai
		1.17	1.12	March 2006	Asstt. Commissioner, Mumbai
		0.92	0.88	March 2006	Asstt. Commissioner, Mumbai
		13.21	12.61	Jan. 2006	Asstt. Commissioner, Mumbai
		-	3.97	March 2006	Asstt. Commissioner, Mumbai
		-	1.82	March 2006	Commissioner(Appeal), Mumbai
		1.98	-	2006/07	Commissioner(Appeal), Mumbai
		-	41.50	March 2006	Commissioner, Mumbai
		3.04	2.89	Apr 02 to Jun 06	Commissioner, Mumbai
		0.54	0.51	Jul 06 to Feb 07	Commissioner, Mumbai
		0.84	0.79	Mar 07 to Dec 07	Asstt. Commissioner, Mumbai
		0.61	-	Jan 08 to Aug 08	Asstt. Commissioner, Mumbai
		0.48	-	Sep 08 to Mar 07	Asstt. Commissioner, Mumbai
		-	102.74	Jun. 06 to Mar 07	Jt. Commissioner, Mumbai
		15.63	14.73	Apr. 07	Jt. Commissioner, Mumbai
		-	0.21	Apr. 08	Dy. Commissioner, Mumbai
		3.94	3.30	March 2002	Asstt. Commissioner, Mumbai (Central Excise)
		30.92	-	2008-09	Commissioner(Appeal), Mumbai
-	9.07	March 2007	CESTAT		
175.00	-	2004-05	Commissioner(Appeal), Mumbai		
41.31	27.18	March 2006	Commissioner(Appeal), Mumbai		
	<b>SUB TOTAL</b>	<b>977.72</b>	<b>909.00</b>		
	Cess	70.70	65.77	Assessment Year 1999/00	High Court, Mumbai
		58.24	54.11	Assessment Year 2000/01	High Court, Mumbai
	<b>SUB TOTAL</b>	<b>128.94</b>	<b>119.88</b>		
Service Tax Act	Service Tax	239.24	227.88	August 2002, March 2005	Commissioner of Central Excise (Adjn)
		144.33	136.85	April 2005 - March 2006	- Do -
		152.80	144.26	July, 2007	- Do -
		3,054.72	-	1.10.2002 to 31.03.2007	CESTAT
		1.14	1.14	November, 2007	Joint Commissioner (Service Tax) West Bengal
		6.85	6.85	November, 2007	- Do -
		<b>3,599.09</b>	<b>516.98</b>		
Income Tax Act	Income Tax	545.65	-	Asst. Year 2004-05	I.T.A.T., Kolkata
		41.51	-	Asst. Year 2005-06	I.T.A.T., Kolkata
		587.16	-		
	<b>Grand Total</b>	<b>6,101.52</b>	<b>2,275.79</b>		

**PART - II**

**Statement of Disputed Dues as on 31st March, 2009  
(Fully provided for in the accounts)**

Name of the Statute	Nature of the Dues	Amount (Rs.)		Period to which the amount relates	Forum where dispute is pending
		2008-09	2007-08		
Indian Stamp Act	Stamp Duty	-	90.92	2002/03	High Court, Mumbai

**ANNEXURE – B**  
**Employee Benefits (Refer note no. 15.20)**

Rs./Lacs

Particulars	Gratuity		Post-retirement Medical		Leave Encashment		Leave Travel Assistance		Long Service Award		Trust managed Provident	
	(Funded)		(Non-Funded)		(Non-Funded)		(Non-Funded)		(Non-Funded)		(Funded)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2009</b>												
1 Present value of funded obligations - A	2,247.47	887.97	125.74	118.33	1,612.40	1,009.05	105.45	89.33	35.66	33.31	9,508.50	8,385.14
2 Fair Value of Plan Assets - B	1,099.27	1,073.95	-	-	-	-	-	-	-	-	9,602.32	8,358.12
3 (Deficit)/Surplus - (A - B)	(1,148.20)	185.98	(125.74)	(118.33)	(1,612.40)	(1,009.05)	(105.45)	(89.33)	(35.66)	(33.31)	93.82	(27.02)
4 Net Asset/Liabilities												
- Assets	-	185.98	-	-	-	-	-	-	-	-	93.82	-
- Liabilities	(1,148.20)	-	(125.74)	(118.33)	(1,612.40)	(1,009.05)	(105.45)	(89.33)	(35.66)	(33.31)	-	(27.02)
<b>II. Expense Recognised in the Profit &amp; Loss Account for the year ended March 31, 2009</b>												
1 Current Service Cost	142.72	52.28	-	-	355.24	276.39	-	-	-	-	864.20	716.59
2 Interest on Defined Benefit Obligation	68.49	72.77	8.69	9.58	80.72	71.56	3.76	4.07	2.56	2.93	734.15	606.48
3 Expected Return on Plan Assets	85.92	71.46	-	-	-	-	-	-	-	-	668.66	588.03
4 Net Actuarial Losses/(Gains) recognised during the year	1,208.89	(272.56)	18.28	(10.02)	-	(226.39)	97.16	13.05	2.45	(4.52)	(186.33)	8.57
5 Past Service Cost	-	-	-	-	-	-	-	-	-	-	-	-
6 Excess Contribution made in earlier years to be adjusted in future years	-	218.97	-	-	-	-	-	-	-	-	-	-
Total (1+2-3+4)	1,334.18	-	26.97	(0.44)	435.96	121.56	100.92	17.12	5.01	(1.59)	743.36	743.61
Actuarial return on Plan Assets												
<b>III. Change in present value of obligation during the year ended March 31, 2009</b>												
1 Opening Defined Benefit Obligation	887.97	873.72	118.33	118.77	1,009.05	887.49	89.33	72.21	33.31	34.90	8,335.14	7,350.41
2 Service Cost	142.72	52.28	-	-	355.24	276.39	-	-	-	-	864.20	715.59
3 Interest Cost	68.49	72.77	8.69	9.58	80.72	71.56	3.76	4.07	2.56	2.93	734.15	606.48
4 Actuarial Losses/(Gains)	1,211.99	(75.64)	18.28	2.21	167.39	(135.05)	97.16	61.75	2.45	(3.60)	114.59	45.83
5 Benefits Paid	63.70	35.16	19.56	12.23	-	91.34	84.80	48.70	2.66	0.92	360.40	334.17
6 Closing Defined Benefit Obligation (1+2+3+4-5)	2,247.47	887.97	125.74	118.33	1,612.40	1,009.05	105.45	89.33	35.66	33.31	9,508.50	8,385.14

**Balmer-Laurie & Co. Ltd.**

**ANNEXURE – B**  
**Employee Benefits (Refer note no. 15.20) (Contd.)**

Rs./Lacs

Particulars	Gratuity		Post-retirement Medical		Leave Encashment		Leave Travel Assistance		Long Service Award		Trust managed Provident	
	(Funded)		(Non-Funded)		(Non-Funded)		(Non-Funded)		(Non-Funded)		(Funded)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>IV Change in fair value of Plan Assets during the year ended March 31, 2009</b>												
1 Opening Fair Value of Plan Assets	1,073.95	840.73	-	-	-	-	-	-	-	-	8,358.12	7,350.41
2 Expected Return	85.92	71.46	-	-	-	-	-	-	-	-	668.66	588.03
3 Actuarial (Losses)/Gains on Plan Assets	3.10	196.92	-	-	-	-	-	-	-	-	71.74	37.26
4 Assets Distributed on settlements	-	-	-	-	-	-	-	-	-	-	-	-
5 Contribution by employer	-	-	-	-	-	-	-	-	-	-	864.20	716.59
6 Benefits Paid	63.70	35.16	-	-	-	-	-	-	-	-	360.40	334.17
7 Closing Fair Value of Plan Assets (1+2+3-4+5-6)	1,099.27	1,073.95	-	-	-	-	-	-	-	-	9,602.32	8,358.12
<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	22.84%	22.57%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	30.43%	31.40%
2 Corporate Bonds	54.42%	54.56%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	48.67%	45.85%
3 Others	22.94%	22.87%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	20.90%	22.75%
<b>VI Principal Actuarial Assumptions as at March 31, 2009</b>												
1 Discount Rate (p.a)	8.00	8.50	8.00	8.50	8.00	8.50	8.00	8.50	8.00	8.50	8.50	8.50
2 Expected Rate of Return on Plan Assets (p.a.)	8.00	8.50	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	8.00	8.00

VII The employees are assumed to retire at the age of 60 (sixty) years

VIII The mortality rates considered are as per the published rates in the LIC (1994-96) ULTIMAT TABLE.

IX The valuations have been done using the Projected Unit Credit Method.

**Annexure – C (Note 15.23)**  
**Information About Business Segments for the year ended 31st March, 2009**

	Industrial Packaging		Logistics Infra-Structure & Services		Travel and Tours		Greases and Lubricants		Others		Consolidated Total	
	2008-09 Rs.	2007-08 Rs.	2008-09 Rs.	2007-08 Rs.	2008-09 Rs.	2007-08 Rs.	2008-09 Rs.	2007-08 Rs.	2008-09 Rs.	2007-08 Rs.	2008-09 Rs.	2007-08 Rs.
<b>SEGMENT REVENUE</b>												
External Revenue	29,936.77	27,403.05	39,763.73	32,850.49	66,228.68	55,741.55	23,093.09	21,563.10	7,772.01	9,214.87	1,66,794.28	1,46,773.07
Inter-Segment Revenue	902.63	889.60	87.43	42.98	33.86	35.52	39.57	37.58	64.91	14.74	1,128.40	1,022.42
Total Segment Revenue	<b>30,839.40</b>	28,292.65	<b>39,851.16</b>	32,893.47	<b>66,262.54</b>	55,777.07	<b>23,132.66</b>	21,600.68	<b>7,836.92</b>	9,229.61	<b>1,67,922.68</b>	1,47,795.49
Less :												
Inter-Segment Revenue											1,128.40	1,022.42
Add :												
Other Unallocable Revenue											2,862.30	1,812.76
<b>TOTAL REVENUE</b>											<b>1,69,656.58</b>	<b>1,48,585.83</b>
<b>SEGMENT RESULT</b>												
Profit/(Loss) before Interest & Tax	1,712.40	2,053.77	10,240.95	8,605.20	2,271.81	1,756.56	1,606.38	1,954.37	439.88	297.51	16,271.42	14,667.41
Less :												
Interest Expense											518.04	295.47
Prior Period Adjustment											9.30	8.92
Other Unallocable Expenditure (net of Unallocable Revenue)											587.71	1,320.35
<b>TOTAL PROFIT BEFORE TAX</b>											<b>15,156.37</b>	<b>13,042.67</b>
<b>OTHER INFORMATION</b>												
Segment Assets	12,040.81	13,560.17	12,721.57	11,862.46	10,805.02	10,839.52	12,749.14	12,029.33	6,144.28	7,523.93	54,460.82	55,815.41
Other Unallocable Assets											30,297.98	16,627.87
Total Assets											<b>84,758.80</b>	<b>72,443.28</b>
Segment Liabilities	3,013.95	4,628.13	11,954.03	11,041.47	3,444.24	2,880.93	6,280.09	5,636.19	1,396.87	1,336.33	26,089.18	25,523.05
Other Unallocable Liabilities											19,304.79	12,384.32
Total Liabilities											<b>45,393.97</b>	<b>37,907.37</b>
Capital Expenditure	667.99	561.05	526.71	579.69	54.07	40.60	158.22	104.63	510.37	448.96	1,917.36	1,734.93
Depreciation	282.37	339.95	282.75	321.47	29.21	46.13	194.42	203.99	262.92	270.62	1,051.67	1,182.16
Impairment loss on Fixed Assets	-	93.86	-	-	-	-	-	-	-	-	-	93.86
Amortisation of Deferred												
Revenue Expenditure	21.71	115.66	0.20	32.41	-	9.47	-	46.92	1.64	96.42	23.55	300.88

**Notes :**

- Details of products/services included in each of the above Business Segments are given below :
 

Industrial Packaging –	Barrels & Drums
Logistics Infrastructure & Services –	Logistics Management & Logistics Infrastructure
Travel & Tours –	Travel (Ticketing), Tours & Money Changing Activities
Greases & Lubricants –	Greases & Lubricating Oils
Others –	Engineering & Technology Services, Tea Blending & Packaging, Leather Chemicals etc.
- 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.

