

Balmer Lawrie - UAE



Balmer Lawrie - Van Leer



Transafe Services



AVI - OIL



PT Balmer Lawrie Indonesia



BALMER LAWRIE HIND TERMINAL

Balmer Lawrie ANNUAL REPORT 2012-13



LOGISTICS SERVICES



LOGISTICS INFRASTRUCTURE



INDUSTRIAL PACKAGING



GREASES & LUBRICANTS



TOURS & TRAVEL



PERFORMANCE CHEMICALS



REFINERY & OILFIELD SERVICES

बामर लॉरी एण्ड कं. लिमिटेड
(भारत सरकार का एक प्रतिष्ठान)



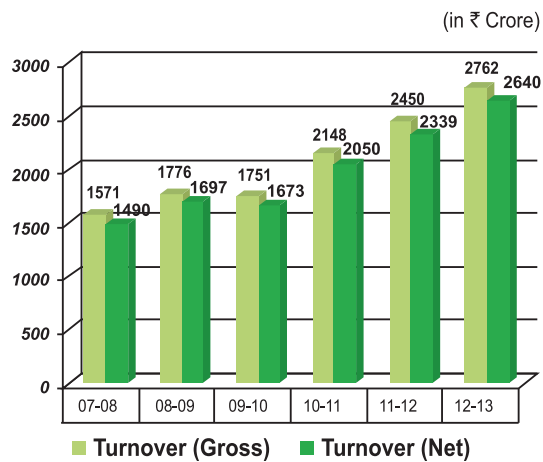
Balmer Lawrie & Co. Ltd.
(A Government of India Enterprise)

Vision

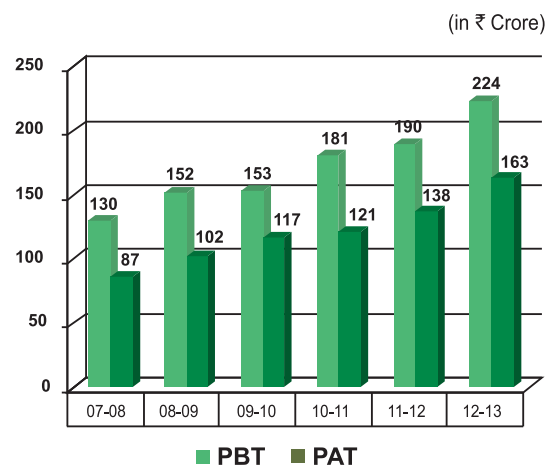
To be a leading diversified corporate entity having market leadership with global presence in the chosen areas of operations, consistently delivering value to all stakeholders, with environmental and social responsibility.



Turnover



Profits



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Board of Directors	: : Shri Virendra Sinha, Chairman & Managing Director : Shri VLVSS Subba Rao, Govt. Nominee Director : Shri Partha S. Das, Govt. Nominee Director : Shri P. P. Sahoo, Director (Human Resource & Corporate Affairs) : Shri Niraj Gupta, Director (Service Business) : Shri Anand Dayal, Director (Manufacturing Business) : Shri Prabal Basu, Director (Finance)
Company Secretary	: Shri Amit Ghosh
Registered Office	: Balmer Lawrie House 21, Netaji Subhas Road Kolkata - 700 001
Bankers	: Allahabad Bank Bank of Baroda Canara Bank HDFC Bank Limited Indusind Bank Limited Standard Chartered Bank State Bank of India The Hongkong and Shanghai Banking Corporation Limited United Bank of India Vijaya Bank
Statutory Auditors	: Messrs Vidya & Company Centre Point, 21 Hemanta Basu Sarani Kolkata - 700 001
Branch Auditors	: Messrs Suri & Co. No. 4 (Old No. 55A) Chevaliar Sivaji Ganesan Road (South Boag Road), Thyagaraya Nagar Chennai - 600 017 Messrs Om Prakash S. Chaplot & Co. 101 Vatsalya Co-op Society, Vatsalya Building, Nr. RTO Office RTO Road, Andheri (W) Mumbai 400 053 Messrs Gupta Sharma & Associates 22, First Floor Suraj Nagar, Azadpur New Delhi - 110 033
Internal Auditors	: Messrs Haribhakti & Co Geetanjali Apartments Flat No. 7G, 7th Floor 8B, Middleton Street Kolkata - 700 071
Registrar & Share Transfer Agent	: Link Intime India Pvt. Ltd. 59C, Chowringhee Road, 3rd Floor Kolkata - 700 020

MANAGEMENT TEAM

Sl. No.	Name	Qualification	Designation	Date of Birth	Date of Joining in Balmer Lawrie	Total years of experience as on 25.08.2013
1	SHRI VIRENDRA SINHA	BA, MBA	CHAIRMAN & MANAGING DIRECTOR	13.07.1955	01.12.2006	35
2	SHRI PREM PRAKASH SAHOO	BA (HONS) MA (PM&IR) LL.B	DIRECTOR (HUMAN RESOURCE & CORPORATE AFFAIRS)	07.05.1954	17.07.1987	35
3	SHRI NIRAJ GUPTA	B.COM(HONS) ACA	DIRECTOR (SERVICE BUSINESS)	17.07.1955	03.03.1980	33
4	SHRI ANAND DAYAL	BA DIP IN MKTG MGMT	DIRECTOR (MANUFACTURING BUSINESS)	13.12.1954	01.01.2008	37
5	SHRI PRABAL BASU	B.COM (HONS) ACA, ACMA, ACS	DIRECTOR (FINANCE)	18.10.1963	04.04.1988	27
6	SHRI HARI KISHAN BHOKLAY	B.SC (HONS) AGRI PG DIP IN MGMT	EXECUTIVE DIRECTOR (CORPORATE AFFAIRS)	04.02.1955	02.05.1978	35
7	SHRI S RAVIKUMAR	B.TECH (CHEM) ME (CHEM)	CHIEF OPERATING OFFICER (PERFORMANCE CHEMICALS)	01.05.1954	18.11.1983	34
8	SHRI ANANDA SENGUPTA	BME PGDBM PGDHRM	CHIEF OPERATING OFFICER (LOGISTICS INFRASTRUCTURE)	26.02.1956	16.07.2001	33
9	SHRI MURTHY RAMAKRISHNA	B.SC (HONS) MA IN SOCIAL SC DIP PM & IR, LL.B	CHIEF OPERATING OFFICER (INDUSTRIAL PACKAGING)	10.10.1954	09.06.1980	35
10	SHRI G N MATTOO	B.SC PG DIP IN SW PG DIP BANKING ADMN MBA	SENIOR VICE PRESIDENT (HUMAN RESOURCE)	25.02.1954	03.06.1988	35
11	SHRI MANASH MUKHOPADHYAY	B.SC (HONS) M. STAT DIP IN COMP SC	SENIOR VICE PRESIDENT (INFORMATION TECHNOLOGY)	06.01.1955	01.06.1993	35

Sl. No.	Name	Qualification	Designation	Date of Birth	Date of Joining in Balmer Lawrie	Total years of experience as on 25.07.2013
12	SHRI BISWARUP CHAKRABORTI	BE (METALLURGICAL) PGD IN SOC DIP IN MGMT	SENIOR VICE PRESIDENT (NEW INITIATIVES)	14.02.1957	04.05.1985	32
13	SMT PUKHRAJ SABHARWAL	B.SC (HONS) MA DIP IN BUSINESS ADMN TVL COURSE ON IATA-UFTAA	CHIEF OPERATING OFFICER (TOURS & TRAVEL)	30.09.1954	01.03.1977	36
14	SHRI ABHIJIT ROY	B.SC (CHEMISTRY) M.SC (ORGANIC)	CHIEF OPERATING OFFICER (GREASES & LUBRICANTS)	19.11.1958	01.07.1982	31
15	SHRI MANOJ LAKHANPAL	B.COM ACA	SENIOR VICE PRESIDENT (FINANCE)	15.08.1958	15.04.1988	32
16	SHRI SANJIBAN DHAR	BE (MECH)	SENIOR VICE PRESIDENT (ASSET RATIONALISATION & NEW INITIATIVES)	01.01.1954	25.01.1984	37
17	SHRI AMRIT MUKHOPADHYAY	BE (CIVIL) ME (COLLABORATIVE) IN PROJ ENGG MBA	SENIOR VICE PRESIDENT (TECHNICAL)	11.12.1957	03.12.1984	34
18	SHRI AMIT GHOSH	B.COM (HONS) ACA ACS LL.B	COMPANY SECRETARY	21.10.1954	13.08.2007 (ON DEPUTATION) 01.05.2012 (ON ABSORPTION)	32

DEPUTED / SECONDED FROM BALMER LAWRIE TO JOINT VENTURE COMPANY

1	SHRI SAMIR GHOSH	B.COM (HONS) M.COM LL.B CA CMA	PRESIDENT DIRECTOR PT. BALMER LAWRIE INDONESIA	02.05.1957	10.12.1986	35
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DEPUTED FROM THE GOVT OF INDIA TO BALMER LAWRIE

1	SHRI SANJEEVA KUMAR	IAS MA (DEVELOPMENT STUDIES)	CHIEF VIGILANCE OFFICER	14.09.1961	01.06.2013	25
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CHAIRMAN'S MESSAGE

Dear Esteemed Members,

I have been looking forward to the 96th Annual General Meeting as it is a great meeting place for me to interact with our distinguished Members. Before I do so, it is my privilege to take you through the current economic backdrop and to present to you certain developments, which are essential for understanding the Company and its performance during 2012-13. I, therefore, begin with the Business Environment.

The Business Environment

During 2012-13, the Global economy continued to face a number of significant challenges, which has further retarded the much-needed revival after an economic crisis in the west spanning half a decade or so. In fact, the growth rate in advanced economies fell further from 1.7% in 2011 to 1.2% in 2012. The financial difficulties in most of the Euro Zone countries continued to persist and the European economies saw rising unemployment, financial sector fragility, fiscal austerity and low to negligible growth. In the United States the political gridlock on fiscal tightening continued and dampened the growth outlook. Asian economies too moved into low gear especially because the twin growth engines of the region, China and India have been affected by the after-effects of the global slowdown.

During 12-13 the Indian economy remained a fast growing economy only if compared with the growth in the advanced nations as statistics indicate that the country logged the decade's lowest GDP growth of 5 % in 2012-13. This slow growth rate — especially declining industrial output — is a matter of concern since it poses a threat to job creation and aggravates the investment climate as well as the inclination of people to invest. In a bid to boost the economy and to attract foreign investments, the government approved a slew of reforms in its Foreign Direct Investment policy. While raising the FDI cap in the telecom, asset management and credit information sectors; it watered down several conditions for foreign investors in multi-brand retail sector and eased norms by permitting investments through the automatic route.

In this increasingly difficult phase intensified by an unpredictable global landscape, your Company successfully

lived up to the stakeholders' expectations by delivering overall healthy revenues and results.

SBU Performance

Your Company is a multiproduct conglomerate; so let me present to you a brief overview of the performance of the Strategic Business Units or SBUs, as we call them, during 2012-13.

Industrial Packaging

During 2012-13, the SBU: Industrial Packaging continued to retain its lead position in terms of market share in spite of intense competition from various quarters. This SBU is India's largest manufacturer of steel barrels catering to the Petroleum, Chemicals and Food Industry. It is a matter of pride that leveraging the benefit of its multi-locational presence and well-accepted quality standards, the SBU has earned the status of "the most preferred supplier" from its large customer base. Its margins were squeezed during 2012-13 but with aggressive pricing the overall volumes reached the level of the previous year.

Greases & Lubricants

Our SBU: Greases & Lubricants manufactures and markets Lubricants both in the Industrial and Retail segments. SBU:G&L operates mainly in two wings - Automotive grades, which constitute about 60% of the market and Industrial & Marine Grades, which represent the balance. This SBU is in the process of aligning its operations, sales and marketing as well as supply chain management to aggressively push up its market share in the Retail segment. The R&D unit of the SBU maintains international standards by providing the decisive cutting-edge technology. With its renewed strategies, SBU:G&L maintained its overall performance level both in terms of production and sales during 2012-13 as compared to the previous year. I am happy to report that despite the competitive pressures, the profit of the SBU during the year even surpassed the previous year's profit.

Performance Chemicals

SBU: Performance Chemicals of the Company is essentially in the business of manufacture and marketing of Syntans and Synthetic Fat Liquors in the Leather industry in competition with suppliers of imported products. The SBU aims to make a foray into the Finishing Segment of Leather industry, a niche area promising relatively better margins. The focus is on augmentation of capacity and expanding the product range for generating growth. Despite its competition with the suppliers of imported Fat Liquor, the SBU is in a favorable position supplying its products at a competitive price. The Sales volume and turnover of the SBU increased significantly in 2012-13 as compared with 2011-12. The SBU has diversified its product portfolio by entering into the business of Construction Chemicals. While this business is still to generate adequate returns, it has good market potential for growth.

Logistics Services

Our Company's SBU: Logistics Services offers a comprehensive array of services which include import consolidation by air and ocean, customs clearance at sea ports, handling of project cargo through multi-modal transportation, chartering of aircrafts & vessels and providing express services. Major part of the revenue comes from air cargo consolidation and handling. Strategically, the SBU is focusing its attention on catering to ocean freight requirements since it perceives additional growth opportunities in this segment. Also in focus are the other key factors that can accelerate further growth in the Logistics industry such as the emergence of organized retailing in India and increase in foreign trade. Significantly, most of the industries such as Automotive, Electronics and Pharmaceutical Sectors are opting to outsource their logistics requirement to specialized third party Logistics service providers. It would be of interest to you that, despite the slow down in the Indian Economy and the Euro Zone crises, the SBU registered its highest ever profits in 2012-13 through expansion of its business activities into newer areas, instituting measures geared at controlling cost and marketing value added services to its customers.

Tours & Travel

Your Company is one of the largest travel agencies in India affiliated to IATA mainly catering to four segments viz., Government & Corporate domestic travel, Government & Corporate international travel, MICE and tour packages. The USP of the SBU is its extensive network of offices, 24x7 Call Center and its experienced manpower. With the reduction in commission by the airlines, non-availability of productivity-linked bonus from domestic carriers and most major International Airlines along with reduction in credit period, the SBU is facing a major challenge in maintaining margins. To overcome this, focus is being laid on being cost-effective in operations while simultaneously gearing momentum towards improving customer focus and launching new initiatives. The performance of the SBU in 2012-13 was an improvement over the previous year and in line with projections despite the industry reflecting a bearish trend and notwithstanding the fact that airline industry is passing through a very difficult period with almost all domestic carriers incurring huge losses.

Logistics Infrastructure

Our SBU: Logistics Infrastructure operates three state-of-the-art CFSs at Nava Sheva [Navi Mumbai], Chennai and Kolkata. This SBU - together with SBU Logistics Services - continued to remain the prime profit generator of the Company in 2012-13. During the fiscal 2012-13, Warehousing activity turned in an impressive performance recording significant growth in volumes, turnover and profit. The growth in CFS activity was, however, marginal.

Tea

The volume of business pertaining to the SBU: Tea of the Company has risen with increase in clientele and improved operational control but the fixed costs of the SBU - which really represent sunk cost - are uneconomic. The difficulties

have multiplied as the Company does not have its own tea gardens. The availability of limited in-house expertise to effectively carry on the business has also been an inhibiting factor. Consequently, SBU: Tea has been incurring losses year-on-year and is hardly in a position to generate positive contribution. Attempts to effect a turnaround have not yielded any positive result. Possibility of setting up joint ventures by roping in a Strategic Partner has also been explored but the same has not been successful.

From a pragmatic standpoint, therefore, the Company has taken the decision to exit the Tea business and is in the process of closing down the activity.

Refinery & Oilfield Services

SBU: Refinery & Oilfield Services primarily operates in the field of Mechanized Oil Tank Sludge Cleaning and Hydrocarbon Recovery Services. This SBU operates in an essentially nascent industry with a very limited number of players and thus enjoys a sizable market share in the processing of oily sludge. During 2012-13 the SBU has recorded a 10% increase in turnover and 150% increase in profit, without any addition to its human resources.

Overall Financial Performance

Despite difficult market conditions, your Company strove to deliver optimum returns to the shareholders during 2012-13.

The year thus saw your Company recording its highest ever Turnover with net sales crossing ₹ 2762 crore as against ₹ 2450 crore in the previous year, while Profit Before Tax and Profit After Tax increased to ₹ 224 crore and ₹ 163 crore respectively both representing an 18% increase over the previous year.

Between March and May 2013, your Company accomplished another milestone by issuing Bonus Equity Shares to the esteemed Shareholders. The Board of Directors approved issuance of 1,22,14,560 bonus equity shares of ₹ 10 each in the proportion of 3 new Bonus Shares of ₹ 10/- each for every 4 existing fully paid Equity Shares of ₹ 10/- each of the Company which were successfully allotted on 25 May 2013 after obtaining assent of the members through Postal Ballot. Issue formalities have been duly completed with listing of the new shares. The process of selling the fractional shares and distributing the proceeds to fractional share allottees, after netting of costs, would be taken up within a short course of time.

For the financial year 2012-13, the Board of Directors has recommended a dividend of 176% on the expanded capital base of the Company post Bonus issue, which in effect represents a rate of 308% on the pre-Bonus share capital of the Company up from 280% in the last year. It is now for the shareholders to declare the dividend at the Annual General Meeting.

The First Quarter:2013-14

Your Company published its Unaudited Financial Results for the First Quarter ended 30 June 2013 after the same were approved by the Board at its Meeting held on 12 August

2013. Although both gross and net turnover have increased by 2% each over the corresponding quarter last year, the PBT and PAT have declined significantly. The downtrend is attributable to a sharp fall in the business of SBU: Logistics Infrastructure – the strongest contributor to the profitability of the Company during 2012-13 — due to the economic slowdown, decline in the EXIM trade, drop in the value of the Rupee against all major currencies and significant overcapacity in Mumbai and Chennai leading to cut-throat competition in the industry. The profitability of SBU: Tours & Travel has also been impacted as a result of the Hon'ble Supreme Court's order directing the Airlines not to charge "Transaction Fee" which ultimately was forming a part of the Travel Agents revenue. The SBU is now in the process of migrating to the regime of "Service Charges".

Despite the above adverse conditions your Company is optimistic that during the remaining three quarters with aggressive marketing and effective cost control, the shortfall would be bridged to register business growth.

Future Outlook

Your Company's missionary goal is to gain market leadership in all its business segments through innovative business strategies and efficient use of resources. In this journey it aims to deepen its commitment towards business values and its employees for an inclusive growth irrespective of the economic environment.

To quote John F. Kennedy:

"When written in Chinese, the word 'Crisis' is composed of two characters. One represents danger and the other represents Opportunity."

We take inspiration from these words of wisdom as we focus on our own strengths and weaknesses, study the Future Outlook and make significant strides with the objective of generating continuity with positive growth for the Company and its valued Shareholders.

The indicators for the **SBU: Industrial Packaging** point towards a reasonably good 2013-14 with the fruit segment partially offsetting the loss of PSU and Government business caused by reservation of steel drums and barrels in favour of MSMEs. Construction of the High Throughput Plant at Navi Mumbai is in full swing and is expected to become fully operational by 31st March 2014. This is expected to add a further competitive edge to the profile of SBU:IP.

The outlook for the **SBU: Greases & Lubricants** is potentially attractive noting that the SBU is scanning opportunities for pioneering entry into manufacture and supply of eco-friendly / biodegradable lubricants in the Indian market. SBU:G&L is also considering introduction of value-added specialty products for niche markets especially for the steel and the automobile industry. Also on the anvil are plans to aggressively market products in the retail sector.

Our **SBU: Performance Chemicals** continues to face a difficult phase since the effects of the Euro-zone crisis lingers. The way forward is to strengthen its presence in the Fat Liquor segment in the domestic market as well as export

market. In the Admixture segment of Construction Chemicals, the SBU:PC has developed a premium range of Poly Carboxylate Ether based admixture and hopefully your Company would soon be the first indigenous manufacturer to launch the product in India. In the long-term the pay-off from the Construction Chemicals business looks promising.

SBU: Logistics Services, keeping to the fore growth objectives, has stretched its activities in and across the country by opening three new branches with more in the pipeline. SBU:LS now has 22 branches across the country all geared to the task of meeting competitive challenges with its strong associate support and value added services including customized services to its customers.

Despite the adverse conditions, **SBU: Tours & Travel** expects significant growth in volume of business from its Corporate Client base, which is still dependent on travel agents and it is also focusing on higher sales through its online portal launched during the year. However, strategically the SBU is increasingly focusing on non-ticketing revenue streams and aggressive plans have been drawn up to promote its products and services including Tour packages through press and digital media.

SBU: Logistics Infrastructure is pursuing an intense growth strategy. On the anvil is a proposal to set up a Multi Modal Logistics Hub in Visakhapatnam and another in the hinterland of Kolkata. The Company is also giving shape to its plan of setting up three Cold Chain Facilities in different parts of the country to accelerate future growth.

SBU: Refinery & Oilfield Services of your Company aims to diversify its service portfolio in the coming years. SBU:ROFS is chalking out plans to create increasing market awareness of the range of services provided by it. It is also considering plans for entry into Environmental Engineering in the waste management area, which is expected to offer significant growth opportunities.

Corporate Governance

To us Corporate Governance is a reflection of our Company's culture, policies, relationship with stakeholders, and loyalty to values. As a part of our commitment to follow global best practices, the Company conforms to the following five pillars of Governance –

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

Being a listed Government Company, your Company complies with the norms set by SEBI under the Listing Agreement and those that are prescribed by the DPE under the Guidelines on Corporate Governance for Central Public Sector Enterprises.

I invite your attention to the Corporate Governance Report which is a part of the Directors' Report for the financial year 2012-13 and which benchmarks our Company against the norms of Corporate Governance set out in Clause 49 of the Listing Agreement and the DPE Guidelines for Central Public Sector Enterprises.

Corporate Social Responsibility [CSR]

The Company while delivering value to its various stakeholders also discharges its environmental and social responsibilities concurrently. The Company has framed a defined policy for CSR. The Company has constantly endeavoured to integrate the interest of the business with that of society, which is enshrined in its Vision Statement.

Various CSR projects have been initiated under the two flagship schemes of CSR: Balmer Lawrie Initiative for Self Sustenance [BLISS] and Samaj Mein Balmer Lawrie [SAMBAL]. BLISS is directed at long-term economic upliftment of the under-privileged while SAMBAL works towards improving the living standards of the society in and around the operating centers of the Company.

In keeping with the Department of Public Enterprises [DPE]'s 2012 guidelines, during the year, the Company with the expertise of Ernst & Young formulated a Long Term Perspective CSR Plan as also the HSE[Health, Safety & Environment] and Sustainability Plan covering the period from 2012-17.

You would be glad to learn that in 2012-13, the Company spent an amount of ₹ 303 lakh on various CSR activities against a budget of ₹ 300 lakh, including expenses incurred towards promotion and publicity of the schemes and other

related expenses. In the process the Company exceeded the minimum spending benchmark of 2% of post-tax profit as laid down by the Government. Details of the CSR projects are highlighted in the Management Discussion & Analysis section of the Annual Report.

Acknowledgement

I, on behalf of the Board of Directors, would like to acknowledge the continued support and guidance of our Administrative Ministry, the Ministry of Petroleum & Natural Gas, Government of India and also other Governmental authorities.

As we brace up to meet the challenges confronting the Company, I would also like to convey our sincere gratitude to our valued shareholders for their conviction and continuing support to the Company and its management.

This acknowledgement would, perhaps, not be complete without recognizing the enduring dedication and invaluable contribution of our esteemed employees & colleagues towards taking this organization to new frontiers of success despite the economic pressures and competitive challenges.

I extend my heartfelt appreciation to our holding company, Balmer Lawrie Investments Limited, its valued shareholders, the business associates, bankers, financial institutions, valued clients, vendors of your Company for their support and enthusiasm.

Thank you once again for the trust and confidence reposed on Balmer Lawrie.

Virendra Sinha
Chairman & Managing Director
Kolkata, 12th August, 2013

Notice of 96th Annual General Meeting to the Members

NOTICE is hereby given that the 96th Annual General Meeting of the Members of Balmer Lawrie & Co. Ltd. will be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019, on Tuesday, 24 September, 2013, at 10:30 a.m. to transact the following :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31 March 2013 and the Profit and Loss Account for the financial year ended 31 March 2013 and the reports of the Auditors and the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri P P Sahoo, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Virendra Sinha, who retires by rotation and being eligible, offers himself for reappointment.
5. To fix remuneration of the Auditors for the financial year 2013-14 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 authorized 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 accounts of the Company for the financial year 2013-14 by the said Auditors.”

SPECIAL BUSINESS:

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

6. As an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Shri VLVSS Subba Rao, Government Nominee Director be and is hereby appointed a Director, whose period of office as such Director shall be subject to determination by retirement of directors by rotation.”

7. As an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Shri Prabal Basu, Wholetime Director be and is hereby appointed a Director, whose period of office as such Director shall be subject to determination by retirement of directors by rotation.”

8. As a Special Resolution:

“RESOLVED THAT pursuant to Section 94(1)(a) and other applicable provisions of the Companies Act, 1956 (“the Act”), the Authorised Share Capital of the Company be increased from the present level of ` 30,00,00,000 (Rupees thirty crore only) – divided into such number of Equity and Preference Shares of ` 10/- each as would not exceed the total capital amount of ` 30,00,00,000 (Rupees thirty crore only) – to ` 60,00,00,000 (Rupees sixty crore only) divided into such number of Equity and Preference Shares of ` 10/- each as would not exceed the total capital amount of ` 60,00,00,000 (Rupees sixty crore only) of the Company, by creation of 3,00,00,000 shares of ` 10/- each in the Authorised Share Capital of the Company.

“RESOLVED FURTHER THAT pursuant to the provision of Section 94(1) read with Section 31 of the Act, Clause 5 being the Capital Clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company be consequentially amended to increase the Authorised Share Capital stated therein to ` 60,00,00,000 (Rupees sixty crore only) divided into such number of Equity and Preference Shares of ` 10/- each as would not exceed the total capital amount of ` 60,00,00,000 (Rupees sixty crore only) of the Company.”

Registered Office:
Balmer Lawrie House
21, Netaji Subhas Road
Kolkata 700 001
12 August 2013.

By Order of the Board
Balmer Lawrie & Co. Ltd
Amit Ghosh
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS STEAD, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **Proxies, in order to be effective, must be received at the Registered Office, not less than 48 hours before the Meeting.**
3. Dividend on equity shares as recommended by the Board of Directors for the financial year ended 31 March 2013, when declared at the meeting, will be paid to those Members, whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company / Registrar & Share Transfer Agent, on or before the close of business hours on 10 September 2013 and in respect of shares held in electronic form, to those ‘Deemed Members’, whose names appear in

the statement of Beneficial Ownership to be furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 10 September 2013. Such payment would be made on or before 23 October 2013.

4. The Company will be providing National Electronic Clearing Services (NECS) facility to the Shareholders — as per advice contained in Circular no. CIR/MRD/DP/10/2013 dated 21 March 2013 from the Securities and Exchange Board of India — whereby Members would be able to receive their dividend by direct electronic credit to their bank account(s). In the absence of availing of the NECS option by the Shareholders, the Company would send the dividend warrants by post in the normal manner.

Shareholders holding shares in physical form are requested to fill in the “NECS Mandate Form” provided along with this Annual Report and send it to the Company’s Registrars and Share Transfer Agents in case they have earlier not furnished full details of their Bank account or have changed their Bank account. Shareholders holding shares in dematerialized form are required to furnish such details to their respective Depository Participants, if not furnished earlier.

5. Members who hold shares in the certificate form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956, may submit the prescribed Form 2B to the Registrar & Share Transfer Agent of the Company. The Form can be downloaded from the website of the Company www.balmerlawrie.com under the section ‘Investor Relations’ or may be obtained from the Registrar & Share Transfer Agent on request. If they hold the shares in dematerialized form, they may contact their respective Depository Participant for such nomination.
6. Additional information relating to the Directors retiring by rotation and seeking re-appointment / appointment at this Meeting, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to this Notice.
7. Members are requested to:

- I. Intimate on or before 20 September 2013, to the Registrar & Share Transfer Agent of the Company viz.

Link Intime India Pvt. Ltd.

59C, Chowringhee Road, 3rd floor,
Kolkata- 700 020,
(Telefax no. 033-2289 0539,
e-mail: kolkata@linkintime.co.in):-

- (a) Change in their address (including PIN Code), mandate, etc. with requisite documentary proof;
- (b) Bank account number, name and address of the bank & other details mentioned in the NECS mandate form;

(c) Contact phone number(s) and e-mail ID.

- II. Quote the ledger folio or Client ID and DP ID numbers in all communications with the Company.
- III. Bring their copies of Annual Report and show Attendance Slip and Entry Pass at the entrance of the venue of the Meeting. Annual Report shall **not** be distributed at the venue of the Meeting.
- IV. Note that the **Register of Members shall remain closed from 11 September 2013 to 24 September, 2013 (both days inclusive)**. Share transfers received in order by the Company or its Registrar & Transfer Agent till 10 September 2013 would be processed for payment of dividend, if declared at the Meeting, to the transferees or their mandatees.
- V. Note that unclaimed dividend relating to dividend paid on 29 September 2005 has been transferred to the Investor Education and Protection Fund on 1 December 2012. Further, the amount of unclaimed final dividend relating to the dividend paid on 25 September 2006 will become due for transfer to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Companies Act, 1956 on 25 September 2013.
- VI. Note that in compliance with Rule 3 of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the requisite return has been filed by the Company in Form 5 INV with the Ministry of Corporate Affairs disclosing the balance of unclaimed and unpaid amounts for the financial year ended 31 March, 2012 duly updated till the date of the last Annual General Meeting namely 26 September, 2012. As mandated under the said rules, the shareholder-wise information as to the unclaimed/unpaid dividend has also been placed on the website of the Company.
- VII. Note that though in terms of Sections 224(8)(aa) and 619 of the Act, in case of a Government Company, the Comptroller and Auditor General of India is to appoint the Auditor(s), the remuneration payable to the Auditors is required to be fixed by the Company at a general meeting. Item no.4 under the ordinary business has been included accordingly as an Ordinary Resolution.
- VIII. The attention of the Members is invited to Page 119 of this Report which seeks confirmation from the Members as to their e-mail ID for receiving documents from the Company through electronic mode should they opt for the said mode. This is intended as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India.

**Explanatory Statement Under Section 173 (2) of the Companies Act, 1956
[Forming Part of the Notice to the Members]**

Item No. 6

Shri VLVSS Subba Rao, who holds a Master Degree in Economics and is a member of Indian Economic Services, was appointed on 26 September 2012 as a Government Nominee Director on the Board, based on direction from the Ministry of Petroleum & Natural Gas, Government of India [“the Government”].

Pursuant to Section 260 of the Companies Act, 1956 [“the Act”] and Article 9 of the Articles of Association of the Company, Shri Subba Rao shall hold his office up to the date of the forthcoming Annual General Meeting.

The Company has received a notice under Section 257 of the Act, proposing the appointment of Shri Subba Rao as a Director of the Company, whose office shall be subject to determination by retirement of directors by rotation.

The direction from the Government — as contained in letter dated 31 August 2012 received in this regard for the appointment of Shri Subba Rao, as Government Nominee Director — and the Articles of Association of the Company are open for inspection at the Registered Office on all working days (except Saturdays) during 11 a.m. to 1 p.m.

Your Directors recommend the Ordinary Resolution for your approval. If approved, Shri Subba Rao would remain a Government Nominee of the Company.

Except Shri Subba Rao, no other Director is interested or concerned in the Resolution.

Item No. 7

Shri Prabal Basu, who is a Bachelor of Commerce, qualified Chartered Accountant (ACA), qualified Company Secretary (ACS) and a qualified Cost & Management Accountant (ACMA), was appointed as a Wholetime Director designated Director [Finance], based on direction from the Ministry of Petroleum & Natural Gas, Government of India [“the Government”] – and he assumed office on 1 December 2012.

Pursuant to Section 260 of the Companies Act, 1956 [“the Act”] and Article 9 of the Articles of Association of the Company, Shri Prabal Basu shall hold his office up to the date of the forthcoming Annual General Meeting.

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

The direction from the Government as contained in its letter dated 3 October, 2012 received in this regard for the appointment of Shri Prabal Basu, as Wholetime Director and

the Articles of Association of the Company are open for inspection at the Registered Office on all working days (except Saturdays) during 11 a.m. to 1 p.m.

Your Directors recommend the Ordinary Resolution for your approval. If approved, Shri Basu would remain a Whole-time Director designated Director [Finance] of the Company.

Except Shri Prabal Basu, no other Director is interested or concerned in the Resolution.

Item No. 8

After the allotment of 1,22,14,560 Bonus Shares on 25th May, 2013 to the shareholders in the proportion of 3 new Bonus shares of ` 10/- each for every existing 4 equity shares held, the Paid-up Capital of the Company stands at ` 28.50 crore, which is almost equal to the Authorized Capital. It, is therefore, felt essential to increase the present Authorised Share Capital from ` 30 crore to ` 60 crore.

The Company proposes to increase its Authorised Capital as it would enable the Company to raise resources in the form of share capital as and when operationally necessary for financing its expansion programmes as also to permit future capitalization of reserves.

Section 94 of the Companies Act, 1956 (“the Act”) provides that a limited company having a share capital, may, if so authorised by its articles, increase its share capital by such amount as it thinks expedient by issuing new shares and by altering the conditions of Memorandum of Association [MoA]. Article 4 of the Articles of Association [AoA] of the Company authorises the Company to alter the conditions of MoA to increase the Authorised Capital by creation of new shares as may be deemed expedient.

Increase of Authorised Share Capital necessitates alteration of Clause 5 viz, the Capital Clause of MOA and Article 3 of the AOA. Section 94(2) enjoins that alteration of authorised share capital shall be made by a company at a General Meeting. Since the alteration involves amendment of Clause 3 of Articles of Association, the consent of the Members has to be obtained by a Special Resolution in terms of Section 31 of the Act.