**Balance Sheet Abstract and Company's general business profile**

**I. Registration Details**

Registration No.	4 8 3 5	State Code	2 1
Balance Sheet Date	3 1      0 3      2 0 0 9		
	Date      Month      Year		

**II. Capital raised during the year (Amount in Rs. Lakhs)**

Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

**III. Position of Mobilisation and Deployment of funds (Amount in Rs. Lakhs)**

Total Liabilities	3 9 3 6 5	Total Assets	3 9 3 6 5
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**SOURCES OF FUNDS**

Paid up Capital	1 6 2 9	Reserves & Surplus	3 7 2 0 6
Secured Loans	0 0 0 0	Unsecured Loans	0 0 0 0 0
Deferred Taxation Provision	0 5 3 0		

**APPLICATION OF FUNDS**

Net Fixed Assets	1 7 3 0 4	Investments	0 5 0 0 6
Net Current Assets	1 7 0 5 5	Misc. Expenditure	0 0 0 0 0
Accumulated Losses	0 0 0 0 0		

**IV. Performance of the Company (Amount in Rs. Lakhs)**

Turnover	1 6 9 6 5 7	Total Expenditure	1 5 4 5 0 1
Profit/(Loss) Before Tax	1 5 1 5 6	Profit/(Loss) After Tax	1 0 1 6 1
Earning Per Share (in Rs.)	0 6 2	Dividend Rate (%)	2 0 0

**V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)**

Item Code No.	7 3 1 0 . 1 0
(ITC Code)	
Product Description	S T E E L   D R U M S   &   B A R R E L
Item Code No.	2 7 1 0 . 0 0
(ITC Code)	
Product Description	G R E A S E   &   L U B R I C A T I N G   O I L
Item Code No.	N A (*)
(ITC Code)	
Product Description	T R A V E L   T O U R S   &   L O G I S T I C S

\*No Item Code has been assigned to Travel, Tours and Logistics under the Indian Trade Classification

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

S. K. Mukherjee  
Managing Director

K. Subramanian  
Abha Chaturvedi  
V. N. Sharma  
P. Radhakrishnan

Asish Bhattacharyya  
V. Subha Rao  
M. Singh  
P. K. Bora

Directors

Amit Ghosh  
Secretary

**Cash Flow Statement for the year ended 31st March, 2009**

	Year ended March 31, 2009	(Rs. in Lakhs) Year ended March 31, 2008
<b>A. Cash Flow from operating activities</b>		
<b>Net Profit before tax [Note 1]</b>	<b>14924</b>	<b>12851</b>
Adjustment for		
Depreciation and fixed assets written off	1121	1210
Foreign Exchange	1	(1)
Impairment loss on fixed assets	-	94
Interest/Dividend	(171)	(286)
Deferred Revenue Expenditure (charged off during the year)	24	301
<b>Operating Profit before Working Capital Changes</b>	<b>15899</b>	<b>14169</b>
Trade and other receivables	1867	(5736)
Inventories	751	(608)
Trade Payables	2872	4568
<b>Cash generated from operations</b>	<b>21389</b>	<b>12393</b>
Direct Taxes paid	(1886)	(2584)
Interest paid	(485)	(228)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>19018</b>	<b>9581</b>
<b>B. Cash Flow from investing activities</b>		
Purchase of Fixed Assets	(1884)	(1701)
Sale of Fixed Assets	543	364
Purchase of Investments	(292)	-
Dividend received	689	581
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(944)</b>	<b>(756)</b>
<b>C. Cash Flow from financing activities</b>		
Proceeds from Long Term Borrowings	(642)	(333)
Interest paid on Long Term Borrowings	(33)	(67)
Dividend paid	(2748)	(2183)
Corporate Tax on Dividend	(471)	(374)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(3894)</b>	<b>(2957)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>14180</b>	<b>5868</b>
<b>CASH &amp; CASH EQUIVALENTS – OPENING BALANCE</b>	<b>10694</b>	<b>4826</b>
<b>CASH &amp; CASH EQUIVALENTS – CLOSING BALANCE</b>	<b>24874</b>	<b>10694</b>

As per our Report attached

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

S. K. Mukherjee  
Managing Director

K. Subramanyan      Asish Bhattacharyya  
Abha Chaturvedi      V. Subha Rao  
V. N. Sharma      M. Singh  
P. Radhakrishnan      P. K. Bora

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.

(Rs. in Lakhs)

	<u>2008-2009</u>	<u>2007-2008</u>
2. Net Profit after tax as per Profit & Loss A/c	<b>10161</b>	8693
Add : Tax Provision (Net)	<b>4995</b>	4350
	<b>15156</b>	13043
Less : Profit/(Loss) on disposal of Fixed Assets (Net)	<b>232</b>	192
Net Profit before tax	<b>14924</b>	12851
3. Changes in Working Capital – Computation (Excluding items shown separately)		
<b>Current Assets</b>		
Sundry Debtors	<b>22853</b>	25253
Loans & Advances	<b>6838</b>	6305
Inventories	<b>7885</b>	8636
	<b>37576</b>	40194
<b>Current Liabilities</b>		
Trade Payables	<b>34242</b>	31370
Net Current Assets	<b>3334</b>	8824
Changes	<b>(5490)</b>	1776
4. Component of Cash and Cash equivalent		
Cash and Bank Balances	<b>24874</b>	10694
Cash Credit/Demand Loan	-	-
	<b>24874</b>	10694
Changes	<b>14180</b>	5868

As per our Report attached

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
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Kolkata, the 15th June, 2009

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Amit Ghosh  
Secretary



**Statement Regarding Subsidiary Company**  
Pursuant to Section 212 (1) and (3) of the Companies Act, 1956

	<u>USD</u>	<u>Converted</u> <u>@ Rs. 50.48/USD</u>
<b>BALMER LAWRIE (UK) LTD.</b>		
a) Holding Company's Interest :		
Entire Issued Share Capital of Ordinary Shares of £ 1 each fully paid up at cost	53,37,478	26,94,35,889
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, 2009	(1,14,972)	(58,03,787)
ii) for the previous financial years (cumulative)	20,75,092	10,47,50,644
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, 2009	Nil	Nil
ii) for the previous financial years	Nil	Nil

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

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P. K. Bora

Directors

Amit Ghosh  
Secretary

## Balmer Lawrie & Co. Ltd.

The following particulars as on 31st March, 2009 are provided pursuant to the direction of the Ministry of Company Affairs vide their letter no. 47/517/2009 – CL-III dated 2nd July, 2009 relating to Balmer Lawrie (UK) Limited

<b>BALMER LAWRIE (UK) LIMITED</b>	<b>USD</b>	<b>Converted @ Rs. 50.48/USD</b>
(a) Share Capital	53,37,478	26,94,35,889
(b) Reserves and Surplus	27,68,290	13,97,43,279
(c) Total Assets	85,54,557	43,18,34,037
(d) Total Liabilities	4,48,789	2,26,54,869
(e) Details of Investments (except in case of Investment in Subsidiary)	—	—
(f) Turnover	2,99,788	1,51,33,298
(g) Profit/(-)Loss before Taxation	3,25,028	1,64,07,413
(h) Provision for Taxation	4,40,000	2,22,11,200
(i) Profit/(-)Loss after Taxation	- 1,14,972	- 58,03,787
(j) Proposed Dividend	—	—

**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, 2009 is furnished in Indian  
Rupees converted at the exchange rate as on 31.03.2009 - Rs. 50.48/USD**

# Balmer Lawrie (UK) Limited

## Directors' report for the year ended 31st March, 2009

The Directors present their report and the financial statements for the year ended 31 March, 2009.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to :

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, 1985. 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.

As far as the directors are aware at the time of signing this report :

- There is no relevant audit information of which the auditors are unaware;
- They have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Principal activities and review of business

The principal business activity of the company was Leasing & Hiring of Marine Freight Containers. The Marine Freight Container activity has been handicapped due to ageing and diminishing fleet size. The fleet management agreements with TAL International Leasing expired during February 2001 and December 2005. Several attempts were made to get the same renewed. Simultaneously, TAL International Leasing was also approached to buy the fleet since the same was very widely dispersed and it would have been operationally and financially unviable to regroup the fleet at any single location. The Board of Directors are pleased to inform that the company was able to satisfactorily conclude an agreement with TAL International Leasing and the entire fleet of containers was sold to them on 31st July 2008. The company is now looking for new opportunities. In the meanwhile surplus fund is lying invested in Bank deposit.

### Results and dividends

The results for the year are set out on page 5.

The loss for the year was US\$ 114972 (2008 : profit US\$914378).

The directors do not recommend the payment of a dividend (2008 : \$nil).

### Directors

The directors set out in the table below have held office during the whole of the period from 1 April 2008 to the date of this report.

The interests of the directors holding office on 31 March 2009 in the company's issued share capital were :

	Ordinary share of £1 each	
	31st March 2009	1st April 2008
S K Mukherji	-	-
P Radhakrishnan	-	-
V Sinha	-	-

### Independent auditors

Pentagon Financial Limited have signified their willingness to continue in office and a proposal to reappoint them, by virtue of the elective resolution passed by the company, will be put to the Board at the next meeting.

By order of the Board

1st June 2009

S K Mukherji <i>Director</i>	P Radhakrishnan <i>Director</i>	V Sinha <i>Director</i>
---------------------------------	------------------------------------	----------------------------

## Independent Auditors' report to the members of Balmer Lawrie (UK) Limited

We have audited the financial statements for the year ended 31st March 2009 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act, 1985. 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 an auditors' report 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2009 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pentagon Financial Limited  
Chartered Certified Accountants  
and Registered Auditors  
Beech Court  
Summers Road, Burnham  
Buckinghamshire  
SL17EP

**Profit and Loss Account for the year ended 31st March 2009**

	Notes	2009	(Rs./Lakhs) 2008
<b>Turnover</b>		<b>151.33</b>	2213.80
Cost of sales		<b>(9.49)</b>	(1000.84)
<b>Gross Profit</b>		<b>141.84</b>	1212.96
Selling and distribution costs		<b>(22.28)</b>	(71.53)
Administration expenses		<b>(268.32)</b>	(1107.94)
<b>Operating profit</b>	3 and 4	<b>(148.76)</b>	33.49
Interest receivable and similar charges		<b>135.60</b>	64.25
Profit on sale of fixed assets and tea division	5	<b>177.23</b>	513.08
Interest payable and similar charges	4	<b>-</b>	19.32
<b>Profit on ordinary activities before taxation</b>		<b>164.07</b>	591.50
Tax on profit on ordinary activities	8	<b>(222.11)</b>	129.92
<b>Retained profit for the year</b>	15	<b>(58.04)</b>	461.58

There are no recognised gains and losses other than those passing through the profit and loss account.

**Balance Sheet as at 31st March 2009**

	Notes	2009	(Rs./Lakhs) 2008
<b>Fixed Assets</b>			
Tangible assets	9	<b>-</b>	1725.11
Investments	10	<b>-</b>	-
			1725.11
<b>Current Assets</b>			
Debtors	11	<b>58.60</b>	111.36
Cash at bank and in hand		<b>4259.74</b>	2504.79
		<b>4318.34</b>	2616.15
<b>Creditors : amounts falling due within one year</b>	12	<b>(226.55)</b>	(191.43)
<b>Net current assets</b>		<b>4091.79</b>	2424.72
<b>Total assets less current liabilities</b>		<b>4091.79</b>	4149.83
<b>Provision for liabilities and charges</b>	13	<b>-</b>	-
		<b>4091.79</b>	4149.83
<b>Capital and reserves</b>			
Share capital	14	<b>2694.36</b>	2694.36
Profit and loss account	15	<b>1397.43</b>	1455.47
<b>Shareholders' fund – equity interests</b>	16	<b>4091.79</b>	4149.83

These financial statements have been prepared in accordance with the special provisions of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board on 1st June 2009 and were signed on its behalf by :

S K Mukherji  
Director

P. Radhakrishnan  
Director

V. Sinha  
Director

Notes to the Financial Statements for the year ended 31 March 2009

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and have been prepared on a going concern basis.

1.2. Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.4 Cashflow statement

The company is exempt from the requirement of Financial Reporting Standard 1, "Cashflow Statements" as it qualifies as a small company in accordance with the Companies Act 1985.

1.5 Related party transactions

The company has taken advantage of the exemption granted under Financial Reporting Standard 8 "Related Party Disclosures", not to disclose details of transactions with entities belonging to the group.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not provided on freehold land.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis :

Containers -5.67% Straight line basis

1.7 Foreign currency translation

The Company's activities are more dependent on the American dollar than sterling, as the company's container operations are dependent on the dollar. Consequently, the company's financial statements are prepared in American dollars.

Following the re-merger of the company's wholly owned subsidiary undertaking Balmer Lawrie (Tea) Limited on 1st April 2007 which produced its internal management accounts in sterling these are expressed in dollars using the temporal method of foreign currency translation on applying the following bases :

- a) Fixed assets were translated into dollars at the rates ruling on the date of acquisition.
- b) Monetary assets and liabilities denominated in a foreign currency were translated into dollars at the foreign exchange rates ruling at the balance sheet date.
- c) Revenue and expenses in foreign currencies were translated in dollars at the average rate for the year.
- d) Any gains or losses arising on translation were taken to the profit and loss account.

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the

inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Turnover

The Turnover is derived from its container leasing activities which are wholly undertaken outside the UK. The fleet of containers were disposed off during the Current year.

- 3. On 31st July 2008 the Company disposed its entire remaining fleet of shipping containers.

	(Rs./Lakhs)	
	2009	2008
<b>4. Operating Profit</b>		
Operating profit is stated after charging :		
Depreciation	91.86	325.73
Auditors' remuneration	1.31	6.06
	<u>177.23</u>	<u>513.07</u>
<b>5. Profit/(loss) on sale of fixed assets</b>		
Profit on disposal of containers and tea division fixed assets	177.23	513.07
	<u>177.23</u>	<u>513.07</u>
<b>6. Interest payable and similar charges</b>		
On bank loans and overdraft	—	19.32
	<u>—</u>	<u>19.32</u>
<b>7. Directors' emoluments</b>		
Emoluments for qualifying services	—	40.92
	<u>—</u>	<u>40.92</u>
<b>8. Taxation on profit on ordinary activities</b>		
<b>Analysis of charge (credit) in period :</b>		
<b>Current Taxation</b>		
UK corporation tax charge for the year	222.11	168.91
Total current tax	<u>222.11</u>	<u>—</u>
<b>Deferred taxation</b>		
Origination and reversal of timing difference (note 12)	—	(38.99)
Tax on profit on ordinary activities	<u>222.11</u>	<u>129.92</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year varies from the standard rate for the reasons set out in the following reconciliation.

Notes to the Financial Statements for the year ended 31 March 2009

	2009	2008
Profit on ordinary activities before tax	164.07	591.50
Tax on profit on ordinary activities at standard rate	45.94	177.45
<b>Factors affecting charge for the period :</b>		
Depreciation for period in excess of capital allowances	-	53.58
Expenses not deductible for tax purposes	43.44	0.90
Other adjustments	-	(22.73)
Utilisation of prior year losses	-	(40.29)
Balancing charges on disposal containers	132.73	-
Total actual amount of current tax	222.11	168.91

9. Tangible Fixed Assets

	Freehold property	Plant and machinery	Containers and Total	
			Containers	Rs. Total
<b>Cost</b>				
At 1 April 2008	-	-	5168.77	5168.77
Transfer from Group Company	-	-	-	-
Disposals	-	-	(5168.77)	(5168.77)
At 31 March 2009	-	-	-	-
<b>Accumulated Depreciation</b>				
At 1 April 2008	-	-	3443.66	3443.66
Transfer from Group Company	-	-	-	-
Charge for the year	-	-	91.86	91.86
Eliminated on disposal	-	-	(3535.52)	(3535.52)
At 31 March 2008	-	-	-	-
<b>Net book amount</b>				
At 31 March 2009	-	-	-	-
At 31 March 2008	-	-	1725.10	1725.10

	2009	2008
<b>10. Debtors</b>		
Trade debtors	-	6.30
VAT recoverable	-	4.07
Prepayments and accrued income	58.60	100.99
	58.60	111.36

	2009	2008
<b>11. Creditors : Amounts falling due within one year</b>		
Trade creditors	-	15.78
Social security and other taxation	-	3.91
Corporation tax	222.11	168.91
Amounts owned to subsidiary	-	-
Accruals and deferred income	4.43	2.82
	226.54	191.42

12. Provisions for liabilities and charges

	2009	2008
	Rs.	Rs.
<b>Provision for deferred tax</b>		
Balance at 1 April 2008	-	9.56
Transfer from group company	-	29.43
Profit and loss account (credit)/charge	-	(38.99)
Balance at 31 March 2009	-	-

13. Share Capital

	2009	2008
<b>Authorised</b>		
4,000,000 Ordinary Shares of 1 each	3118.99	3118.99
<b>Allotted, Called Up &amp; Fully Paid</b>		
3,380,312 (2006 : 3,380,312)		
Ordinary Shares of 1 each	2694.36	2694.36
	2694.36	2694.36

14. Statement of movement on reserves

	2009	2008
	Rs.	Rs.
<b>Profit and Loss account</b>		
Balance at 1 April 2008	-	1455.47
Transfer from group company	-	-
Retained loss for the year	-	(58.04)
Balance at 31 March 2009	-	(1397.43)

15. Reconciliation of movement in shareholders' funds

	2009	2008
Loss for the financial year	(58.04)	461.58
Opening shareholders funds	4149.83	3799.90
Transfer from group company	-	(111.65)
Closing shareholders' funds	4091.79	4149.83

16. Related party transactions

The Company has taken advantage of the exemption granted under FRS 8 "Related Party Disclosures", not to disclose details of transactions with entities belonging to the group, on the grounds that consolidated financial statements are prepared by the ultimate parent company.

17. Ultimate parent company

The Company's ultimate parent company and ultimate controlling party is Balmer Lawrie & Co. Limited, a company incorporated in India.

# Balmer Lawrie (UK) Limited

## Detailed Trading and Profit & Loss Account for the year ended 31 March 2009

	2009		2008	
	Rs.	Rs.	Rs.	Rs.
<b>Sales</b>				
Lease rentals – Containers	148.51		476.86	
Other Income	2.82		-	
Tea	-		1736.94	
		<b>151.33</b>		<b>2213.80</b>
<b>Cost of sales</b>				
Containers :				
Handling charges	3.75		10.45	
Storage charges	2.55		9.35	
Depot charges	2.85		11.57	
Repairs and maintenance	0.33		3.26	
Tea	-	(9.49)	966.20	(1000.84)
<b>Gross profit</b>		<b>141.84</b>		<b>1212.96</b>
Direct expenses	-		136.60	
Administration expenses	268.32		971.34	
Selling expenses	22.28		71.53	
		<b>(290.60)</b>		<b>(1179.47)</b>
		<b>(148.76)</b>		<b>33.49</b>
<b>Operating Profit</b>				
Profit on disposal of fixed assets and tea division		177.23		513.08
<b>Interest receivable and similar charges</b>				
Bank interest Received		135.60		64.25
<b>Interest payable and similar charges</b>				
Bank interest Payable	-		(19.32)	
		-		(19.32)
<b>Net profit before taxation</b>		<b>164.07</b>		<b>591.50</b>

## Direct, of Administration and selling Expenses for the year ended 31 March, 2009

	(Rs./Lakhs)	
	2009	2008
<b>Direct expenses</b>		
Warehouse expenses	-	2.84
Freight, shipping and carriage charges	-	27.69
Discount allowed	-	72.18
Consultants fees	-	33.89
	-	<b>136.60</b>
<b>Administration expenses</b>		
Wages and salaries	-	495.65
Repairs and maintenance	-	15.42
Heat and light	-	7.65
Rates and taxes	-	26.93
Insurance and security	-	7.09
Audit and accountancy	6.09	10.56
Bank charges	0.28	2.76
Legal and professional fees	0.45	6.78
Motor expenses	-	15.52
Travel and subsistence	12.93	24.39
Printing, stationery and publications	-	5.96
Telephone, fax and postage	-	7.12
Sales promotion	-	5.48
Sundries	-	30.64
Provision for bad debts	1.56	5.07
Exchange gain	155.15	(21.41)
Depreciation	91.86	325.73
	<b>268.32</b>	<b>971.34</b>
<b>Container selling expenses</b>		
Commission on rental income	22.28	71.53



**Auditors' Report on the Consolidated Financial Statements**

To  
**The Board of Directors of  
Balmer Lawrie and Company Limited**

1. We have audited the attached Consolidated Balance Sheet of **Balmer Lawrie and Company Limited** ('the Company'), and its Subsidiary and four Joint Venture Companies (collectively referred to as 'the Group') as at 31st March, 2009, and also the Consolidated Profit and Loss Account 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 have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 total assets of Rs. 44,180.20 lakhs as at 31st March, 2009, total revenues of Rs. 34,213.47 lakhs and net cash flows amounting to (-) Rs. 1,171 lakhs for the year then ended. 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 the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', and Accounting Standard (AS) 27, 'Financial Reporting of interests in Joint Ventures', prescribed by 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 the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its 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 2009;
  - (b) in the case of the Consolidated Profit and Loss Account, 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 consolidated cash flows of the Group for the year ended on that date.