Approval of the shareholders is accordingly being sought in accordance with Section 31 read with Section 94(2) of the Act for increase in the Authorised Share Capital from ` 30 crore to ` 60 crore and for alteration of Clause 5 viz., the Capital Clause of MoA and Article 3 of the AoA.

Your Directors recommend the Special Resolution for your approval. None of the Directors are interested or concerned in the Resolution.

**Brief details of the Directors seeking Re-appointment / Appointment at the
96th Annual General Meeting to be held on 24 September 2013**

Name	Shri P P Sahoo	Shri Virendra Sinha	Shri Prabal Basu	Shri VLSS Subba Rao
Date of Birth	7 May, 1954	13 July, 1955	18 October, 1963	9 June, 1961
Date of Appointment on the Board / assumption of office	14 December, 2011	1 January, 2012 [on 14 June 2010 as Director (Service Businesses)]	1 December, 2012	26 September, 2012
Date of appointment /last re-appointment at the Annual General Meeting	26 September, 2012	26 September, 2012	NA	NA
Qualification	<ul style="list-style-type: none"> • Bachelor of Arts. • Bachelor of Law • Masters Degree in Personnel & Management Industrial Relations 	<ul style="list-style-type: none"> • Bachelor of Arts. • Masters Degree in Business Administration 	<ul style="list-style-type: none"> • Bachelor of Commerce • Member of the Institute of Chartered Accountants of India. • Member of the Institute of Company Secretaries of India. • Member of the Institute of Cost Accountants of India. 	<ul style="list-style-type: none"> • Masters Degree in Economics. • Member of Indian Economic Services.
Expertise in Specific Functional areas	He has a working experience of 35 years during which he has developed expertise in the functional areas of General Management and Human Resource Management.	He has a working experience of 35 years during which he has developed expertise in Marketing, International Trade especially in understanding operation of multi-modal logistics hubs and container freight stations and in General Management.	Has a working experience of 27 years during which he has developed expertise in the functional areas of Accounts & Finance.	Has a working experience of 26 years during which he has gained expertise in the areas of Finance, Project Appraisal, Trade Logistics, Training and economic administration.
Shareholding of Non-Executive Director	Not Applicable being a Whole-time Director	Not Applicable being a Whole-time Director	Not Applicable a Whole-time Director	Nil
Directorship / Chairmanship on the Board of other companies	Nil	Director <ul style="list-style-type: none"> • Balmer Lawrie (UK) Ltd. • Balmer Lawrie (UAE) LLC • Balmer Lawrie Van Leer Ltd. • PT Balmer Lawrie Indonesia (Commissioner) 	Director <ul style="list-style-type: none"> • Balmer Lawrie (UK) Ltd. • Balmer Lawrie Investments Ltd. • Balmer Lawrie Hind Terminals Pvt. Ltd. 	Nil
Membership / Chairmanship of Committee(s) of the Board in various companies.	Nil	<i>Audit Committee Member:</i> Balmer Lawrie Van Leer Ltd. Balmer Lawrie & Co. Ltd. <i>Shareholders'/Investors' Grievance Committee Member:</i> Balmer Lawrie & Co. Ltd.	<i>Audit Committee Member:</i> Balmer Lawrie Investments Ltd. [Chairman] <i>Shareholders'/Investors' Grievance Committee Member:</i> Balmer Lawrie & Co. Ltd. Balmer Lawrie Investments Ltd.	<i>Audit Committee Member:</i> Balmer Lawrie & Co. Ltd. <i>Shareholders'/Investors' Grievance Committee Member:</i> Balmer Lawrie & Co. Ltd. [Chairman]

Directors' Report

The Directors have pleasure in presenting the 96th Report on the state of affairs of your Company for the financial year ended 31 March 2013, together with the audited Balance Sheet and Profit & Loss Account of the Company.

Overall Financial Results

(` In lakh)

	FINANCIAL RESULTS OF THE COMPANY		CONSOLIDATED FINANCIAL RESULTS	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Surplus for the year before Finance Charge, depreciation and tax	24437	21014	28925	26018
Deduct therefrom: Finance Charge and depreciation	2085	1987	6055	5797
Provision for Taxation	6075	5220	6156	5415
	16277	13807	16714	14806
Add Transfer from: Profit & Loss Account	26260	20753	27171	21570
Total amount available for Appropriation:	42537	34560	43885	36376
Appropriations:				
Proposed Dividend @ ` 30.80 per equity share as at year-close equivalent to ` 17.60 per equity share on the expanded capital base post-bonus issue(previous year ` 28.00 per equity share)	5016	4560	4453	4559
Corporate Tax on Dividend	852	740	910	770
Transfer to General Reserve / Minority interest etc.	3000	3000	3161	3876
Surplus carried forward to next year	33669	26260	35361	27171
Total of Appropriations	42537	34560	43885	36376

Overview

Your Company recorded significant achievements in the year 2012-13, some of which are as follows:

- The Company recorded its highest ever Turnover with net sales crossing ` 2762 crore as against ` 2450 crore in 2011-12, representing an increase of 13% over the previous year. The increase in Turnover was mainly due to increase in revenue from the service businesses which was up by 20% compared to 2011-12. Revenue from manufacturing businesses also recorded a marginal increase of 3% compared to the previous year.
- Profit Before Tax increased from ` 190 crore in 2011-12 to ` 224 crore in 2012-13, an increase of 18% over the previous year.
- Profit After Tax increased from ` 138 crore in the previous year to ` 163 crore in 2012-13, an increase of 18% over the previous year.
- Segment-wise performance analysis indicates that the Service sectors, led by SBU: Logistics Infrastructure were the main profit generators.

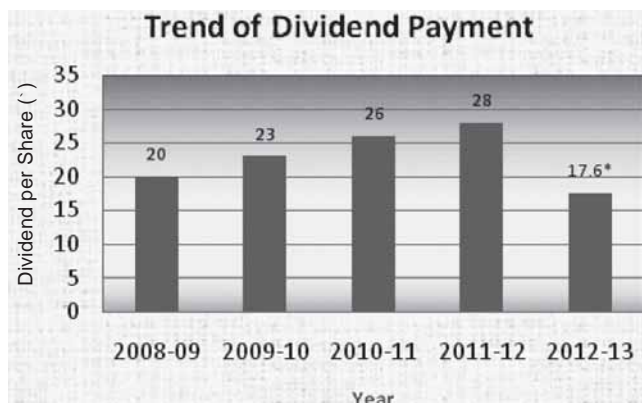
Issuance of Bonus Equity Shares

The Board of Directors at its Meeting held on 26 March 2013 had approved issuance of 1,22,14,560 bonus equity shares of ` 10 each in the proportion of 3 new Bonus Shares of ` 10/- each for every 4 existing fully paid Equity Shares of ` 10/- each of the Company. The Bonus Shares have been allotted on 25 May 2013 after obtaining assent of the members through Postal Ballot pursuant to the provisions of the Articles of Association of the Company read with Section 192A of the Companies Act, 1956 and Companies [Passing of Resolution by Postal Ballot] Rules, 2011. The Bonus Shares have since been listed on both the Stock Exchanges viz., Bombay Stock Exchange and National Stock Exchange. It may be noted that the Bonus shares rank *pari passu* with the pre-existing equity shares of the Company and, accordingly, would be entitled to full dividend as recommended by the Board and to be declared by the Members at the 96th Annual General Meeting.

Dividend

A dividend of ` 30.80 per equity share on the paid-up capital as on 31 March 2013 — which corresponds to ` 17.60 per

equity share on the expanded Capital base post the Bonus Issue [as against ` 28 per equity share in the previous year] — has been recommended by the Board of Directors, for declaration by the Members at the ensuing 96th Annual General Meeting to be held on 24 September 2013. The trend of past dividend payment is depicted below:



* Post-Bonus issue dividend rate on the expanded capital base. This works out to a Pre-Bonus issue rate of ` 30.80 per share, up from ` 28 in 2011-12.

Management Discussion and Analysis Report

An analytical Report on the businesses of your Company — both manufacturing and services — 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 incorporated in the UK. The subsidiary had earlier been engaged in the business of Leasing & Hiring of Marine Freight Containers as also in Tea Warehousing, Blending & Packaging.

After exiting these businesses, BLUK has been utilizing the proceeds to fund other business opportunities. BLUK has to date invested approximately US \$ 1.52 million equivalent to Indonesian Rupiah 14.20 billion in PT. Balmer Lawrie Indonesia (PTBLI) — having its registered office at Jakarta, Indonesia — which represents 50% of the paid-up equity share capital of the joint venture company. PTBLI is engaged in the manufacture and marketing of greases and other lubricants in Indonesia. The plant of PTBLI has been commissioned and the activities of PTBLI are in the process of stabilization. While manufacturing operations have stabilized, market development needs to be improved upon.

Exemption from attaching accounts of the Subsidiary

Vide its General Circular No. 2/ 2011(Ref. No. 5/12/2007-CL-III) dated 8 February 2011, the Ministry of Corporate Affairs, Government of India stipulated that the provisions for attachment of the accounts of the subsidiary shall not apply if the conditions specified therein — including consent of the Board of Directors of the concerned company by resolution, for not attaching the Balance Sheet of the subsidiary — are duly fulfilled. It is hereby affirmed that these

conditions have been duly complied with by your Company and the consent of the Board for non-attachment of the subsidiary's Annual Accounts had also been obtained on 29 March 2011 for the year ended on 31 March 2011 as well as for each successive financial year thereafter.

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

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

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

During 2012-13, Avi-Oil — which is a joint venture [JV] of Indian Oil corporation Ltd., NYCO S.A., France & your Company — recorded negative growth compared to the previous year with the said company blending 972 KL of lubricating oils [down from 1,119 KL blended in the previous year], re-processing 10 MT of greases [as against 22MT in the last year] and manufacturing 148 MT of synthetic ester base stocks [as against 189 MT in the previous year].

The shortfall was a culmination of various causative factors including a slowdown in receipt of orders from Defence coupled with drop in export of the Industrial Lubricants to NYCO as they have expanded their own production capacity. The JV is hopeful that the situation would improve in the near-term with the expected improvement in the general economic condition and consequent to the Indian Airforce introducing new generation aircrafts.

Avi-Oil registered gross sales of ` 40 crore in 2012-13 as against ` 41 crore achieved in the previous year. The Profit Before Tax in the year under report at about ` 75 lakh was, however, 78% lower than 2011-12 and this was because of sharp increase in the prices of raw materials together with increase in the manpower cost.

The major event in this year was the participation of Avi-Oil in the biannual international Aerospace Exposition 'Aero India 2013' held at Bengaluru in February 2012. Avi-Oil has been participating in this event since its inception in 1983. The theme of the Avi-Oil stall at the Air Show was that its aviation lubricant quality has kept pace with the up-gradation of the aircraft technology over the last twenty years. To demonstrate Avi-Oil's support to the Indian Air Force, a book titled "The IAF at Eighty 1932-2012" was issued at the Exposition.

Balmer Lawrie-Van Leer Ltd. (BLVL)

BLVL's net sales, inclusive of other income, in 2012-13 increased to ` 211.55 crore from ` 188.93 crore in 2011-12, representing an increase of nearly 12% over the previous year. Profit Before Tax earned for the year touched ` 8.32 crore as against ` 3.85 crore in 2011-12.

BLVL retained its market share in the year under review despite increase in the level of competition and there was significant increase in the sales volume of both Steel drum

Closures and Plastic Containers. The new Plastic Container division of BLVL at Dehradun operated at full capacity and ended the year with positive results. However, severe power shortage had an adverse effect on the performance of the Plastic Containers division at Chennai, since it impacted production volume at the plant.

During the year 2012-13, efforts were made to increase operational efficiencies at all locations. The joint venture company is also considering various initiatives to meet the steadily increasing demand for its products.

Transafe Services Limited (TSL)

During the financial year 2012-13, TSL achieved a turnover of ₹ 75.53 crore from operations which was marginally lower compared to the previous year. TSL closed the financial year 2012-13 recording a loss of ₹ 12.9 crore (as against ₹ 10.1 crore in the previous year). The loss has resulted in further erosion of net worth of TSL and as on 31st March, 2013, TSL has a negative net worth and has been duly referred to BIFR.

The major shortfall has been in TSL's container manufacturing business viz., the Creative Containers Division, which has suffered in the absence of demand from the major buyers. Strategically, TSL is increasingly focusing on domestic logistics and logistics services related activities.

In line with the Corporate Debt Restructuring (CDR) mechanism approved by the Bankers of TSL in October 2010, TSL has repaid to the Banks about 6.5% of the total long-term loan outstanding during 2012-13. The CDR scheme envisages a ballooning repayment schedule under which ₹ 15.36 crore representing 10% of the loan, would become repayable by TSL in 2013-14.

There is no future liability on the Company attributable to TSL since the investment therein has been wholly provided for and no corporate guarantee has been provided by the Company on behalf of TSL.

Balmer Lawrie (UAE) LLC (BLUAE)

During the year under report, Balmer Lawrie (UAE) LLC continued to face the effects of the uncertain global economic recovery as well as the situation in certain countries in the region which affected the performance of BLUAE's customers and thus, the demand for BLUAE's products. Despite the depressed market and continued severity of competition, BLUAE maintained its market share. Prices of major raw materials were volatile during the year thus putting the margins under pressure. Overall, however, the performance was satisfactory.

BLUAE is focusing on product innovation, expansion of product range, improvement in efficiencies and systems to stay ahead of competition and retain its pre-eminent position in the market.

BLUAE continues to work on further enhancing its high standards of customer service in terms of timely supplies, reliability and technical support to its customers etc. The joint venture also invests in continuous technological up-gradation of its production facilities and in adding new capacities.

Balmer Lawrie Hind Terminals Pvt. Ltd.

As informed in our last report, during the last fiscal your Company entered into a new joint venture with a logistics solution company head quartered at Mumbai, viz., Hind Terminals Pvt. Ltd., to carry on business of Container Freight Station (CFS) on the land adjacent to the existing CFS of your Company at Manali, Chennai. The new joint venture under the name and style of Balmer Lawrie Hind Terminals Pvt. Ltd [BLHT] was incorporated in December 2011 with 50:50 equity participation by the joint venture partners.

We are happy to report that BLHT has commenced its business in August 2012 in association with the Company, being a joint venture partner, and has registered a profit of ₹ 27.09 lakh in the financial year ended 31st March 2013.

Memorandum of Understanding (MoU)

Your Company enters into a MoU with the Government of India, Ministry of Petroleum & Natural Gas [MOP&NG] every year based on the guidelines issued by the Department of Public Enterprises [DPE], detailing therein various targets on operational, financial and efficiency parameters, customer satisfaction, human resource development, sustainability, corporate governance etc. The Company's performance *vis-a-vis* the targets set in the MoU is evaluated at the year-end by DPE. It is gratifying to report that the performance score in respect of the MoU for the year 2011-12 has been adjudged by DPE to be in the highest rating category i.e. "Excellent". Based on the internal assessment and considering audited results for the year 2012-13, the Company expects to retain the 'Excellent' rating for the financial year 2012-13 also.

Human Resource Management

The focus of the organization continues on enhancing work force productivity, managing and retaining talent and upgrading their managerial & leadership capabilities. The organization believes that its success depends on the performance of its people aligned to the organizational goals and objectives. To further this process, the Company during the year 2012-13 embarked on a two-pronged approach; first, to redesign the organization structure, which recognizes the realities of today's business and second, to drive people performance & delivery. Accordingly, the organization structure was reviewed *de novo* and a revised organization structure was introduced, which in course of time will lead to a leaner and smarter organization.

Talent Management

Talent Acquisition:

The Company in its efforts to reinvigorate its human resource through infusion of fresh blood and to meet the emerging succession needs has, during the year, inducted 82 persons in the Executives/Officer cadres including (54 lateral hires and 28 Executive Trainees).

Talent Attraction & Retention Policy:

A new Talent Management policy was successfully deployed during the year, which included:

Balmer Lawrie & Co. Ltd.

- Rolling out more attractive designations (Upgrading of designations and introduction of the Vice President series of designations)
- Lowering of age/experience criteria to attract young talent from the market, and
- Introduction of a Fast Track Career Scheme for *High Performing & Potential Executives*

Training & Development

The Company continued to invest in enhancing the professional skills and competencies of its employees by upgrading their functional and leadership competencies.

With the objective of enhancing professional skills and competencies, extensive training programs for employees, both in the areas of general management and specialist skill development were planned and executed. The functional training programs were customized with focus on the requirement of the businesses. In all, 1064 Man-days of training, both through in-house & external programs, were imparted to all categories of employees during the year.

Managing Performance

The Company has been working systematically over the last few years to improve the performance orientation of its Executives. In pursuance of this, a series of PMS [Performance Management System] workshops covering all Executives, were organized during 2012-13. Based on the feedback received during these workshops, a number of modifications were made to the PMS instrument and a more robust PMS, covering the Executives and Officers cadres, was rolled out successfully.

Employment of Special Categories

With pockets of surpluses still available in the unionized cadres, opportunity for direct recruitment presently only exists in the Executive and Officer cadres. During the year, in these cadres, 3 SCs, 2 STs, 13 OBCs, 6 minorities and 9 women were recruited. The actual number of employees belonging to special categories, Group-wise, as on 31st March, 2013 is given below:-

Group	Regular Manpower as on 31.03.2013	SC	ST	OBC[*]	PH	Women	Minorities
A	410	28	4	22	1	30	8
B	296	31	3	26	2	45	15
C	146	24	2	12	3	19	5
D / D1	613	85	10	21	6	6	95
Total	1465	168	19	81	12	100	123

[*] Recruited on and from 08th September, 1993 onwards

Employee Welfare

An effective participative culture, which encourages participation and involvement of employees in activities

beyond work, has been one of the pillars of the organization. Towards furthering this, during the year, the 147th Foundation Day was celebrated in all units and establishments of the Company across the country. The employees and their family members participated in large numbers and made the event a memorable occasion. Also various programs like Annual Sports Day, Cultural Evening etc. were organized by the Recreation Clubs at the different major locations of the Company.

Employee Relations

Management believes in a process of open and transparent consultation with the collectives. Employees are represented in various Trusts & Committees formed by the Company to administer various employee benefit schemes. Plant level committees are in place to discuss and settle productivity, safety and work place related matters. Consultative Forums have been established to resolve disputes / differences.

During the year 2012–13, Long-Term Settlement [LTS] was signed with the union in CFS, Navi Mumbai. Further, broad understanding was reached on the terms of LTS at Chennai and Delhi.

The employee relations continued to be generally cordial at all Units / Locations of the Company during the year and there was no loss of man-days due to any industrial action at any of the unit/establishment of the Company.

Organizational Culture & Employee Engagement

For a better appreciation of its organizational culture, the Company commissioned a Culture Survey (BLCULT – Balmer Lawrie Culture) and followed it up with an Employee Engagement Survey (BLESS – Balmer Lawrie Employee Engagement & Satisfaction Survey) to benchmark the alignment policies and practices to the needs of the organization and its people. More than 95% of the Executives & Officers participated in these surveys and the Satisfaction Score of 71 and the Engagement Score of 68 are a tribute to the alignment of people with the organization.

Towards creating a more innovative workplace and foster greater sense of belongingness and participation across the organization, during the year, the Company launched a suggestion scheme for its employees, under the 'EK Soch' program.

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

In compliance with the above Act, the Company has identified positions for recruitment of persons with disabilities. Efforts are being made to fill up the shortfall at the earliest.

Implementation of Official Language

To ensure implementation of *Rajbhasha* policy of the Government of India, your Company has taken several steps to promote usage of Hindi in official work. Various activities like workshops, Quarterly Review meetings, etc. were organized during the year and the *Rajbhasha Pakhwada* was celebrated at all locations of the Company. During 2012-13,

Deputy Director Implementation, Official Language Department, Eastern Region, Kolkata inspected Head Office at Kolkata and expressed overall satisfaction on implementation of Official Language in the Company.

Women Empowerment

With conscious efforts at promoting greater gender diversity through extension of a women friendly work place, the number of women employees is on the rise. The present strength of women employees is 6.83% despite the fact that a large chunk of the workforce of the Company constitutes shop floor workers. Further, around 65% of the CSR fund was either directly spent on women centric projects or for women beneficiaries.

Employee Health & Safety

The Company accords high priority to Employee Health & Safety. In pursuance of this the Company has established an integrated Health & Safety Management System across the organization. Major Plants/ Units of the Company are OHSAS 18001 certified. All Occupational Health & Safety standards are adhered to as per Factories Act, 1948.

Major initiatives /activities undertaken in this domain in 2012-13 were as follows:

- Internal Safety Audits were carried out in each of the manufacturing units / establishment of the Company during the year. The implementation of the recommendations of the Safety Audit is closely tracked at the highest level of the management.
- 42nd National Safety Week was celebrated across the organization between 4th & 9th March 2013 creating safety awareness amongst employees and other stakeholders.
- A new Fume Extraction System has been installed and commissioned in the Industrial Packaging Plant at Asaoti.
- Special training programs on Safe Material Handling were carried out at all the Container Freight Stations.
- Fire & Life Safety risk assessment of the Corporate Office was carried out by an expert agency and provisional No Objection Certificate [NOC] obtained from West Bengal Fire & Emergency Services.
- Fire hydrant system was commissioned in the recently expanded area of CFS at Manali.

Environmental Protection and Sustainability

The Company is fully conscious of its responsibility towards the protection and regeneration of the environment and the importance thereof in the sustainability of its businesses. The Company has, accordingly, taken various initiatives to minimize the pollution load of operations. Treatment & disposal of effluents conform to the statutory requirements. Air emissions norms also strictly adhere to the norms laid down in the Environment Protection Act, 1986. Disposal of hazardous waste is done strictly as per Hazardous Waste Rules, 2008. All Plants and major establishments of the Company are certified to environment standards ISO 14000.

During the year under review, a major exercise was carried out across the Company to evaluate and draw up a comprehensive Long Term Integrated Sustainability Plan for the Company and it lays down the sustainability policy, program framework, governance structure, communication etc.

Some of the other initiatives / activities taken up by the Company in this domain in 2012-13 include:

- Commissioning of an Integrated Sewage treatment plant at the Manali complex.
- Commissioning of Energy Audit at all plant of the SBU: Greases & Lubricants to identify potential areas of energy conservation. More than 90% of the recommendations made in the Energy Audit have been implemented.
- Workshops were conducted across the organization to sensitize employees on Sustainability.
- Introduction of Low Volatile Organic Compound (VOC) based paints in manufacturing of barrels by SBU: Industrial Packaging.
- Installation of various Engineering controls such as Non Return Valves, Automatic level detectors in Greases & Lubricants, Kolkata to minimize oil spillage and thereby reduce soil pollution.
- Installation of energy efficient welding machines at the Silvassa and Asaoti Plants of SBU: Industrial Packaging.
- An Operational Excellence exercise was undertaken in the Silvassa Plant of SBU: Industrial Packaging, which resulted in significant savings through improved productivity, machine up time, On-time-in-full delivery, quality usage and reduction in energy consumption etc.
- The Application Research Laboratory of the Company made significant progress in developing a number of biodegradable & environment friendly lubricants.

The Company continues to lay thrust on technological up-gradation of its manufacturing processes to ensure that adverse impact of operations on the environment is minimized. In the coming years the focus of the Company would be in the direction of reducing carbon footprints, water footprints, waste footprints & investment in Solar Power generation at various manufacturing units of the organization.

A special cell, with expert manpower, was set up during the year under the Corporate Affairs department at the Corporate Office to drive Sustainability & EHS initiatives across the Company.

Corporate Communications & Branding

Several initiatives were put in place in the year 2012-13 to enhance the process of internal communication in the Company. These included publication of:

- Weekly Media Update: This is an e-weekly of compilation of news about/relevant to the Company published in the media
- BLOOM: Online Monthly e-Bulletin of News, Events & Happenings pertaining to the Company

- BLOG: BL Organizational Gazette, the Quarterly House Magazine in print form, focusing on themes of relevance to the organization, besides carrying contributions from employees & their family members etc.

During the year, Town Hall Meetings were also organized at all major locations of the Company wherein all the Executives & Officers interacted with the whole time Directors in an open house format and discussed the findings of the Engagement Survey.

The year also witnessed several external communication efforts to enhance the brand image of the Company.

Implementation of ERP

As reported last year, your Company is in the midst of a large scale, multi-year transformation program involving implementation of SAP as its Enterprise Information Technology platform. The project is progressing satisfactorily and the Company would soon join a select group of organizations successfully carrying out business transactions leveraging world class ERP solution.

A significant milestone was achieved on 1st April 2013, when SAP for Human Resource function went live. As on date, SAP is being used by the Company for its Organizational Management, Personnel Actions and Leave Management processes. In future, the Company aims to cover Attendance and Recruitment processes under SAP.

The project is in an advanced stage of readiness to go live on SAP for Accounts & Finance function as also for the SBU: Industrial Packaging. By August 2013, over 250 users, across twenty or more locations, would be on an integrated, best-in-class platform to execute their day to day functions.

After achieving stability in this phase (Phase 1), ERP implementation would be extended in a phased manner to the other SBUs viz., Greases & Lubricants, Performance Chemicals, Refinery & Oilfield Services (in Phase 2) and then Tours & Travel, Logistics Services & Logistics Infrastructure (in Phase 3).

Progress on principles under 'Global Compact'

Your Company is a founder member of the Global Compact - India Chapter, and it remains committed to further the principles enumerated under the Global Compact principles & programs. The details of various initiatives taken to further the principles of Global Compact are available in the Communication of Progress (CoP) uploaded on the website of the Company.

Further, as a Gold Sponsor, Balmer Lawrie supported the 8th National Convention of the Global Compact Network India at Kolkata and actively participated in the deliberations, including chairing of a session.

Vigilance

Your Company believes in encouraging and nurturing a culture of honesty and transparency. It has scaled up existing anti-corruption efforts amongst stakeholders by providing knowledge, skills, strategies and resources to promote transparency and ethical practices in business operation.

As vigilance initiative, several good practices such as a web-based complaint registering system, e-Payment, e-Procurement, e-Auction etc. have been introduced and strengthened to promote ease of access, accountability and efficiency in the Company. Various process improvement measures have been put in place to plug loopholes and to increase efficiency. These measures along with surveillance inspections and deterrent action against wrong-doing, promote a clean and corruption-free environment in the Company.

Compliance of Right to Information Act, 2005

As the Company is a Public Authority within the meaning of Section 2(h) of The Right to Information Act, 2005 ("the RTI Act"), various disclosures of information, which are mandatory, have been set out on the website of the Company. Additionally, the Company furnishes monthly, quarterly as well as annual reports within prescribed timeline to the Ministry of Petroleum & Natural Gas, Government of India pertaining to requests for information received under the RTI Act. Monthly reports are also being placed on the website pursuant to the advice received from the Ministry aimed at strengthening implementation of the RTI Act.

An extract of the Annual RTI Report for the financial year 2012-13 as furnished to the Administrative Ministry is set out herein for information of the Members:

	Progress in 2012-13					
	Opening Balance as on 01/04/2012	Received during the Year (including cases transferred to other Public Authority)	No. of cases transferred to other Public Authorities	Decisions where requests/appeals rejected	Decisions where requests/appeals accepted	Closing balance as on 31/03/2013
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Requests	6	58	1	4	43	16
First Appeals	NIL	3	NIL	2	1	Nil

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

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

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

Directors' Responsibility Statement

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

- (i) That in the preparation of the accounts for the financial year ended 31 March 2013, 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 2013 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 2013 on a 'going concern' basis.

Consolidated Financial Statement

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

Report on Corporate Governance

The Company reaffirms its commitment to the standards of Corporate Governance. This Annual Report contains a section on compliance of Corporate Governance during 2012-13 and benchmarks your Company with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges. The Auditors' Certificate regarding Compliance of the conditions of Corporate Governance has also been published in this Report.

Being a Government Company, the Company also complies with the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 which have been made mandatory by the Department of Public Enterprises since May 2010. The said Guidelines — which are aimed at protecting the interest of the shareholders and relevant stakeholders — are applicable to all listed CPSEs. The Guidelines envisage that CPSEs shall not only follow the SEBI Guidelines on Corporate Governance but should additionally follow those provisions in the said CPSE Guidelines which do not exist in the SEBI Guidelines and also do not contradict any of the provisions of the SEBI Guidelines.

Particulars of Employees

No employee received remuneration of ` 5,00,000 or more per month or ` 60,00,000 per annum during the financial year 2012-13 and hence no detail is required to be attached with this Report pursuant to the disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

Comments of Comptroller & Auditor General of India

The comments of the Comptroller & Auditor General of India, under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the financial year ended 31 March 2013 is set out elsewhere in the Annual Report.

Directors

Six Independent Directors of the Company – viz., Shri K C Murarka, Shri Arun Seth, Shri M. P. Bezbaruah, Shri P. K. Bora, Shri Asish K. Bhattacharyya and Smt. Abha Chaturvedi – who had completed their envisaged term of office, vacated their directorship at the close of business hours on 29 May 2013. The Ministry of Petroleum & Natural Gas [MOP&NG], Government of India has intimated the Company that proposals to appoint new Non-official Part-time Independent Directors are under active consideration of the Ministry. The Company is pursuing with the Administrative Ministry for expediting appointment of Independent Directors on the Board of the Company to bring the Board composition in line with the Listing Agreement with the Stock Exchanges and the applicable CPSE Guidelines on Corporate Governance.

Shri K Subramanyan, who was appointed a whole time Director on 30 December 2005 in the position of Director [Finance], retired from the services of the Company at the close of business hours of 30 November 2012 upon attaining the age of superannuation. Shri Prabal Basu, erstwhile Senior Vice President [Finance], has been appointed in his place as Director [Finance] and has assumed office with effect from 1 December 2012.

The Board places on record its deep appreciation of the commendable performance and significant contribution made by the Independent Directors and Shri Subramanyan during their tenure as Directors of the Company.

Government Nominee Director, Shri VLVSS Subba Rao, who ceased to be on the Board of the Company with effect from 14 August 2012 was again appointed as Additional Director on 26 September 2012 on receipt of a fresh direction from the Administrative Ministry. Pursuant to Section 260 of the Companies Act, 1956 and Article 9 of the Articles of Association of the Company, Shri Subba Rao and Shri Prabal Basu would hold office up to the date of the forthcoming Annual General Meeting. The Company has, however, received due Notice under Section 257 of the Companies Act, 1956 for their appointment, as Director, whose period of office shall be subject to determination by retirement of directors by rotation.

In accordance with the provisions of Section 256 of the Companies Act, 1956 read with Article 12 of the Articles of Association, Shri P. P. Sahoo and Shri Virendra Sinha would retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment at the said Meeting.

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

Auditors

Your Company being a Government Company, Auditors are appointed or reappointed by the Comptroller and Auditor General of India in terms of Section 619(2) of the Companies Act, 1956. Letter of appointment of Auditors for the year 2013-14 has been received by the Company. However, the remuneration of the Auditors for the year 2013-14 is to be determined by the members at the ensuing Annual General Meeting as per Sections 224(8)(aa) and 619 of the Act.

Auditors' Report

Members may note that the Auditors' Report dated 29 May 2013 for the year ended 31 March 2013 does not contain any reservation or qualification.

Acknowledgement

Your Directors are focused on creation of enduring value for all stakeholders utilizing multiple drivers of growth in the form of the diverse Strategic Business Units of the Company.

Towards that end, the Directors like to place on record their sincere appreciation of the significant contribution made by the employees towards realization of new performance milestones. The Board of Directors also places on record its deep appreciation of the support and confidence reposed in

the Company by its customers. Mention must also be made of the dealers who have contributed towards customer-care orientation of the Company. The Directors would also wish to thank the vendors, business associates, consultants, bankers, auditors, solicitors and all other stakeholders for their continued support to the Company.

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

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

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

Date: 12 August 2013

Prabal Basu
Whole-time Director

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH, 2013

CONSERVATION OF ENERGY

a) Energy conservation measures taken

The Company makes continuous efforts towards conservation of energy in view of rising cost of energy and keeping with Company's commitment to be an energy efficient entity.

Specific energy consumption per unit of production was monitored regularly at all manufacturing plants and corrective actions taken as required.

b) Additional Investment proposal for conservation of energy

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

c) Impact of the above on cost of production

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

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

Information on energy consumption is provided in the annexed Form A

TECHNOLOGY ABSORPTION:

e) Efforts made In Technology Absorption

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

f) Total Foreign exchange used and earned

	` in Crores
Total Foreign Exchange used	119.82
Total Foreign Exchange earned	26.79

FORMA

Form for Disclosure of Particulars with respect to Conservation of Energy

Power & Fuel Consumption

	2012-13 Current Year	2011-12 Previous Year
1 Electricity		
(a) Purchased		
Units ('000 kwh)	8885.24	9091.54
Total amount (` Lakhs)	677.54	563.44
Rate / Unit (` / kwh)	7.60	6.20
(b) Own generation		
(i) Through Diesel generator		
Units ('000 kwh)	1760.60	2585.25
Units per ltr. of diesel oil	2.50	3.10
Cost/unit (` /unit.)	19.00	16.76
(ii) Through steam turbine/generator		
Units per ltr. of fuel oil/gas	N.A.	N.A.
Cost / unit		

	2012-13 Current Year	2011-12 Previous Year
2. Coal		
Quantity (tonnes) } Total Cost } Average Rate }	N.A.	N.A.
3. Coal Gas		
Quantity (therms)	11.00	47.50
Total Cost (₹ /lakh)	8.10	34.27
Average Rate (₹ /Unit)	73.64	72.19
4. Furnace Oil		
Quantity (kl)	2229.50	2190.57
Total amount (₹ /Lakh)	1253.60	1097.79
Average Rate (₹ / kl)	55421.00	50114.35
5. Other/Internal Generation (LDO)		
Quantity (kl)	105.50	N.A.
Total Cost (₹ /Lakh)	78.30	N.A.
Cost/unit	74218.00	N.A.