Kolkata  
15th June, 2009

FOR GUPTA & CO.  
*Chartered Accountants*

S. K. GANGULI  
*Partner*

Membership No. : 6622

**Consolidated Financial Statements of Balmer Lawrie & Co. Limited**  
**Balance Sheet as at 31st March, 2009**

		SCHEDULES		As at 31st March, 2008	
		Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
<b>Sources of Funds</b>					
Shareholders' Funds					
Share Capital	1	1,629	1,629	1,629	1,629
Reserves and Surplus	2	39,424	48,060	32,626	39,844
		<u>41,053</u>	<u>49,689</u>	<u>34,255</u>	<u>41,473</u>
Loan Funds					
Secured	3	—	14,832	642	8,219
Unsecured	4	—	565	—	335
		<u>—</u>	<u>15,397</u>	<u>642</u>	<u>8,554</u>
Deferred Taxation Liability		529	1,374	1,410	2,071
		<u>41,582</u>	<u>66,460</u>	<u>36,307</u>	<u>52,098</u>
<b>Application of Funds</b>					
Fixed Assets (Net Block)					
Gross Block		30,155	57,812	33,808	52,620
Less : Depreciation		13,087	25,745	15,733	27,033
Less : Impairment of Assets		151	151	211	211
Net Block	5	<u>16,917</u>	<u>31,916</u>	<u>17,864</u>	<u>25,376</u>
Capital expenditure in Progress including Pre-production Expenditure		309	639	581	2,261
Advance against Capital Expenditure		78	78	128	128
		<u>17,304</u>	<u>32,633</u>	<u>18,573</u>	<u>27,765</u>
Investments	6	3,132	15	2,840	20
Net Current Assets					
Current Assets, Loans and Advances					
Inventories	7	7,885	27,612	8,636	18,943
Debtors	8	22,911	29,457	25,340	31,619
Cash and Bank Balances	9	29,133	29,457	12,647	12,948
Loans and Advances	10	6,838	7,886	6,304	7,566
		<u>66,767</u>	<u>94,412</u>	<u>52,927</u>	<u>71,076</u>
Less : Current Liabilities and Provisions	11				
Current Liabilities		34,125	47,743	30,735	38,801
Provisions		11,496	12,862	7,322	7,990
		<u>45,621</u>	<u>60,605</u>	<u>38,057</u>	<u>46,791</u>
		<u>21,146</u>	<u>33,807</u>	<u>14,870</u>	<u>24,285</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)		—	5	24	28
		<u>41,582</u>	<u>66,460</u>	<u>36,307</u>	<u>52,098</u>
Notes on Accounts	16				
Significant Accounting Policies	17				

*The Schedules referred to above form part of the Accounts*

*As per our report attached*

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

S. K. Mukherjee  
Managing Director

K. Subramanyan  
Abha Chaturvedi  
V. N. Sharma  
P. Radhakrishnan

Asish Bhattacharyya  
V. Subha Rao  
M. Singh  
P. K. Bora

*Directors*

Amit Ghosh  
Secretary

**Consolidated Financial Statements of Balmer Lawrie & Co. Limited**  
**Profit and Loss Account for the year ended 31st March, 2009**

		SCHEDULES		2007-08	
		Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
<b>Income</b>					
Sale					
	Manufactured Goods	63,058	96,254	61,314	88,603
	Less : Excise Duty	7,922	8,694	8,556	9,343
		<u>55,136</u>	<u>87,560</u>	<u>52,758</u>	<u>79,260</u>
	Trading Goods	201	536	62	85
	Turnkey Projects	2,197	2,197	4,848	4,848
	Services	1,06,343	1,06,469	87,806	88,325
	Other Income	6,193	7,108	5,397	5,939
		<u>1,70,070</u>	<u>2,03,870</u>	<u>1,50,871</u>	<u>1,78,457</u>
<b>Expenditure</b>					
	Raw Materials Consumed - Manufactured Goods	41,332	62,689	38,247	55,611
	Purchases – Trading Goods	152	371	49	65
	Purchases – Turnkey Projects	2,109	2,109	4,624	4,624
	Cost of Services	87,110	87,077	72,832	73,217
	General Expenditure	22,924	33,440	20,383	28,109
	Depreciation	1,133	2,282	1,449	2,350
	Accretion (-)/Decretion (+) to Inventories	(2)	(500)	(249)	(237)
	Prior Period Adjustments	9	9	9	9
		<u>1,54,767</u>	<u>1,87,477</u>	<u>1,37,344</u>	<u>1,63,748</u>
	Profit before Taxation	15,303	16,393	13,527	14,709
	Provision for Taxation – Current	5,983	6,118	5,478	5,692
	– Deferred	(880)	(748)	(1,092)	(1,048)
	– Fringe Benefit Tax	90	108	70	83
	Profit after Taxation	10,110	10,915	9,071	9,982
	Balance Brought Forward	10,470	17,415	7,639	13,849
	Addition due to increase in stake	—	32	—	—
	Available for Appropriation	<u>20,580</u>	<u>28,362</u>	<u>16,710</u>	<u>23,831</u>
	Proposed Final Dividend	3,257	3,332	2,769	2,844
	Corporate Tax on Dividend	554	592	471	491
	Transfer to Minority Interest	—	92	—	17
	Transfer to Special Reserve	—	—	—	50
	Transfer to General Reserve	3,000	3,033	3,000	3,014
	Balance Carried Forward	<u>13,769</u>	<u>21,313</u>	<u>10,470</u>	<u>17,415</u>
	Earning per Share (Rs.)	62.08	67.03	55.70	61.29
	Notes on Accounts	16			
	Significant Accounting Policies	17			

*The Schedules referred to above form part of the Accounts*

*As per our report attached*

For GUPTA & CO.  
Chartered Accountants

S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

S. K. Mukherjee  
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Asish Bhattacharyya  
V. Subha Rao  
M. Singh  
P. K. Bora

*Directors*

Amit Ghosh  
Secretary

## Schedules forming part of the Balance Sheet as at 31st March, 2009

SCHEDULE 1	SHARE CAPITAL		As at 31st March, 2008	
	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
<b>Authorised</b>				
Equity Shares	3,000	3,000	3,000	3,000
<b>Issued and Subscribed</b>				
90,65,547 Equity Shares fully paid up in cash	907	907	907	907
67,72,404 Equity Shares of Rs. 10 each allotted as fully paid Bonus Shares by way of capitalisation of General Reserve and Share Premium	677	677	677	677
4,48,130 Equity Shares of Rs. 10 each allotted as fully paid Shares pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd.	45	45	45	45
	<u>1,629</u>	<u>1,629</u>	<u>1,629</u>	<u>1,629</u>
<b>SCHEDULE 2</b>	<b>RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>				
Central Investment Subsidy				
As per last Account	—	—	—	3
Less : Trfd to General Reserve	—	—	—	—
Capital Reserve on Consolidation	820	1,370	227	759
Share Premium Account				
As per last Account	3,627	3,627	3,627	3,627
<b>Special Reserve</b>				
As per last Account	—	207	—	157
Add : Transferred from Profit and Loss Account	—	41	—	50
Less : Transferred to General Reserve	—	248	—	—
	—	—	—	207
<b>Foreign Projects Reserve</b>				
As per last Account	5	5	262	262
Add : Transferred from Profit and Loss Account	—	—	—	—
Less : Transferred to General Reserve	—	—	257	257
	5	5	5	5
<b>Foreign Currency Translation Reserve</b>	(167)	(9)	(73)	(642)
<b>General Reserve</b>				
As per last Account	18,370	18,471	15,114	15,246
Add : Due to Increase in Stake	—	1	—	—
Add : Trf from Foreign Projects Reserve	—	—	257	257
Less : Transferred to Minority Interest	—	—	—	47
Add : Transferred from Special Reserve	—	248	—	—
Add : Transferred from Profit and Loss Account	3,000	3,033	3,000	3,014
	<u>21,370</u>	<u>21,754</u>	<u>18,370</u>	<u>18,471</u>
<b>Profit and Loss Account</b>	13,769	21,313	10,470	17,415
	<u>39,424</u>	<u>48,060</u>	<u>32,626</u>	<u>39,844</u>

## Schedules forming part of the Balance Sheet as at 31st March, 2009

## SCHEDULE 3

## SECURED LOANS

As at 31st March, 2008

	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
From Banks/Financial Institutions				
Cash Credit/Export Credit/Working Capital Demand Loan				
Secured by hypothecation of stocks and debtors	—	7,106	—	3,606
Term Loan				
Secured by way of <i>pari-passu</i> first charge on certain movable fixed assets and some immovable properties	—	7,726	642	4,613
	—	14,832	642	8,219

## SCHEDULE 4

## UNSECURED LOANS

Other Loans and Advances  
From other than Banks

	—	565	—	335
	—	565	—	335

## Schedules forming part of the Balance Sheet as at 31st March, 2009

## SCHEDULE 5

## (A) Assets held for active use

## FIXED ASSETS

	GROSS BLOCK			DEPRECIATION				IMPAIRMENT			NET BLOCK		
	Original Cost as at 1st April, 2008	Additions during the year	Total Cost of Items sold or scrapped/ adjusted	Original Cost as at 31st March, 2009	Upto 31st March, 2008	For the year	On items sold or scrapped/ adjusted	Total	Opening Impairment	For the Year	Closing Balance	As at 31st March, 2009	As at 31st March 2008
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Goodwill – Consolidated with Subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—
Total – Consolidated with Subsidiary and Joint Venture Companies	121	—	—	121	84	12	—	96	—	—	—	25	37
Land Freehold – Consolidated with Subsidiary	1,214	—	6	1,208	—	—	—	—	—	—	—	1,208	1,214
Total – Consolidated with Subsidiary and Joint Venture Companies	1,337	136	(6)	1,479	—	—	—	—	—	—	—	1,479	1,337
Land Leasehold – Consolidated with Subsidiary	2,363	—	—	2,363	406	45	—	451	—	—	—	1,912	1,957
Total – Consolidated with Subsidiary and Joint Venture Companies	2,437	513	(3)	2,953	413	51	—	464	—	—	—	2,489	2,024
Buildings & Sidings – Consolidated with Subsidiary	8,441	835	169	9,107	1,809	189	51	1,947	135	-60	75	7,085	6,497
Total – Consolidated with Subsidiary and Joint Venture Companies	10,946	3,801	159	14,588	3,274	321	54	3,541	135	-60	75	10,972	7,537
Plant & Machinery – Consolidated with Subsidiary	15,517	879	5,111	11,285	9,156	605	3,380	6,381	43	—	43	4,861	6,318
Total – Consolidated with Subsidiary and Joint Venture Companies	30,605	5,192	4,411	31,386	18,241	1,501	3,159	16,583	43	—	43	14,760	12,321
Spares for Plant & Machinery – Consolidated with Subsidiary	617	7	2	622	581	15	2	594	11	—	11	17	25
Total – Consolidated with Subsidiary and Joint Venture Companies	617	7	2	622	581	15	2	594	11	—	11	17	25
Electrical Installation & Equipment – Consolidated with Subsidiary	1,746	210	36	1,920	1,104	86	31	1,159	17	—	17	744	625
Total – Consolidated with Subsidiary and Joint Venture Companies	1,756	234	34	1,956	1,109	89	31	1,167	17	—	17	772	630
Furniture & Fittings – Consolidated with Subsidiary	522	44	8	558	383	30	8	405	—	—	—	153	139
Total – Consolidated with Subsidiary and Joint Venture Companies	906	129	6	1,029	680	65	10	735	—	—	—	294	226
Typewriters, Accounting Machine & Office Equipment – Consolidated with Subsidiary	1,658	191	62	1,787	1,250	117	58	1,309	1	—	1	477	407
Total – Consolidated with Subsidiary and Joint Venture Companies	1,824	215	48	1,991	1,348	147	51	1,444	1	—	1	546	475
Tubewells, Tanks & Miscellaneous Equipment – Consolidated with Subsidiary	868	64	4	928	508	45	3	550	4	—	4	374	356
Total – Consolidated with Subsidiary and Joint Venture Companies	868	64	4	928	508	45	3	550	4	—	4	374	356
Vehicles – Consolidated with Subsidiary	71	11	—	82	17	7	—	24	—	—	—	58	54
Total – Consolidated with Subsidiary and Joint Venture Companies	316	56	10	362	196	34	14	216	—	—	—	146	120
Technical Knowhow-Consolidated with Subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—
Technical Knowhow-Share of Joint Venture Companies	96	6	—	102	80	8	—	88	—	—	—	14	16
Total – Consolidated with Subsidiary and Joint Venture Companies	96	6	—	102	80	8	—	88	—	—	—	14	16
Leased Assets – Consolidated with Subsidiary and Joint Venture Companies	—	—	—	—	—	—	—	—	—	—	—	—	—
Plant & Machinery	—	—	—	—	—	—	—	—	—	—	—	—	—
Electrical Installation and Equipment	—	—	—	—	—	—	—	—	—	—	—	—	—
Furniture & Fittings	—	—	—	—	—	—	—	—	—	—	—	—	—
Typewriters, Accounting Machine and Office Equipment	—	—	—	—	—	—	—	—	—	—	—	—	—
Vehicles	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total – Consolidated with Subsidiary</b>	<b>33,017</b>	<b>2,241</b>	<b>5,398</b>	<b>29,860</b>	<b>15,214</b>	<b>1,139</b>	<b>3,532</b>	<b>12,820</b>	<b>211</b>	<b>-60</b>	<b>151</b>	<b>16,889</b>	<b>17,592</b>
<b>TOTAL (A) – Consolidated with Subsidiary and Joint Venture Companies</b>	<b>51,829</b>	<b>10,353</b>	<b>4,665</b>	<b>57,517</b>	<b>26,514</b>	<b>2,288</b>	<b>3,324</b>	<b>25,478</b>	<b>211</b>	<b>-60</b>	<b>151</b>	<b>31,888</b>	<b>25,104</b>

## Schedules forming part of the Balance Sheet as at 31st March, 2009

## SCHEDULE 5 (Contd.)

## (B) Assets held for Disposal

## FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK	
	Original Cost as at 1st April, 2008	Additions during the year	Total Cost of Items sold or scrapped/adjusted	Original Cost as at 31st March, 2009	Upto 31st March, 2008	For the year	On items sold or scrapped/adjusted	Total	Opening Impairment	For the Year	Closing Balance	As at 31st March, 2009	As at 31st March, 2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land – Freehold	—	—	—	—	—	—	—	—	—	—	—	—	—
– Leasehold	63	—	57	6	12	—	11	1	—	—	—	5	51
Buildings & Sidings	304	—	294	10	113	—	108	5	—	—	—	5	191
Plant & Machinery	253	—	16	237	236	—	17	219	—	—	—	18	17
Spares for Plant & Machinery	78	—	53	25	78	—	53	25	—	—	—	—	—
Electrical Installation & Equipment	78	—	73	5	65	—	60	5	—	—	—	—	13
Furniture & Fittings	1	—	—	1	1	—	—	1	—	—	—	—	—
Typewriters, Accounting Machine and Office Equipment	3	—	—	3	3	—	—	3	—	—	—	—	—
Tubewells, Tanks and Miscellaneous Equipment	11	—	3	8	11	—	3	8	—	—	—	—	—
Vehicles	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>TOTAL (B)</b>	<b>791</b>	<b>—</b>	<b>496</b>	<b>295</b>	<b>519</b>	<b>—</b>	<b>252</b>	<b>267</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>28</b>	<b>272</b>
<b>GRAND TOTAL – [A+B]– Consolidated with Subsidiary</b>	<b>33,808</b>	<b>2,241</b>	<b>5,894</b>	<b>30,155</b>	<b>15,733</b>	<b>1,139</b>	<b>3,785</b>	<b>13,087</b>	<b>211</b>	<b>-60</b>	<b>151</b>	<b>16,917</b>	<b>17,864</b>
<b>GRAND TOTAL – (A+B)</b>	<b>52,620</b>	<b>10,353</b>	<b>5,161</b>	<b>57,812</b>	<b>27,033</b>	<b>2,288</b>	<b>3,576</b>	<b>25,745</b>	<b>211</b>	<b>-60</b>	<b>151</b>	<b>31,916</b>	<b>25,376</b>
2007-2008													
GRAND TOTAL – Consolidated with Subsidiary	34,462	1,226	1,880	33,808	15,375	1,452	1,094	15,733	117	94	211	17,864	—
GRAND TOTAL	52,183	2,609	2,172	52,620	26,001	2,353	1,321	27,033	117	94	211	25,376	—

	2008-09	2007-08
	Rs.	Rs.
Depreciation for the year as above – Consolidated with Subsidiary	1,139	1,452
Total– Consolidated with Subsidiary and Joint Venture Companies	2,288	2,353
Less : Prior Period Adjustment – Consolidated with Subsidiary	6	3
Total – Consolidated with Subsidiary and Joint Venture Companies	6	3
Depreciation as per Profit & Loss Account – Consolidated with Subsidiary	1,133	1,449
Total– Consolidated with Subsidiary and Joint Venture Companies	2,282	2,350

## Schedules forming part of the Balance Sheet as at 31st March, 2009

SCHEDULE 6	INVESTMENTS		As at 31st March, 2008	
	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
Unquoted, unless otherwise stated				
Long Term Investments				
(a) Government Securities – at cost	—	—	—	5
(b) Trade Investments				
Fully paid-up – at cost				
3,57,591 Equity Shares of Rs. 10 each in Bridge and Roof Co. (India) Ltd.	15	15	15	15
1,95,900 Equity Shares of Rs. 10 each in Biecco Lawrie Ltd. (carried in books at a value of Re. 1)	—	—	—	—
79,03,998 Equity Shares of Rs. 10 each in Transafe Services Ltd. (*)	612	—	320	—
45,00,000 Ordinary Shares of Rs. 10 each in Avi-Oil India [P] Ltd.	450	—	450	—
9800 Shares of Dhs. 1000 each in Balmer Lawrie (UAE) LLC	891	—	891	—
63,19,978 Equity Shares of Rs. 10 each in Balmer Lawrie-Van Leer Ltd.	1,164	—	1,164	—
(c) Other Investments				
Fully paid up - at cost				
71 Equity Shares of Rs. 100 each in Duncan Brothers & Co. Ltd. (Quoted)	—	—	—	—
172 1/2% Redeemable Registered Debentures of Rs. 100 each in The East India Clinic Ltd.	—	—	—	—
280 5% Non-redeemable Debenture Stock 1957 of Rs. 100 each in The East India Clinic Ltd.	—	—	—	—
	<b>3,132</b>	<b>15</b>	<b>2,840</b>	<b>20</b>

(\*) Including 18,23,998 Equity Shares of Rs. 10 each received during the year 2008-09 on Rights Basis.



## Schedules forming part of the Balance Sheet as at 31st March, 2009

## SCHEDULE 7

## INVENTORIES

As at 31st March, 2008

	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
Raw Materials	4,283	19,938	4,924	11,592
Finished Products	2,607	3,255	2,491	2,941
Trading Goods	-	-	24	24
Work-in-Progress	651	1,635	724	1,312
Stock-in-Transit				
Raw Materials	39	2,800	159	2,009
Finished Products	83	83	99	99
Trading Goods	-	-	-	-
	<u>122</u>	<u>2,883</u>	<u>258</u>	<u>2,108</u>
Stores and Spare Parts	222	900	215	707
Loose Tools	-	350	-	244
Material with Third Party	-	-	-	15
Less : Provision for write down of Inventory	-	(-) 1,349	-	-
	<u>7,885</u>	<u>27,612</u>	<u>8,636</u>	<u>18,943</u>

## SCHEDULE 8

## DEBTORS

Debts due for more than six months

Unsecured				
— Considered Good	3,294	8,003	2,563	6,498
— Considered Doubtful	<u>878</u>	<u>953</u>	<u>674</u>	<u>726</u>
	4,172	8,956	3,237	7,224
Less : Provision for Doubtful Debts	<u>878</u>	<u>953</u>	<u>674</u>	<u>726</u>
	3,294	8,003	2,563	6,498
Other Debts				
Unsecured				
— Considered Good	19,617	21,454	22,777	25,121
	<u>19,617</u>	<u>21,454</u>	<u>22,777</u>	<u>25,121</u>
	<u>22,911</u>	<u>29,457</u>	<u>25,340</u>	<u>31,619</u>

## SCHEDULE 9

## CASH AND BANK BALANCES

Cash in hand (including cheques and stamps)	15	43	58	79
With Scheduled Banks				
In Current Accounts	8,746	8,907	4,490	4,648
In Short Term Deposit Account	20,243	20,299	8,002	8,099
In Dividend Accounts	<u>81</u>	<u>142</u>	<u>60</u>	<u>64</u>
	29,070	29,348	12,552	12,811
Unclaimed Convertible Debentures	-	17	-	21
Foreign Currency Accounts	48	49	37	37
	<u>29,133</u>	<u>29,457</u>	<u>12,647</u>	<u>12,948</u>