B. Consumption per unit of production

	2012-13 Current Year	2011-12 Previous Year
Lubricating Greases		
• Electricity (kwh/mt-kl)	65.00	63.00
• Furnace Oil (l/mt-kl)	13.00	15.00
Barrels & Drums		
• Electricity (kwh/unit)	1.55	1.65
• Furnace Oil (l/unit)	0.33	0.34
Synthetic Fat Liquors		
• Electricity (kwh/mt)	149	152
• Furnace Oil (l/unit)	38	44
Syntans		
• Electricity (kwh/mt)	106	121
• Furnace Oil (l/unit)		

- Notes :
1. Figures represent energy consumption in the manufacturing units of SBUs: Industrial Packaging, Greases & Lubricants and Performance Chemicals.
 2. Figures are based on equivalent units of production as appropriate.
 3. Increase/decrease in electricity usage per equivalent unit of production is attributable to variations in product mix and changes in production processes.

FORM - B
Form for Disclosure of Particulars with respect to Technology Absorption

1. RESEARCH & DEVELOPMENT

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

- R&D Work has been carried out in development of Lubricants, Performance Chemicals and Industrial Packaging.
- In Greases & Lubricants, R&D efforts at value engineering and upgradation of existing products had been the priority areas. Further efforts were directed at development of rust preventive oils; Biodegradable & Eco-friendly Lubricants based on vegetable oil base synthetic esters for Bearing Oil; development of high-temperature Lithium Complex Greases; development of food grade Greases & Gear Oils; development of Bitumen Softening compounds along with Synthetic Multigrade Automotive Gear oils, high performance Industrial gear oils and long-life Automotive Greases.
- In Performance Chemicals, the development had been towards new varieties of high performance fat liquors, plant-based vegetable syntans & white syntan and shower proof solvent based finishing chemicals; Polycarboxy ether based and amino-sulfonic acid based concrete admixtures for construction industries.
- In Industrial Packaging, R&D efforts had been towards development of improved manufacturing processes through re-engineering of equipment developed in-house for conical drums and new products comprising development of improved surface development for painting and GI sheet welding, automated internal cleaning & rust prevention of drums, 220 litre capacity conical drum, light weight high strength composite drum etc.,

b) Benefits derived as a result of the above

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

c) Future Plan of action

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

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

d) Expenditure on R & D

	`/lakh	
	<u>2012-13</u>	<u>2011-12</u>
Capital	146.50	54.66
Revenue	585.48	523.47
Total	731.98	578.13
Total R & D expenditure as % of Turnover	0.28	0.28

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Efforts in brief made towards the above

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

b) Benefits derived

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

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

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

Report on Corporate Governance [Forming Part of the Directors' Report for the year 2012-13]

Company's philosophy on good Corporate Governance

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

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

Board of Directors

a) Composition

The composition of the Board of Directors of the Company is governed by provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement, Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 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.

The composition of the Board of the Company till September 2012 was in conformity with the provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement and Guidelines on Corporate Governance for Central Public Sector Enterprises. However, with the appointment of one more Government Nominee Director on the Board at the close of September 2012 — pursuant to the directions received from the Ministry of Petroleum & Natural Gas, Government of India, being a Government Company — the number of Whole-time Directors and Government Nominee Directors became 7 (Seven). The Board thus consisted of 13 Directors, viz, 5 Whole-time Directors, 2 Non-Whole-time Government Nominee Directors and 6 Non-Whole-time Independent Directors, thereby resulting in non-fulfillment of the Corporate Governance norm for Board composition stipulated in Clause 49 of the Listing Agreement and Clause 3.1.2 of the CPSE Guidelines. This pattern with the number of Independent Directors being marginally less than 50% of the Board strength continued till end May 2013, when Independent Directors vacated their directorships as mentioned hereinafter.

Whole-time Directors as at the close of 2012-13

Shri Virendra Sinha (Chairman & Managing Director)

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

Shri Niraj Gupta (Director – Service Business)

Shri Anand Dayal (Director – Manufacturing Business)

Shri Prabal Basu (Director – Finance)

Government Nominee Directors as at the close of 2012-13

Shri VLVSS Subba Rao

Shri Partha S Das

Independent Directors as at the close of 2012-13

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 **as at the close of the financial year** under Report is set out herein:

Shri Virendra Sinha

Chairman & Managing Director

Shri Virendra Sinha was appointed as a Whole-time Director designated Director (Service Businesses) on the Board on 14 June 2010. Subsequently, based on direction of the Government of India, Shri Virendra Sinha was appointed on 1 January 2012 to the post of Chairman & Managing Director of the Company. Pursuant to Section 257 of the Companies Act 1956, he was further appointed by the members at the 95th Annual General Meeting held on 26th September 2012. He is a Bachelor of Arts and holds a Masters Degree in Business Administration. He has a working experience of 35 years during which he has developed expertise in Marketing, International Trade especially in understanding operation of multi-modal logistics hubs and container freight stations and in General Management.

Shri P P Sahoo

Director [Human Resource & Corporate Affairs]

Shri P P Sahoo was appointed as a Whole-time Director on 14 December 2011 based on direction by the

Government of India. Pursuant to Section 257 of the Companies Act 1956, he was further appointed by the members at the 95th Annual General Meeting held on 26th September 2012. He is a Bachelor of Arts, Bachelor of Law and holds a Masters Degree in Personnel Management & Industrial Relations. He has a working experience of 35 years during which he has developed expertise in the functional areas of General Management and Human Resource Management including Corporate Social Responsibility and Sustainability.

Shri Niraj Gupta

Director [Service Business]

Shri Niraj Gupta was appointed as Whole-time Director on 27 July 2012 based on the direction by the Government of India. Pursuant to Section 257 of the Companies Act 1956, he was further appointed by the members at the 95th Annual General Meeting held on 26th September 2012. He is a Bachelor of Commerce and a qualified Chartered Accountant (ACA). He has a working experience of 33 years during which he has developed expertise in the business of logistics solutions provider as also in the operation of container freight stations.

Shri Anand Dayal

Director [Manufacturing Business]

Shri Anand Dayal was appointed as Whole-time Director effective 1 August 2012 based on the direction by the Government of India. Pursuant to Section 257 of the Companies Act 1956, he was further appointed by the members at the 95th Annual General Meeting held on 26th September 2012. He is a Bachelor of Arts and holds a Post Graduate Diploma in Marketing Management. He has a working experience of 37 years during which he has developed expertise in the marketing and manufacturing areas having been closely associated with the industrial packaging activity of the Company.

Shri Prabal Basu

Director [Finance]

Shri Prabal Basu was appointed as a Whole-time Director and he assumed office as Director [Finance] on 1 December 2012 based on direction by the Government of India. He is a Bachelor of Commerce, a qualified Chartered Accountant (ACA), a qualified Company Secretary (ACS) and a qualified Cost & Management Accountant (ACMA). He has a working experience of 27 years during which he has developed expertise in the functional areas of Accounts & Finance.

Shri VLSS Subba Rao

Government Nominee Director

Shri VLSS Subba Rao was appointed as non-executive Government Nominee Director on the Board on 13 October 2008 based on direction from the Government of India. He held the said office till 14 August 2012 when he laid down his office pursuant to an advice from the Ministry of

Petroleum & Natural Gas, Government of India. He was further appointed, in terms of Section 260 of the Companies Act 1956, by the Board at its meeting held on 26th September 2012 based on fresh direction received from the Ministry. Shri Subba Rao holds a Master Degree in Economics and is a member of Indian Economic Services. He has a working experience of 26 years during which he has gained expertise in the areas of Finance, Project Appraisal, Trade Logistics, Training and economic administration. He is currently Adviser (Integrated Finance Division) in the Ministry of Petroleum & Natural Gas, Government of India.

Shri Partha S Das

Government Nominee Director

Shri Partha S Das was appointed as non-executive Government Nominee Director on the Board on 14 August 2012 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act 1956, he was appointed by the members at the 95th Annual General Meeting held on 26th September 2012. He is a Bachelor of Technology from the Indian Institute of Technology (IIT), Kharagpur and also possesses the qualification of Certified Internal Auditor (CIA) and Certified Information System Auditor (CISA). He has a working experience of about 23 years during which he has developed expertise in the functions of audit including Performance & Compliance Audit and Exploration, Distribution and Marketing Coordination pertaining to petroleum products. He is currently Director (Supply & Pricing) in the Ministry of Petroleum & Natural Gas, Government of India.

Shri K C Murarka

Independent Director

Shri K C Murarka was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India and was further re-appointed at the 94th Annual General Meeting held on 23 September 2011. Shri Murarka is an Independent Director of the Company. Shri Murarka is a Bachelor of Science. He has a working experience of 44 years during which he has gained expertise in the areas of marketing, research & development with specialization in manufacturing of dyes and chemicals.

Shri Arun Seth

Independent Director

Shri Arun Seth was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India and was further re-appointed at the 94th Annual General Meeting held on 23 September 2011. Shri Seth is a Bachelor of Technology and holds a Masters Degree in Business Administration. He has a working experience of over 34 years including experience in the Telecom Industry in the course of which Shri Seth has developed commercial and technical expertise in Information Technology and Telecommunication.

Shri M P Bezbaruah
Independent Director

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

Shri P K Bora
Independent Director

Shri P K Bora was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India, and was re-appointed as a Director at the 95th Annual General Meeting held on 26 September 2012. Shri Bora is a Master of Arts (in English) and also a retired IAS Officer. He has a working experience of 41 years during which he gained expertise in Development Administration & Financial Administration as also in Tea & Tourism industries.

Shri Asish K Bhattacharyya
Independent Director

Shri Asish K Bhattacharyya was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India and was re-appointed as a Director at the 95th Annual General Meeting held on 26 September 2012. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India, besides being a Master of Commerce and a D.Phil; he also holds a Diploma in Management Accounting (ICA). Shri Bhattacharyya has a working experience of 40 years during which he has acquired

expertise in Accounting, Finance, Business Valuation and Corporate Governance.

Smt. Abha Chaturvedi
Independent Director

Smt. Abha Chaturvedi was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, she was appointed as a Director at the 92nd Annual General Meeting held on 24 September 2009. She is a PhD. She has a working experience of 43 years in the areas of teaching, research and management consultancy. Her areas of specialization are Human Resource, Organization Behavior and Organization Sociology.

The six Independent Directors of the Company mentioned herein above having completed their envisaged term of office, vacated their directorship at the close of business hours on 29 May 2013. The Ministry of Petroleum & Natural Gas [MOP&NG], Government of India has intimated the Company that proposals to appoint new Non-official Part-time Independent Directors are under active consideration of the Ministry. The Company is pursuing with the Administrative Ministry for expediting appointment of Independent Directors on the Board of the Company to bring the Board composition in line with the Listing Agreement with the Stock Exchanges and the applicable CPSE Guidelines on Corporate Governance.

The particulars as to the directorship of the Directors (who are currently on the Board) in other companies and their membership in various Board level Committees as on the 31st July 2013 are enumerated as follows [for full details of the directorship & membership of committees held by the Directors please refer to the attached **Annexure A**]:

Name of the Director	No. of companies/ bodies corporate, other than the Company, in which the Director holds Directorship.	Membership held by the Director in various Committee ¹ across all companies in which he is a Director	Chairmanship held by the Director in various Committee ¹ 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 26th September 2012
Shri Virendra Sinha	4	3	0	0	Yes
Shri P P Sahoo	0	0	0	0	No
Shri Niraj Gupta	0	0	0	1	Yes
Shri Anand Dayal	5	0	0	0	Yes
Shri Prabal Basu*	3	2	1	0	NA
Shri VLVSS Subba Rao	0	1	1	0	Yes
Shri Partha S Das	0	1	0	0	Yes

* joined the Board on 1 December 2012.

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

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

c) Attendance at the Board Meetings

Attendance of the Directors at the Board meetings held during the financial year 2012-13 is shown below:

Name of the Director	Board Meetings held during 2012-13						
	26 May 2012	14 August 2012	26 September 2012	7 November 2012	11 December 2012	8 February 2013	26 March 2013
Shri Virendra Sinha	✓	✓	✓	✓	✓	✓	✓
Shri VLVSS Subba Rao#	✓	✓	✓	✓	✓	X	✓
Shri Shri Prakash##	✓	X	NA	NA	NA	NA	NA
Shri Partha S Das*	NA	✓	✓	X	✓	✓	✓
Shri V N Sharma**	✓	NA	NA	NA	NA	NA	NA
Shri K Subramanyan***	✓	✓	✓	✓	NA	NA	NA
Shri PP Sahoo	✓	✓	X	✓	✓	✓	✓
Shri Niraj Gupta\$	NA	✓	✓	✓	✓	✓	✓
Shri Anand Dayal\$\$	NA	✓	✓	✓	✓	✓	✓
Shri Prabal Basu\$\$\$	NA	NA	NA	NA	✓	✓	✓
Shri K C Murarka	X	X	✓	X	X	X	X
Shri Arun Seth	X	X	X	X	✓	X	X
Shri M P Bezbaruah	✓	✓	✓	✓	✓	✓	✓
Shri P K Bora	✓	✓	✓	✓	X	✓	✓
Shri Asish K Bhattacharyya	✓	✓	✓	✓	✓	✓	✓
Smt. Abha Chaturvedi	✓	✓	✓	✓	✓	X	✓

Ceased to be a Director (Government Nominee) with effect from 14 August 2012 and was appointed Additional Director upon fresh nomination by the Government, on 26 September 2012.

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

* Appointed Director (Government Nominee) with effect from 14 August 2012.

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

*** Shri K Subramanyan laid down his office as Director (Finance) at the close of business hours on 30 November 2012 consequent upon his attaining the age of superannuation.

\$ Shri Niraj Gupta joined the Board on 27 July 2012.

\$\$ Shri Anand Dayal joined the Board on 1 August 2012.

\$\$\$ Shri Prabal Basu joined the Board on 1 December 2012.

Committees of the Board

1. Audit Committee

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure

that the financial statement is correct, sufficient and credible.

- Recommend the remuneration of the Statutory Auditor, appointed by the Comptroller & Auditor General of India for approval of the shareholders at the General Meeting in terms of Section 224(8)(aa) so long as the provisions of Section 619 of the Companies Act, 1956 remain applicable to the Company and approval of payment to statutory auditors for any other services rendered by the Statutory Auditor.

- Review with the management the annual financial statements before submission to the Board, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgement by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft Audit report
 - Review all related party transactions.
 - Review the follow-up action taken on the audit observations by the Comptroller & Auditor General of India as also recommendations of the Committee on Public Undertakings (COPU) of the Parliament
 - Review with the management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus, etc. and making appropriate recommendations to the Board to take up steps, if any, in this matter.
 - Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems
 - Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department and discuss with internal auditors any significant findings, including any difficulties encountered during audit work and follow-up thereon.
 - Review the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discuss with statutory auditors before the audit commences, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
 - Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - Discuss with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
 - Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security, and
 - Related findings and recommendations of the independent auditors and internal auditors, together with the management responses
 - Review the following:
 - Management discussion and analysis of financial condition and results of operations
 - Statement of significant related party transactions submitted by management
 - Management letters/ letters of internal control weaknesses issued by the statutory auditors
 - Internal audit reports relating to internal control weaknesses, and
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor, which shall be subject to review by the Audit Committee
 - Review Certification / Declaration of financial statements by the Chief Executive / Chief Finance Officer
 - Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors
 - Investigate into any matter in relation to the items specified in Section 292A of the Act or referred to it by the Board or pertaining to any activity within its terms of reference and to this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary, seek information from any employee in the matter and secure attendance of outsiders with relevant expertise, if considered necessary.
 - Review the Whistle Blower Mechanism and to protect Whistle Blowers.
- The composition of the Audit Committee during the financial year 2012-13 was substantially 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. The Independent Directors on the Committee have however laid down their office at the close of business hours on 29 May 2013 as mentioned above. Presently, therefore, the Committee consists of 3 Members including 2 non-whole-time Government Nominee Directors — namely Shri VLVSS Subba Rao and Shri Partha S Das — and the Chairman & Managing Director, Shri V Sinha. Shri Subba Rao heads the Committee as its Chairman. However, Independent Directors would be appointed on the Committee as soon as fresh appointments are made by the Government of India. 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 2012-13					
	26 May 2012	14 Aug 2012	7 Nov 2012	11 Dec 2012	8 Feb 2013	26 Mar 2013
Shri M P Bezbaruah	✓	✓	✓	✓	✓	✓
Shri VLVSS Subba Rao	✓	✓	✓	✓	X	✓
Shri Partha S Das*	NA	NA	X	✓	✓	✓
Shri Asish K Bhattacharyya	✓	✓	✓	✓	✓	✓
Shri P K Bora	✓	✓	✓	X	✓	✓
Shri V Sinha	✓	✓	✓	✓	✓	✓
Shri Arun Seth**	NA	NA	X	✓	X	X
Smt. Abha Chaturvedi	✓	✓	✓	✓	X	✓

* Inducted as a Member of Audit Committee pursuant to Resolution passed by the Board on 14 August 2012.

** Inducted as a Member of Audit Committee pursuant to Resolution passed by the Board on 26 September 2012.

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

2. Shareholders'/ Investors' Grievance Committee

The Shareholders'/ Investors' Grievance Committee reviews and monitors the grievances of shareholders and investors. The Committee consists of three Members, with non-executive Government Nominee Director as Chairman and with the Chairman & Managing Director and the Director (Finance) as other two Members. On 29th May, 2013 the Committee met and took on record the status of investors' grievances as well as the services rendered during the financial year 2012-13. The terms of reference of the Committee are as per the terms set out in the Listing Agreement.

The particulars of investors' complaints during 2012-13 were published along with the Unaudited Financial Results of the respective quarters and Audited Annual Financial Results in compliance with Clause 41 of the Listing Agreement.

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

Shri Amit Ghosh, Company Secretary is the Secretary to the Committee. He is also the Compliance Officer as per Clause 47(a) of the Listing Agreement and is *inter alia* responsible

for establishing liaison with the authorities such as SEBI, Stock Exchanges, Registrar of Companies etc., and Investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities as well as investor service & complaints related matters.

Nature of Shareholders' communication received and redressed during the period from 1 April 2012 to 31 March 2013.

The Company had received 1 communication in the nature of complaint and 228 general communications during the financial year 2012-13, which were resolved/replied to within a maximum period of 120 hours from the time of receipt.

Nature of Communication	General communication Resolved		Complaints Resolved		Grievances 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	9	NIL	NIL	NIL	NIL	NIL
Non-receipt of share certificates after sub-division, consolidation, duplicate and renewal of share certificates	5	NIL	NIL	NIL	NIL	NIL
Loss of share certificates	17	NIL	NIL	NIL	NIL	NIL
Change of address	21	NIL	NIL	NIL	NIL	NIL
Transmission, Registration of power of attorney, death, marriage certificates etc.	10	NIL	NIL	NIL	NIL	NIL
Non-receipt of dividend	14	NIL	NIL	NIL	NIL	NIL
Revalidation/ issue of fresh Dividend warrant	52	NIL	NIL	NIL	NIL	NIL
Recording of Electronic Clearing data under the National Electronic Clearing Service (NECS) implemented by RBI or mandates or bank details	52	NIL	NIL	NIL	NIL	NIL
Queries from SEBI	0	NIL	1*	NIL	NIL	NIL
Queries from CLB, Stock Exchanges and Depositories	0	NIL	NIL	NIL	NIL	NIL
Queries from RBI, Income-Tax	0	NIL	NIL	NIL	NIL	NIL
Legal notices/ Cases etc.	0	NIL	NIL	NIL	NIL	NIL
Request for Nomination	3	NIL	NIL	NIL	NIL	NIL
Miscellaneous	45	NIL	NIL	NIL	NIL	NIL
Total	228	NIL	1	NIL	NIL	NIL

* Correspondence from SEBI relates to non-receipt of dividend, which on subsequent check was found to be related to a joint venture of the Company.

3. Share Transfer Committee

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

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

4. Remuneration Committee

Formation of a Remuneration Committee is a non-mandatory requirement under the Listing Agreement. The Company being a Government Company within the meaning of Section 617 of the Companies Act, 1956, the Whole-time Directors of the Company are Presidential appointees and their remuneration is fixed by the Government of India from time to time. Nevertheless, a Remuneration Committee has been constituted by the Board at its meeting held on 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. During the financial year 2012-13, the Committee — which is chaired by an Independent Director and consists of three members, viz., two Independent Directors and one Government Nominee Director — transacted business twice, the first time on 3 October 2012 to accord approval for the disbursement of Performance Related Pay (PRP) to the Executives and Officers of the Company (including the Board level executives) and the second time on 7 November 2012 to approve re-structuring of certain allowances and perquisites in respect of Executives and non-unionized Supervisors.

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

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

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

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

In compliance with Clause 47(c) of the Listing Agreement with stock exchanges, certificate(s) from a Practicing Company Secretary certifying that registration of all transfers has been completed within the stipulated time of 15 days of

lodgement, have been obtained by the Company and furnished to the Stock Exchanges.

The Company is committed to persistently improve and raise the standard of service to the shareholders.

Reconciliation of Share Capital Audit

During the Financial year 2012-13, Reconciliation of Share Capital Audit — as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out on quarterly basis by Practicing Company Secretary for reconciliation of the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Legal Compliance Audit

With a view to ensure better compliance with the provisions of Clause 49(I)(C)(iii) of the Listing Agreement, the Company conducts a Legal Compliance Audit every year. For the financial year 2011-12, this audit has been initiated in the year 2012-13 and the legal audit firm has duly submitted final report to the management. The objective of the audit is to examine the legal framework in which the business units operate and identify various laws, rules, regulations applicable to such units, check the quality of compliance of the applicable laws and advise *inter alia* areas where quality of compliance requires improvement.

Cost Audit

Pursuant to Section 233B of the Companies Act, 1956, the Ministry of Corporate Affairs has directed Cost Audit in respect of the Strategic Business Unit: Greases & Lubricants of the Company from the financial year 2006-07 onwards. Under a subsequent direction issued in June, 2011, the Ministry of Corporate Affairs has directed that Steel Industry would also have to get their cost audit records audited by a cost auditor. This direction covers SBU: Industrial Packaging of the Company. The Ministry of Corporate Affairs have recently issued another directive on Cost Audit by dint of which the product Construction Chemicals produced by SBU: Performance Chemicals has come under the purview of Cost Audit from 2012-13 onwards.

The existing cost auditors, Messrs Shome & Banerjee, having completed 3 years, Messrs. Musib & Co., Cost Accountants have been appointed under Section 233B (2) of the Act for conducting the aforesaid cost audit for the financial year 2013-14 and the appointment has also been approved by the Ministry of Corporate Affairs. The Audit report for the financial year 2012-13 would be submitted to the Central Government within 180 days from the close of the financial year in accordance with Rule 5 of the Companies (Cost Audit Report) Rules 2011.

Board Procedure

The Board of Directors meets from time to time with appropriate notice and agenda papers in a defined agenda

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

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

Payment of Dividend through National Electronic Clearing Services (NECS)

Securities and Exchange Board of India (SEBI) under Circular no. CIR/MRD/DP/10/2013 dated 21 March 2013 addressed to the Listed Companies and their Registrars, the Depositories and the Stock Exchanges have advised companies to maintain requisite bank details of their investors including shareholders holding securities in the physical mode. Accordingly, the Depositories and the Registrars & Share Transfer Agents have been advised respectively to maintain correct/updated bank details of the investors falling under the relevant segment viz., demat and physical.

The Company, accordingly, encourages use of NECS for payment of Dividend. Shareholders are requested to avail of NECS facility by furnishing the 9 digit (MICR) code number of their bank and branch along with their 15 digit account number and 11 digit IFSC code to the Registrar & Share Transfer Agent of the Company, viz. Link Intime India Pvt. Ltd in case they hold the shares in the physical mode and to their depository participant where the shares are held in dematerialized mode. This would facilitate prompt encashment of dividend proceeds, and enable the Company to reduce costs of dividend distribution while complying with the SEBI circular. For the convenience of the Shareholders, NECS mandate form is being sent along with the Annual Report.

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 dividend, which was lying in the 'unpaid dividend account' of the Company, for the financial year 2004-05 has been deposited with the "Investor Education and Protection Fund" of the Central Government, by the Company on 1 December 2012.

The details of dividends remaining unclaimed as on 31 May 2013, which may, in future be required to be transferred to the Investor Education and Protection Fund by the Company are as below:

Date of Dividend Payment	For the financial year	Total amount of Dividend (₹)	Dividend per share (₹)	Amount of unclaimed dividend as on 31 May 2013 (₹)	% of Unclaimed Dividend on the total Dividend	Due date* for transfer to Investor Education and Protection Fund
25 September 2006	2005-06	14,65,74,729.00	9.00	1178793.00	0.80	25 September 2013
3 October 2007	2006-07	21,98,62,093.50	13.50	1851404.50	0.84	31 October 2014
3 October 2008	2007-08	27,68,63,377.00	17.00	2330971.00	0.84	1 November 2015
29 September 2009	2008-09	32,57,21,620.00	20.00	2601360.00	0.80	30 October 2016
1 October 2010	2009-10	37,45,79,863.00	23.00	3132140.00	0.84	31 October 2017
7 October 2011	2010-11	42,34,38,106.00	26.00	3621842.00	0.86	31 October 2018
9 October 2012	2011-12	45,60,10,268.00	28.00	3750292.00	0.82	1 November 2019

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

During 1 April 2012 to 31 March 2013, the Company filed with the Registrar of Companies, West Bengal, the quarterly statements duly certified by a Practicing Company Secretary regarding the amounts which were credited to the Investor Education & Protection Fund pursuant to circular No. ROC/UD/205C/QS dated 13 August 2002 issued by the Registrar of Companies, West Bengal to the Company.

Quarter Ended	Due Date of Compliance	Date of Compliance
30 June 2012	5 July 2012	4 July 2012
30 September 2012	5 October 2012	4 October 2012
31 December 2012	5 January 2013	3 January 2013
31 March 2013	5 April 2013	3 April 2013

General Body Meetings

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

Date and Time	Venue	Type of Meeting	Special Resolution Passed
26 September 2012 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	95th Annual General Meeting	NIL
23 September 2011 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	94th Annual General Meeting	NIL
24 September 2010 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	93rd Annual General Meeting	Yes, a Special Resolution was passed at the AGM altering Articles 6 and 45 of the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956.

Resolutions passed through Postal Ballot

During the current financial year 2013-14, the Company passed a Resolution through Postal Ballot in accordance with Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 approving issue of 1,22,14,560 Bonus Shares in the proportion of 3 new shares for every 4 existing shares in the paid-up capital of the Company.

The Notice of the Postal Ballot dated 3 April 2013, together with the relevant Resolution were mailed to the Members whose names appeared in the Register of Members/Record of Depositories as on 28 March 2013 along with the explanatory statement seeking consent of the Members. The Company completed the dispatch of the Postal Ballot Forms along with postage prepaid business reply envelopes to the Members on 6 April 2013.

The Board of Directors of the Company had earlier, at its meeting held on 26 March 2013, appointed Shri P V Subramanian, Company Secretary in whole-time practice, as Scrutinizer for conducting the Postal Ballot process. As required under the Listing Agreement with the Stock Exchanges, the Company provided electronic voting facility to the Members including Beneficial Owners in the records of the Depositories, thus giving the Members the option to exercise their vote either electronically or by way of physical Postal Ballot Form.

A summary of the Postal Ballot Votes cast by the Members are set out herein below:-

Through Physical Mode

Sl No.	Particulars	No. of Postal Ballot Forms
1.	Total no. of Postal Ballot Forms received	937
2.	Total no. of invalid Postal Ballot Forms	18
3.	Total no. of valid Postal Ballot Forms	919
4.	Total no. of valid Postal Ballot Forms in Favour of the Resolution	912

5.	Total no. of valid Postal Ballot Forms Against the Resolution	7
6.	Total no. of valid Votes/Shares cast	10869720
7.	Total no. of Votes/Shares in Favour of the Resolution	10869571
8.	Total no. Votes/Shares Against the Resolution	149

Through Electronic Mode

Sl No.	Particulars	No. of Postal Ballot Forms
1.	Total no. of persons who cast their votes through e-voting system	171*
2.	Total no. of person who cast their votes In favour of the Resolution	171*
3.	Total no. of person who cast their votes Against the Resolution	3*
4.	Total no. of votes/shares cast through e-voting system	66816
5.	Total no. of votes/shares cast in favour of the Resolution	66809
6.	Total no. of votes/shares cast against The Resolution	7

* Includes 3 persons who have cast their votes partly in favour of and partly against the Resolution.

Total Summary of the votes cast (i.e. aggregate of Physical & Electronic Voting)

Sl No.	Votes cast	By Physical Ballot	By Electronic Voting	Total No. of votes /shares	%
1.	In Favour	10869571	66809	10936380	99.999
2.	Against	149	7	156	0.001
	Total			10936536	100.00

Disclosures

- a) There was no materially significant related party transaction executed during the financial year ended 31 March 2013 requiring disclosure under Clause 49 of the Listing Agreement, except as has been mentioned under Clause 26.21(i) and (ii) & Clause 26.24 of Note 26-Additional Disclosures of the Annual Accounts, which were all carried out at arm's length prices and all disclosures have been made in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- b) 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 2013.
- c) 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.
- d) 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.
- e) 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.
- f) The CEO (Chairman & Managing Director) and the CFO [Director (Finance)] have jointly certified to the Board, with regard to reviewing the financial statements, cash flow statements and effectiveness of internal control and other matters as required under Clause 49 of the Listing Agreement.
- g) A Remuneration Committee has been constituted by the Board.
- h) The Company introduced the 'Whistle Blower Policy' with effect from 9 April 2010 as per Clause 49 of the Listing Agreement. Although this is a non mandatory requirement of the Listing Agreement, it has been introduced to promote and encourage transparency in the Company. It may be pertinent to mention that under the policy, whistle blowers have access to the Ombudsperson who is a non-executive Independent Director. The Listing Agreement enjoins that whistle blowers would also have direct access to the Chairman of the Audit Committee in exceptional cases.
- i) On and from 9 April 2010 the Company also introduced a 'Fraud Prevention Policy' with the object of promoting high standards of professionalism, honesty, integrity and ethical behavior. This policy meets the requirements laid down in the Guidelines on Corporate Governance for Public Sector Enterprises, 2010, which were made effective by the Government in May 2010.
- j) **Remuneration Policy**
By virtue of Article 7A of the Articles of Association of the Company, the President of India is entitled to determine terms and conditions of appointment of the Directors. This *inter alia* includes determination of remuneration payable to the Whole-time Directors. The Company circulates/ discloses to the Members such terms of appointment & remuneration /any variation thereof together with memoranda of interest of Directors in accordance with Section 302 of the Companies Act, 1956. The Company pays sitting fees of a sum of Rs. 10,000/- per meeting of the Board or Committee thereof attended by each of the non-executive Independent Directors. No sitting fee is paid to the Whole-time/Non-Wholetime Government Nominee Directors for the meetings of Board of Directors or Committees attended by them.

Details of remuneration paid to the Directors during 2012-13 are enumerated hereunder: (All figures in `)

Name of Director	Salaries and allowance	Contribution to provident fund	Contribution to gratuity fund	Other benefits and perquisites	Sitting fees	Total Remuneration
Shri Virendra Sinha*	2890741.00	295650.00	41203.00	625502.00	—	3853096.00
Shri VLVSS Subba Rao	—	—	—	—	—	—
Shri Partha S Das	—	—	—	—	—	—
Shri V N Sharma**	4141690.00	94740.00	—	134334.00	—	4370764.00
Shri K Subramanyan\$	4461065.00	182706.00	—	243031.00	—	4886802.00
Shri P P Sahoo#	2635800.00	301060.00	86793.00	357973.00	—	3381625.00
Shri Niraj Gupta@	1756062.00	205248.00	80273.00	278043.00	—	2319626.00
Shri Anand Dayal##	1638340.00	225626.00	33632.00	271861.00	—	2169460.00
Shri Prabal Basu^	988522.00	98343.00	43952.00	37628.00	—	1168445.00
Shri K C Murarka	—	—	—	—	—	—
Shri Arun Seth	—	—	—	—	20000.00	20000.00
Shri M P Bezbaruah	—	—	—	—	130000.00	130000.00
Shri P K Bora	—	—	—	—	110000.00	110000.00
Shri Asish K Bhattacharyya	—	—	—	—	130000.00	130000.00
Smt Abha Chaturvedi	—	—	—	—	120000.00	120000.00
TOTAL	18512220.00	1403373.00	285854.00	1948371.00	510000.00	22659818.00

* includes ` 1243557 as Performance Related Payment (PRP),

** includes ` 1195560 as PRP and ` 2302000 as Leave Encashment on superannuation.

\$ includes ` 1173719 as PRP and ` 1974000 as Leave Encashment on superannuation,

includes ` 759438 as PRP.

@ includes ` 552126 as PRP,

includes ` 376727 as PRP,

^ includes ` 336420 as PRP.

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

k) The Company has a Code of Conduct for Directors and Senior Management Personnel of the Company, which is in operation since 2006, and had been reviewed and revised by the Board in the financial year 2011-12. Declaration by the CEO under Clause 49 of the Listing Agreement read with the said Code has been set out elsewhere in the Annual Report.

l) The number of equity shares of the Company being held by the Directors post Bonus issue are as follows:

Name of the Director	Shares held in the Company
Shri Virendra Sinha	450*
Shri P P Sahoo	232
Shri Niraj Gupta	175**
Shri Prabal Basu	110

* Including 220 shares held jointly [with his wife or held in the name of the wife as the first holder]

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

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

Shareholders' Information

Date and time of the

96th Annual General Meeting : 24 September 2013 at 10.30 a.m.

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

Financial year ended on: 31 March 2013.

Dividend Payment date : The dividend warrants would be posted or dividends would be transferred through NECS on or after 7th October 2013 and within 30 days from the date of declaration as provided in the Companies Act, 1956.

Date of Book Closure : 11 September 2013 to
24 September 2013

(Both days inclusive)

The shareholders are required to submit NECS mandate / bank particulars, on or before 24 September 2013 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 2013-14 paid to the Stock Exchanges on
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	523319	18 April 2013
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	BALMLAWRIE	4 April 2013
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/Business Standard (Hindi).
- The financial results and other notices issued by the Company are also posted on the Company website www.balmerlawrie.com
- The Company has an exclusive e-mail ID viz, blsharegrievance@balmerlawrie.com to enable the investors lodge their complaint/grievance, if any. The Registrar & Share Transfer Agent of the Company, Link Intime India Pvt. Ltd. is authorized to track the e-mail messages received.
- All communications relating to share registry matters may be addressed to:

Link Intime India Pvt. Ltd.

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

OR

Balmer Lawrie & Co. Ltd.

Secretarial & Legal Department,
21 Netaji Subhas Road, Kolkata-700001
Phone-(033)2222 5314/5329
E-mail:mukhopadhyay.c@balmerlawrie.com

Or sen.k@balmerlawrie.com

Distribution of Shareholding on the basis of number of equity shares held as on 31 July 2013 after the issue of Bonus Shares:

No. of Equity shares	Number of Shareholders	Percentage of total Shareholders	Number of Shares	Percentage of total Shareholding
UPTO 50	10623	48.08	192125	0.68
51 TO 100	3654	16.54	287409	1.01
101 TO 200	3311	14.99	511396	1.79
201 TO 300	971	4.39	238467	0.84
301 TO 400	835	3.78	292557	1.03
401 TO 500	353	1.60	159468	0.56
501 TO 1000	1219	5.52	867480	3.04
1001 TO 2000	571	2.58	826302	2.90
2001 TO 3000	201	0.91	496275	1.74
3001 TO 4000	116	0.53	402466	1.41
4001 TO 5000	54	0.24	240078	0.84
5001 TO 10000	102	0.46	703624	2.47
10001 AND ABOVE	85	0.38	23282994	81.69
TOTAL	22095	100.00	28500641	100.00

Distribution of Shareholding as on 31 July 2013 on the basis of category of Shareholders

Category	No. of shares held	Percentage of Shareholding
A Promoter's Holding		
Promoters		
- Indian promoters	NIL	NIL
- Foreign promoters	NIL	NIL
Sub-Total	NIL	NIL
B Non-Promoter's Holding		
Institutional Investors		
A Mutual Funds and UTI	1141197	4.00
B Banks, Financial Institutions, Insurance Companies (including Central/State Govt. Institutions/ Non-Government Institutions)	2065559	7.25
Foreign Institutional Investors	386202	1.36
Sub-Total	3592958	12.61
C Others		
A Bodies Corporate*	18682537	65.55
B Indian Public	5969408	20.94
C Non-Resident Indians/ Overseas Corporate Bodies	255738	0.90
D Any other	-	-
Sub-Total	24907683	87.39
GRAND TOTAL	28500641	100.00

* Includes Balmer Lawrie Investments Ltd., a Government Company, which holds 1,76,13,225 equity shares post-Bonus Issue 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 2013

Category	Number of Physical Shares	Number of Dematerialized Shares	Total number of Shares	Percentage of Equity holding
Foreign Nationals	0	641940	641940	2.25
Financial Institutions and Banks	2861	2055663	2058524	7.22
Balmer Lawrie Investments Limited (a Government company)	0	17613225	17613225	61.80
UP State Government	7035	0	7035	0.03
Mutual Funds	1137	1140060	1141197	4.00
Bodies Corporate	18104	1051208	1069312	3.75
Directors & their relatives	450	517	967	0.01
Public	631512	5336929	5968441	20.94
TOTAL	661099	27839542	28500641	100.00

Percentage of physical and dematerialized shares as on 31 July 2013

Type of shares	%
Physical	2.32
Dematerialized	97.68
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 2012 to July 2013)

Month	High (₹)	Low (₹)	Volume of Transactions during the month (No.s)
April 2012	572.00	533.25	57420
May 2012	589.00	528.50	111886
June 2012	591.85	552.55	110435
July 2012	612.00	552.00	95932
August 2012	636.00	566.00	162942
September 2012	624.95	558.00	154575
October 2012	663.00	581.20	164640
November 2012	707.00	620.00	228363
December 2012	695.00	635.00	113721
January 2013	700.00	683.15	102496
February 2013	670.00	610.35	77919
March 2013	640.00	574.00	197704
April 2013	683.90	609.35	156734
May 2013	715.00	373.15*	215942
June 2013	394.35*	355.05*	109142
July 2013	394.85*	325.00*	176066

*Ex-Bonus price.

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



Location of Business & ISO Accreditation:

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

Name of the business	Location	ISO	ISO	ISO	ISO	Name of the business	Location	ISO	ISO	ISO	ISO		
		9001: 2000 Accreditation	9001: 2008 Accreditation	14001:2004 Accreditation	18001:2007 Accreditation			9001: 2000 Accreditation	9001: 2008 Accreditation	14001:2004 Accreditation	18001:2007 Accreditation		
Industrial Packaging	Chennai	-	✓	✓	✓	Refinery & Oilfield Services Tea Blending & Packaging Tours & Travel	Goa	-	-	-	-		
	Kolkata	-	✓	✓	✓		Gwalior	-	-	-	-		
	Mumbai	-	✓	-	-		Hyderabad	-	✓	-	-		
	Silvassa	-	✓	✓	✓		Kanpur	-	-	-	-		
	Chittoor	-	✓	-	-		Karur	-	-	-	-		
	Asaoti	-	✓	✓	✓		Kochi	-	-	-	-		
Performance Chemicals and Construction Chemicals	Manufacturing units:	Refinery & Oilfield Services Tea Blending & Packaging Tours & Travel	Kolkata	-	-		-	Lucknow	-	-	-	-	
			Chennai	-	-		-	Ludhiana	-	-	-	-	
			Manali	-	✓		✓	-	Mangalore	-	-	-	-
	Technical Service Centers:		Chennai	-	-		-	-	Mumbai	-	✓	-	-
			Ambur-Vaniyambadi	-	-		-	-	Pune	-	-	-	-
			Chennai	-	-		-	-	Tuticorin	-	-	-	-
	Kanpur		-	-	-		-	Thiruvananthapuram	-	-	-	-	
	Kolkata		-	-	-		-	Visakhapatnam	-	-	-	-	
	Ranipet		-	-	-		-	Kolkata	-	✓	-	-	
	Marketing office:		Chennai	-	-		-	-	Kolkata	✓	-	-	-
			Kolkata	-	-		-	-	Ahmedabad	-	✓	-	-
			Delhi	-	-		-	-	Bengaluru	-	✓	-	-
			Kanpur	-	-		-	-	Bhubaneswar	-	✓	-	-
			Ranipet	-	-		-	-	Bokaro	-	-	-	-
			Jalandhar	-	-		-	-	Chandigarh	-	-	-	-
	Logistics Infrastructure		Chennai	-	✓		✓	✓	Chennai	-	✓	-	-
			Kolkata	-	✓		✓	✓	Dehradun	-	-	-	-
			Mumbai	-	✓		✓	✓	Delhi	✓	-	-	-
Logistics Services:	Ahmedabad		-	-	-		-	Goa	-	-	-	-	
	Bangalore		-	✓	-		-	Guwahati	-	-	-	-	
	Baroda		-	-	-		-	Hyderabad	-	✓	-	-	
	Bhubaneswar		-	-	-		-	Kolkata	✓	-	-	-	
	Chennai		-	✓	-		-	Lucknow	✓	-	-	-	
	Coimbatore		-	-	-		-	Mumbai	✓	-	-	-	
	Delhi		-	✓	-	-	Port Blair	-	-	-	-		
							Pune	-	-	-	-		
							Thiruvananthapuram	-	✓	-	-		
						Vadodara	-	✓	-	-			

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

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

No.	Name of Director	No.	Name of Companies in which the Director is a Director	No.	Membership of the Directors on Board level Committees
1	Shri Virendra Sinha	4	Balmer Lawrie (UK) Ltd Balmer Lawrie (UAE) LLC Balmer Lawrie Van Leer Ltd. PT Balmer Lawrie Indonesia (Commissioner)	3	<i>Audit Committee Member:</i> Balmer Lawrie & Co Ltd Balmer Lawrie Van Leer Ltd. <i>Shareholders'/Investors' Grievance Committee Member:</i> Balmer Lawrie & Co Ltd
2	Shri P P Sahoo	NIL	NA	NIL	NA
3	Shri Niraj Gupta	1	Balmer Lawrie Hind Terminals Pvt. Ltd.(Chairman)	NIL	NA
4	Shri Anand Dayal	5	Avi Oil India Private Ltd. Balmer Lawrie Van Leer Ltd Balmer Lawrie (UAE) LLC Proseal Closures Ltd. PT Balmer Lawrie Indonesia (Commissioner)	NIL	NA
5	Shri Prabal Basu*	3	Balmer Lawrie (UK) Ltd Balmer Lawrie Investments Ltd Balmer Lawrie Hind Terminals Pvt. Ltd	3	<i>Audit Committee Member:</i> Balmer Lawrie Investments Ltd (Chairman) <i>Shareholders' Investors' Grievance Committee Member:</i> Balmer Lawrie & Co. Ltd. Balmer Lawrie Investments Ltd.
6	Shri VLVSS Subba Rao**	NIL	NA	2	<i>Audit Committee Member:</i> Balmer Lawrie & Co. Ltd. <i>Shareholders'/Investors' Grievance Committee Member:</i> Balmer Lawrie & Co. Ltd. (Chairman)
7	Shri Partha S Das	NIL	NA	1	Audit Committee Member: Balmer Lawrie & Co. Ltd

* Shri Prabal Basu joined the Board of the Company as an additional director w.e.f. 1 December 2012

** Shri VLVSS Subba Rao was appointed as an additional director w.e.f. 26 September 2012

**Declaration by Chairman & Managing Director (CEO)
Under Clause 49 of the Listing Agreement**

To
The Members of
Balmer Lawrie & Co. Limited

I, V. Sinha, Chairman & Managing Director of Balmer Lawrie & Co. Limited hereby declare that myself and all Designated Personnel (viz, all whole-time directors and officers in the rank of Senior Vice President and above) of the Company, have affirmed compliance with the applicable Code of Conduct for the year ended 31st March 2013.

Kolkata
12th August 2013

V. Sinha
Chairman & Managing Director

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
To The Members of Balmer Lawrie & Co. Ltd., 21, N. S. Road, Kolkata - 700 001

We have examined the compliance of conditions of Corporate Governance by Balmer Lawrie & Co. Ltd., ("the company"), for the financial year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination is limited to procedure and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, and subject to:

- i) Clause 49 I (A) (ii) of the Listing Agreement and Para 3.1.2 of the Central Public Sector Enterprises

Guidelines on Corporate Governance issued by the Department of Public Enterprises require that in case the Chairman is an Executive Director, at least half of the Board should comprise of Independent Directors, however, during the year, the Company did not have the required number of Independent Directors on the Board for the period from 26th September, 2012 to 31st March 2013 in as much as the Company had 6 (six) Independent Directors in a Board strength of 13 Directors whereas the number required was 7.

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

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

Place : Kolkata
Dated : 12 August 2013

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

CA Sarad Jha
Partner
Membership No: 050138

Management Discussion and Analysis
[Forming Part of the Directors' Report for 2012-13]

The Management Discussion & Analysis aims to provide to the valued Shareholders of the Company further insight into the performance of the Company during the financial year 2012-13.

It would be relevant to commence the review with a brief survey of the prevailing world economic scenario. United Nation's World Economic Situation and Prospects (WESP) Report, 2013 observes that the global economy is still struggling to surmount the effects of the global financial crisis after staging a smart recovery in 2010. In fact, the European economy has continued to show symptoms of weaknesses in the form of rising unemployment, financial sector fragility, fiscal austerity and low to negligible growth.

The American economy too has slowed down significantly and growth is expected to barely touch 1.7% in 2013. Deflationary conditions continue to prevail in Japan. The economic woes endemic in Europe, Japan and United States are spilling over to the developing countries through weaker demand for exports and heightened volatility in capital flows.

Economies in Asia also display weaknesses as the region's twin growth engines, China and India, have shifted into lower gear. While significant deceleration in exports has been a key factor in the slowdown, there are other factors that have dimmed the economic outlook.

It may be recalled that the Indian economy grew at an impressive rate of about 9% during the period 2004-05 to 2007-08. The global economic slowdown altered the growth track of the Indian economy. The growth rate has plummeted to a mere 5% in the year 2012-13, the lowest in the last decade, which is significantly lower than the 6.2% growth recorded in 2011-12.

While India still remains one of the fast growing economies, the slow growth rate is a matter of concern taking into consideration the low per capita income and large population base of the country. Stalling of investments in the mining and manufacturing sectors, high levels of inflation, falling agricultural productivity, slowdown in the manufacturing sector and high unemployment levels have aggravated the falling growth rate. Another contributory factor has been the depreciation of the Indian rupee vis-à-vis US dollar, which has pushed up the cost of imports appreciably.

India is expecting a slow recovery to shape up in 2013-14 with progressive implementation of a slew of reforms announced since mid-September 2012, which *inter alia*, include liberalization of Foreign Direct Investment [FDI] in multi-brand retail, re-structuring of Diesel & LPG subsidy in the Petroleum sector, amendment of the Banking Regulation Act and the setting up of the Cabinet Committee on Investments chaired by the Prime Minister himself to expedite decisions / approvals of mega projects. All these are positive actions but the economy *per se* shows no signs of gaining the earlier momentum.

It is a matter of satisfaction that the impressive physical and financial performance of Balmer Lawrie & Co. Ltd. during 2012-13, reflected in the Directors' Report, has been accomplished despite the prevailing economic scenario. The Company, being a diversified corporate, operates in both the manufacturing and the service sectors, which helps it consolidate its top- and bottom-lines and hedge its risks in a dynamic environment. The Company strongly believes in delivering value-added products and services in order to maximize shareholders' value. The business of the Company consists of eight Strategic Business Units (SBUs), which are individually discussed in this Report.

As would be seen from this Report read with the Directors' Report, the core competence of the Company lies in its ability to handle multiple diversified businesses in a manner to keep its top and bottom-lines healthy despite cyclical fluctuations in any one or few of its business segments. This core competence is enmeshed in its management structure and Profit Centre based organizational structure for running its vastly diversified operations efficiently and effectively.

1. INDUSTRIAL PACKAGING [SBU-IP]

Industry Structure and Developments

SBU-Industrial Packaging is the manufacturer of an extensive product range of 165, 200 and 210 litre capacity mild steel drums and barrels from its six manufacturing locations viz., Asaoti, Chennai, Chittoor, Kolkata, Mumbai, and Silvassa. The SBU is the largest manufacturer of 200 litre steel barrels in the Industrial Packaging segment. The product has its major market in the Petroleum, Chemicals and Food Industry.

The Company manufactures and markets these products through its pan-India marketing network to cater to consumers in the lubricating oils & greases, transformer oil, agrochemicals, fine chemicals, paint, fruit pulp & food products and bitumen industry segments. The consumers are leading manufacturers in their respective industry segment and belong to both public and private sectors and the containers provided by the SBU are used mainly for safe packaging, transport and storage of their products.

Competition has become intense in the Industrial Packaging industry with the emergence of Medium & Small scale players, which has had the effect of depressing margins in the market. During the year under review, there was a steep fall in the market demand especially in the fruit segment but overall the SBU succeeded in maintaining its previous year volume. The year witnessed stability in the price of cold rolled steel, which is the main input material used in the manufacture of the containers, which was indeed a positive development for the SBU.

During 2012-13 the SBU continued to retain its lead position in terms of market share.

Opportunities & Threats

The major opportunities for the SBU lie in expansion of its product range, leveraging the benefit of multi-locational presence and well accepted quality standards across diverse industry segments leading to “most preferred supplier” status with a large base of customers, and nurturing its leading edge technologies & technical expertise.

The major threats being faced by the SBU are the surplus manufacturing capacity in the Industry leading to depressed pricing, competition from alternative products such as plastic drums, tender based supplies with wafer-thin margins, volatility in the steel industry leading to unstable product pricing. This has been further compounded by the Government’s reservation of Steel Drum & Barrels to be purchased by PSUs and Government Departments / Ministries from Micro & Small Enterprises [MSEs].

Segmentwise or Productwise Performance

2012-13 witnessed a severe fall in demand from the fruit segment. Despite this the SBU achieved higher level of sale than the previous year with the fall in demand in the fruit segment being compensated by the increased sale in other segments.

Outlook

The indicators for the SBU point towards a reasonable 2013-14 with the fruit segment expected to recover significantly, which will partially offset the loss of PSU and Government business as consequence of reservation of steel drums and barrels from MSEs. Based on the country achieving targeted GDP growth, the SBU expects to retain its market share in 2013-14. It would be relevant to mention that following up-gradation of equipment during the year under review, there has been augmentation of production capacity in the SBU. The proposed High Throughput Plant at Navi Mumbai is expected to give a further competitive edge to the SBU.

Risks & Concerns

Risk perception of the SBU becomes significant in the context of growing competition from plastic drums manufacturers. Again escalation in input costs, especially steel and paint, often results in less than commensurate product price adjustments and has subjected the Industry to margin pressures from time to time.

The rate of growth in the demand for / consumption of lubricants have remained static for some time and this has been a source of concern for the SBU.

Discussion on Financial Performance with respect to Operational Performance

Owing to severe competition in the financial year under review, the margins were squeezed. However, the SBU concentrated on and reached the overall volume of the previous year by aggressive pricing.

Internal Control Systems and their Adequacy

The SBU is governed by performance budget system and internal control measures for monitoring the performance against targets / norms. All the six plants under the SBU are certified to ISO 9001: 2000 Quality Management Systems and four of the plants are certified to ISO 14001: 2004. Additional checks through Internal Audit, Vigilance Inspection etc. are maintained.

Material Development in Human Resources / Industrial Relations

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

2. GREASES & LUBRICANTS [SBU-G&L]**Industry Structure and Developments**

The Lubricant industry in India has an estimated annual turnover of around ` 15,000 crore with consumption estimated at around 1.50 million tonnes in 2012-13. The Indian lubricant market is the seventh largest in the world and second largest in Asia after China. The size of Grease market is about 87,000 tonnes and 40% of this volume is outsourced from grease processors.

The lubricant market has traditionally been dominated by PSU Oil Companies on account of their brand value and reach. With the advent of Multinationals, the nature of the lubricant business has changed radically from a seller’s to a buyer’s market with brands playing a very important role. The market comprises two segments - Automotive grades, which constitute about 60% of the market and Industrial & Marine Grades, which represent the balance. The industry is very competitive with a large number of players. MNCs and PSU Oil Companies together control about 74% of the market share with the balance being shared by several organized and unorganized players. The market share of the Company in Lubricants stands at 2.9%. In the Greases segment, however, the Company is a major player having a market share of around 24%.

The automotive lubricant market is highly price sensitive and volume growth is slow on account of longer drain intervals of lubricants due to upgraded version of engines used in 4-wheelers & 2-wheelers. The recent steep hike in the petrol prices has significantly affected the sale of 4-wheelers prompting car manufacturers to scale down their production resulting in a decline in the business volume of automotive lubricants.

Opportunities & Threats

The SBU manufactures and sells Lubricants both in the Industrial and Retail segments. It also takes large contract manufacturing orders from major Oil companies. While fairly moderate margins accrue to the Company from Industrial segment, the contract manufacturing offers little scope for real value addition.

With the advent of small cars and motorcycles in smaller cities and rural markets, the demand for automotive lubricants under the Retail segment, is expected to increase over a wider customer spectrum. In the near and medium-term with

its excellent knowledge base, availability of technology for manufacturing a wide range of products and R&D efforts in developing high performance and specialty greases & lubricants for niche market, the SBU sees tremendous potential for business expansion and growth.

The SBU is in the process of aligning its operations, sales & marketing as well as supply chain management to aggressively grow its market share in the Retail segment. Opportunity is also visualized in the growth of the two-wheeler segment especially in China and India, which would create scope for lubricant manufacturers to launch value added high quality engine oils suited for such application.

The Company's R&D centre maintains international standard which provides the decisive cutting-edge technology. Opportunities exist to develop and promote eco-friendly biodegradable lubricants and high-end innovative products using in-house R&D. Value engineering and up-gradation of existing product range constitute priority action areas for the SBU. Using the expertise available with its in-house R&D Centre, the Company has developed and launched a number of specialty lubricants like rolling oil, expander oils, fire resistant hydraulic fluid, synthetic mould oils, specialty greases, etc. which have application in critical areas of various industries.

Amongst the threat perceptions, volatility in the prices of input materials like base oil affects the demand and margins of the SBU. Technological advancements resulting in longer drain intervals for lubricants and use of filled-for-life lubricants are also likely to affect the volume growth. In the industrial tender related business, the tendency of some Oil majors to absorb high raw material cost, particularly base oil cost to gain competitive advantage often detrimentally affects the margins and market share of the Company. The commitments made by the SBU to some of its major clients in terms of fixed pricing have also affected the profit margin considerably.

Segmentwise or Productwise Performance

The business of SBU: G&L comprises two broad segments viz., [a] Processing Business and [b] Direct Sales. The Direct Sales segment can be further categorized into (a) Institutional / Industrial Sales, (b) Retail Sales and (c) Export. In the institutional / industrial sales category, the major customers are Railways, Defence, Steel Sector, Coal Sector, Jute Sector, Sponge Iron Sector and Auto OEMs, etc.

The Processing business during 2012-13 was down by around 15% compared to the previous year as the PSU oil companies traditionally using the Company's grease manufacturing facility, have been increasingly developing and using their own facility. Nevertheless, during the year under report, the SBU earned a major break-through by securing a substantial order from Hindustan Petroleum Corporation, regaining the business after a lapse of several years.

In the ambit of Direct Sales, the SBU recorded a growth of 10% in retail sales and 3.2% in sales volume of 'Balmerol' branded products in 2012-13 over the previous year. Notwithstanding severe price competition from Oil PSUs & major MNCs, and sharp hike in the prices of base oil &

additive, etc., the SBU achieved higher profitability with 3.7% growth as compared to the previous year. The SBU closed the financial year 2012-13 receiving a lucrative order from the Railways for supply of lubricant products.

To further accelerate its growth, the SBU proposes to lay additional thrust on Retail Sales by way of various promotional campaigns and incentive schemes.

Outlook

The Company is scanning opportunities for pioneering entry into manufacture and supply of eco-friendly / biodegradable lubricants in the Indian market. The SBU is also considering introduction of value-added specialty products for niche markets especially for the steel and the automobile industry, which are poised for major takeoff. The SBU expects to maintain its growth rate in the Retail segment with a target of achieving an improved market share of 6% or so in the next few years. Also on the anvil are plans to enter into tie-up with major Automobile companies / OEMs to cater their factory fill as well as their after sales market.

Risks & Concerns

The major risks in the business arises from the stranglehold wielded by the PSU Oil companies over price of base oil being the major raw materials, as also cross subsidizing by some of the oil majors. The margins of the SBU are under threat in a rising base oil and additive price scenario.

Discussion on Financial Performance with respect to Operational Performance

During 2012-13, the SBU was able to maintain its overall performance level both in terms of production and sales as compared to the previous year. The profit earned by the SBU during the year was marginally higher as compared to 2011-12. The bottom-line could have been better but for the inordinate increase in base oil, additive and other input prices and the failure of the SBU to pass on proportionate additional costs to the customers because of tough market conditions.

On the operational side, the SBU has implemented various strategies in the area of raw material substitution, innovating with cost effective formulations, value addition etc. to combat the challenges and to protect the margin in the current financial year.

Internal Control Systems and their Adequacy

The SBU has adequate internal control mechanism modelled to take care of its business needs. GLIOS – the Integrated Operating Software System developed in-house – is functional at all locations for better monitoring of performance and operating parameters. To monitor the growing retail sales volume effectively, an On-line Depot Management System is in place in all regions.

The SBU has evolved a very detailed Management Information System coupled with systemic control measures to monitor performance against budget / targets. The Quality and Environment Management System at the manufacturing

plants are very much functional and are certified to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 Standards.

Material Development in Human Resources / Industrial Relations

Industrial relations continued to be satisfactory.

3. PERFORMANCE CHEMICALS [SBU-PC]

Industry Structure and Developments

In the year 2011, the Union Commerce Ministry set an export target of USD 9 Billion for 2013-14 for leather and leather products and directed the leather industry to diversify the export range by increasing quantum of value added, high value products especially top-end shoes and leather garments. Industry players know that exports can go up only if producers successfully penetrate the US market.

The Indian Leather Exports today primarily consists of finished leather footwear and footwear components, leather garments, leather goods and accessories, upholstery, saddlery and bags. About 70% of the leather and leather products are exported to European nations.

Over a decade ago India and China were at par in terms of their leather exports. However, this scenario has changed completely and today China's share in the global leather trade is about 22% with exports of \$25 Billion whereas, India's share is a mere 3% valued at around \$ 3.5 Billion.

In the International market, Indian leather industry faces big competition from Bangladesh besides China, Vietnam and Indonesia. This is because a substantial chunk of overseas buyers look at Bangladesh as an additional supplier of leather footwear at economic value owing to availability of cheap labour and lower cost of production compared to India.

Despite the above and India's over dependence on the Eurozone countries, the Indian Leather industry achieved export growth of 2.5% in 2012-13 over the preceding year as reported by Council of Leather Exports. The industry increasingly sought to enhance its market penetration into non-traditional areas.

Focusing on the Leather Chemicals Industry, it is observed that the industry in India is led by MNCs like BASF, Clariant, Lanxess and Stahl. Their strategy centres on a policy of offering a very wide range of products but at the same time focussing on products that fetch better margin. However, in the absence of sustained demand, the industry is fraught with fierce competition on account of overcapacity and the existence of large number of players in the sector.

SBU: Performance Chemicals is essentially in the business of manufacturing and marketing of Syntans and Synthetic Fat Liquors in the Leather industry having a market share of 9% in Syntans and 25% in Fat Liquor in India. The SBU is focused on augmentation of its capacity and expanding its product basket for attaining growth. The SBU also aims to foray into Finishing Segment of Leather industry, a niche area offering relatively higher margins.

Opportunities & Threats

The SBU competes with suppliers of imported Fat Liquor and is in a favourable position to supply its products at a competitive price. The SBU sees considerable opportunities in the export market. The main overseas markets are China, South Korea and Bangladesh. The SBU has penetrated the African market by making supplies to Ethiopia. Also under consideration are the prospects of entering Iran, Vietnam and Thailand.

The SBU has since 2011 diversified its product portfolio in the area of Construction Chemicals, which have relatively large market potential for growth. Supplies of Concrete Admixtures have been successfully made to the Construction Industry to initiate the business. Construction Chemicals business is expected to go a long way in complementing the Leather Chemicals business.

As regards threat perceptions in the Leather Chemicals business, the primary constraint is availability of Hides & Skins due to reduced slaughtering, which tends to push up input prices and negatively affects the Leather Chemicals Markets. Leather processing business by its very nature produces pollutants. To address this issue, the Industry is setting up Common Effluent Treatment facilities and re-siting the tanneries into clusters, which, in effect, are leather complexes equipped with requisite infrastructural facilities.

Yet another constraint being faced by the SBU is price volatility of key raw materials such as paraffin wax and other petroleum products. The constraint gets aggravated since in a buyers' market the incremental price of raw materials cannot be passed on to the consumer thus culminating in reduction of margins. To overcome this situation, the SBU continues to make efforts for partial substitution of expensive raw materials with the objective of bringing down costs. Availability of non-leather substitutes is also a threat factor confronting the SBU.

Segmentwise or Productwise Performance

In the Fat Liquor segment, the Company has had a volume growth of 15% over the last year, whereas in the Syntans segment there is a marginal decline in the volume. Overall, the SBU has achieved 14% turnover increase as compared to the last financial year.

Outlook

The SBU continues to witness a difficult phase with respect to the growth prospects in terms of volume of business in Leather Chemicals, as the Euro zone crisis still persists. The way forward is to increase the sales volume of Fat Liquor in the domestic and export markets. To push its sales into new avenues and to enhance its market reach, the SBU is in the process of appointing dealers at various locations.

As stated, the SBU has diversified its product portfolio into the area of Construction Chemicals, which has significant manufacturing synergies with the Leather Chemicals production set-up and also has a potential market for growth.

To make its foray into Construction Chemicals successful, the SBU has initiated discussion with Infrastructure Companies, Ready Mix Concrete Plants [RMCs], builders and consulting civil engineers.

In the Admixture segment of Construction Chemicals, the SBU has developed a premium range of Poly Carboxylate Ether based admixture and will soon be the first indigenous manufacturer to launch the product in India. The Company is hopeful that in the long-term it would have significant payoff from the Construction Chemicals business.

Risks & Concerns

The continuous escalation of raw material prices, energy and other inputs costs have relentlessly reduced the margins in the business and affected the bottom-line in Leather Chemicals. The applicability of the REACH norms on the products used in leather processing along with the tightening of pollution control norms in relation to the tannery / effluents are other major concern area for the SBU. Confronted with the emerging business challenges, the Company sought to de-risk its long-term business viability and meet its growth aspiration by entry into the relatively nascent business of manufacture and marketing of Construction Chemicals products.

Discussion on Financial Performance with respect to Operational Performance

Despite the challenges outlined herein above and the slowdown in Europe — which adversely impacted the demand for leather goods — the SBU maintained its market share and achieved a growth of 12% over 2011-12 in the domestic market and also increased its export earnings considerably during 2012-13. Thus the Sales volume and turnover of the SBU increased significantly in 2012-13 as compared with 2011-12.

Internal Control Systems and their Adequacy

The SBU has internal control systems commensurate with the complexity and scale of its operation. There is a computerized business operation system. The manufacturing unit, product development, marketing functions and construction chemicals are now certified under Integrated Management System comprising of ISO 9001:2008, ISO 14001: 2004 and ISO 18001:2007 standards.

Material Development in Human Resources / Industrial Relations

Industrial relations remained cordial during the year.

4. LOGISTICS SERVICES [SBU-LS]

Industry Structure and Developments

Logistics is one of the fastest growing industries with an annual growth rate of approximately 10%. India is emerging as one of the major manufacturing hubs for automotive and pharmaceutical products and this is expected to provide a fillip to the growth of the Logistics Industry. The total market size of the Logistics industry in India has been estimated at

USD 100 Billion in 2012-13. Much of the industry is fragmented with a mere 6% with the organized sector. The other key factors underlying the growth of the Logistics industry are the emergence of organized retailing in India and increase in foreign trade. Most of the industries like Automotive, Electronics and Pharmaceutical Sectors are opting to outsource their logistics requirement to specialized third party Logistics service providers.

Infrastructure in the Logistics sector has surfaced as a critical component requiring significant investment. Large investments are underway to develop logistics parks, free trade zones, cold chains, Inland Container Depots & Container Freight Station, etc. apart from developing several airports across the country. These developments are expected to nurture the growth of Logistics Services industry. The introduction of Goods & Services Tax [GST] will act as a catalyst leading to creation of logistically optimal network and generate robust growth of the industry.

Opportunities & Threats

Although today about 56% of the revenue of the SBU accrues from air cargo consolidation and handling, the SBU is increasingly focusing on catering to ocean freight requirements by leveraging on the inherent strength of its large customer base demanding total logistics solutions.

Over the years, the SBU has gained expertise and experience in providing logistics solutions to government departments and PSUs and now aims to consolidate its future by also enhancing its customer base in the private sector. With intensive efforts the SBU has been able to make inroads by providing ocean imports/exports services on a door-to-door basis. The SBU has also focused on project, heavy lift and sensitive cargo by both air and ocean.

The growth of any international logistics service provider depends largely on support by its partners and associates. With the entry into India of international freight forwarders, the competitive advantage of the domestic freight forwarders has been seriously challenged and this can well be perceived as a threat for the SBU. In view of the threat perceptions, the domestic freight forwarders have begun re-aligning their business strategy with international tie-ups, mergers and acquisitions. The slowing of GDP growth in India in particular and most of the other major countries in general is also emerging as a threat to the continued growth of this industry.

Segmentwise or Productwise Performance

The SBU-Logistics Services offers a comprehensive array of services including import consolidation by Air and Ocean, customs clearance at various sea ports, handling of project cargo through multi-modal transportation, chartering of aircrafts and vessels besides providing express services. Air cargo handling and provision of related support services like customs clearance and chartering continued to form the core revenue generator of the SBU in 2012-13. The growth in turnover and profit of the SBU from air freight and support services was of the order of 15% and 19% respectively compared to 2011-12.

Outlook

To capture the growth opportunities present in the market, besides strengthening its infrastructure, human resource and extending its services in the value chain, the SBU is exploring possibilities of realigning its business focus to target newer and more attractive segments. This will accelerate further growth and also focus on re-engineering its systems and capabilities to improve its turnaround time, reliability and customer satisfaction.

With the aforesaid objective in view, the SBU has stretched its activities in and across the country opening three new branches and more in the pipeline. Currently, the SBU operates with 22 branches across the country.

Risks & Concerns

The Logistics Services industry has become acutely competitive in nature more so because there are no entry barriers. The industry has both national and multinational players competing against each other. The multinational forwarders with their superior purchasing power pose tough challenges to other forwarders, by offering competitive rates and single window services. However, the SBU, with its strong associate support and value added services, has been meeting these challenges successfully.

Direct competition with the shipping lines in handling Ocean Cargo activities also poses a major threat. The SBU has been partially successful in meeting such challenges by entering into long term agreement with the shipping lines as also by offering them customized services.

Since the SBU is operating predominantly in handling import consignments, the weakening of the Indian Rupee and the general slowing down of the economy are the other immediate concerns.