## Schedules forming part of the Balance Sheet as at 31st March, 2009

## SCHEDULE 10

## LOANS AND ADVANCES

As at 31st March, 2008

	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
Advances recoverable in Cash or in kind or for value to be received				
Considered Good				
Secured	900	900	922	922
Unsecured				
Holding Company				
Balmer Lawrie Investments Ltd.	1	1	1	1
Others	3,866	4,052	3,012	3,613
Considered Doubtful	100	102	68	70
	<u>4,867</u>	<u>5,055</u>	<u>4,003</u>	<u>4,606</u>
Less : Provision	100	102	68	70
	<u>4,767</u>	<u>4,953</u>	<u>3,935</u>	<u>4,536</u>
Deposits - Unsecured				
Considered Good	1,584	1,663	1,949	2,003
Balance with Customs, Port Trust, Central Excise, etc.				
Considered Good	487	717	420	627
Advance payment of Income Tax	-	553	-	400
	<u>6,838</u>	<u>7,886</u>	<u>6,304</u>	<u>7,566</u>

## SCHEDULE 11

## CURRENT LIABILITIES AND PROVISIONS

## Current Liabilities

Sundry Creditors				
- Due to Small Scale Industries	25	26	46	46
- Due to Others	32,872	45,579	29,166	36,584
Minority Interest	-	229	-	-
Amounts received in advance against contracts	1,147	1,804	1,463	2,085
Interest accrued but not due	-	3	-	1
Investor Education and Protection Fund shall be credited by the following amount :				
- Unclaimed Dividend	81	85	60	64
[Refer Note below]				
<b>Unclaimed Redemption/Interest on Convertible Debentures</b>	-	17	-	21
	<u>34,125</u>	<u>47,743</u>	<u>30,735</u>	<u>38,801</u>
<b>Provisions</b>				
Provision against Guarantee obligations				
As per Last account	1,159	1,159	1,546	1,546
Less : Payment made during the year	386	386	387	387
	<u>773</u>	<u>773</u>	<u>1,159</u>	<u>1,159</u>
Proposed Final Dividend	3,257	4,019	2,769	3,029
Contingency as per last Account	-	2	100	102
Add : Provision made during the year	-	-	-	-
Less : Transferred to Prov for Bad Debts	-	-	100	100
	-	2	-	2
Provision for Employee Benefits	-	96	-	-
Taxation, net of advance payment	7,466	7,972	3,394	3,800
	<u>11,496</u>	<u>12,862</u>	<u>7,322</u>	<u>7,990</u>
	<u>45,621</u>	<u>60,605</u>	<u>38,057</u>	<u>46,791</u>

Note : There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.

## Schedules forming part of the Profit &amp; Loss Account for the year ended 31st March, 2009

## SCHEDULE 12

## OTHER INCOME

2007 – 2008

	OTHER INCOME		2007 – 2008	
	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with Subsidiary Rs./Lakhs	Consolidated with Subsidiary and Joint Venture Companies Rs./Lakhs
Income from Investments				
Trade Investments				
Dividend	689	—	580	—
Other Investments				
Dividend	—	3	—	—
Interest	121	42	53	53
	<u>810</u>	<u>45</u>	<u>633</u>	<u>53</u>
Interest on Advances,				
Deposits, Deferred Credit and Overdue debts	1,573	1,582	718	729
Operating Lease Rentals	132	1,168	391	1,117
Profit on Disposal of Fixed Assets	390	471	621	637
Surrender of Leasehold Rights	934	934	316	190
Export Incentives	17	169	19	77
Rent	280	240	275	275
Recovery of Transportation Charges	340	340	327	327
Discount and Commission	2	2	14	14
Claims	7	7	4	4
Liabilities/Provisions no longer required written back	660	668	417	427
Exchange Gain on Translation of Financial Statements of Foreign Subsidiary & Joint Venture Company	—	8	—	2
Sundries	1,048	1,474	1,662	2,087
	<u>6,193</u>	<u>7,108</u>	<u>5,397</u>	<u>5,939</u>

## Schedules forming part of the Profit &amp; Loss Account for the year ended 31st March, 2009

## SCHEDULE 13

## GENERAL EXPENDITURE

2007 - 2008

	Consolidated		2007 - 2008	
	with Subsidiary Rs./Lakhs	and Joint Venture Companies Rs./Lakhs	with Subsidiary Rs./Lakhs	and Joint Venture Companies Rs./Lakhs
Salaries, Wages, Bonus, Pensions and Gratuity	8,842	11,938	7,344	9,692
Contribution to Provident and Other Funds	580	643	744	810
Workmen and Staff Welfare Expenses	702	1,021	663	873
Manufacturing Expenses	564	864	493	744
Excise Duty	271	277	143	149
Consumption of Stores and Spare Parts	394	1,460	404	1,315
Repairs and Maintenance				
Buildings	618	714	393	431
Plant & Machinery	137	271	146	278
Others	205	320	167	240
Power and Fuel	1,391	2,394	1,200	1,946
Electricity and Gas	220	223	177	181
Rent	518	1,325	403	995
Insurance	86	147	88	139
Packing, Despatching, Freight and Shipping Charges	1,519	2,412	1,450	2,037
Rates and Taxes	114	153	122	153
Interest	518	1,434	311	941
Auditors' Remuneration and Expenses	19	29	20	27
Bad Debts written off	88	88	99	105
Advances written off	37	37	6	6
Fixed Assets written off	64	64	24	24
Provision for non performing assets	150	150	—	—
Provision for Debts, Deposits, Loans and Advances considered doubtful	420	444	478	493
Impairment of fixed assets	—	—	94	94
Expenditure on VRS for current year	44	44	—	—
Loss on Disposal of Fixed Assets	—	—	9	9
Selling Commission - Others	373	551	968	1,108
Cash Discount	269	274	210	213
Bank Charges and Discount	122	321	105	193
Travelling Expenses	814	997	701	866
Printing and Stationery	226	248	157	174
Motor Car Expenses	69	127	84	127
Telephone, Telex, Postage, Cables and Telegrams	256	318	239	289
Donations	1	2	5	5
Turnover Tax/Additional Tax on Sales Tax	—	—	—	—
Amortisation of Deferred Revenue Expenditure	24	25	301	301
Exchange Loss on Translation of Financial Statements of Foreign Subsidiary & Joint Venture Company	138	138	(18)	(18)
Miscellaneous Expenses	3,183	4,047	2,677	3,201
	<b>22,976</b>	<b>33,500</b>	<b>20,407</b>	<b>28,141</b>
Less : Provision for Debts, Deposits Loans & Advances Considered doubtful, written back	(52)	(60)	(24)	(32)
	<b>22,924</b>	<b>33,440</b>	<b>20,383</b>	<b>28,109</b>

## Schedules forming part of the Profit &amp; Loss Account for the year ended 31st March, 2009

## SCHEDULE 14

## ACCRETION (-)/DECREATION (+) TO INVENTORIES

2007 – 2008

	Consolidated with Subsidiary and Joint Venture Companies		Consolidated with Subsidiary and Joint Venture Companies	
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Opening Balance				
Trading Goods	24	24	23	23
Work-in-Progress	724	1,412	854	1,378
Finished Goods	2,591	2,963	2,214	2,683
	<u>3,339</u>	<u>4,399</u>	<u>3,091</u>	<u>4,084</u>
Less : Closing Balance				
Trading Goods	-	-	24	24
Work-in-Progress	651	1,562	725	1,253
Finished Goods	2,690	3,337	2,591	3,044
	<u>3,341</u>	<u>4,899</u>	<u>3,340</u>	<u>4,321</u>
	<u>(2)</u>	<u>(500)</u>	<u>(249)</u>	<u>(237)</u>

## SCHEDULE 15

## PRIOR PERIOD ADJUSTMENTS (NET)

Income				
Sales				
Manufactured Goods	-	-	(6)	(6)
Other Income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>
Expenses				
General Expenditure	4	4	1	1
Depreciation	5	5	2	2
	<u>9</u>	<u>9</u>	<u>3</u>	<u>3</u>
Net Expenditure	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>

## Notes on Accounts

## SCHEDULE 16

## 16.1 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	35%	India
Avi-Oil India (P) Ltd.	Joint Venture	25%	India

16.2 1,00,64,700 Equity Shares are held by Balmer Lawrie Investments Ltd. (Holding Company).

16.3 (a) Fixed Deposit with bank amounting to Rs. 2.12 Lakhs (Rs. 0.95 Lakhs) are lodged with certain authorities as security.

(b) Conveyance deeds of certain land costing Rs. 1,807.80 Lakhs (Rs. 1,844.67 Lakhs) and buildings, with written down value of Rs. 113.94 Lakhs (Rs. 117.13 Lakhs) are pending registration/mutation.

(c) Certain buildings and sidings with written down value of Rs. 4,157.90 Lakhs (Rs. 3,655.07 Lakhs) are situated on leasehold/rented land.

16.4 Contingent Liabilities as at 31st March, 2009 not provided for in the accounts are :

(a) Disputed demand for Excise Duty, Customs Duty, Income Tax and Sales Tax amounting to Rs. 6,121.59 Lakhs (Rs. 2,296.93 Lakhs) against which the Company has lodged appeal/petition before appropriate authorities.

(b) Claims against the Company not acknowledged as debts amount to Rs. 706.63 Lakhs (Rs. 756.38 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 Rs. 86.43 Lakhs (Rs. Nil Lakhs).

16.5 Counter guarantees given to various banks in respect of guarantees/loans given by them amount to Rs. 6,374.50 Lakhs (Rs. 5,790.59 Lakhs).

16.6 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for amounted to Rs. 1,730.37 Lakhs (Rs. 3,728.90 Lakhs).

## 16.7 Segment Reporting

Information about business and geographical segment for the year ended 31st March, 2009 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.

## 16.8 Earnings per Share

(i) Earnings per share of the Company has been calculated considering the Profit after Taxation of Rs. 10,915.00 Lakhs (Rs. 9,982.10 Lakhs) as the numerator.

(ii) The weighted average number of equity shares used as denominator is 1,62,86,081 (1,62,86,081).

(iii) The nominal value of shares is Rs. 1,628.61 lakhs (Rs. 1,628.61 lakhs) and the earnings per share (Basic and Diluted) for the year on the above mentioned basis comes to Rs. 67.03 (Rs.61.29).

16.9 (a) Previous year's figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures.

(b) Figures in brackets relate to previous year.

## Significant Accounting Policies

## SCHEDULE 17

## 1. Fixed Assets and Depreciation

- Fixed Assets are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition.
- Fixed Assets manufactured/constructed in-house are valued at actual cost of raw materials, conversion cost and other related costs.
- Cost of leasehold land is amortised over the period of lease.
- 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.
- Fixed Assets retired from active use and held for disposal are stated at the lower of book value and net realisable value and are shown separately in the financial statements. Loss determined, if any, is recognised in the profit and loss statement.

f) The Company reviews the depreciation policies followed for various items of assets, its 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 the above technical review, certain items of Electrical Installations and Equipment, Furniture and Fittings and Typewriter, Accounting Machine and Office Equipment are being depreciated at the rate of 15%, 20% and 20% respectively on straight line basis.

g) Depreciation is provided in accordance with the provisions of the Companies Act, 1956, prevailing from time to time at the straight line method except (i) for mobile phones at the rate of 50% per annum and (ii) for items given to employees under the furniture equipment scheme which has been provided at the rate of 25% per annum for computers and 15% per annum for other items.

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.

i) Depreciation on fixed assets of Balmer Lawrie (UK) Ltd. is provided at the rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives :

Buildings	2% and 5%	Straight Line basis
Containers	5.67%	Straight Line basis
Fixtures and Fittings	15%	Straight Line basis
Plant and Machinery	15%	Straight Line basis
Motor Vehicles	25%	Straight Line basis

## 2. 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 temporary/permanent diminution. Current investments appear at lower of cost or fair value.

## 3. 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 –

- Raw materials & trading goods (other than tea), stores & spare parts and materials for turnkey projects on the basis of monthly weighted average cost.
- Work-in-progress on the basis of weighted average cost of raw materials and conversion cost up to the relative stage of completion.
- Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
- 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 up to Rs. 10,000 which are charged off in the year of issue.

## 4. Recognition of Revenue

Revenue is recognised in compliance with the following :

- In case of sale of goods :  
When the property and all significant risks and rewards of ownership are

**Significant Accounting Policies (Contd.)**

- 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.
- 5. Employee Benefits**
- a) Company's contributions to Provident 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.
- 6. Payments made under Voluntary Retirement/Separation Schemes**
- a) Compensation comprising of Ex-gratia, Notice-Pay and Rehabilitation Grant payable to employees separating under Voluntary Retirement/Separation Scheme till 31 March, 2005 is treated as Deferred Revenue Expenditure and is written off as per following instalments :  
i) Paid upto December, 1999 – Five equal yearly instalments  
ii) Paid during January, 2000 – Sixty equal monthly instalments to March, 2005
- b) Payment made under Voluntary Retirement/ Separation Scheme with effect from 1st April, 2005 – Charged off in the same financial
- c) The balance of deferred revenue expenditure at the year end to the extent not written off or adjusted in respect of (a) above is carried forward in the Balance Sheet as Miscellaneous Expenditure.
- 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 statements 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) 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) Current assets other than inventories and current liabilities are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
- c) Long Term Investments, 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.
- 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.
- 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 an 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. Leasing and Hire Purchase Commitments**
- Assets of Balmer Lawrie (UK) Ltd. obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
- Rentals payable under operating leases are charged against income on a straight line basis over the lease term.
- 14. 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.
- 15. 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.

Signatures to Schedules 1 to 17

As per our report attached

For GUPTA & CO.  
Chartered AccountantsS. K. GANGULI  
PartnerMembership No. 6622  
Kolkata, the 15th June, 2009S. K. Mukherjee  
Managing DirectorK. Subramanyan  
Abha Chaturvedi  
V. N. Sharma  
P. RadhakrishnanAsish Bhattacharyya  
V. Subha Rao  
M. Singh  
P. K. Bora

Directors

Amit Ghosh  
Secretary

**ANNEXURE – A (NOTE 16.7)**  
**Information About Business Segments for the year ended 31st March, 2009**

	Industrial Packaging		Logistics Infrastructure & Services		Travel and Tours		Greases and Lubricants		Others		Consolidated Total	
	2007-2008		2007-2008		2007-2008		2007-2008		2007-2008		2007-2008	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>SEGMENT REVENUE</b>												
External Revenue	60,048	52,016	39,764	32,850	66,229	55,742	24,036	22,107	10,932	13,930	2,01,009	1,76,644
Inter-Segment Revenue	1,528	1,407	87	43	33	36	62	60	106	55	1,816	1,601
Total Segment Revenue	61,576	53,423	39,851	32,893	66,262	55,778	24,098	22,167	11,038	13,985	2,02,825	1,78,245
Less :												
Inter-Segment Revenue											1,817	1,601
Add :												
Other Unallocable Revenue											2,862	1,813
<b>TOTAL REVENUE</b>											<b>2,03,870</b>	<b>1,78,457</b>
<b>SEGMENT RESULT</b>												
Profit/(Loss) before												
Interest & Tax	3,331	3,665	10,241	8,605	2,272	1,757	1,782	2,010	1,569	1,522	19,195	17,559
Less :												
Interest Expense											1,516	940
Prior Period Adjustment											9	9
Other Unallocable Expenditure (net of Unallocable Revenue)											1,277	1,901
<b>TOTAL PROFIT BEFORE TAX</b>											<b>16,393</b>	<b>14,709</b>
<b>OTHER INFORMATION</b>												
Segment Assets	49,868	32,312	12,722	11,862	10,805	10,840	14,121	12,874	19,570	14,373	1,07,086	82,261
Other Unallocable Assets											19,979	16,628
Total Assets											1,27,065	98,889
Segment Liabilities	15,278	12,786	11,954	11,041	3,444	2,881	6,477	5,763	2,315	1,936	39,468	34,407
Other Unallocable Liabilities											21,136	9,145
Total Liabilities											60,605	43,552
Capital Expenditure	974	953	527	580	54	41	158	129	535	1,415	2,248	3,118
Depreciation	976	922	283	321	29	46	257	261	737	794	2,282	2,344
Impairment loss on Fixed Assets	-	94	-	-	-	-	-	-	-	-	-	94
Amortisation of Deferred Revenue Expenditure	22	116	-	32	-	9	-	47	2	103	24	307

**Information About Geographical Segments  
for the year Ended 31st March, 2009**

	Indian Operations		Overseas Operations		Consolidated Total	
	2007-2008		2007-2008		2007-2008	
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Segment External Revenue	1,78,461	1,57,302	25,409	21,586	2,03,870	1,78,889
Segment Assets	95,356	91,530	31,709	7,359	1,27,065	98,889
Capital Expenditure	2,118	2,855	130	263	2,248	3,118

**Notes :**

- Details of products/services included in each of the above Business Segments are given below :
 

Industrial Packaging –	Barrels, Drums and Closures
Logistics Infrastructure & Services –	Logistics Services & Container Freight Station Activities
Travel & Tours –	Travel (Ticketing), Tours & Money Changing Activities
Greases & Lubricants –	Greases & Lubricating Oils & Aviation Lubricants
Others –	Project Engineering & Consultancy, Tea Blending & Packaging, Leather Chemicals, Operating Lease of Marine Freight Containers, etc.
- 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 leasing of Marine Freight Containers, Tea Blending & Packaging in UK and Industrial Packaging activity in UAE.



## Consolidated Cash Flow Statement for the year ended 31st March, 2009

	Year ended March 31, 2009	Year ended March 31, 2008
(Rs. in Lakhs)		
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax [Note]	15,922	14080
Adjustment for		
Depreciation and fixed assets written off	2,419	2372
Impairment losses on fixed assets	-	94
Foreign Exchange	(121)	115
Profit on sale of investment	(2)	-
Interest/Dividend	539	879
Investments written off	34	12
Provision of write down of inventories to net relisable value	1,433	-
Deferred Revenue Expenditure (charged off during the year)	25	308
<b>Operating Profit before Working Capital Changes</b>	<b>20,249</b>	<b>17,860</b>
Trade and other receivables	2,895	(7502)
Inventories	(8591)	(3100)
Trade Payables	8,820	7419
<b>Cash generated from operations</b>	<b>23,373</b>	<b>14677</b>
Direct Taxes paid	(2281)	(2804)
Interest paid	(1047)	(577)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>20,045</b>	<b>11296</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(8954)	(4922)
Sale of Fixed Assets	2576	1354
Purchase of Investments	(287)	(5)
Sale of Investments	2	232
Interest received	89	55
Dividend received	14	8
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(6560)</b>	<b>(3278)</b>
<b>C. Cash Flow from financing activities</b>		
Proceeds from Long Term Borrowings	3103	(333)
Proceeds from other Borrowings	230	484
Short Term Borrowing Repaid	-	(229)
Interest paid on Long Term Borrowings	(496)	(359)
Dividend paid	(2822)	(2198)
Corporate Tax on Dividend	(491)	(378)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(476)</b>	<b>(3013)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>13,009</b>	<b>5005</b>
<b>CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	<b>9,342</b>	<b>4337</b>
<b>CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>22,351</b>	<b>9342</b>

## 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.

	2008-09	2007-08
(Rs. in lakhs)		
2. Net Profit after tax as per Profit & Loss Account	10,915	9,982
Add : Tax Provision (Net)	5,478	4,727
	16,393	14,709
Less : Profit/(Loss) on Disposal of Fixed Assets (net)	471	629
Net Profit before tax	15,922	14,080

As per our report attached

For GUPTA & CO.  
Chartered Accountants  
S. K. GANGULI  
Partner

Membership No. 6622  
Kolkata, the 15th June, 2009

S. K. Mukherjee  
Managing Director

K. Subramanyan  
Abha Chaturvedi  
V. N. Sharma  
P. Radhakrishnan

Asish Bhattacharyya  
V. Subha Rao  
M. Singh  
P. K. Bora

Directors

Amit Ghosh  
Secretary

**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 Bunder Road Sewree (W), Mumbai - 400 015 Phone : 0091 22-24171489 Fax : 0091 22 24137448
<b>New Delhi</b>	<b>Sales Office</b>	Amba Deep Building, (20th Floor) 14 Kasturba Gandhi Marg New Delhi - 110 001 Phone : 0091 11 23738346 Fax : 0091 11 23328344/23316933
<b>Silvassa</b>	<b>Plant</b>	23/1, Khadoli Silvassa - 396 230 Phone : 0091 260 5539610 Fax : 0091 260 2699046
<b>Chennai</b>	<b>Sales Office</b>	32, Sattangadu Village Thiruvottiyur - Manali Road Manali, Chennai - 600 068 Phone : 0091 44 25941438 Fax : 0091 44 25941157/25943653
<b>Kolkata</b>	<b>EDDC</b>	Container Division P-4/1, Oil Installation Road, Kolkata - 700 088 Phone : 0091 33 24393808 Fax : 0091 33 24393793
<b>Kolkata</b>	<b>Plant</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 : 0091 129 2205073 Fax : 0091 129 221 5090