Discussion on Financial Performance with respect to Operational Performance

Despite the effects of the Euro Zone crisis and economic slowdown, the SBU registered growth of 23% in terms of turnover year-on-year and 24% in bottom line. The highest ever profits were accomplished in 2012-13 through proliferation of business activities into newer avenues, instituting measures geared at cost control and marketing of value added services to the customers. The growth in the area of air cargo handling and allied services in 2012-13 touched an impressive figure of 16%.

Internal Control Systems and their Adequacy

All the branches of the SBU are ISO accredited and the accreditations are successfully renewed every year. The SBU also has in place an effective internal control mechanism which includes external and periodical internal audits.

Material Development in Human Resources / Industrial Relations

Industrial relations continued to be cordial at all units of SBU: Logistics Services while operating with optimum level of manpower.

5. TOURS & TRAVEL [SBU-T&T]**Industry Structure and Developments**

The government has implemented certain positive steps during the year, such as permitting 49% Foreign Direct Investment [FDI] to foreign airlines investing with Indian domestic carriers, granting license to import Aviation Turbine Fuel directly and lifting the cap on international routes for domestic carriers. The year also witnessed the shut-down of Kingfisher Airlines, Paramount Airways, MDLR and faster growth of low cost Airlines, vis-à-vis the full service carriers.

There has been a discernible shift in the travel pattern of Indian outbound travelers on account of reasons such as weakening of the Indian rupee against the American dollar coupled with increase in international airfares. The shift has resulted in a fall in demand for long-haul destinations, such as Europe and America from Indian outbound travelers. Customers, who would have normally taken international tours, are now opting for domestic destinations.

The current trend shows that customers are moving beyond the old school thought of just sight-seeing and shopping, they are more interested in customized packages that afford luxury yet are economical. The travel industry has thus perforce to develop packages with requisite appeal factored in.

The year also witnessed the emergence of numerous online travel portals and there has been a 30% increase in the number of customers visiting such portals. The other major action taken worldwide by the aviation industry was to cut down incentives/commissions paid to travel agents.

Air India and Jet Airways have reduced their commission from 3% to 1% and the transaction fee of 6% that was allowed by the low cost carriers was stopped following the Supreme Court order dated 23rd January 2013 dampening the industry outlook.

Opportunities & Threats

The Company is one of the largest travel agencies in India affiliated to IATA. The business of the SBU: Travel & Tours consists of three segments viz., domestic travel, international travel and tour packages. With Indian aviation industry passing through uncertain times, actions being taken by them, such as reduction / NIL commission and proposed reduction in credit period would have a significant impact on the SBU. The positive feature of the SBU is its extensive network of offices, 24x7 helpline services and the presence of experienced and supervised manpower. The travel portal operationalised by the SBU during the year has been positive and is expected to grow with time.

With the reduction in commission by the airlines and non-availability of productivity-linked bonus from domestic carriers, the SBU is facing interim challenges to maintain margins. To overcome this, focus is being laid on being cost-effective in operations while simultaneously gearing momentum towards improving customer focus and launching new initiatives.

Segmentwise or Productwise Performance

The performance of the SBU in 2012-13 was an improvement over the previous year and generally at par with the estimates despite the industry reflecting a bearish trend. British Airways has awarded the Company a Certificate of Appreciation for outstanding performance in travel business in 2012.

Outlook

The Airline industry, to which the SBU is closely linked, is passing through very challenging times. With competition in the sector at an all-time high and airlines under margin pressure, because of increasing costs, they have resorted to various innovative methods to increase their revenue streams and cut costs. While making air-travel, especially foreign travel cheaper and stimulating e-business volumes they have been making all efforts to reach the customers directly and thereby eliminating the need for travel agents. In spite of these adverse conditions, the SBU expects significant growth in volume of business from its Corporate Client base, which is still dependent on travel agents as well as focusing on higher sales through its online portal launched during the year. The SBU is also focusing on non-ticketing revenue streams. Aggressive plans have been drawn up to promote its products and services through press and digital media.

The SBU is in the process of exploring and evaluating some of the upcoming IT technologies with a view to further consolidating its backend operations to support future growth plans. Also under finalisation are plans for implementing modern CRM systems with smart Business Intelligence [BI] capabilities to support the goal of offering more sophisticated, tailor-made personalized services.

Risks & Concerns

Unhealthy competition from the unorganized sector is a major cause of concern.

Collection of outstanding debts mainly from various Government Ministries continues to be an area of concern for the SBU owing to budget constraints of the Government of India and these exert huge pressure on working capital requirements. Implementation of negligible/zero commission and reluctance of the Central Ministries to pay service charges are the other major concerns for the SBU.

Discussion on Financial Performance with respect to Operational Performance

The overall sales performance was marginally better than the previous year. With better control on costs and continued stress on timely collections, the bottom line showed a significant improvement.

Internal Control Systems and their Adequacy

SBU: Tours & Travel has adequate internal control as well as proper checks and balances in its systems and procedures commensurate with the spread and nature of its business and major branches are certified under either ISO 9001:2000 or ISO 9001:2008.

Material Developments in Human Resources / Industrial Relations

Industrial relations continued to be satisfactory.

6. LOGISTICS INFRASTRUCTURE [SBU-LI]

Industry Structure and Developments

Logistics Infrastructure comprises three main segments viz., Container Freight Station (CFS), Inland Container Depot (ICD) and Warehousing & Distribution (W&D). CFS / ICD represents common user, custom-bonded facility with public authority equipped with warehousing space, handling equipment and related IT infrastructure. It operates as an extension of the Port and helps in reducing congestion at the Ports. Services of loading / unloading and aggregation / segregation of export / import cargo are offered at such depots.

During 2012-13, the growth of container handling at Indian Ports was 5.75%, which was almost in line with the growth in 2011-12. The total containerized traffic at major ports in India accounts for only 22% of the total EXIM volume, which is quite low as compared to the global average of about 65% cargo containerization. The total container traffic in India during 2012-13 was around 10 million TEU's [inclusive of transshipment, empties and coastal movements]. The Warehousing demand in India is also growing at around 6.8% CAGR over a period from 2010-11 to 2012-13; the growth is being driven by growth in production & consumption, organized retail and logistics. It is likely to receive a further push as and when Goods & Services Tax (GST) is rolled out.

Presently, the SBU operates three state-of-the-art CFSs located at Nava Sheva (Navi Mumbai), Chennai and Kolkata. Incidentally, these ports handle nearly 65% of the total container traffic handled at the major Indian Ports. Warehousing & Distribution has always been a traditional activity of the Company and the SBU operates such warehousing facilities at Kolkata and Coimbatore.

Opportunities & Threats

The existing low level of containerized traffic in India as compared to world average and the proposal for establishment of two new ports in the Eastern Coast, offers new avenues of business and channels of growth for the SBU. The growth in organized retail trade and the likely roll out of FDI investment policy by the Government also provides opportunities for growth in warehousing activities. Detailed assessment of demand and supply suggests that presently, there exists a demand for 60,000 tons for organized Cold Chain storage which needs to be catered to by the industry. The SBU is looking at these opportunities for further growth.

However, the economic slowdown in the major world economies, the weakening of the Indian rupee vis-à-vis the US Dollar and the increase in direct delivery of containers from Ports by importers through green channel facility are threat factors for the SBU which needs to be managed.

Segmentwise or Productwise Performance

SBU: Logistics Infrastructure — together with SBU Logistics Services — continues to remain the prime profit generator of the Company in 2012-13. During the year, the CFS business recorded a nominal growth, both in volume, top-line and bottom-line as compared to the previous year. Warehousing activity turned in an impressive performance recording 26% growth in volumes matched by significant growth in turnover and profit.

Outlook

Through concerted marketing efforts, the SBU has successfully withstood competitive pressures during the year. However, the impact of continued economic slow-down is being felt by the SBU.

The SBU is pursuing an intense growth strategy. On the anvil is a proposal to set up a Multi Modal Logistics Hub in Visakhapatnam and another in the hinterland of Kolkata. Typically, a Multi-Modal Logistics Hub is an integrated Logistics Park consisting of a Customs notified Inland Container Depot, a facility for handling Domestic Cargo, a Railhead, a Truck terminal, warehousing facilities, both general and cold storage and Container Repair facilities. To further accelerate and add to the growth of the SBU, the Company is in the process of setting up three Cold Chain Facilities in different parts of the country.

Risks & Concerns

The Risk profile of the business has been progressively going up because of intense competition and severe overcapacity in Mumbai and Chennai. The competitive scenario in the business of Container Freight Stations is a direct impact of the increasing number of Container Freight Stations coming up in the country and the emergence of the shipping lines equipped with their in-house Container Freight stations.

The economic slowdown particularly in the western countries has been an area of concern. It has affected the Export-Import Trade and the SBU is facing severe crunch in volume from its focal business of import. The margins in the business have also shrunk on account of incentive-war amongst the operators. Further it is seen that there is a growing trend amongst large well established importers to avail the green channel facility whereby direct delivery is taken of import-laden boxes from the Port bypassing the CFSs as it is more cost effective.

As a part of providing better service to the customers and to effectively monitor the risks & concerns, the SBU has made significant investments in upgrading IT infrastructure at all locations. It has further introduced “Container Tracing and Tracking solution” and a Web based operations package during 2012-13.

Discussion on Financial Performance with respect to Operational Performance

The SBU ended the year with a nominal increase in volume, turnover and profit as compared to the previous year.

Internal Control Systems and their Adequacy

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

Material Development in Human Resources / Industrial Relations

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

7. TEA [SBU-TEA]**Industry Structure and Developments**

Tea production during 2012 touched 1126 Million Kg up by 10 Million Kg from the previous year. Favourable weather conditions prevailing in North Eastern India and increase in acreage by small tea growers were the principal reasons behind such enhanced production. The export volume of the country also went up from 193 Million Kg in 2011 to about 205 Million Kg in 2012. Domestic consumption of tea also grew by 2% to touch 890 Million Kg in 2012 as against 873 Million Kg in the previous year.

Opportunities & Threats

SBU: Tea possesses packaging facilities with Blending Systems, Form-Fill-Seal machines and Tea bagging machines, capable of better capacity utilization with optimum usage of manpower. The volumes have risen with increase in clientele and improved operational control but the fixed costs of the SBU — which really represent sunk cost — are uneconomic. The difficulties get multiplied as the Company does not have its own tea gardens. Another inhibiting factor for the SBU is availability of limited in-house expertise to effectively carry on the business.

Concomitant to the aforesaid factors, SBU: Tea has been incurring losses year-on-year and attempts to affect a turnaround has not yielded any positive result. Possibility of setting up joint ventures by roping in a Strategic Partner has been explored but the same has also not been successful.

The major thrust of the SBU even in 2012-13 continued to be contract packaging for other tea producers besides developing the in-house brand in tier II and III towns.

Segmentwise or Productwise Performance

Over the last few years, the SBU has tried to revive its in-house brands but the efforts at promoting these brands have not resulted in significant increase in the business volumes. Export sales of the SBU in 2012-13 were significantly lower compared to the previous year. However, domestic retail sales increased substantially, in the chosen markets in the states of West Bengal, Jharkhand & Maharashtra. During the year under report, the SBU continued its contract with a

major tea producing Company for meeting its blending and packing requirements.

Outlook

With limited in-house expertise in the Tea business and considering the macro-factors narrated herein above, the prospects of the SBU generating revenue and emerging as a profitable business entity appears quite dim. From a pragmatic standpoint, therefore, the Company has taken the decision to exit the Tea business and is in the process of closing down the activity.

Risks & Concerns

It has been observed that price and quality of tea are critical factors in the growth of the Tea business, and the going gets tougher when the SBU has to compete with well-established brands possessing cost-effective units. On these counts, the SBU is hardly in a position to beat competition and generate positive contribution.

Discussion on Financial Performance with respect to Operational Performance

The performance of the SBU has improved substantially over the preceding year with respect to volume and turnover. However, its profitability continues to be disappointing which has resulted in the Company taking a decision to withdraw from this business activity.

Internal Control Systems and their Adequacy

During the year under report, the SBU had adequate and proper Internal Control System governing its activities and the factory and offices of the SBU had the requisite ISO certifications.

Material Development in Human Resources / Industrial Relations

Industrial relations continued to be satisfactory.

8. REFINERY & OILFIELD SERVICES [SBU-ROFS]

Industry Structure and Developments

The SBU: Refinery & Oilfield Services is engaged in the activity of Mechanized Oil Tank Sludge cleaning and Hydrocarbon Recovery Services. The SBU plans to expand the portfolio into systems for prevention of vapour loss of petroleum products from storage tanks as also other technology driven services such as Composite repair services, non-metallic technology for repair of pipelines & storage tanks to avoid unplanned shutdowns. This continues to be a nascent industry with a very limited number of players and the Company is a pioneer and leader in this nascent market.

Opportunities & Threats

The SBU continues to enjoy sizable market in the processing of oily sludge. Additional growth opportunity exists in lagoon sludge cleaning business and this is expected to intensify with the applicability of strict pollution norms in the Oil

Industry. The market for Composite repair is still evolving and the same is expected to accelerate progressively with the increased awareness of users.

The main threat as of now relate to the emergence of new players in this niche market though currently not many players are seen in the segment.

Segmentwise or Productwise Performance

In 2012-13 the SBU achieved significant growth in the turnover pertaining to oily sludge processing and it continued to retain its market leadership in hazardous sludge management. A welcome development has been the entry into the power segment.

Outlook

In the coming years, the SBU aims to spread its service portfolio — involving processing of hazardous sludge — into other industries. The SBU also has plans for increasing market awareness as to the utility of composite repairing services. The SBU is actively chalking out plans for entry into Environmental Engineering in the waste management area, which is expected to offer significant growth opportunities. For the purpose, feasibility study is being initiated.

Risks & Concerns

The risk-profile of the SBU revolves around emergence of competitive technology and processes. In order to manage risk, create product differentiation and take the technology to the next level, the SBU is endeavoring to bring forth technological evolution in its services so as to reduce human interference.

Discussion on Financial Performance with respect to Operational Performance

It is a commendable feature that the SBU has recorded nearly 10% increase in turnover and 150% increase in profit during the financial year under report, without any addition to its human resources.

Internal Control Systems and their Adequacy

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

Material Development in Human Resources / Industrial Relations

Industrial relations continued to be satisfactory.

Corporate Social Responsibility [CSR]

The Company believes that good financial results are not an end in itself for the success of any business; rather it is a means to achieving higher socio-economic goals. In pursuance of this belief, the Company is committed to conducting its business in a socially responsible manner and be responsive to the needs of the society at large. The

Company has constantly endeavoured to integrate the interest of the business with that of society, which is enshrined in its Vision Statement itself and further reinforced in its Mission Statement.

The Company's policy and approach to CSR has evolved over a period of time and is in consonance with the prevailing DPE guidelines. It can briefly be stated as under:

- As far as possible, effort is made to align CSR projects with the Company's business and its operational demands.
- The CSR projects focus both on communities around Company's work centers to improve their quality of life as also on "theme based" CSR initiatives, which are long term interventions with wider coverage
- Long-term engagement with select NGOs of repute are preferred
- An appropriate Structure to plan, implement and monitor CSR activities is in place
- Employee involvement in CSR is encouraged
- CSR activities and achievements are showcased through various communication channels

The Company is implementing various CSR projects under the following flagship programs:

1. **Balmer Lawrie Initiative for Self Sustenance [BLISS]**
2. **Samaj Mein Balmer Lawrie [SAMBAL]**

While the **first Program** is directed at providing & improving the long term economic sustenance of the underprivileged through deep & long term engagement with relevant social/developmental issues, the **second Program** aims at improving the living standards and quality of life of population in and around the Company's work-centres.

In pursuance of these Programs, the Company has undertaken several community development projects, partnering with various NGOs with a focus to trigger development at micro-communities and thereby generate the desired developmental impact.

The focus areas of these initiatives, amongst others, have been on:

- Child Care & Sustenance – Support to destitute and physically challenged children
- Education – Scholarships for higher education / Upgrading of School infrastructure
- Healthcare – Clinics for Mother & Children / Mobile Health Unit for the Aged / Construction & operation of Dispensary / Health Checkup & Counseling for Drivers & Mechanics
- Sanitation – Construction of WC units in village households

- Drinking Water – Lift pumps /Reverse Osmosis [RO] facilities
- Income Generation – Support to Self Help Groups [SHGs] to take up livelihood projects
- Skill Building – Training in technical & entrepreneurial skills
- Environmental Protection – Protection of Ecology & Environment

The target groups for the above programs are children, women, youths, elderly and persons with disability, especially those from the disadvantaged sections of the society.

In keeping with the Department of Public Enterprises [DPE]'s 2012 guidelines, during the year, the Company with the help of Ernst & Young has formulated a **Long Term Perspective CSR Plan** as also the **HSE** [Health, Safety & Environment] **and Sustainability Plan** for the period 2012-17.

During 2012-13, the Company spent an amount of ` **303 lakh** on various CSR activities against a budget of ` 300 lakh, including expenses incurred towards promotion and publicity of the schemes and other related expenses.

The following CSR activities / projects were undertaken during 2012-13:

[a] Education:

- i. The Company, over the last three years, has been providing financial support to improve the school related infrastructure in Dara Adharsh Vidya Mandir, Village Dara in Sundarbans. In this financial year the Company has supported purchase of computers, electrification of school building, development of laboratories, etc, involving an amount of ` 7 lakh. Nearly 2500 students, mostly belonging to weaker section of the society, stand to benefit from these facilities.
- ii. The Company has awarded scholarship to 75 students belonging to weaker sections of society pursuing Engineering Degree / Diploma courses across the country from 2011-12 onwards. The scheme covers grant of scholarship of ` 40,000 & ` 30,000 per annum for the degree and diploma course respectively for the entire duration of the course. An amount of ` 23 lakh was spent on this activity.
- iii. The Company is supporting 100 children under Community Education & Empowerment Program (CEEP) of Tomorrow's Foundation for the last two years. Under this program, Marginalized and/or Deprived children who have never been to School are prepared and mainstreamed in the Government or other local formal school. The sponsored children, in the age group of 9-14 years, are from slums of Kolkata. An amount of ` 5 lakh was spent.
- iv. The Company developed a learning centre viz., library at Khadoli, Silvassa, for the benefit of local students involving an amount of ` 12 lakh. The Company

contributed towards construction of the library room, books, bookshelves, computer, tables, chairs, fans, etc.

[b] Health:

- i. The Company in collaboration with Helpage India continues to support Mobile Medical Unit for providing medical care to the poor and needy elderly people living in and around Manali, Chennai. Nearly 12000 patients received the treatment during 2012-13 and an amount of ₹ 20 lakh was spent during the year on this project.
- ii. The Company continued sponsoring Child In Need Institute (CINI)'s "Thursday Clinic" at Pailan in the district South 24-Parganas, West Bengal, where a team of doctors on average examined about 220 pregnant women and children (upto the age of 5 years) every week and provided pre & post natal counselling, regular medical check-up, medication, nutritious food, etc. An amount of ₹ 15 lakh was incurred.
- iii. A Sonography machine and a Dental chair were given to the Tara Hospital at Taloja, where people from the adjoining villages come for treatment, entailing an amount of ₹ 8 lakh.

[c] Drinking water & Sanitation:

- i. Towards promoting hygienic sanitation, 128 modern toilets were constructed in Khadoli village at Silvassa involving an amount of ₹ 29 lakh.
- ii. Safe drinking water provision was made through setting up of RO Plants in schools and Aganbadi in Sayali, Silvassa and an amount of ₹ 12 lakh was spent on this.
- iii. After conducting a detailed base line survey in 5 blocks of Sundarban (Jaynagar 1, Jayanagar 2, Patharprathima, Kakdwip & Namkhana), 64 modern toilets and 7 tube wells were commissioned & 8 tube wells were repaired an amount of ₹ 23 lakh was spent on these.

[d] Skill Development:

- i. The Company in collaboration with IATA Training & Development Institute and Trade-Wings Institute of Management imparted skill training to 105 girls (Kolkata-43, Pune-18, Mumbai-19 and Delhi-25) from economically weaker sections across India, during the year 2012-13. The training programs were conducted at the IATA approved training centers of Trade Wings in the respective cities. After completion of the course, successful candidates received a Diploma in Travel & Tourism Management. The cost of training of ₹ 30 lakh and stipend of ₹ 3000 per month to each trainee amounting to a total of ₹ 39 lakh was spent during 2012-13.
- ii. The local Industrial Training Institutes at Silvassa, with financial support of ₹ 6 lakh from the Company, arranged vocational training for the youths from Khadoli and Sayali

villages in different trades – welding, electrician, fitter, turner, machinist etc – and thus improving their employability in industry.

[e] Child Sustenance:

- i. The Company continues to sponsor 3 Family Homes [Kolkata-2 & Vishakhapatnam-1] of SOS Children's Villages in India comprising 30 destitute orphaned children for their sustenance and development. An amount of ₹ 20 lakh was spent on this program.
- ii. The Company continues to sponsor 2 classes comprising 28 physically challenged (cerebral palsy) students at Indian Institute of Cerebral Palsy (IICP), Kolkata for their education, development & rehabilitation, entailing an expenditure of ₹ 16 lakh. Further, the Company provided financial support of ₹ 10 lakh as the main sponsor to an event organized by IICP towards building its corpus fund.
- iii. The Company sponsored 25 children of the Institute for the Backward & Handicapped People, Behala, Kolkata for their education, development and rehabilitation, involving an amount of ₹ 8 lakh. These children suffer from various types of disability and belong to marginalized/disadvantaged sections.
- iv. Maintenance of Garden for physically challenged children involving an amount of ₹ 3 lakh at Wadala, Mumbai.

[f] Promotion of Art & Culture:

- i. The Company sponsored "Swaryatra" organized by Sundarban Rural Development & Training Centre at a cost of ₹ 10 lakh. This initiative was taken to promote the art & cultural heritage (revival of old ragas and songs) as also to support the cause of women empowerment.

Further, an amount of ₹ 12 lakh was spent on carryover projects from 2011-12 such as Akshyapatra Mid-day Meal Scheme, Computer skill training to girls, Livelihood project for women SHG etc.

It may be relevant to mention here that all CSR projects undertaken by the Company during 2011-12 were evaluated and audited by the Tata Institute of Social Science. An amount of ₹ 25 lakh was spent on various baseline surveys, preparation of Long term CSR plan, audit & evaluation, communication and advertising exercises during 2012-13.

In recognition of its contribution made towards driving and institutionalizing CSR, the Company received the "CSR Corporate Governance Award" in 2012 from the Institute of Public Enterprises.

Cautionary Note

The statements in the Management Discussion & Analysis describing the Company's focal objectives, expectations and anticipations and those of its SBUs may be forward looking within the meaning of applicable securities laws and

regulations. Actual results may differ materially from the expectations expressed or implied in such forward-looking statements. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of products, input availability and prices, changes in government regulations / tax laws, economic developments within the country and factors such as litigation and Industrial relations.

The information and opinion stated in this section of the Annual Report essentially cover certain forward-looking

statements, which the management believes to be true to the best of its knowledge at the time of its preparation. The management shall not be liable to any person or entity for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

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

**Independent Auditor's Report
To the Members of Balmer Lawrie & Co. Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Balmer Lawrie & Co. Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the, assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 affairs of the Company as at March 31, 2013;
- 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.

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) Since the Company is a Government Company, the provisions of the Section 274(1)(g) of the Act relating to disqualifications of directors are not applicable, vide Government of India, Department of Company Affairs Notification No. GSR 829(E) dated 21st October, 2003.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Vidya and Co.
Chartered Accountants
FRN:308022E

CA Sarad Jha
Partner
Membership No. : 050138

Place: Kolkata
Date: 29th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of Balmer Lawrie & Co Ltd ("the Company") on the accounts of the Company for the year ended 31 March, 2013. We report that:

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

- b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and other material statutory dues in arrears as at 31st March, 2013 for a period of more than 6 months from the date they became payable.
- c) The particulars of dues of Income Tax, Sales Tax, Service tax, Excise Duty and Cess as at 31st March, 2013 aggregating to ₹ 8461.66 lacs; which have not been deposited on account of a dispute, as mentioned in Note no. 26.2(a) to the Accounts showing the amounts involved and the forum where dispute is pending.
- (x) The Company has no accumulated losses as at 31st March, 2013 and it has not incurred cash losses during the financial year ending 31st March, 2013 and immediately preceding financial years.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders as at the Balance Sheet date.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has maintained adequate documents and records in respect of loans and advances granted to a party on the basis of security by way of pledge of shares.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.
- (xvii) On an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long term investment during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore no amount is outstanding in respect of debentures as on the Balance Sheet date.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our audit, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor reported during the year, nor have we been informed of such case by the management.

For Vidya and Co.
Chartered Accountants
FRN:308022E

CA Sarad Jha
Partner
Membership No. : 050138

Place: Kolkata
Date: 29th May, 2013

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 2013

The preparation of financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2013 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 29 May 2013.

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 2013. 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

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

Place : Kolkata
Date : 2nd July 2013

Balance Sheet as at 31st March 2013

	Note No.	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	1	1,628.61	1,628.61
Reserves and Surplus	2	70,670.82	60,262.39
Total Shareholder's Fund		72,299.43	61,891.00
Non-current Liabilities			
Deferred Tax Liabilities (Net)	3	–	125.08
Other Long Term Liabilities	4	4,149.66	4,327.42
Long Term Provisions	5	20.00	55.79
Total Non-current Liabilities		4,169.66	4,508.29
Current Liabilities			
Trade Payables	6	21,466.15	22,522.66
Other Current Liabilities	7	16,294.59	14,882.00
Short Term Provisions	8	13,078.83	12,378.16
Total Current Liabilities		50,839.57	49,782.82
TOTAL		1,27,308.66	1,16,182.11
ASSETS			
Non-current Assets			
Fixed Assets	9		
Tangible Assets		26,126.61	22,683.39
Intangible Assets		222.22	120.68
Capital Work-in-Progress		814.24	496.02
Intangible Assets Under Development		100.82	75.95
Non-current Investments	10	5,517.10	4,542.25
Deferred tax assets (net)	3	219.92	–
Long Term Loans and Advances	11	2,157.34	3,072.16
Total Non-current Assets		35,158.25	30,990.45
Current Assets			
Inventories	12	11,959.74	12,335.09
Trade Receivables	13	36,102.98	35,372.94
Cash and Cash Equivalents	14	37,038.75	31,636.99
Short Term Loans and Advances	15	6,552.98	5,319.89
Other Current Assets	16	495.96	526.75
Total Current Assets		92,150.41	85,191.66
TOTAL		1,27,308.66	1,16,182.11

Additional Disclosure 26

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

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

CA Sarad Jha
Partner
Membership No. 050138
Kolkata, the 29th May, 2013

V. Sinha
Chairman & Managing Director

M. P. Bezbaruah
Asish K. Bhattacharyya
VLVSS Subba Rao
P. P. Sahoo
Niraj Gupta

Arun Seth
P. K. Bora
Abha Chaturvedi
A. Dayal
Prabal Basu
Directors

Amit Ghosh
Secretary

Profit and Loss Statement for the year ended 31st March 2013

	Note No.	For The Year Ended 31 March 2013 (` in lakhs)	For The Year Ended 31 March 2012 (` in lakhs)
Income:			
Revenue from Operations		2,70,293.24	2,39,853.42
Less: Excise Duty		(12,224.93)	(11,257.96)
Revenue from Operations (Net of Excise)	17	2,58,068.31	2,28,595.46
Other Income	18	5,891.78	5,311.11
Total Revenue		2,63,960.09	2,33,906.57
Expenses:			
Cost of Materials Consumed & Services Rendered	19	2,04,928.49	1,79,527.31
Purchases of Trading Goods	20	34.29	33.43
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(278.90)	(13.20)
Employee Benefits Expenses	22	15,880.06	14,082.23
Finance Costs	23	421.70	469.20
Depreciation and Amortisation Expenses	24	1,663.30	1,517.61
Other Expenses	25	18,959.12	19,262.72
Total Expenses		2,41,608.06	2,14,879.30
Profit before Tax		22,352.03	19,027.27
Tax Expenses:			
Current Year		7,460.00	7,180.00
Earlier Years		(1,040.00)	(1,320.00)
Deferred Tax		(345.00)	(640.00)
Profit after Tax		16,277.03	13,807.27
Earnings per Equity Share: (`)			
Basic		99.94	84.78
Diluted		57.11	48.45

Additional Disclosure

26

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

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

CA Sarad Jha
Partner
Membership No. 050138
Kolkata, the 29th May, 2013

V. Sinha
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Arun Seth
P. K. Bora
Abha Chaturvedi
A. Dayal
Prabal Basu
Directors

Amit Ghosh
Secretary

BALMER LAWRIE & CO. LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(` in lakhs)

	YEAR ENDED MARCH 31, 2013	YEAR ENDED MARCH 31, 2012
A. Cash flow from operating activities		
Net profit before tax [Note 1]	22270	18986
Adjustment for		
Depreciation and fixed assets written off	1669	1759
Foreign Exchange	-	-
Impairment loss on fixed assets	-	-
Provision for doubtful loans/advances	909	909
Interest / Dividend	(4294)	(3018)
Provision for diminution in value of investments	148	1182
Investment written off	-	-
Deferred Revenue Expenditure (charged off during the year)	-	-
Operating Profit Before Working Capital Changes	20702	19818
Trade and other receivables	(1856)	(5248)
Inventories	375	(403)
Trade and other Payables	49	972
Cash generated from operations	19270	15139
Direct Taxes paid	(6661)	(5114)
NET CASH FROM OPERATING ACTIVITIES	12609	10025
B. Cash flow from investing activities		
Purchase of fixed assets	(5207)	(3283)
Sale of Fixed assets	105	69
Purchase of Investments	(1123)	-
Sale of Investments	-	-
Interest received	3610	2386
Dividend received	921	976
NET CASH FROM INVESTING ACTIVITIES	(1694)	148
C. Cash flow from financing activities		
Proceeds from Long Term Borrowings	-	-
Interest paid	(237)	(344)
Dividend paid	(4536)	(4203)
Interest paid on Long Term Borrowings	-	-
Corporate Tax on Dividend	(740)	(687)
NET CASH FROM FINANCING ACTIVITIES	(5513)	(5234)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	5402	4939
CASH & CASH EQUIVALENTS - OPENING BALANCE	31637	26698
CASH & CASH EQUIVALENTS - CLOSING BALANCE	37039	31637

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

CA Sarad Jha
Partner
Membership No. 050138
Kolkata, the 29th May, 2013

V. Sinha
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Prabal Basu
Directors

Amit Ghosh
Secretary

NOTES ON CASH FLOW STATEMENT

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

	(` in lakhs)	
	2012-13	2011-12
2. Net Profit after tax as per Profit & Loss Statement	16277	13807
Add : Tax Provision (Net)	6075	5220
	22352	19027
Less : Profit / (Loss) on disposal of fixed assets (net)	82	41
Net profit before tax	22270	18986
3. Changes in Working Capital - computation (Excluding items shown separately)		
Current Assets		
Trade and other Receivables	36103	35373
Loans & Advances	10504	9378
Inventories	11960	12335
	58567	57086
Current Liabilities		
Trade and other Payables	42732	42683
Net Current Assets	15835	14403
Changes	1432	4680
4. Component of Cash and Cash equivalent		
Cash and Bank Balances	37039	31637
Cash Credit / Demand Loan	-	-
	37039	31637
Changes	5402	4939

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

CA Sarad Jha
 Partner
 Membership No. 050138
 Kolkata, the 29th May, 2013

V. Sinha
 Chairman & Managing Director

M. P. Bezbaruah
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 P. K. Bora
 Abha Chaturvedi
 A. Dayal
 Prabal Basu

Directors

Amit Ghosh
 Secretary

SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Preparation**

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

2. Fixed Assets and Depreciation

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

furniture equipment scheme, at the rate of 25% per annum for Computers and 15% per annum for other Items; and (vi) assets whose actual cost does not exceed Rs. 5000, at the rate of 100% in the year of addition of the asset, irrespective of the date of addition.

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

3. Valuation of Investments

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

4. Valuation of Inventories

- (i) Inventories are valued at lower of cost or net realisable value. For this purpose, the basis of ascertainment of cost of the different types of inventories is as under:
 - a) Raw materials & trading goods (other than tea), stores & spare parts and materials for turnkey projects on the basis of weighted average cost.
 - b) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost upto the relative stage of completion.
 - c) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
 - d) Tea (unblended, blended and packed) - on the basis of specific cost.
- (ii) Tools, dies, jigs and fixtures are written-off over the economic life except items costing upto Rs.10000 which are charged off in the year of issue.

5. Recognition of Revenue

Revenue is recognised in compliance with the following:

- a) In case of sale of goods :

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

SIGNIFICANT ACCOUNTING POLICIES

b) In case of services rendered:

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

c) In case of project activities:

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

d) In case of other income:

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

6. Employee Benefits

- a) Company's contributions to Provident Fund and Superannuation Fund are charged to Profit and Loss Account.
- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards and Leave Travel Assistance are charged to Profit & Loss Account on the basis of actuarial valuation made at the year end.
- c) Post retirement medical benefit is also recognised on the basis of actuarial valuation made at the year end.

7. Treatment of Prior Period and Extraordinary Items

- a) All prior period items which arise in the current period as a result of error or omission in the preparation of prior period's financial statement are separately disclosed in the current statement of profit & loss. However, differences in actual income/ expenditure arising out of over or under estimation in prior period are not treated as prior period income/ expenditure.
- b) Income / Expenditure upto Rs. 10000 in each case pertaining to prior years is charged to the current year.
- c) All extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.

8. Foreign Currency Translations

- a) All transactions in foreign currency other than those specified below are converted at the exchange rate prevailing on the respective dates of transactions.
- b) Monetary items denominated in a foreign currency (such as cash, balance in bank accounts, receivables, payables, etc) are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
- c) Non-monetary assets denominated in foreign currency such as Long Term Investment, Inventories and Fixed Assets are carried at cost except that the exchange differences relating to liabilities for acquisition of fixed assets are adjusted in the cost of the asset.
- d) In case of foreign branch, translation of the financial statement is made on the following basis:
 - i) Revenue items except opening and closing inventories are converted at average rate. Opening and closing inventories are translated at the rate prevailing at the commencement and close respectively.
 - ii) Fixed Assets and depreciation are converted at the exchange rate on the date of the transactions.
 - iii) Other Current Assets and Current Liabilities are converted at the exchange rate as on the date of the Balance Sheet.
- e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except as stated above.
- f) Premium / discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the Profit & Loss Account.

9. Accounting for Research & Development

- a) Revenue Expenditure is shown under Primary Head of Accounts with the total of such expenditure being disclosed in the Notes.
- b) Capital expenditure relating to research & development is treated in the same way as other fixed assets.

10. Treatment of Grant/Subsidy

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

SIGNIFICANT ACCOUNTING POLICIES

- b) Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.
- c) When grant/ subsidy is received as compensation for extra cost associated with the establishment of manufacturing units or cannot be related otherwise to any particular fixed assets the grant/subsidy so received is credited to capital reserve. On expiry of the stipulated period set out in the scheme of grant/ subsidy the same is transferred from capital reserve to general reserve.
- d) Revenue grant in respect of organization of certain events is shown under Sundry Income and the related expenses there against under normal heads of expenditure.

11. Accounting for Borrowing Cost

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

12. Impairment of Assets

An assessment is made at each Balance Sheet date to determine whether there is 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.

15. Intangible Assets

- (a) Expenditure incurred for acquiring intangible assets like software of Rs. 5,00,000 and above and license to use software per item of Rs. 25000 and above, from which economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- (b) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

16. Provisions, Contingent Liabilities and Capital Commitments

- (a) Provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- (b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company.
- (c) Capital commitments and Contingent liabilities disclosed are in respect of items which exceed Rs. 1,00,000 in each case.
- (d) Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

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

CA Sarad Jha
 Partner
 Membership No. 050138
 Kolkata, the 29th May, 2013

V. Sinha
 Chairman & Managing Director

M. P. Bezbaruah
 Asish K. Bhattacharyya
 VLSS Subba Rao
 P. P. Sahoo
 Niraj Gupta

Arun Seth
 P. K. Bora
 Abha Chaturvedi
 A. Dayal
 Prabal Basu

Directors

Amit Ghosh
 Secretary

Notes forming part of the Balance Sheet as at 31st March, 2013

**Note No.1
SHARE CAPITAL**

	As at 31 March 2013		As at 31 March 2012	
	NUMBER	(` in lakhs)	NUMBER	(` in lakhs)
A Share Capital				
Authorised				
Equity Shares of ` 10 each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Issued				
Equity Shares of ` 10 each	1,62,86,081	1,628.61	1,62,86,081	1,628.61
Subscribed & Paid up				
Equity Shares of ` 10 each fully paid	1,62,86,081	1,628.61	1,62,86,081	1,628.61
Total		<u>1,628.61</u>		<u>1,628.61</u>

B Rights, Preferences and Restrictions attached to Shares

The Company has one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C Details of Equity Shares held by the Holding Company

	As at 31 March 2013		As at 31 March 2012	
	No. of shares	%	No. of shares	%
Balmer Lawrie Investments Ltd.	1,00,64,700	61.80%	1,00,64,700	61.80%

D There are no other individual shareholders holding 5% or more in the issued share capital of the company.

E There has been no movement in the no. of shares outstanding during the year. Further, there has been no change in the number & class of shares issued by the company in the past five years.

F The Board of Directors have approved the issue of additional 1,22,14,560 bonus equity shares of ` 10 each at its meeting held on March 26, 2013, which have been allotted on May 25, 2013, after obtaining the assent of the members. Pursuant to this change, the potential equity shares outstanding for the purpose of calculation of diluted earnings per share stands at 2,85,00,641 equity shares of ` 10 each.

**Note No. 2
RESERVES & SURPLUS**

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Share Premium Account		
Opening Balance	3,626.77	3,626.77
Closing Balance	3,626.77	3,626.77
General Reserve		
Opening Balance	30,375.47	27,375.47
(+) Current Year Transfer	3,000.00	3,000.00
Closing Balance	<u>33,375.47</u>	<u>30,375.47</u>
Profit & Loss Statement		
Opening balance	26,260.15	20,752.75
(+) Net Profit/(Net Loss) for the current year	16,277.03	13,807.27
(-) Proposed Dividends	5,016.11	4,560.10
(-) Corporate tax on Dividend	852.49	739.77
(-) Transfer to General Reserves	3,000.00	3,000.00
Closing Balance	<u>33,668.58</u>	<u>26,260.15</u>
Total	<u>70,670.82</u>	<u>60,262.39</u>

Note No. 3

DEFERRED TAXATION

The major components of the net deferred tax asset / liability are:

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Net Opening Balance [A]	125.08	765.08
Provision for the Current Year		
Liability for timing difference arising during the year on account of		
Add:		
a) Provision for loans, debts, deposits, advances & investment, written back	101.00	79.43
b) Adjustments for VRS expenditure	3.04 104.04	2.88 82.31
Less:		
i) Fixed Assets written-off in accounts	1.00	76.84
ii) Depreciation Allowance	(174.88)	(98.04)
iii) Provision for Leave / LTA / PRMBS, etc.	133.00	171.58
iv) Provision for loans, debts, deposits & advances	489.92 449.04	571.93 722.31
Net Deferred Tax Liability for the year [B]	(345.00)	(640.00)
Balance of Deferred Taxation liability [A+B]	(219.92)	125.08

Note No. 4

OTHER LONG TERM LIABILITIES

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Trade Payables	0.02	3.89
Others	4,149.64	4,323.53
Total	4,149.66	4,327.42

Note No. 5

LONG TERM PROVISIONS

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Provision for Employee Benefits	12.04	12.04
Others	7.96	43.75
Total	20.00	55.79

Note No. 6

TRADE PAYABLES

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Trade Payables	21,097.69	22,166.37
Payable to MSME	368.46	356.29
Total	21,466.15	22,522.66

Note No. 7

OTHER CURRENT LIABILITIES

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Advance from Customers	451.41	402.42
Unclaimed Dividend (*)	185.05	161.31
Other Payables (Details are as per Note No. 26.29)	15,658.13	14,318.27
Total	16,294.59	14,882.00

(*) There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund

Note No. 8

SHORT TERM PROVISIONS

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Provision for Taxation (Net of Advance)	6,218.87	6,346.54
Proposed Final Dividend	5,016.11	4,560.10
Provision for Employee benefits	1,843.85	1,471.52
Total	13,078.83	12,378.16

(in ₹ Lakhs)

Note No. 9

(A) Assets held for active use

Fixed Assets	Gross Block				Depreciation				Impairment of Assets			Net Block	
	As at 1st April, 2012	Additions during the year	Total Cost of item sold or scrapped/ Adjusted	At as 31st March 2013	Upto 31st March 2012	For the Year	On items sold or Scrapped/ Adjusted (*)	Total	As at 1st April 2012	For the Year	Balance as on 31.3.2013	W.D.V. As At 31st March 2013	W.D.V. As at 31st March 2012
Tangible Assets													
Land – Freehold	1,274.04	-	-	1,274.04	-	-	-	-	-	-	-	1,274.04	1,274.04
Land – Leasehold	4,095.52	-	-	4,095.52	669.07	94.24	-	763.31	-	-	-	3,332.21	3,426.45
Buildings & Sidings	11,867.86	1,238.44	398.06	12,708.23	2,774.31	244.24	397.98	2,620.67	64.76	-	64.76	10,022.90	9,028.78
Plant and Machinery	13,803.97	2,209.86	476.95	15,636.88	7,903.20	626.08	460.98	8,068.30	42.11	-	42.11	7,426.47	5,858.66
Spare parts for Plant & Machinery	233.73	41.66	0.14	276.26	174.66	32.28	0.14	206.80	-	-	-	68.46	59.07
Electrical Installation and Equipment	2,438.72	367.74	96.74	2,699.72	1,370.56	130.98	92.47	1,409.07	1.17	-	1.17	1,289.48	1,066.99
Furniture and Fittings	703.89	95.80	17.12	782.67	443.03	38.62	16.19	465.36	-	-	-	317.21	260.86
Typewriters, Accounting Machine and Office Equipment	2,290.15	619.88	95.22	2,814.81	1,573.90	227.64	94.10	1,707.44	-	-	-	1,107.37	716.25
Tubwells, Tanks and Miscellaneous Equipment	1,138.81	254.08	35.35	1,367.64	677.64	88.98	34.26	732.36	3.91	-	3.91	621.27	457.26
Vehicles	691.45	279.13	22.71	947.87	156.40	146.23	21.98	280.65	-	-	-	667.22	535.05
Total Tangible Assets	38,538.13	5,096.59	1,142.29	42,492.43	15,742.77	1,629.19	1,118.10	16,263.86	111.95	-	111.95	26,126.61	22,683.39
Intangible Assets – Computer Software	183.84	140.25	-	324.09	63.17	38.70	-	101.87	-	-	-	222.22	120.68
Total (A)	38,721.97	5,236.84	1,142.29	42,816.52	15,805.94	1,667.89	1,118.10	16,355.73	111.95	-	111.95	26,348.83	22,804.07

(B) Assets held for Disposal

Fixed Assets	Gross Block			Depreciation			Impairment of Assets			Net Block			
	As at 1st April, 2012	Additions during the year	Total Cost of Item sold or scrapped/ Adjusted	At as 31st March 2013	Upto 31st March 2012	For the Year	On items sold or Scrapped/ Adjusted (*)	Total	As at 1st April 2012	For the Year	Balance as on 31.3.2013	W.D.V. As At 31st March 2013	W.D.V. As at 31st March 2012
Tangible Assets													
Land – Freehold	–	–	–	–	–	–	–	–	–	–	–	–	–
Land – Leasehold	–	–	–	–	–	–	–	–	–	–	–	–	–
Buildings & Sidings	5.22	–	5.22	–	5.22	–	5.22	–	–	–	–	–	–
Plant and Machinery	33.28	–	31.94	1.34	33.28	–	31.94	1.34	–	–	–	–	–
Spare parts for Plant & Machinery	25.01	–	–	25.01	25.01	–	–	25.01	–	–	–	–	–
Electrical Installation and Equipment	5.32	–	5.32	–	5.32	–	5.32	–	–	–	–	–	–
Furniture and Fittings	1.16	–	1.16	–	1.16	–	1.16	–	–	–	–	–	–
Typewriters, Accounting Machine and Office Equipment	3.04	–	3.04	–	3.04	–	3.04	–	–	–	–	–	–
Tubewells, Tanks and Miscellaneous Equipment	7.98	–	7.98	–	7.98	–	7.98	–	–	–	–	–	–
Total (B)	81.01	–	54.66	26.35	81.01	–	54.66	26.35	–	–	–	–	–
Total Tangible Assets	38,619.14	5,096.59	1,195.95	42,518.78	15,823.78	1,629.19	1,172.76	16,280.21	111.95	–	111.95	26,126.61	22,683.39
Total Intangible Assets	183.84	140.25	–	324.09	63.17	38.70	–	101.87	–	–	–	222.22	120.68
Grand Total (A+B)	38,802.98	5,236.84	1,196.96	42,842.87	15,886.95	1,667.89	1,172.76	16,382.08	111.95	–	111.95	26,348.83	22,804.07
2011-12	33,572.77	5,740.74	510.53	38,802.98	14,606.21	1,523.58	242.82	15,886.97	117.40	–	5.45	111.95	22,804.07

	<u>2012-13</u>	<u>2011-12</u>
Depreciation for the year as above	1,667.89	1,523.58
Less: Prior Period Adjustment	4.59	5.97
Depreciation as per Profit & Loss Account	<u>1,663.30</u>	<u>1,517.61</u>

Note No. 10

NON CURRENT INVESTMENT

Unquoted, unless otherwise stated

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Trade Investments		
Investment in Equity Instruments (Fully paid stated at Cost)		
In Joint Venture Companies		
Transafe Services Ltd. 11,361,999 (11,361,999) equity shares of ` 10 each	1,165.12	1,165.12
Less Provision for diminution in value (Carried in books at a value of ` 1 only)	1,165.12 –	1,165.12 –
AVI-OIL India (P) Ltd. 4,500,000 (4,500,000) Equity shares of ` 10 each	450.00	450.00
Balmer Lawrie -Van Leer Ltd. 7,501,277 (6,319,978) Equity shares of ` 10 each {1,181,299 share have been acquired during the current year}	2,285.03	1,164.55
Balmer Lawrie (UAE) LLC 9,800 (9,800) Shares of AED 1,000 each	890.99	890.99
Balmer Lawrie Hind Terminal Pvt. Ltd. 25,000 (5000) equity shares of ` 10 each {20,000 shares have been acquired during the current year}	2.50	0.50
In Subsidiary Company		
Balmer Lawrie (UK) Ltd. 33,80,312 (33,80,312) Ordinary Shares of GBP 1 each	1,874.06	1,874.06
Investments in Preference Shares (Fully paid stated at Cost)		
Transafe Services Ltd. 13,300,000 Cumulative Redeemable Preference shares of ` 10 each	1,330.00	1,330.00
Less Provision for diminution in value	1,330.00 –	1,182.37 147.63
Total	5,502.58	4,527.73
Other Investments		
Investment in Equity Instruments		
Bridge & Roof Co. (India) Ltd. 3,57,591 (3,57,591) equity shares of ` 10 each	14.01	14.01
Biecco Lawrie Ltd. (Carried in books at a value of ` 1 only)	–	–
Duncan Brothers & Co. Ltd. (Quoted) 71 Equity Shares of ` 10 each	0.06	0.06
Woodlands Multispeciality Hospitals Ltd. 8,850 Equity Shares of ` 10 each	0.45	0.45
Total	14.52	14.52
Total	5,517.10	4,542.25
Aggregate amount of quoted investments at Cost (Market value of ` 0.15 (2011-12 - ` 0.15 lakhs)	0.06	0.06
Aggregate amount of unquoted investments at cost	5,517.04	4,542.19
	5,517.10	4,542.25

Note No. 11

LONG TERM LOANS AND ADVANCES

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Capital Advances		
Unsecured, considered good	520.29	450.63
	<u>520.29</u>	<u>450.63</u>
Security Deposits		
Unsecured, considered good	493.19	463.59
	<u>493.19</u>	<u>463.59</u>
Loans and advances to related parties		
Secured, considered good		
Balmer Lawrie Van-leer Ltd.(*)	–	908.96
Unsecured, considered good		
Transafe Services Ltd.	180.00	180.00
Doubtful		
Balmer Lawrie Van-leer Ltd.	1,817.92	908.96
Less: Provision		
Balmer Lawrie Van-leer Ltd.	(1,817.92)	(908.96)
	<u>180.00</u>	<u>1,088.96</u>
(*) 11,361,999 Equity Shares of Transafe Services Ltd. held by Balmer Lawrie Van Leer Ltd. have been pledged in favour of the Company as a security against Loan.		
Other loans and advances		
Secured, considered good	589.68	651.43
Unsecured, considered good	374.18	417.55
Doubtful	443.61	270.50
Less: Provision	(443.61)	(270.50)
	<u>963.86</u>	<u>1,068.98</u>
Total	<u>2,157.34</u>	<u>3,072.16</u>

Note No. 12 INVENTORIES

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Raw Materials and components	6,316.89	6,434.73
Goods-in-transit	28.65	639.18
Slow Moving & Non moving	220.70	186.95
Less: Adjustment for Slow & Non moving	(141.81)	(111.26)
Total - Raw Materials and components	6,424.43	7,149.60
Work in Progress	708.86	792.83
Total - Work in Progress	708.86	792.83
Finished goods	3,892.65	3,492.48
Goods-in transit	419.61	423.07
Slow Moving & Non moving	399.03	483.11
Less: Adjustment for Slow & Non moving	(241.15)	(295.15)
Total - Finished Goods	4,470.14	4,103.51
Stock-in-trade	0.06	3.82
Total - Stock-in-trade	0.06	3.82
Stores and spares	324.91	262.19
Goods-in transit	0.72	-
Slow Moving & Non moving	88.69	64.81
Less: Adjustment for Slow & Non moving	(58.64)	(41.95)
Total - Stores & Spares	355.68	285.05
Loose Tools	0.57	0.28
Total - Loose Tools	0.57	0.28
Total	11,959.74	12,335.09

[Refer to Point No. 4 of "Significant Accounting Policies" for method of Valuation of Inventories]

Note No. 13

TRADE RECEIVABLES

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Trade receivables outstanding for a period less than six months		
Secured, considered good	—	—
Unsecured, considered good	32,520.03	31,717.89
	32,520.03	31,717.89
Trade receivables outstanding for a period exceeding six months		
Secured, considered good		
Unsecured, considered good	3,582.94	3,655.05
Unsecured, considered doubtful	1,085.74	1,161.08
Less: Provision for doubtful debts	(1,085.73)	(1,161.08)
	3,582.95	3,655.05
Total	36,102.98	35,372.94

Note No. 14

CASH AND CASH EQUIVALENTS

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Balances with banks	3,134.81	2,269.55
Cheques, drafts in hand	28.42	5.38
Cash in hand	12.89	23.25
	3,176.12	2,298.18
Balances with bank		
As Margin Money	43.20	43.20
In Short Term Deposit Account	33,634.38	29,134.30
In Dividend Account	185.05	161.31
	33,862.63	29,338.81
Total	37,038.75	31,636.99

Balmer Lawrie & Co. Ltd.

Note No. 15

SHORT-TERM LOANS AND ADVANCES

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Deposits		
Secured, considered good	–	–
Unsecured, considered good	1,433.11	1,335.07
	<u>1,433.11</u>	<u>1,335.07</u>
Loans and advances to related parties		
Balmer Lawrie Van Leer Ltd.	18.72	5.46
Transafe Services Ltd.	160.24	131.61
Balmer Lawrie UAE Ltd.	3.79	8.58
	<u>182.75</u>	<u>145.65</u>
Other Loans & Advances		
Secured, considered good {` Nil (` Nil) due from Directors}	251.80	121.39
Unsecured, considered good {To Balmer Lawrie Investments Ltd-Holding Co. ` 3.17 lakhs (` 3.82 lakhs)}	4,685.32	3,717.78
Doubtful	177.93	172.71
Less:Provision	<u>(177.93)</u>	<u>(172.71)</u>
	4,937.12	3,839.17
Total	<u>6,552.98</u>	<u>5,319.89</u>

Note No. 16

OTHER CURRENT ASSETS

	As at 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Other Accrued Income	495.96	526.75
Total	<u>495.96</u>	<u>526.75</u>

Note No. 17

REVENUE FROM OPERATIONS

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Sale of products	1,01,667.51	98,814.19
Less : Excise Duty	<u>(12,224.93)</u>	<u>(11,257.96)</u>
Sales of Products (Net of Excise)	89,442.58	87,556.23
Sale of Services	1,66,473.26	1,39,066.56
Sale of Trading Goods	44.83	47.06
Other Operating Income	2,107.64	1,925.61
Total	<u>2,58,068.31</u>	<u>2,28,595.46</u>

Note No. 18

OTHER INCOME

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Interest Income	3,430.86	2,799.88
Dividend Income	921.10	976.08
Other Non-operating Income	1,539.82	1,535.15
Total	<u>5,891.78</u>	<u>5,311.11</u>

Note No. 19

COST OF MATERIALS CONSUMED & SERVICES RENDERED

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Cost of Materials Consumed	65,877.66	64,865.00
Cost of Services Rendered	1,39,050.83	1,14,662.31
Total	<u>2,04,928.49</u>	<u>1,79,527.31</u>

Note No. 20

PURCHASE OF TRADING GOODS

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Trading Goods	34.29	33.43
Total	<u>34.29</u>	<u>33.43</u>

Note No. 21

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

		For the Year Ended 31 March 2013 (` in lakhs)	As at 31 March 2012 (` in lakhs)
Change in Trading Goods	Opening	3.82	10.41
	Closing	0.06	3.82
	Change	<u>3.76</u>	<u>6.59</u>
Change in Work In Progress	Opening	792.83	733.87
	Closing	708.86	792.83
	Change	<u>83.97</u>	<u>(58.96)</u>
Change in Finished Goods	Opening	4,103.51	4,142.68
	Closing	4,470.14	4,103.51
	Change	<u>(366.63)</u>	<u>39.17</u>
		(278.90)	(13.20)

Note No. 22

EMPLOYEE BENEFITS EXPENSES

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Salaries and Incentives	12,957.59	11,309.63
Contributions to Provident & Other Funds	1,636.06	1,523.21
Staff Welfare Expenses	1,286.41	1,249.39
Total	<u>15,880.06</u>	<u>14,082.23</u>

Note No. 23

FINANCE COSTS

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Interest Cost	237.39	344.41
Bank Charges*	184.31	124.79
Total	<u>421.70</u>	<u>469.20</u>

*Bank charges include charges for opening for L/C, bank guarantee charges and other charges related to bank transactions.

Note No. 24

DEPRECIATION & AMORTISATION EXPENSES

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Depreciation	1,624.88	1,484.78
Amortisation of Intangible Assets	38.42	32.83
Total	<u>1,663.30</u>	<u>1,517.61</u>

Note No. 25

OTHER EXPENSES

	For the Year Ended 31 March 2013 (` in lakhs)	For the Year Ended 31 March 2012 (` in lakhs)
Manufacturing Expenses	981.10	842.05
Consumption of Stores and Spares	624.23	593.81
Excise duty on Closing Stock (Refer Note no. 26.18)	89.56	148.63
Repairs & Maintenance - Buildings	586.29	560.37
Repairs & Maintenance - Plant & Machinery	281.06	238.31
Repairs & Maintenance - Others	444.65	364.26
Power & Fuel	2,432.27	2,165.37
Electricity & Gas	391.11	268.16
Rent	774.43	751.52
Insurance	156.17	133.95
Packing, Despatching, Freight and Shipping Charges	2,912.83	2,546.89
Rates & Taxes	145.12	137.49
Auditors Remuneration and Expenses	20.47	17.17
Write Off of Debtors, Deposits, Loan & Advances	314.56	325.74
Provision for diminution in the value of Investments	147.63	1,182.37
Provision for Doubtful Debts & Advances	1,449.51	1,762.76
Fixed Assets Written Off	1.48	234.90
Loss on Disposal of Fixed Assets	7.12	10.03
Selling Commission	404.98	320.75
Cash Discount	491.12	441.54
Travelling Expenses	996.67	865.29
Printing and Stationary	222.80	198.98
Motor Car Expenses	125.30	108.97
Communication Charges	299.62	296.02
Miscellaneous Expenses	4,913.55	4,583.06
Prior Period - Income	22.40	(0.07)
Prior Period - Expenses	34.94	408.30
	19,270.97	19,506.62
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	(311.85)	(243.90)
Total	18,959.12	19,262.72

NOTE NO. 26

ADDITIONAL DISCLOSURES

- 26.1 (a) Fixed Deposit with bank amounting to Rs. 1.57 lakhs (Rs. 1.57 lakhs) are lodged with certain authorities as security.
- (b) Conveyance deeds of certain land costing Rs.2,948.46 lakhs (Rs. 3,007.51 lakhs) and buildings, with written down value of Rs. 2,880.29 lakhs (Rs. 2,930.28 lakhs) are pending registration / mutation.
- (c) Certain buildings & sidings with written down value of Rs. 5,156.87 lakhs (Rs. 4,794.34 lakhs) are situated on leasehold/rented land. Some of the leases with Kolkata Port trust have expired and are under renewal. Action has been taken for finalising the agreements with Kolkata Port Trust for renewal of such pending cases.
- 26.2 Contingent Liabilities as at 31st March, 2013 not provided for in the accounts are:
- (a) Disputed demand for Excise Duty, Income Tax, Sales Tax and Service Tax amounting to Rs. 8,461.33 lakhs (Rs. 7,787.79 lakhs) against which the Company has lodged appeal/petition before appropriate authorities. Details of such disputed demands as on 31st March, 2013 are given in Annexure – A.
- (b) Claims against the company not acknowledged as debts amounts to Rs. 1039.40 lakhs (Rs. 779.53 lakhs) in respect of which the Company has lodged appeals/petitions before appropriate authorities. In respect of employees/ex-employees related disputes, financial effect is ascertainable on settlement.
- (c) Bills discounted with banks Rs. NIL Lakhs (Rs. 12.67 Lakhs).
- 26.3 Counter guarantees given to Standard Chartered Bank, Bank of Baroda, HSBC, State Bank of India, Canara Bank and Indusind Bank in respect of guarantees given by them amounts to Rs. 10,864.36 lakhs (Rs. 10,779.88 lakhs).
- 26.4 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for [net of advances paid – Rs. 940.69 lakhs (Rs. 188.24 lakhs)] amounted to Rs. 5,094.96 lakhs (Rs. 1,875.37 lakhs).
- 26.5 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date.
- The above information has been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the auditors.
- 26.6 The net amount of exchange difference debited to Profit & Loss account is Rs. 103.74 lakhs (Rs. 283.66 lakhs).
- 26.7 Confirmation letters have been issued in respect of trade receivables, loans and advances and deposits of the company but not responded to in many cases. Hence unconfirmed balances are subject to reconciliation and consequent adjustments, if any, would be determined / made on receipt of such confirmation.
- 26.8 Remuneration of Chairman & Managing Director and Wholetime Directors:

	2012-13 `/Lakhs	2011-12 `/Lakhs
Salaries	185.12	126.32
Contribution to Provident and Gratuity Fund	16.89	18.24
Perquisites	19.48	17.36
	221.49	161.92

26.9 Auditors' remuneration and expenses:	2012-13 `/Lakhs	2011-12 `/Lakhs
Statutory Auditors		
- Audit Fees	3.85	3.50
- Tax Audit Fees	0.70	0.70
- Other Capacity for Limited Review and Other certification jobs	2.70	1.90
Branch Auditors		
- Audit Fees	8.39	7.81
- Other Capacity	-	-
- Expenses relating to audit of Accounts	4.83	3.26
	20.47	17.17

26.10 (a) **Stock & Sale of Goods Manufactured (with own materials) :**

Class of Goods	Opening Value `/Lakhs	Closing Value `/Lakhs	Sales Value `/Lakhs
Greases & Lubricating Oils	3,533.50 (3,629.94)	3,684.04 (3,533.50)	41,700.19 (40,504.56)
Barrels and Drums	398.23 (389.22)	489.46 (398.23)	47,857.16 (46,943.69)
Blended Teas including Bulk, Packets and Tea Bags	8.03 (18.65)	9.60 (8.03)	200.96 (146.14)
Leather Auxiliaries	163.75 (104.87)	287.04 (163.75)	6,467.19 (5,558.37)
Others including Manufacturing Scrap	- (-)	- (-)	2,007.63 (1,255.53)
	4,103.51 (4,142.68)	4,470.14 (4,103.51)	98,233.13 (94,408.29)

26.10 (b) **Stock & Sale of Goods Manufactured (with customer's materials) :**

Class of Goods	Opening Value `/Lakhs	Closing Value `/Lakhs	Sales Value `/Lakhs
Greases & Lubricating Oils	- (-)	- (-)	3,434.38 (4,405.90)
	(-) (-)	(-) (-)	3,434.38 (4,405.90)

26.10 (c) Work in Progress

	Value `/Lakhs
Greases and Lubricating Oils	197.82 (157.39)
Barrels and Drums	478.52 (591.33)
Tea	1.57 (9.93)
Leather Auxiliaries	30.95 (34.18)
	<hr/> 708.86 (792.83) <hr/>

26.11 Analysis of Raw Materials Consumed (excluding materials supplied by Customers)

	Value `/Lakhs
Steel	32,146.20 (31,736.64)
Lubricating Base Oils	17,775.23 (17,328.23)
Additives and other Chemicals	5,521.33 (4,316.79)
Vegetable and Other Fats	2,301.73 (2,847.79)
Drum Closures	1,560.48 (1,424.88)
Paints	1,149.66 (1,102.17)
Paraffin Wax	968.01 (905.51)
Tea	155.01 (94.27)
Others	4,300.01 (5,108.72)
	<hr/> 65,877.66 (64,865.00) <hr/>

26.12 Value of Raw Materials, Components and Spare Parts consumed

	2012-13 `/Lakhs	(%)	2011-12 `/Lakhs	(%)
Raw Materials				
Imported	2,926.80	4.44	1,820.88	2.79
Indigenous	62,950.86	95.56	63,240.01	97.21
	<hr/> 65,877.66	<hr/> 100.00	<hr/> 65,060.89	<hr/> 100.00
	<hr/> `/Lakhs	<hr/> (%)	<hr/> `/Lakhs	<hr/> (%)
Spare & Components				
Imported	15.03	2.57	25.12	5.24
Indigenous	569.79	97.43	453.44	94.76
	<hr/> 584.82	<hr/> 100.00	<hr/> 478.56	<hr/> 100.00

26.13 (a) **Purchase and Sale of Trading Goods**

Class of Goods	Purchase Value `/Lakhs	Sale Value `/Lakhs
Tea	34.29 (-)	38.57 (-)
Speciality Containers	(-) (33.41)	(-) (34.55)
Coolants	- (0.02)	6.26 (12.51)
	<u>34.29</u> <u>(33.43)</u>	<u>44.83</u> <u>(47.06)</u>

26.13 (b) **Stock of Trading Goods**

Class of Goods	Purchase Value `/Lakhs	Sale Value `/Lakhs
Coolants	3.82 (10.41)	0.06 (3.82)
Total	<u>3.82</u> <u>(10.41)</u>	<u>0.06</u> <u>(3.82)</u>

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

	2012-13 `/Lakhs	2011-12 `/Lakhs
Raw Materials	2,333.85	2,713.30
Components and Spare Parts	7.94	34.54
Capital Goods	697.98	79.40
	<u>3,039.77</u>	<u>2,827.24</u>

26.14 (b) **Expenditure in Foreign Currency**

	2012-13 `/Lakhs	2011-12 `/Lakhs
Services	10,789.90	9,794.81
Others	1,192.14	383.37
	<u>11,982.04</u>	<u>10,178.18</u>

26.14 (c) **Earnings in Foreign Currency**

	2012-13 `/Lakhs	2011-12 `/Lakhs
Export of Goods and Components calculated on F.O.B basis as invoiced	1,347.29	1,093.04
Interest and Dividend	809.72	918.76
Services	504.58	647.21
Freight, Insurance, Exchange Gain and Miscellaneous items	17.05	12.96
	<u>2,678.84</u>	<u>2,671.97</u>

Earnings from services exclude deemed exports of Rs. 32.92 Lakhs (` 177.94 lakhs).

26.15 Research and Development expenditure charged to Profit & Loss Account during the year 2012-13 amounts to ₹ 585.48 lakhs (₹ 523.47 lakhs).

26.16 Excess Income Tax provision in respect of earlier years amounting to ₹ 1,040.00 lakhs (₹ 1,320.00 Lakhs) has been reversed in the current year.

26.17 During the current financial year, the performance of Transafe Services Ltd. a joint venture company, was not upto the levels envisaged in the Corporate Debt Restructuring Scheme (CDR) due to adverse market conditions. Considering the same, the Company, as a measure of prudence, has provided a sum of ₹ 147.63 lakhs (₹ 1,181.87 lakhs) towards diminution in the value of investments in TSL. Further, the Company, has also made a provision of ₹ 908.96 lakhs (₹ 908.96 lakhs), which is balance of the loan provided earlier to Balmer Lawrie-Van Leer Ltd. (another joint venture company) for acquisition of shares of TSL.

26.18 The amount of Excise duty deducted from the amount of “Sales – Manufactured Goods” is relatable to Sales made during the period and the amount of Excise Duty recognised separately in Note 25 – “Other Expenses” is related to the difference between the closing stock and the opening stock.

26.19 Employee Benefits

Consequent to Accounting Standard 15 on Employee Benefits (Revised) issued by the Institute of Chartered Accountants of India being applicable to the Company during the year, the prescribed disclosures are made in Annexure B.

Defined Benefit Plans / Long Term Employee benefits in respect of Gratuity, Leave Encashment and Long Service Awards are recognised in the Profit & Loss Account on the basis of Actuarial valuation done at the year end. The details of such employee benefits as recognised in the financial statements are attached as Annexure B.

26.20 Loans and Advances in the nature of loans to Subsidiary / Joint Ventures / Associates

The company does not have any Loans and Advances in the nature of Loans provided to its Subsidiary / Joint Venture Companies / Associates as at the year end except as is disclosed in 26.21 below.