**GREASES & LUBRICANTS**

<b>Kolkata</b>	<b>Plant &amp; SBU Office</b>	P-43, Hide Road Extension Kolkata - 700 088 Phone : 033-24392653 Fax : 033 2439 2277
<b>Kolkata</b>	<b>ARL</b>	Application Research Laboratory P-43, Hide Road Extension Kolkata - 700 088 Phone : 0091 33-24395405, 24395406 Fax : 0091 33 24395754
<b>New Delhi</b>	<b>Marketing Office</b>	Amba Deep Building (20th Floor) 14 Kasturba Gandhi Marg New Delhi - 110 001 Phone : 0091 11 23350370, 1477 Fax : 0091 11 23316933, 6934
<b>Baroda</b>	<b>Marketing Office</b>	G-5-9, Stop-N-Shop Plaza R.C. Dutt Road, Alkapuri Baroda - 391 007 Phone : 0265-2337608, 232 7473 Fax : 0265-2327473, 2314835
<b>Bangalore</b>	<b>Marketing Office</b>	S-1868, 1st H-main, 2nd Stage D Block, Rajaji Nagar Bangalore - 560 010 Telefax : 0091 80 23427210
<b>Mumbai</b>	<b>Plant</b>	149, Jackeria Bunder Road Sewree (W) Mumbai - 400 015 Phone : 0091 22-24172256/24130544/1868 Fax : 0091 22 24146274
<b>Silvassa</b>	<b>Plant</b>	Survey No. 201/1, Sayali Rakholi Road Silvassa - 396 230 Phone : 0091 260-3293118 Fax : 0091 260-2641315
<b>Chennai</b>	<b>Plant Marketing Office</b>	32, Sattangadu Village Thiruvottiyur - Manali Road, Manali Chennai - 600 068 Phone : 0091 44 2594 1720/6637 Fax : 0091 44 2594 1436
<b>Secunderabad</b>	<b>Marketing Office</b>	141/2, Rashtrapati Road Secunderabad - 500 003 Phone : 0091 40 27533926 Fax : 0091 40 27537365
<b>Calicut</b>	<b>Marketing Office</b>	C/o. Sathya Enterprise 33/552 PV Swamy Road Chalapuram, Calicut, Kerala - 673 002 Phone : 0091 495 2306412
<b>Raipur</b>	<b>Sales Office</b>	Room No. 206, 2nd Floor Anihant Complex, Station Road Raipur - 492 001, Chattisgarh Phone : 98314 11950

**TRAVEL & TOURS**

<b>New Delhi</b>	<b>Branch &amp; SBU Office</b>	Ground Floor, Core - 8 Scope Complex, 7, Lodhi Road New Delhi - 110 003 Phone : 0091 11 24367702 Fax : 0091 11 24363421, 2432 1525
<b>New Delhi</b>	<b>Branch Office</b>	E-15, 1st Floor, Hauz Khas Main Market, New Delhi - 110 016 Phone : 9810728464, 26854258/46094240 Fax : 011 26854255
<b>New Delhi</b>	<b>Branch Office</b>	Amba Deep Building (20th Floor) 14, Kasturba, Gandhi Marg New Delhi-110 001 Phone : 0091 11 23322313, 23716085, 23723125 23738821, 23738206, 23318278 Fax : 0091 11 23316933

<b>New Delhi</b>	<b>Branch Office</b>	Core 8, 1Vth Floor, Scope Complex, Lodhi Road New Delhi 110 003 Phone : 981006614/00911124363556/0535/0664 3399/6502, 9810515330, 9971002328 Fax : 011 24361405
<b>Lucknow</b>	<b>Branch Office</b>	302, 3rd Floor, Sriram Towers Ashok Marg Near Hazrat Ganj Lucknow - 226 001 Phone : 0091 522 2286189, 2288361 2288362, 2288363 Fax : 0091 522 2288364
<b>Baroda</b>	<b>Branch Office</b>	5-9, Stop-N-Shop Plaza R.C. Dutt Road, Alkapuri Baroda - 391 007 Phone : 0265-2353775, 2340196, 2340514, 2364267 Fax : 0265-2314835
<b>Ahmedabad</b>	<b>Branch Office</b>	Suyog Complex (2nd Floor) Near Kamala Kamdhenu Hall Drive-in-Road Ahmedabad - 380 052 Phone : 0091 79 27497509, 7512, 55522185/55522186 Fax : 0091 79 27492952
<b>Bangalore</b>	<b>Branch Office</b>	1, Ground Floor, Batra Centre 27 & 27/1, Alsoor Road Bangalore - 560 042 Phone : 0091 80 25321804, 1533, 25321534, 25321655, 25321535, 25581004/6/7/8 Fax : 0091 80 2558 0090
<b>Trivandhapuram</b>	<b>Branch Office</b>	TC 15/50(3) New TC 30/96 Vellayambalam Thiruvananthapuram-695 010 Phone : 0091 471 2315027, 2314998 Fax : 0091 471 2315201
<b>Hyderabad</b>	<b>Branch Office</b>	302 Regency House, 680 Samajguda Hyderabad - 500 482 Phone : 0091 40-23414553, 23403067 23400642, 23400845 Fax : 0091 40-23406399
<b>Mumbai</b>	<b>Branch Office</b>	5, J. N. Heredia Marg Ballard Estate, Mumbai - 400 038 Phone : 0091 22 56361177 Fax : 0091 22 56361110
<b>Chennai</b>	<b>Branch Office</b>	Balmer Lawrie House 628, Anna Salai, Teynampet Chennai - 600 018 Phone : 0091 44-24349593, 24349343 24349038, 24338222, 24321209, 24349739, 24349604, 24321219 Fax : 0091 44-24342579
<b>Kolkata</b>	<b>Branch Office</b>	21, Netaji Subhas Road Kolkata - 700 001 Phone : 0091 33 2222 5216, 5217 22134786, 22610586, 22225211 22225213, 22225225 Fax : 0091 22134618
<b>Bhubaneswar</b>	<b>Branch Office</b>	108/B Janpath Unit III, 2nd Floor Bhubaneswar - 751 001 Phone : 0091 674 2536225, 2536178 Fax : 0091 674 2536186
<b>Pune</b>	<b>Branch Office</b>	16 & 17, C-Wing, Shreerath Plaza, Dnyaneshwar Paduka Chowk Ferguson College Crossing, Pune-400 005 Phone : 9818930090, 255514330/31/32 Telefax : (020) 25514334 E-mail : balmerlawrie.pune@gmail.com
<b>Kanpur</b>	<b>Branch Office</b>	Shop No. 8, HAL Marketing Complex Rama Devi Crossing, Kanpur Phone : (0512) 2400181/2452206 E-mail : Khare.m.knu@rediffmail.com

**LOGISTICS SERVICES**

<b>Kolkata</b>	<b>Branch &amp; SBU Office</b>	21, Netaji Subhas Road Kolkata - 700 001 Phone : 0091 33 2213 4658, 2222 5456 Fax : 0091 33 22225282
<b>Mumbai</b>	<b>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>New Delhi</b>	<b>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>Bangalore</b>	<b>Branch Office</b>	No.342 Konena Agrahara Airport Exit Road, HAL Post Bangalore - 560 017 Phone : 0091 80 2522 7221/2522 8769 Fax : 0091 80 2522 7231
<b>Chennai</b>	<b>Branch Office</b>	Balmer Lawrie House 628 Anna Salai, Teynampet Chennai - 600 018 Phone : 0091 44 2434 1208 Fax : 0091 44 2434 8066
<b>Hyderabad</b>	<b>Branch Office</b>	301 Regency House 680 Samajguda, Hyderabad - 500 082 Phone : 0091 40-2341 5272 Fax : 0091 40-2340 0958
<b>Ahmedabad</b>	<b>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

<b>Kochi</b>	<b>Branch Office</b>	Door No. 39/5108, Church Landing Road Ernakulam, Kochi - 682 016 Phone : 0091 484 2360030-41/ 2360070/98950 66568 Fax : 0081 484 2360060
<b>Coimbatore</b>	<b>Branch Office</b>	5/245 Thadagam Main Road Kanuvai, Coimbatore - 641108 Phone : 0091 422 2405527 Fax : 0091 422 2405510
<b>Karur</b>	<b>Branch Office</b>	No 42, 1st Floor, Penyar Nagar CG Apartment Road, Karur-639 002 Phone : 0091 4324, 232025
<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>Pune</b>	<b>Branch Office</b>	10, Aditya Shagun Mall, Bavadhan Khurd NDA - Pashan Road, Pune 411 021 Telefax : 0091 2054 731573
<b>Trivandhapuram</b>	<b>Branch Office</b>	TC 34/1307 (2) Motherland Buildings Airport-Vaiyathura Road Trivandrum - 695 008 Phone : 0091 471 2503713, 2506483 Fax : 0091 471 2503694
<b>Tuticorin</b>	<b>Branch Office</b>	4B/A-28, 1st Floor, Mangal Mall Mari Nagar, Palayamkotai Road Tuticorin - 628 003 Phone : 0091 461 2320803 Fax : 0091 461 2322867
<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

**LEATHER CHEMICAL DIVISION**

<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>Delhi</b>	<b>Sales Office</b>	18A, F Block, Sector 53 Kanchan Jangha Apartment Noida - 201 301, U.P. Phone : 0091 120 2586755
<b>Chennai</b>	<b>PDC</b>	32, Sattangadu Village Thiruvottiyur - Manali Road Manali, Chennai - 600 068 Phone : 0091 44-25941045 Fax : 0091 44 2594 1156
<b>Chennai</b>	<b>Tech. Service Centre</b>	No.18, 1st Floor Thirunemalrai Road Nagalkeni, Chennai - 600 044 Phone : 0091 44 2594 6600
<b>Kanpur</b>	<b>Tech. Service Centre</b>	14A, 150 Feet Road, Jajmau, 1st Floor Kanpur - 208 010 Phone : 0091 512 2462501
<b>Ranipet</b>	<b>Tech. Service Centre</b>	No.18, 2nd Floor, Othwadore Street Navalur, Ranipet - 632 402 Vellore District Phone : 0091 4172 273406
<b>Kolkata</b>	<b>Tech. Service Centre</b>	Leather Chemical division/Kolkata Zone - 1, Plot no. 63A (near CEPT) Calcutta Leather Complex 24 Prgs (South)
<b>Ambur</b>	<b>Tech. Service Centre</b>	C/o, Zubaidda Tanning Industries No. 4/172, Gudiyatham Road Thuthipet, Ambur 635 802

**TEA**

<b>Kolkata</b>	<b>Plant &amp; SBU Office</b>	P-43 Hide Road Extension Kolkata - 700 088 Phone : 033 24505550/5554 Fax : 033 24392704
<b>Kolkata</b>	<b>Sales Outlet</b>	21, Netaji Subhas Road, Kolkata - 700 001 Phone : 0091 33 22225229

**LOGISTICS INFRASTRUCTURE**

<b>Kolkata</b>	<b>SBU Office</b>	21 Netaji Subhas Road, Kolkata - 700 001 Phone : 0333 22225556 Fax : 033 22225728
<b>Kolkata</b>	<b>CFS/W&amp;D</b>	P-3/1 Transport Depot Road Kolkata - 700 086 Phone : 0091 33 24492729 Fax : 0091 33 24498355
<b>Mumbai</b>	<b>CFS</b>	Plot no.1, Sector 7, Dronagiri Node Opp JNPT, Navi Mumbai - 400 707 Phone : 0091 22 27471042 Fax : 0091 22 27472943
<b>Chennai</b>	<b>CFS</b>	32, Sattangadu Village Thiruvottiyur - Manali Road, Manali Chennai - 600 068 Phone : 0091 44 25943653 Fax : 0091 44 25941863
<b>Coimbatore</b>	<b>Warehouse</b>	Warehousing and Distribution 5/245 Thadagam Main Road, Kanuvai Coimbatore 641 108 Phone : +91 422 2400342

**REFINERY & OILFIELD SERVICES**

<b>Kolkata</b>	<b>SBU Office</b>	21 Netaji Subhas Road, Kolkata - 700 001 Phone : 0091 33 2222 5610/2213 4674 Fax : 0091 33 5444-5333
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