26.21 Related Party Disclosure

i) <u>Name of Related Party</u>	<u>Nature of Relationship</u>
Balmer Lawrie Investments Ltd.	Holding Company
Balmer Lawrie (U.K.) Ltd.	Wholly owned subsidiary
Transafe Services Ltd	Joint Venture
Balmer Lawrie - Van Leer Ltd.	Joint Venture
Balmer Lawrie (UAE) Llc.	Joint Venture
Avi - Oil India (P) Ltd.	Joint Venture
Balmer Lawrie Hind Terminals Pvt. Ltd.	Joint Venture
Proseal Closures Ltd.	Subsidiary of Balmer Lawrie Van Leer Ltd.
PT Balmer Lawrie Indonesia	Joint Venture of Balmer Lawrie (UK) Ltd.
Shri S K Mukherjee, Chairman and Managing Director	Key Management Personnel (till 31-12-2011)
Shri V Sinha, Chairman and Managing Director	Key Management Personnel
Shri V N Sharma, Director (Manufacturing Businesses)	Key Management Personnel (till 31-07-2012)
Shri K Subramanyan, Director (Finance)	Key Management Personnel (till 30-11-2012)
Shri P.P. Sahoo, Director (HR & CA)	Key Management Personnel (w.e.f. 14-12-2011)
Shri A. Dayal, Director (Manufacturing Businesses)	Key Management Personnel (w.e.f. 01-08-2012)
Shri N. Gupta, Director (Services Businesses)	Key Management Personnel (w.e.f. 27-07-2012)
Shri P. Basu, Director (Finance)	Key Management Personnel (w.e.f. 01-12-2012)

(ii) **Transactions with Related Parties**

₹/Lakhs

	Type of Transaction		Holding Company	Subsidiary	Joint Ventures	Key Management Personnel	TOTAL
a)	Sale of Goods	31/03/13 31/03/12	3.03 2.67	– –	22.25 –	– –	25.28 2.67
b)	Purchase of Goods	31/03/13 31/03/12	– –	– –	1,836.56 1,602.08	– –	1,836.56 1,602.08
c)	Sale of Fixed Assets	31/03/13 31/03/12	– –	– –	2.74 –	– –	2.74 –
d)	Value of Services Rendered	31/03/13 31/03/12	19.97 19.88	– –	349.31 398.13	– –	369.28 418.01
e)	Value of Services Received	31/03/13 31/03/12	– –	– –	853.61 888.27	– –	853.61 888.27
f)	Remuneration to Directors	31/03/13 31/03/12	– –	– –	– –	227.48 166.67	227.48 166.67
g)	Income from leasing or hire purchase agreement	31/03/13 31/03/12	– –	– –	1.23 1.38	– –	1.23 1.38
h)	Purchase of Fixed Assets	31/03/13 31/03/12	– –	– –	5.23 8.08	– –	5.23 8.08
i)	Investment in shares as on	31/03/13 31/03/12	– –	1,874.06 1,874.06	3,776.15 2,653.67	– –	5,650.21 4,527.73
j)	Loans given as on	31/03/13 31/03/12	– –	– –	230.84 1,088.96	– –	230.84 1,088.96
k)	Dividend Income	31/03/13 31/03/12	– –	– –	919.31 975.01	– –	919.31 975.01
l)	Dividend Paid	31/03/13 31/03/12	2,818.12 2,616.82	– –	– –	– –	2,818.12 2,616.82
m)	Interest Income	31/03/13 31/03/12	– –	– –	186.98 214.94	– –	186.98 214.94
n)	Amount received on a/c. of salaries, etc. of Employees deputed or otherwise	31/03/13 31/03/12	10.52 11.93	– –	45.77 87.77	– –	56.30 99.70
o)	Net outstanding recoverable as on	31/03/13 31/03/12	3.17 3.82	– –	336.04 234.40	– –	339.21 238.22
p)	Net outstanding payable as on	31/03/13 31/03/12	– –	– –	403.80 167.11	– –	403.80 167.11
q)	Provision for advances/ investments	31/03/13 31/03/12	– –	– –	4,803.88 3,583.68	– –	4,803.88 3,583.68

26.22 Segment Reporting

Information about business segment for the year ended 31st March, 2013 in respect of reportable segments as defined by the Institute of Chartered Accountants of India in the Accounting Standard – 17 in respect of “Segment Reporting” is attached as Annexure - C.

26.23 Earnings per Share

- (i) Earnings per share of the company has been calculated considering the Profit after Taxation of ₹ 16,277.03 lakhs (₹ 13,807.28 lakhs) as the numerator.
- (ii) (a) The weighted average number of equity shares used as denominator for calculation of basic earnings per share is 1,62,86,081 (1,62,86,081) and face value per share is ₹ 10.
- (b) The weighted average number of equity shares used as denominator for calculation of diluted earnings per share is 2,85,00,641 (2,85,00,641) and face value per share is ₹ 10. (Please refer to Note No. 1F)
- (iii) (a) The nominal value of shares for calculation of basic earnings per share is ₹ 1,628.61 lakhs (₹ 1,628.61 lakhs) and the Basic earnings per share for the year on the above mentioned basis comes to ₹ 99.94 (₹ 84.78).
- (b) The nominal value of shares for calculation of diluted earnings per share is ₹ 2,850.06 lakhs (₹ 2,850.06 lakhs) and the Diluted earnings per share for the year on the above mentioned basis comes to ₹ 57.11 (₹ 48.45).

26.24 Disclosure of Interests in Joint Venture Companies

<u>Name of Joint Venture Company</u>	<u>Proportion of Shareholding</u>	<u>Country of Incorporation</u>
Balmer Lawrie (UAE) Llc.	49%	United Arab Emirates
Balmer Lawrie Van Leer Ltd	48%	India
Transafe Services Ltd.	50%	India
Avi Oil India (P) Ltd.	25%	India
Balmer Lawrie Hind Terminals Pvt. Ltd.	50%	India

The Company's proportionate share of the estimated amount of contracts remaining to be executed on Capital Accounts relating to the Joint Venture Companies and not provided for in their respective financial statements amounts to Rs. 9.79 lakhs (Rs. 174.65 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	-	₹ 41,941.16 lakhs (₹ 42,555.65 lakhs)
Liabilities	-	₹ 29,398.78 lakhs (₹ 30,054.61 lakhs)
Income	-	₹ 42,466.25 lakhs (₹ 37,830.28 lakhs)
Expenses	-	₹ 41,750.33 lakhs (₹ 36,399.41 lakhs)

26.25 Cost of Services is comprised of:

	<u>31.03.2013</u> ₹/Lakhs	<u>31.03.2012</u> ₹/Lakhs
Air / Rail travel costs	1,06,755.15	86,830.67
Air / Ocean freight	26,061.66	21,532.09
Transportation / Handling	5,234.80	5,230.85
Other Service charges	999.22	1,068.70
	<u>1,39,050.83</u>	<u>1,14,662.31</u>

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

Asset Classification (*)	31.03.2013 (`/Lakhs)	31.03.2012 (`/Lakhs)
Leasehold Land	3.79	–
Building	324.61	252.67
Plant & Machinery	289.14	173.91
Electrical Installation & Equipment	14.88	14.03
Furniture & Fittings	20.62	3.60
Typewriters, Accounting Machine & Off. Equipment	0.89	0.50
Tubewells, Tanks & Misc. Equipment	–	51.31
Pre-production Expenses	160.31	–
Intangible Assets under development	100.82	75.95
	915.06	571.97

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

26.27 Miscellaneous Expenses shown under “Other Expenses” (Note no. 25) do not include any item of expenditure which exceeds 1% of the total revenue.

26.28 (a) Certain fixed deposits amounting to Rs. 3,500 lakhs (Rs. 2,700 lakhs) are pledged with a bank against short term loans availed from the said bank. However, there are no loans outstanding against these pledges as on 31.3.2013.

(b) Certain fixed deposits amounting to Rs. 43.20 lakhs (Rs. 43.20 lakhs) are pledged with a bank against guarantees availed from the said bank.

26.29 Details of Other Payables (Note no. 7)

	31.03.2013 `/Lakhs	31.03.2012 `/Lakhs
Creditor for Expenses	7,297.55	6,103.89
Creditor for Capital Expenses	857.14	414.99
Employee Payables	1803.97	2065.70
Statutory Payables	1636.02	1683.32
Others	4,063.45	4,050.37
	15,658.13	14,318.27

26.30 (a) The financial statements have been prepared as per revised Schedule VI to the Companies Act, 1956.

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

(c) Figures in brackets relate to previous year.

**Statement of Disputed Dues as on 31st March, 2013
(Not provided for in the accounts)**

Name of the Statute	Nature of the Dues	Amount (₹ Lakhs)		Period to which the amount relates	Forum Where dispute is pending
		2012-13	2011-12		
Sales Tax Act.	Sales Tax	17.67	17.67	Asst yr 1994/95	Tribunal, Mumbai
		1.55	1.55	Asst Yr 1994/95	Tribunal, Mumbai
		8.91	8.91	Asst yr 2003/04	Dy. Commissioner, Mumbai
		0.98	0.98	Asst yr 2003/04	Dy. Commissioner, Mumbai
		2.23	2.23	Asst yr 2003/04	Dy. Commissioner, Mumbai
		0.81	0.81	Asst yr 2003/04	Dy. Commissioner, Mumbai
		5.78	5.78	Asst Yr 2000/01	Dy. Commissioner, Mumbai
		0.90	0.90	Asst yr 2000-01	Dy. Commissioner, Mumbai
		0.61	0.61	Asst Yr 2001/02	Dy. Commissioner, Mumbai
		8.08	8.08	Asstt Yr 2000/01	Dy. Commissioner, Mumbai
		4.85	4.85	Asstt Yr 2001/02	Dy. Commissioner, Mumbai
		1.35	1.35	Asst year 2000-01	Dy. Commissioner, Mumbai
		1.68	1.68	Asst year 2001-02	Dy. Commissioner, Mumbai
		7.07	7.07	Asstt Yr 2007/08 (VAT Act. 03)	Sr. Jt. Commissioner, Appeal West Bengal
		69.38	69.38	Asst yr 2003	CTO, Kochi
		15.62	15.62	Asstt Yr 1993/94	CTO, Kochi
		2.25	2.25	Asstt Yr 2005/06	CTO, Kochi
		6.63	6.63	Asstt Yr 2005/06	CTO, Kochi
		10.85	10.85	Asstt Yr 2004	CTO, Kochi
		1.82	1.82	Asstt Yr 2003/04	Asst. Commissioner, Chennai
		14.95	14.95	Asstt Yr 2008/09	Appeal pending with AAC
		1.64	1.64	Asstt Yr 2008/09	Appeal pending with AAC
		14.65	14.65	Asstt Yr 1998/99	Appeal pending before STAT
–	11.86	Asstt Yr 2004/05	Dy. Commissioner, West Bengal		
67.82	72.94	Asst. Year 2005/06	Appeal pending with Sales Tax Appellate & Revision Board		
37.04	37.04	VAT A/c. 03	- do -		
116.64	116.64	CST 06-07	- do -		
90.93	117.89	Asst. Year 2005/06	- do -		

Name of the Statute	Nature of the Dues	Amount (₹ Lakhs)		Period to which the amount relates	Forum Where dispute is pending
		2012-13	2011-12		
		2.17	2.17	Asstt Yr 1998/99	AAC, Chennai
		-	47.30	Asst Yr 1996/97	Appeal pending with AAC, Chennai
		12.14	12.14	Asst Yr 1996/97	Appeal pending with AAC, Chennai
		32.59	32.59	Asst Yr 2007/08	Appellate & Revision Board
		17.11	17.11	Asst Yr 2008/09	Appellate & Revision Board [VAT]
		137.55	261.00	Asst Yr 2008/09	- do -
		108.64	-	Asst Yr 2009/10	Addl. Commissioner (CT)
		491.68	-	Asst Yr 2009/10	- do -
SUB TOTAL		1315.93	930.29		
Central Excise Act	Excise Duty	91.15	91.15	October, 2000	High Court, Mathura
		1072.04	262.30	July, 97	Appellate Tribunal, Kolkata
		16.31	16.31	Feb., 2004	Appellate Tribunal, Kolkata
		47.00	47.00	04/10/2002	- do -
		337.32	321.17	Jul 00 to Dec 02	Commissioner, Mumbai
		51.95	49.20	Feb., 2004	Jt Commissioner, Mumbai
		5.58	-	Oct., 2012	Asstt Commissioner, Mumbai
		11.06	9.92	April, 08	Addl. Commissioner, Mumbai
		1.33	1.12	2006/07	Commissioner (Appeal), Mumbai
		15.63	15.63	22-11-2011	Addl. Commissioner (CE)
		0.37	0.19	05/05/2011	Dy. Commissioner (CE)
		0.69	-	11.02.2013	Commissioner (CE)
		12.63	12.63	March, 2011	Comm (Appeals), Mumbai
		-	0.16	Feb., 2010	Dy. Commissioner (Central Excise), Kolkata
		2.46	2.46	March, 2010	- do -
		10.52	8.92	March, 2002	Asstt Commissioner, Mumbai
		69.14	58.60	2008-09	Commissioner (Appeal), Mumbai
		341.67	341.67	2004-05	Commissioner (Appeal), Mumbai
		218.03	218.03	18-09-2002	CESTAT

Name of the Statute	Nature of the Dues	Amount (₹/Lakhs)		Period to which the amount relates	Forum Where dispute is pending
		2012-13	2011-12		
		99.29	99.29	02-05-2003	- do -
		9.07	9.07	08-05-2006	- do -
		37.57	30.10	18-10-2011	Commissioner (Appeal)
		1.42	1.42	06-07-1995	Asst. Commissioner
		12.18	12.18	17-07-1995	- do -
		9.97	9.97	27-04-1995	- do -
		3.77	-	03/06/2011	Comm. (Appeal)
		1.09	1.09	08-09-1995	Asst. Commissioner
SUB TOTAL		2479.24	1619.57		
Cess		90.43	85.50	Asst Yr 1999/00	High Court, Mumbai
		74.78	70.65	Asst Yr 2000/01	High Court, Mumbai
SUB TOTAL		165.21	156.15		
Service Tax Act	Service Tax	293.43	277.70	Aug.'02 - March'05	Commissioner of Central Excise (Adjn), Mumbai
		179.99	169.64	April'05 - March'06	- Do -
		193.55	181.72	July, 2007	- Do -
		212.58	202.61	14-05-2009 to 29-12-2009	Commissioner of Registered Commissionerate, Mumbai
		46.70	41.58	14-05-2009 to 29-12-2009	- Do -
		15.62	6.26	19-03-2010	Commissioner (Appeal) Service Tax
		3054.72	3054.72	Oct.,2002 - March, 2007	CESTAT, West Bengal
		7.82	7.21	April'08-Dec.'10	Dy. Commissioner (Service Tax) Mumbai
		0.74	0.68	Jan.'11-Oct.'11	Superintendent
		1.81	1.67	April'06-Dec.'10	- Do -
		2.77	-	Nov 11 to Jun 12	Superintendent
		2.79	-	Nov 11 to Jun 12	Asst Commissioner
		8.46	7.17	28, November, 2007	CESTAT, Ahmedabad
		-	982.27	April'08 to March'09	Commissioner of Central Excise, Mumbai
		25.19	25.19	Asstt Yr 2005-06/ 2006-07	Addl. Commissioner (Service Tax), West Bengal
		10.73	10.03	Apr 06 to Feb 10	Asstt Commissioner, Mumbai

ANNEXURE - A

Name of the Statute	Nature of the Dues	Amount (₹/Lakhs)		Period to which the amount relates	Forum Where dispute is pending
		2012-13	2011-12		
		2.35	2.17	Mar 10 to Dec 10	Superintendent, Mumbai
		3.88	3.63	Apr 06 to Dec 10	Asstt Commissioner, Mumbai
		309.44	–	31-01-2013	Comm. Service Tax -I, Mumbai
		17.38	17.69	Mar-09	Comm. of Central Excise, Coimbatore
		9.03	9.03	06-01-2012	- Do -
		46.41	46.41	05-01-2011	Appellate Tribunal
		27.97	–	23-07-2012	Ist Appellate Authority, Delhi
		26.21	22.83	09-11-2010	Additional Commissioner, Mumbai
		–	0.58	09-11-2010	Dy. Commissioner, Mumbai
		1.36	–	29-11-2012	Dy. Commissioner, Mumbai
		–	0.43	Nov.'05-Aug.'07	Commissioner of Central Excise (Appeal)
		–	7.79	Nov.'05-Aug.'07	- Do -
		–	2.77	Nov.'05-Aug.'07	- Do -
		4500.95	5081.78		
		8461.33	7787.79		

**Disclosure requirements under AS- 15 for Employee Benefits for BL
Employee Benefits (Refer note no. 26.19)**

₹/Lakhs

	Particulars	Gratuity (Funded)		Post-retirement Medical (Non-Funded)		Leave Encashment (Non-Funded)		Long Service Award (Non-Funded)	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
I	Net Asset / (Liability) recognised in the Balance Sheet as at March 31 , 2013								
	1 Present value of funded obligations – A	3,911.57	3,590.67	278.42	236.69	3,284.03	2,961.24	378.30	378.30
	2 Fair Value of Plan Assets – B	3,383.37	3,128.16	–	–	–	–	–	–
	3 (Deficit) / Surplus – (A - B)	(528.20)	(462.51)	(278.42)	(236.69)	(3,284.03)	(2,961.24)	(378.30)	(378.30)
	4 Net Asset / Liabilities								
	– Assets	–	–	–	–	–	–	–	–
	– Liabilities	(528.20)	(462.51)	(278.42)	(236.69)	(3,284.03)	(2,961.24)	(378.30)	(378.30)
II	Expense Recognised in the Profit & Loss Account for the year ended March 31 , 2013								
	1 Current Service Cost	242.20	218.03	–	–	647.71	673.27	–	–
	2 Interest on Defined Benefit Obligation	272.43	239.03	17.29	15.94	222.81	201.97	27.76	21.62
	3 Expected Return on Plan Assets	276.84	241.51	–	–	–	–	–	–
	4 Net Actuarial Losses / (Gains) recognised during the year	160.30	(5.79)	65.58	46.47	(195.23)	(185.20)	77.05	117.84
	5 Past Service Cost	–	183.71	–	–	–	–	–	–
	6 Excess Contribution made in earlier years to be adjusted in future years								
	Total (1+2-3+4+5)	398.09	393.47	82.87	62.41	675.29	690.04	104.81	139.46
	Actuarial return on Plan Assets								
III	Change in present value of obligation during the year ended March 31, 2013								
	1 Opening Defined Benefit Obligation	3,590.67	3,087.93	236.69	200.68	2,961.24	2,604.18	378.30	301.76
	2 Past Service Cost	–	183.71	–	–	–	–	–	–
	3 Current Service Cost	242.20	218.03	–	–	647.71	673.27	–	–
	4 Interest Cost	272.43	239.03	17.29	15.94	222.81	201.97	27.76	21.62
	5 Actuarial Losses / (Gains)	176.80	62.08	65.58	46.47	(195.23)	(185.20)	77.05	117.84
	6 Benefits Paid	370.53	200.11	41.14	26.40	352.50	332.98	62.52	62.92
	7 Closing Defined Benefit Obligation (1+2+3+4-5 - 6)	3,911.57	3,590.67	278.42	236.69	3,284.03	2,961.24	420.59	378.30
IV	Change in fair value of Plan Assets during the year ended March 31 , 2013								
	1 Opening Fair Value of Plan Assets	3,128.16	2,740.32	–	–	–	–	–	–
	2 Expected Return	276.84	241.51	–	–	–	–	–	–
	3 Actuarial (Losses)/Gains on Plan Assets	16.50	67.87	–	–	–	–	–	–
	4 Assets Distributed on settlements	–	–	–	–	–	–	–	–
	5 Contribution by employer	332.40	278.57	–	–	–	–	–	–
	6 Benefits Paid	370.53	200.11	–	–	–	–	–	–
	7 Closing Fair Value of Plan Assets (1+2+3-4+5-6)	3,383.37	3,128.16	–	–	–	–	–	–
V	The Major categories of Plan Assets as a percentage of total Plan Assets								
	1 Government of India Securities / State Govt (s) Securities	31.06%	30.74%	} Not Applicable	} Not Applicable	} Not Applicable	} Not Applicable	} Not Applicable	} Not Applicable
	2 Corporate Bonds	61.78%	61.48%						
	3 Others	7.16%	7.78%						
VI	Principal Actuarial Assumptions as at March 31, 2013								
	1 Discount Rate (p.a.)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
	2 Expected Rate of Return on Plan Assets (p.a.)	8.00	8.00	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
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) ULTIMATE TABLE.								
IX	The valuations have been done using the Projected Unit Credit Method.								

Information About Business Segments for the Year Ended 31st. March 2013

ANNEXURE - C
₹ Lakhs

	Industrial Packaging		Logistics Infrastructure & Services		Tours and Travel		Greases and Lubricants		Others		Consolidated Total	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
SEGMENT REVENUE												
External Revenue	45312.40	44485.30	52625.70	45833.32	113171.35	92328.74	38671.01	38580.35	8019.16	7097.04	257799.62	228324.75
Inter-Segment Revenue	1931.72	1871.20	146.39	36.81	46.96	41.14	499.62	435.09	42.76	34.08	2667.44	2418.33
Total Segment Revenue	47244.12	46356.50	52772.09	45870.13	113218.31	92369.88	39170.63	39015.44	8061.92	7131.12	260467.06	230743.08
Less :												
Inter-Segment Revenue											2667.44	2418.33
Add :											268.69	270.71
Other Unallocable Revenue											258068.31	228595.46
TOTAL REVENUE												
SEGMENT RESULT												
Profit / (Loss) before Interest & Tax	2909.88	3334.10	14460.89	12728.54	3618.78	2979.89	3604.35	3065.19	95.41	67.19	24689.31	22174.91
Less :												
Interest Expense											421.70	469.21
Prior Period Adjustment											57.33	408.31
Other Unallocable Expenditure (net of Unallocable Revenue)											1858.26	2270.14
TOTAL PROFIT BEFORE TAX												
OTHER INFORMATION												
Segment Assets	18148.86	15685.33	20391.46	19877.44	18004.06	17037.41	19505.91	18666.12	5381.65	5034.40	81431.94	76300.70
Other Unallocable Assets											45876.72	39881.42
Total Assets	5834.74	5512.51	13360.17	13456.48	5391.23	5709.06	6551.75	7390.32	1716.10	1604.83	127308.66	116182.11
Segment Liabilities	1406.76	586.67	855.40	1260.53	26.81	132.93	1925.50	511.00	1365.43	563.47	32853.99	33673.20
Other Unallocable Liabilities	413.60	335.60	556.11	473.73	69.85	66.00	204.65	230.40	419.10	411.89	22155.24	20492.83
Total Liabilities											55009.23	54166.03
Capital Expenditure											5579.90	3054.58
Depreciation											1663.30	1517.62
Impairment loss on Fixed Assets											-	-
Amortisation of Deferred Revenue Expenditure											-	-

Notes :

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

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

2. Segment Revenue, Segment Expenses and Segment Results include transfers between Business Segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods and are eliminated in consolidation.

**STATEMENT REGARDING SUBSIDIARY COMPANY
Pursuant to Section 212(1) and (3) of the Companies Act, 1956**

BALMER LAWRIE (UK) LTD	USD	Converted @ Rs. 53.50/USD
a) Holding Company's Interest: Entire Issued Share Capital of Ordinary Shares of £ 1 each fully paid up at cost	53,37,478	28,55,55,073
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, 2013	104,320	55,81,120
ii) for the previous financial years (cumulative)	31,57,699	16,89,36,897
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, 2013	Nil	Nil
ii) for the previous financial years	Nil	Nil

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

CA Sarad Jha
Partner
Membership No. 050138
Kolkata, the 29th May, 2013

V. Sinha
Chairman & Managing Director

M. P. Bezbaruah
Asish K. Bhattacharyya
VLVSS Subba Rao
P. P. Sahoo
Niraj Gupta

Arun Seth
P. K. Bora
Abha Chaturvedi
A. Dayal
Prabal Basu

Directors

Amit Ghosh
Secretary

Subsidiary Company
BALMER LAWRIE (UK) LIMITED

**Pursuant to Approval Given under Section 212(8) of the Companies Act, 1956
by the Department of Company Affairs, Government of India**

**Financial Statements For The Year Ended 31st March, 2013 is furnished in Indian Rupees converted
at the exchange rate as on 31.03.2013 – Rs. 53.50/USD**

Balmer Lawrie (UK) Limited (Registered number: 02764967)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2013

The directors present their report with the financial statements of the company for the year ended 31st March 2013.

PRINCIPAL ACTIVITY

The company was earlier engaged in Leasing and Hiring of Marine Freight Containers and Tea Warehousing, Blending and packaging. After exiting these two businesses the proceeds are being used to fund other business opportunities.

REVIEW OF BUSINESS

The Company has invested approximately US\$1.52 million equivalent to Indonesian Rupiah 14.20 billion, being 50% of the paid up capital of a Joint Venture Company (JVC) that had been formed in Indonesia. Balance 50% of the paid up capital of JVC is subscribed by 'PT Imani Wicaksana, Indonesia to manufacture and market lubricating grease and other lubricants in Indonesia. The plant was commissioned during the last financial year and the activities of the company is in the process of stabilisation.

The Company is at present having no other business and have invested the surplus funds of approximately \$7 million in term deposits with Banks to fund future business opportunities.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2012 to the date of this report.

V Sinha
P Basu

Other changes in directors holding office are as follows :
K Subramanyan - resigned 30th November 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of

the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts Slough LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Date 27th May, 2013

ON BEHALF OF THE BOARD
V Sinha - Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BALMER LAWRIE (UK) LLMITED

We have audited the financial statements of Balmer Lawrie (UK) Limited for the year ended 31st March 2013 which comprise the Profit and Loss Account the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors.

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2013 and of its profit for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act. 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matter on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act, 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

Kalbinder Sanghera (Senior Statutory Auditor)
for and on behalf of Haines Watts Slough LLP
Statutory Auditor
Sterling House
177-181 Farnham Road
Slough
SL14XP
Date: 28 May 2013

Note:

The maintenance and integrity of the Balmer Lawrie (UK) Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Balmer Lawrie (UK) Limited

Profit and Loss Account for the year ended 31 st March 2013

	Notes	<u>31-03-2013</u>	<u>31-03-2012</u>
Turnover		–	–
Administrative expenses		<u>(5.18)</u>	<u>(4.38)</u>
Operating loss	2	(5.18)	(4.38)
Interest receivable and similar charges	3	<u>78.62</u>	<u>74.69</u>
Profit on ordinary activities before taxation		73.44	70.31
Tax on profit on ordinary activities	4	<u>(17.62)</u>	<u>(18.13)</u>
Profit for the financial year		<u>55.82</u>	<u>52.18</u>

Balance Sheet as at 31 st March 2013

	Notes	<u>31-03-2013</u>	<u>31-03-2012</u>
Fixed Assets			
Investments	5	<u>811.97</u>	<u>704.63</u>
		811.97	704.63
Current Assets			
Debtors	6	47.79	46.24
Cash at bank and in hand		<u>3763.77</u>	<u>3817.48</u>
		3811.56	3863.72
Creditors			
Amounts falling due within one year	7	<u>(22.79)</u>	<u>(23.43)</u>
Net current assets		3788.77	3840.29
Total assets less current liabilities		<u>4600.74</u>	<u>4544.92</u>
		<u>4600.74</u>	<u>4544.92</u>
Capital and reserves			
Called up share capital	8	2855.55	2855.55
Profit and loss account	9	1745.19	1689.37
Shareholders' fund - equity interests		<u>4600.74</u>	<u>4544.92</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 27th May 2013 and were signed on its behalf by :

P Basu
Director

V. Sinha
Director

Notes to the Financial Statements for the year ended 31st March 2013

1 Accounting Policies

(` Lakhs)

Basis of preparation of financial statements

The company's activities are more dependent on the American dollar than sterling.

Consequently, the company's financial statements are prepared in American dollars on applying the following bases:

- (a) Monetary assets and liabilities denominated in a foreign currency were translate into dollars at the foreign exchange rates ruling at the balance sheet date;
- (b) Revenue and expenses in foreign currencies were translated in dollars at the average rate for the year;
- (c) Any gains or losses arising on translation were taken to the profit and loss account.

Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Deferred Tax

Deferred Tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Investments in Joint Ventures

Investments in Joint Ventures are carried out at cost or valuation. Cost is based on the fair value of the consideration paid for the investment, including acquisition costs.

Where a different value is demonstrated by a significant third party event, the investment is carried at a corresponding revalued amount. In the case of a permanent impairment in the carrying value of the asset, a write down provision is made in the profit and loss account.

	31/03/2013	31/03/2012
2 Operating Loss		
The operating loss is stated after charging/(crediting):		
Auditors' remuneration	2.14	2.14
Foreign exchange differences	0.23	(0.56)
Directors' remuneration and other benefits etc	0.00	0.00
3 Interest receivable and similar income		
Deposit account interest	78.62	74.69
4 Taxation Analysis of the tax charge		
The tax charge on the profit on ordinary activities for the year was as follows:		
Current Tax:		
UK corporation tax	17.62	18.13
Tax on profit on ordinary activities	17.62	18.13
5 Fixed Asset Investment Cost		
At 1 April 2012	704.63	630.29
Addition	107.34	74.34
At March 31 2013	811.97	704.63
Net Book Value	811.97	704.63
The company's investments at the balance sheet date in the share capital of companies include the following:		
Joint Venture		
PT Balmer Lawrie Indonesia		
Country of incorporation : Indonesia		
Nature of business: Manufacture and sale of greases and lubricants		
Class of shares : % holding		
Ordinary 50		
Aggregate capital and reserves	238.05	761.85
Loss for the year	(536.85)	(497.83)

Balmer Lawrie (UK) Limited

Notes to the Financial Statements for the year ended 31st March 2013

	<u>31/03/2013</u>	<u>31/03/2012</u>
6 Debtors		
Prepayments and accrued income	47.79	46.24
	47.79	46.24
7 Creditors : Amounts falling due within one year		
Tax	17.62	18.13
Accruals and deferred income	5.17	5.30
	22.79	23.43
8 Called up Share Capital		
Nominal Value		
Authorised issued and fully paid 3,380,312 Ordinary Shares of 1 each	2855.55	2855.55

9 Reserves

At 1 April 2012
Profit for the year
At 31 March 2013

<u>Profit and Loss account</u>
1689.37
55.82
1745.19

10 Ultimate controlling party

The company's ultimate parent company and controlling party is Balmer Lawrie & Co. Limited, a company incorporated in India by virtue of it being a wholly owned subsidiary undertaking.

Detailed Trading and Profit & Loss Account for the year ended 31 March 2013

	<u>31-03-2013</u>	<u>31-03-2012</u>
Income		
Other Income		
Deposit account interest	–	74.69
	78.62	74.69
Expenditure		
Accountancy	2.55	2.68
Auditors' remuneration	2.14	2.14
Foreign exchange gains	0.23	(0.56)
	4.92	4.26
	73.70	70.43
Finance costs		
Bank charges	0.26	0.12
Net Profit	73.44	70.31

Independent Auditor's Report
To the Board of Directors of Balmer Lawrie & Co. Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BALMER LAWRIE & CO. LTD** (the "Company"), its subsidiary and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated Financial Performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

(i) As stated in Note 23 .9 Additional Disclosure, the consolidated financial statements include the unaudited financial statements/ financial information of a joint venture company of the wholly owned subsidiary, whose financial statements/financial information reflect Group's share of assets (net) of ` (714.90) lacs as at 31st March, 2013, Group's share of revenue of ` 817.12 lacs and net cash flows amounting to ` (45.61) lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include

the Group's share of net loss of ` 269.39 lacs for the year ended 31st March, 2013, in respect of the above Company based on their unaudited financial statements/financial information. Our opinion, in so far as it relates to the amounts included in respect of this, jointly controlled entity, is based solely on such unaudited financial statements/financial information.

(ii) As stated in Note 23.10 Additional Disclosure in consolidated financial statement regarding certain balances totaling ` 9.13 crores (in which the Group share is ` 6.74 crores) are included in Long Term Loans & Advances – Unsecured considered goods awaiting reconciliation of individual accounts based on parties confirmation and completion of management review for adjustment of the balances. The consequential impact of adjustment as may be necessary in this regard on the year's results and the year-end net assets is not ascertainable at this stage.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters' described in the para (i) & (ii) of Basis for Qualified Opinion paragraph.* and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiary, jointly controlled entities referred to below in the Other Matter paragraph, the aforesaid 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, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiary and jointly controlled entities, whose financial statements reflect the Group's share of total assets of ` 45306.13 lacs as at 31st March, 2013, total revenues of ` 43359.61 lacs and net cash flows amounting to ` 118 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter

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

Place : Kolkata
Date: 29th May, 2013

CA Sarad Jha
Partner
Membership No. 050138

CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED
Balance Sheet as at 31st March 2013

	Note No.	As at 31 March 2013 Consolidated with Subsidiary (` Lakhs)	As at 31 March 2013 Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	As at 31 March 2012 Consolidated with Subsidiary (` Lakhs)	As at 31 March 2012 Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,628.61	1,628.61	1,628.61	1,628.61
Reserves and Surplus	2	72,628.63	84,674.78	62,215.29	74,219.20
Total Shareholders' Funds		74,257.24	86,303.39	63,843.90	75,847.82
Minority Interest		–	346.01	–	305.71
Non-current Liabilities					
Long Term Borrowings	3	723.58	11,430.55	768.68	12,547.90
Deferred Tax Liabilities (Net)		–	150.52	93.46	590.58
Other Long Term Liabilities	4	4,149.66	4,509.20	4,487.13	3,801.60
Long Term Provisions	5	20.00	981.98	55.79	789.01
Total Non-current Liabilities		4,893.24	17,072.25	5,405.06	17,729.09
Current Liabilities					
Short Term Borrowings	6	396.03	6,449.11	254.85	7,388.92
Trade Payables		21,528.76	30,327.30	22,545.52	27,765.50
Other Current Liabilities	7	16,480.56	18,457.17	16,359.39	18,043.08
Short Term Provisions	8	13,117.80	13,659.56	10,964.51	14,848.77
Total Current Liabilities		51,523.15	68,893.14	50,124.27	68,046.27
TOTAL		1,30,673.63	1,72,614.79	1,19,373.23	1,61,928.88
ASSETS					
Non-current Assets					
Fixed Assets	9				
Tangible Assets		26,980.46	44,898.61	23,595.98	41,342.86
Intangible Assets		222.22	253.83	120.68	160.81
Capital Work-in-Progress		814.24	1,105.21	496.02	1,083.43
Intangible Assets under Development		100.82	100.82	75.95	75.95
Non-current Investments	10	3,643.04	14.52	2,668.19	14.52
Deferred Tax Assets (net)	3	251.05	–	–	–
Long Term Loans and Advances	11	2,160.66	2,820.37	3,072.63	3,012.98
Other Non-current Assets	12	0.69	13.77	5.59	7.53
Total Non-Current Assets		34,173.18	49,207.13	30,035.04	45,698.08
Current Assets					
Inventories	13	12,196.44	28,356.21	12,589.60	28,724.73
Trade Receivables	14	36,344.03	44,927.69	35,494.52	43,907.86
Cash and Cash Equivalents	15	40,811.81	41,202.15	35,278.56	35,681.18
Short Term Loans and Advances	16	6,652.20	7,631.01	5,448.75	6,813.84
Other Current Assets	17	495.97	1,290.60	526.76	1,103.19
Total Current Assets		96,500.45	1,23,407.66	89,338.19	1,16,230.80
TOTAL		1,30,673.63	1,72,614.79	1,19,373.23	1,61,928.88
Additional Disclosure	23				

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

As per our report attached

For Vidya & Co.

Chartered Accountants

Firm Registration No. 308022E

CA Sarad Jha

Partner

Membership No. 050138

Kolkata, the 29th May, 2013

V. Sinha
Chairman & Managing Director

M. P. Bezbaruah
Asish K. Bhattacharyya
VLVSS Subba Rao
P. P. Sahoo
Niraj Gupta

Directors

Arun Seth
P. K. Bora
Abha Chaturvedi
A. Dayal
Prabal Basu

Amit Ghosh
Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED
Profit and Loss Statement for the year ended 31st March 2013

	Note No.	For the year ended 31.03.2013		For the year ended 31.03.2012	
		Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Income:					
Revenue from operations		2,71,105.24	3,15,258.62	2,39,913.46	2,79,242.55
Less Excise Duty		(12,224.93)	(13,430.08)	(11,257.96)	(12,098.69)
Revenue from operations (Net of Excise)	18	2,58,880.31	3,01,828.54	2,28,655.50	2,67,143.86
Other Income	19	5,973.14	5,491.16	5,380.08	4,721.99
Total Revenue		2,64,853.45	3,07,319.70	2,34,035.58	2,71,865.86
Expenses:					
Cost of Materials Consumed/Services Rendered		2,05,535.78	2,32,342.63	1,79,965.60	2,03,669.30
Purchase of Trading Goods		34.29	160.24	33.43	66.44
Changes In inventories of Finished Goods, work-in-progress, Trading goods		(261.63)	(424.39)	(183.09)	(3.08)
Employee Benefits Expenses	20	15,998.71	20,523.85	14,170.37	18,057.00
Finance Costs	21	597.97	2,269.18	573.39	2,300.55
Depreciation and Amortization Expenses		1,723.65	3,785.42	1,559.49	3,496.73
Other expenses	22	19,070.40	25,792.57	19,125.51	24,057.19
Total Expenses		2,42,699.17	2,84,449.50	2,15,244.71	2,51,644.12
Profit Before tax		22,154.28	22,870.20	18,790.87	20,221.74
Tax Expense:					
Current Tax		6,437.51	6,645.52	5,875.97	6,078.52
Deferred Tax		(345.00)	(490.01)	(639.89)	(663.05)
Profit (Loss) for the period		16,061.77	16,714.69	13,554.79	14,806.26
Minority Interest		-	108.07	-	74.38
Earnings per equity share {Basic}		98.62	102.63	83.23	90.91
Earnings per equity share {Diluted}		56.36	58.65	47.56	51.95
Additional Disclosure	23				

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

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

CA Sarad Jha
 Partner
 Membership No. 050138
 Kolkata, the 29th May, 2013

V. Sinha
 Chairman & Managing Director

M. P. Bezbaruah
 Asish K. Bhattacharyya
 VLVSS Subba Rao
 P. P. Sahoo
 Niraj Gupta

Arun Seth
 P. K. Bora
 Abha Chaturvedi
 A. Dayal
 Prabal Basu

Amit Ghosh
 Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	(` in lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
A. Cash Flow from Operating Activities		
Net profit before Tax [Note]	22713	20152
Adjustment for		
Depreciation and fixed assets written off	3808	3780
Foreign Exchange	171	284
Profit on sale of investment	106	48
Interest / Dividend	(3044)	(1698)
Investments written off / Provision for diminution in value	2313	318
Provision of write down of inventories to net reliable value	(7)	109
Operating Profit Before Working Capital Changes	26060	22993
Trade and other receivables	(1569)	(3736)
Inventories	1481	(250)
Trade Payables	1124	324
Cash generated from operations	27096	19331
Direct Taxes paid	(6977)	(5312)
NET CASH FROM OPERATING ACTIVITIES	20119	14019
B. Cash Flow from Investing Activities		
Purchase of Fixed assets	(6188)	(4929)
Sale of Fixed assets	249	117
Purchase of Investments	(3075)	(40)
Interest received	3518	2253
Dividend received	969	1008
NET CASH FROM INVESTING ACTIVITIES	(4527)	(1591)
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings & Equities	(2139)	(454)
Proceeds from other Borrowings	(1054)	215
Interest paid	(1440)	(1536)
Dividend Paid	(4695)	(4397)
Corporate Tax on Dividend	(744)	(696)
NET CASH FROM FINANCING ACTIVITIES	(10072)	(6868)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	5520	5560
CASH & CASH EQUIVALENTS - OPENING BALANCE	35682	30122
CASH & CASH EQUIVALENTS - CLOSING BALANCE	41202	35682

NOTE ON CASH FLOW STATEMENT

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

	(` in lakhs)	
	2012-13	2011-12
2 Net Profit after Tax as per Profit & Loss Account	16715	14806
Add : Tax Provision (Net)	6155	5416
	22870	20222
Less : Profit / (Loss) on Disposal of Fixed Assets (Net)	157	70
Net Profit before Tax	22713	20152

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

CA Sarad Jha
Partner
Membership No. 050138
Kolkata, the 29th May, 2013

V. Sinha
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Niraj Gupta

Arun Seth
P. K. Bora
Abha Chaturvedi
A. Dayal
Prabal Basu
Directors

Amit Ghosh
Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

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

2. Fixed Assets and Depreciation

- a) Fixed Assets are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition.
- b) Fixed Assets manufactured/constructed in-house are valued at actual cost of raw materials, conversion cost and other related costs.
- c) Cost of leasehold land is amortized over the period of lease.
- d) Expenditure incurred during construction of capital projects including related pre-production expenses is treated as Capital Work-in-Progress and in case of transfer of the project to another body, the accounting is done on the basis of terms of transfer.
- e) Fixed assets retired from active use and held for disposal are stated at the lower of book value and net realizable value and are shown separately in the financial statements. Loss determined, if any, is recognized in the profit and loss statement.
- f) Depreciation is provided following the straight line method. Rates of Depreciation are in accordance with the provisions of the Companies Act, 1956, as prevailing from time to time, except for items covered under paragraphs (g) and (h) below.
- g) The company reviews the depreciation policies followed for various items of assets, their useful life and circumstances prevailing in the business so as to make a more appropriate preparation or presentation of the financial statements. Necessary adjustment is made in the depreciation charge for the assets, if any significant variation is noticed in the pattern of economic benefits embodied in the assets. Based on technical review, (i) certain items of Electrical Installations and Equipment, Furniture and Fittings and Typewriter, Accounting Machine and Office Equipment are being depreciated at the rate of 15%, 20% and 20% per annum respectively; (ii) Mobile Phones at the rate of 50% per annum; (iii) Motor Cars at the rate of 20% per annum; (iv) Portable Personal Computers at the rate of 50% per annum; (v) items given to employees under the furniture equipment scheme, at the rate of 25% per annum for Computers and 15% per annum for Other Items; and (vi) assets whose actual cost does not exceed Rs. 5000, at the rate of 100% in the year of addition of the asset, irrespective of the date of addition.
- h) Machinery Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular, are treated as fixed assets and depreciated over a period of five years (by charging depreciation @ 20% p.a. on straight line basis) or the residual life of the principal asset, whichever is lower.

3. Valuation of Investments

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

4. Valuation of Inventories

- (i) Inventories are valued at lower of cost or net realisable value.

For this purpose, the basis of ascertainment of cost of the different types of inventories is as under-

- a) Raw materials & trading goods (other than tea), stores & spare parts and materials for turnkey projects on the basis of weighted average cost.
 - b) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost upto the relative stage of completion.
 - c) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
 - d) Tea (unblended, blended and packed) - on the basis of specific cost.
- (ii) Tools, dies, jigs and fixtures are written-off over the economic life except items costing upto Rs.10000 which are charged off in the year of issue.

5. Recognition of Revenue

Revenue is recognised in compliance with the following:

- a) In case of sale of goods:
When the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales are stated exclusive of Sales Tax / VAT.
- b) In case of services rendered:
When performance in full or part as having achieved is recognised by the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from rendering the services. Income from Services are exclusive of Service Tax.
- c) In case of project activities:
As per the percentage of completion method after progress of work to a reasonable extent.
- d) In case of other income:
 - i) Interest - on a time proportion basis taking into account the outstanding principal and the relative rate of interest.
 - ii) Dividend from investments in shares - on establishment of the Company's right to receive.

6. Employee Benefits

- a) Company's contributions to Provident Fund and Superannuation fund are charged to Profit and Loss Account.
- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards are charged to Profit & Loss Account on the basis of actuarial valuation made at the year end.
- c) Post retirement medical benefit is also recognised on the basis of actuarial valuation made at the year end.

7. Treatment of Prior Period and Extraordinary Items

- a) Prior period items which arise in the current period as a result of error or omission in the preparation of prior period's financial statement are separately disclosed in the current statement of profit & loss. However, differences in actual income/expenditure arising out of over or under estimation in prior period are not treated as prior period income/expenditure.
- b) Income / Expenditure upto Rs. 10000 in each case pertaining to prior years is charged to the current year.
- c) Extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.

SIGNIFICANT ACCOUNTING POLICIES

8. Foreign Currency Translations

- a) All transactions in foreign currency other than those specified below are converted at the exchange rate prevailing on the respective dates of transactions.
- b) Monetary items denominated in a foreign currency (such as cash, balance in bank accounts, receivables, payables, etc) are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
- c) Non-monetary assets denominated in foreign currency such as Long Term Investment, Inventories and Fixed Assets are carried at cost.
- d) In case of foreign branch, translation of the financial statement is made on the following basis -
 - i) Revenue items except opening and closing inventories are converted at average rate. Opening and closing inventories are translated at the rate prevailing at the commencement and close respectively.
 - ii) Fixed Assets and depreciation are converted at the exchange rate on the date of the transactions.
 - iii) Other Current Assets and Current Liabilities are converted at the exchange rate as on the date of the Balance Sheet.
- e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except as stated above.
- f) Premium / discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the Profit & Loss Account

9. Accounting for Research & Development

- a) Revenue Expenditure is shown under Primary Head of Accounts with the total of such expenditure being disclosed in the Notes.
- b) Capital expenditure relating to research & development is treated in the same way as other fixed assets.

10. Treatment of Grant/Subsidy

- a) Revenue grant/subsidy in respect of research & development expenditure is set off against respective expenditure.
- b) Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.
- c) When grant/ subsidy is received as compensation for extra cost associated with the establishment of manufacturing units or cannot be related otherwise to any particular fixed assets the grant/subsidy so received is credited to capital reserve. On expiry of the stipulated period set out in the scheme of grant/subsidy the same is transferred from capital reserve to general reserve.
- d) Revenue grant in respect of organisation of certain events is shown under Sundry Income and the related expenses

there against under normal heads of expenditure.

11. Accounting for Borrowing Cost

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

12. Impairment of Assets

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

13. Cash Flow Statement

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

14. Segment Reporting

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

15. Intangible Assets

- (a) Expenditure incurred for acquiring intangible assets like software of Rs. 5,00,000 and above and license to use software per item of Rs. 25000 and above, from which economic benefits will flow over a period of time, is capitalized and amortized over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- (b) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

16. Provisions, Contingent Liabilities and Capital Commitments

- (a) Provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- (b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company.
- (c) Capital commitments and Contingent liabilities disclosed are in respect of items which exceed Rs. 1,00,000 in each case.
- (d) Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

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

CA Sarad Jha
 Partner
 Membership No. 050138
 Kolkata, the 29th May, 2013

V. Sinha
 Chairman & Managing Director

M. P. Bezbaruah
 Asish K. Bhattacharyya
 VLSS Subba Rao
 P. P. Sahoo
 Niraj Gupta
 Directors

Arun Seth
 P. K. Bora
 Abha Chaturvedi
 A. Dayal
 Prabal Basu
 Amit Ghosh
 Secretary

	As at 31 March 2013		As at 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No.1				
Share Capital				
Authorised				
30,000,000 Equity Shares of ` 10 each	3,000.00	3,000.00	3,000.00	3,000.00
Issued				
16,286,081 Equity Shares of ` 10 each	1,628.61	1,628.61	1,628.61	1,628.61
Detail of Shares Issued Subscribed and Fully Paid				
Equity Share Fully Paid In cash 9065547 of ` 10 each	906.55	906.55	906.55	906.55
Fully Paid up pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd. 448130 of ` 10 each	44.81	44.81	44.81	44.81
Fully paid up pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd. 6772404 of ` 10 each	677.24	677.24	677.24	677.24
Total Subscribed & Fully Paid	1,628.61	1,628.61	1,628.61	1,628.61

A : The Board of Directors have approved the issue of additional ` 1,22,14,560 bonus equity share of ` 10 each at its meeting held on March 26, 2013, which have been allotted on May 25, 2013, after obtaining the assent of the members. Pursuant to this change, the potential equity shares outstanding for the purpose of calculation of diluted earnings per share stands at 2,85,00,641 equity shares of ` 10 each.

Note No. 2
Reserves & Surplus

Capital Reserves On Consolidation

Opening Balance	824.98	2,616.23	-	588.93
(+) Current Year Transfer	-	(1,068.07)	824.98	2,027.30
(-) Written Back in Current Year	-	596.38	-	-
Closing Balance	824.98	951.78	824.98	2,616.23

Securities Premium Account

Opening Balance	3,626.77	4,199.98	3,626.77	4,199.98
Closing Balance	3,626.77	4,199.98	3,626.77	4,199.98

Contingency Reserve

Opening Balance	-	58.60	-	58.60
Closing Balance	-	58.60	-	58.60

General Reserve

Opening Balance	30,375.47	39,129.56	27,375.47	35,329.78
(+) Current Year Transfer	3,000.00	3,053.15	3,000.00	3,799.78
(-) Written Back in Current Year	-	-	-	-
Closing Balance	33,375.47	42,182.71	30,375.47	39,129.56

Investment All Reserve

Opening Balance	-	3.96	-	3.96
Closing Balance	-	3.96	-	3.96

Foreign Exchange Conversion Reserve

Opening Balance	97.75	1,040.28	10.56	152.87
(+) Current Year Transfer	220.17	876.44	87.19	887.40
(-) Written Back in Current Year	-	-	-	-
Closing Balance	317.92	1,916.72	97.75	1,040.28

Profit & Loss Statement

Opening balance	27,290.32	27,170.58	22,035.40	21,569.93
(+) Net Profit/(Net Loss) For the current year	16,061.77	16,606.63	13,554.79	14,806.26
(-) Proposed Dividends	5,016.11	4,452.80	4,560.10	4,558.72
(-) Corporate tax on dividend	852.48	910.23	739.77	770.43
(-) Transfer to General Reserves	3,000.00	3,053.15	3,000.00	3,876.46
Closing Balance	34,483.50	35,361.03	27,290.32	27,170.58

	-	-	-	-
Total	72,628.64	84,674.78	62,215.29	74,219.20

	As at 31 March 2013		As at 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No.3				
Long Term Borrowings				
Secured				
Term loans				
from banks	723.58	10,359.80	768.68	11,611.95
from other parties	–	–	–	74.92
Loans and advances from related parties	–	984.76	–	720.64
	<u>723.58</u>	<u>11,344.56</u>	<u>768.68</u>	<u>12,407.51</u>
Unsecured				
Other loans and advances	–	85.99	–	140.39
Total	<u>723.58</u>	<u>11,430.55</u>	<u>768.68</u>	<u>12,547.90</u>

Note No.4
Other Long Term Liabilities

Trade Payables	0.02	102.55	3.89	167.48
Others	4149.64	4406.65	4483.24	3634.12
Total	<u>4149.66</u>	<u>4509.20</u>	<u>4487.13</u>	<u>3801.60</u>

Note No.5
Long Term Provisions

Provision for employee benefits	12.04	910.90	12.04	705.33
Others	7.96	71.08	43.75	83.69
Total	<u>20.00</u>	<u>981.98</u>	<u>55.79</u>	<u>789.01</u>

Note No.6
Short Term Borrowings

Secured				
Other Loans & advances				
from banks	396.03	5,950.70	254.85	6,510.99
	<u>396.03</u>	<u>5,950.70</u>	<u>254.85</u>	<u>6,510.99</u>
Unsecured				
Other Loans and advances				
Term Loan -Bank	–	–	–	458.30
Other Loan Bank	–	498.41	–	239.10
From other	–	–	–	180.53
	–	498.41	–	877.93
Total	<u>396.03</u>	<u>6,449.11</u>	<u>254.85</u>	<u>7,388.92</u>

	As at 31 March 2013		As at 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No.7				
Other Current Liabilities				
Current maturities of long-term debt	120.73	1,669.60	113.75	1,029.30
Current maturities of finance lease obligations	4.61	4.61	4.06	4.06
Interest accrued but not due on borrowings	–	2.32	–	61.18
Interest accrued and due on borrowings	–	20.71	–	59.42
Income received in advance/Advance From Customers	451.41	600.55	402.42	528.76
Unpaid dividends	185.05	189.51	161.31	164.71
Other payables (specify nature)	15,718.77	15,911.57	15,677.85	16,195.65
Total	16,480.57	18,457.17	16,359.39	18,043.08

Note No.8
Short Term Provisions

Provision for employee benefits	3.74	30.91	–	82.46
Others	–	–	–	–
Provision for Taxation (Net of Advance)	6,219.43	6,356.77	6,352.90	6,457.18
Proposed Final Dividend	5,016.11	5,393.35	4,560.10	5,552.09
Others (Provision for Employee Benefits)	1,878.53	1,878.53	51.51	2,757.04
Total	13,117.81	13,659.56	10,964.51	14,848.77

Note No. 9
Fixed Assets

	Gross Block				Accumulated Depreciation				Net Block		
	Additions		Disposals		Revaluations/ (Impairments)		Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012	
	Balance as at 1 April 2012	In Lac	In Lac	In Lac	In Lac	In Lac					In Lac
Tangible Assets											
Land Freehold	1,360.57	-	-	-	1,360.57	-	-	-	-	1,360.57	1,360.57
Consolidated with Subsidiary & Joint Venture Companies	1,752.73	(1.29)	-	-	1,751.44	-	-	-	-	1,751.44	1,708.57
Land Leasehold	4,095.52	-	-	-	4,095.52	669.07	-	-	763.31	3,332.21	3,426.45
Consolidated with Subsidiary & Joint Venture Companies	4,855.56	1.28	-	-	4,856.84	712.58	-	-	856.51	4,000.32	4,039.60
Buildings & Sidings	12,000.95	1,238.44	(398.06)	-	12,841.33	2,781.89	254.92	-	(397.98)	10,202.50	9,219.06
Consolidated with Subsidiary & Joint Venture Companies	18,438.68	1,371.30	(412.24)	-	19,397.74	5,001.29	561.73	-	(412.16)	14,246.88	13,255.11
Plant and Equipment	18,209.75	2,863.34	(609.18)	-	20,463.91	10,157.79	1,057.63	-	(587.85)	10,627.56	9,836.35
Consolidated with Subsidiary & Joint Venture Companies	48,175.71	4,264.41	(1,185.64)	-	51,254.48	27,422.07	2,547.02	-	(1,081.75)	22,367.14	19,985.04
Furniture and Fixtures	716.56	95.80	(17.12)	-	795.24	447.36	41.75	-	(16.19)	322.31	269.19
Consolidated with Subsidiary & Joint Venture Companies	1,301.47	111.04	(30.43)	-	1,382.08	868.62	60.83	-	(19.45)	472.08	422.03
Vehicles	725.30	279.13	(22.71)	-	981.72	162.08	151.55	-	(23.11)	691.20	563.22
Consolidated with Subsidiary & Joint Venture Companies	2,118.42	(159.22)	(75.87)	-	1,883.33	876.76	315.37	-	(74.40)	1,117.73	1,205.15
Office Equipment	2,267.28	619.88	(95.22)	-	2,791.94	1,561.74	88.98	-	(94.10)	1,556.62	705.54
Consolidated with Subsidiary & Joint Venture Companies	2,513.01	649.06	(101.49)	-	3,060.58	1,762.54	103.17	-	(100.27)	1,765.44	747.35
Total	39,375.93	5,096.59	(1,142.29)	-	43,330.23	15,779.94	1,685.06	-	(1,119.23)	26,980.46	23,595.98
Intangible Assets											
Computer software	183.85	140.24	-	-	324.09	63.17	38.70	-	-	101.87	222.22
Consolidated with Subsidiary & Joint Venture Companies	218.80	146.77	-	-	365.57	73.35	48.01	-	-	121.36	142.50
Licences and franchise	128.38	-	-	-	128.38	110.07	8.70	-	-	118.76	9.62
Total	183.85	140.24	-	-	324.09	63.17	38.70	-	-	101.87	222.22
Capital Work In Progress	347.18	146.77	-	-	493.95	183.42	56.70	-	-	240.12	253.83
Consolidated with Subsidiary & Joint Venture Companies	496.02	318.22	-	-	814.24	-	-	-	-	814.24	496.02
Total	1,168.44	(8.11)	(15.50)	-	1,144.83	11.95	27.67	-	-	39.62	1,083.43
Consolidated with Subsidiary & Joint Venture Companies	496.02	318.22	-	-	814.24	-	-	-	-	814.24	496.02
Intangible assets under Development											
Consolidated with Subsidiary & Joint Venture Companies	1,168.44	(8.11)	(15.50)	-	1,144.83	11.95	27.67	-	-	39.62	1,083.43
Consolidated with Subsidiary & Joint Venture Companies	75.95	24.87	-	-	100.82	-	-	-	-	100.82	75.95
Total	75.95	24.87	-	-	100.82	-	-	-	-	100.82	75.95
Consolidated with Subsidiary & Joint Venture Companies	75.95	24.87	-	-	100.82	-	-	-	-	100.82	75.95
Grand Total	40,131.75	5,579.92	(1,142.29)	-	44,569.38	15,843.11	1,727.76	-	(1,119.23)	16,451.64	24,288.63
Consolidated with Subsidiary & Joint Venture Companies	80,747.13	6,400.12	(1,821.17)	-	85,326.08	36,839.23	3,816.41	-	(1,688.04)	38,967.61	42,663.05

Depreciation charged in P&L Account	2012-13	2011-12
Consolidated with Subsidiary	1,727.76	1,559.49
Prior Period Adjustment	(4.13)	-
Total	1,723.63	1,559.49
Consolidated with Subsidiary & Joint Venture Companies	3,816.41	3,496.73
Prior Period Adjustment	(30.99)	-
Total	3,785.42	3,496.73

Note No. 9 (Continued)

Fixed Assets held for Disposal	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2012	Additions (Disposals)	Revaluations/ (Impairments)	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2012
	₹ In Lac	₹ In Lac	₹ In Lac	₹ In Lac	₹ In Lac	₹ In Lac	₹ In Lac	₹ In Lac	₹ In Lac	₹ In Lac
Tangible Assets										
Buildings & Sidings										
	Consolidated with Subsidiary	(5.22)	-	-	5.22	-	-	(5.22)	-	-
	Consolidated with Subsidiary & Joint Venture Companies	5.22	(5.22)	-	5.22	-	-	(5.22)	-	-
Plant and Equipment										
	Consolidated with Subsidiary	71.59	(45.24)	-	71.59	-	-	(45.24)	26.35	-
	Consolidated with Subsidiary & Joint Venture Companies	71.59	(45.24)	-	71.59	-	-	(45.24)	26.35	-
Furniture and Fixtures										
	Consolidated with Subsidiary	1.16	(1.16)	-	1.16	-	-	(1.16)	-	-
	Consolidated with Subsidiary & Joint Venture Companies	1.16	(1.16)	-	1.16	-	-	(1.16)	-	-
Office equipment										
	Consolidated with Subsidiary	3.04	(3.04)	-	3.04	-	-	(3.04)	-	-
	Consolidated with Subsidiary & Joint Venture Companies	3.04	(3.04)	-	3.04	-	-	(3.04)	-	-
Total	Consolidated with Subsidiary	81.01	(54.66)	-	26.35	-	-	(54.66)	26.35	-
	Consolidated with Subsidiary & Joint Venture Companies	81.01	(54.66)	-	81.01	-	-	(54.66)	26.35	-

	As at 31 March 2013		As at 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No. 10				
INVESTMENTS				
Trade Investments				
Investment in Equity Instruments (Fully paid stated at Cost) In Joint Venture Companies				
Transafe Services Ltd.				
11,361,999 (11,361,999) equity shares of ` 10 each (Carried in books at a value of ` 1 only)	0.00		0.00	
AVI-OIL India (P) Ltd.	450.00		450.00	
4,500,000(4,500,000) ordinary shares of ` 10 each				
Balmer Lawrie -Van Leer Ltd.	2,285.03		1,164.55	
7,501,277 (6,319,978) equity shares of ` 10 each {1,181,299 share have been acquired during the current year}				
Balmer Lawrie (UAE) LLC	890.99		890.99	
9,800 (9,800) Shares of AED 1,000 each				
Balmer Lawrie Hind Terminal Pvt. Ltd.	2.50		0.50	
25,000 (5,000) equity shares of ` 10 each {20,000 share have been acquired during the current year}				
Investments in Preference Shares (Fully paid stated at Cost)				
Transafe Services Ltd.				
13,300,000 Cumulative Redeemable Preference shares of ` 10 each	0.00		147.63	
Total	3,628.52	-	2,653.67	-
Other Investments				
Investment in Equity Instruments				
Bridge & Roof Co. (India) Ltd.	14.01	14.01	14.01	14.01
3,57,591 (3,57,591) equity shares of ` 10 each				
Biecco Lawrie Ltd.	0.00	0.00	0.00	0.00
1,95,900 (1,95,900) equity shares of ` 10 each (Carried in books at a value of ` 1 only)				
Duncan Brothers & Co. Ltd. (Quoted)	0.06	0.06	0.06	0.06
71 Equity Shares of ` 10 each				
Woodlands Multispeciality Hospitals Ltd.	0.45	0.45	0.45	0.45
8850 Equity Shares of ` 10 each				
Total	14.52	14.52	14.52	14.52
Total	3,643.04	14.52	2,668.19	14.52

	As at 31 March 2013		As at 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No.11				
Long Term Loans and Advances				
Capital Advances				
Secured, considered good	–	–	–	0.04
Unsecured, considered good	520.29	569.64	450.63	455.69
	<u>520.29</u>	<u>569.64</u>	<u>450.63</u>	<u>455.73</u>
Security Deposits				
Secured, considered good	–	–	–	12.56
Unsecured, considered good	493.19	607.35	464.06	518.33
Doubtful	–	3.25	–	2.35
Less: Provision for doubtful deposits	–	(3.25)	–	(2.35)
	<u>493.19</u>	<u>607.35</u>	<u>464.06</u>	<u>530.89</u>
Other loans and advances				
Secured, considered good	589.68	589.68	651.43	664.95
Unsecured, considered good	377.50	1,053.70	417.55	1,361.41
Doubtful	443.61	742.53	270.50	279.48
Less: Provision	(443.61)	(742.53)	(270.50)	(279.48)
	<u>967.18</u>	<u>1,643.38</u>	<u>1,068.98</u>	<u>2,026.36</u>
Loans and advances to related parties				
Secured, considered good	–	–	908.96	–
Unsecured, considered good	180.00	–	1,088.96	–
Doubtful	1,817.92	–	–	–
Less: Provision for doubtful loans and advances	(1,817.92)	–	(908.96)	–
	<u>180.00</u>	<u>–</u>	<u>1,088.96</u>	<u>–</u>
Total	2,160.66	2,820.37	3,072.63	3,012.98

Note No.12

Other Non Current Assests

Long term trade receivables /Others

Secured, considered good	–	13.03	–	1.90
Unsecured, considered good	0.69	0.74	5.59	5.63
Doubtful	–	20.76	–	7.44
Less: Provision for doubtful debts	–	(20.76)	–	(7.44)
Total	0.69	13.77	5.59	7.53

	As at 31 March 2013		As at 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No.13				
Inventories				
Raw Materials and components	6,484.69	19,346.73	6,611.40	18,939.97
Goods-in transit	28.65	734.63	639.18	2,517.73
Slow Moving & Non moving	220.70	220.70	186.95	186.95
Less: Provision for Slow & Non moving	(141.81)	(333.51)	(111.26)	(299.09)
Total	6,592.23	19,968.55	7,326.27	21,345.56
Work-in-progress	714.82	1,375.99	798.48	1,212.29
Total	714.82	1,375.99	798.48	1,212.29
Finished goods	3,948.05	4,798.33	3,560.07	4,341.41
Goods-in transit	419.61	419.61	423.07	423.07
Slow Moving & Non moving	399.03	399.03	483.11	483.11
Less: Provision for Slow & Non moving	(241.15)	(241.15)	(295.15)	(295.15)
Total	4,525.54	5,375.82	4,171.10	4,952.44
Stock-in-trade	0.06	0.06	3.82	3.82
Total	0.06	0.06	3.82	3.82
Stores and spares	324.91	1,321.74	262.19	1,170.66
Goods-in transit	0.72	0.72	64.81	64.81
Slow Moving & Non moving	88.69	88.69	(41.95)	(41.95)
Less: Provision for Slow & Non moving	(58.64)	(58.64)	-	-
Total	355.68	1,352.51	285.05	1,193.52
Loose Tools	1.02	1.02	0.73	0.73
Total	1.02	1.02	0.73	0.73
Others (Specify nature)	7.08	282.26	4.14	16.37
Total	7.08	282.26	4.14	16.37
Total	12,196.43	28,356.21	12,589.60	28,724.73

Note No.14
Trade Receivables

Trade receivables outstanding for a period less than six months				
Unsecured, considered good	32,761.09	40,882.68	31,839.47	39,166.48
Unsecured, considered doubtful	-	-	-	1,231.02
Less: Provision for doubtful debts	-	-	-	(167.70)
	32,761.09	40,882.68	31,839.47	40,229.80
Trade receivables outstanding for a period exceeding six months				
Unsecured, considered good	3,582.94	4,045.01	3,655.05	3,678.06
Unsecured, considered doubtful	1,085.74	1,759.92	1,161.08	1,751.25
Less: Provision for doubtful debts	(1,085.74)	(1,759.92)	(1,161.08)	(1,751.25)
	3,582.94	4,045.01	3,655.05	3,678.06
Total	36,344.03	44,927.69	35,494.52	43,907.86

	As at 31 March 2013		As at 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No.15				
Cash and cash equivalents				
Balances with banks	6,907.44	6,970.00	5,870.25	5,926.19
Cheques, drafts on hand	28.42	69.28	5.38	63.27
Cash on hand	13.32	32.89	23.25	39.09
Balances with bank	33,862.63	34,129.99	29,379.68	29,652.63
As margin money	43.20	299.23	43.20	238.92
In short term deposit account	33,634.38	33,639.71	29,175.17	29,249.00
Dividend account	185.05	189.51	161.31	164.71
With Standard Chartered Bank Dubai or EFFC A/c	–	1.54	–	–
Total	40,811.81	41,202.14	35,278.56	35,681.18

Note No.16
Short-term loans and advances

Deposits				
Unsecured, considered good	1,522.20	1,624.97	1,335.07	1,486.09
	1,522.20	1,624.97	1,335.07	1,486.09
Others Loans & Advances				
Secured, considered good	251.80	251.80	121.39	139.61
Unsecured, considered good	4,695.45	5,490.33	3,846.64	4,974.53
Doubtful	177.93	191.42	172.71	172.71
Less:Provision	(177.93)	(191.42)	(172.71)	(172.71)
	4,947.25	5,742.13	3,968.03	5,114.14
Loans and advances to related parties				
Secured, considered good	–	–	–	–
Unsecured, considered good	182.75	263.91	145.65	213.61
	182.75	263.91	145.65	213.61
Total	6,652.20	7,631.01	5,448.75	6,813.84

Note No.17
Other current assets

Other Accrued Income	495.96	1,290.60	526.76	1,103.19
Total	495.96	1,290.60	526.76	1,103.19

	For the Year Ended 31 March 2013		For the Year Ended 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No. 18				
Revenue From Operation				
Sale of Products	1,02,479.51	1,42,474.72	98,874.23	1,33,984.47
Sale of Services	1,66,473.26	1,67,547.47	1,39,066.56	1,40,205.89
Sale of Trading goods	44.83	139.50	47.06	47.06
Other Operating revenues	2,107.64	5,096.93	1,925.61	5,005.13
Less: Excise duty	(12,224.93)	(13,430.08)	(11,257.96)	(12,098.69)
Total	2,58,880.31	3,01,828.54	2,28,655.50	2,67,143.86
Note No.19				
Other Income				
Interest Income	3,507.76	3,432.15	2,869.95	2,793.23
Dividend Income	921.10	49.88	976.08	32.58
Net gain/loss on sale of investments	—	—	—	6.83
Other non-operating income (Net of expenses directly attributable)	1,544.27	2,009.13	1,534.05	1,889.35
Total	5,973.14	5,491.16	5,380.08	4,721.99
Note No.20				
Employee Benefits Expense				
Salaries and incentives	13,076.24	17,003.03	11,397.77	14,917.94
Contributions to Provident Fund & Other Fund	1,636.06	1,746.09	1,523.21	1,634.12
Staff welfare expenses	1,286.41	1,774.74	1,249.39	1,504.94
Total	15,998.71	20,523.86	14,170.37	18,057.00
Note No.21				
Finance Cost				
Interest expense	344.18	1,823.58	394.73	1,942.42
Other borrowing costs	188.27	380.09	127.95	307.42
Applicable net gain/loss on foreign currency transactions	65.52	65.52	50.71	50.71
Total	597.97	2,269.19	573.39	2,300.55

	For the Year Ended 31 March 2013		For the Year Ended 31 March 2012	
	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)	Consolidated with Subsidiary (` Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (` Lakhs)
Note No.22				
Other Expenses				
Manufacturing Expenses	983.56	1,205.62	842.05	1,054.07
Consumption of Stores and Spares	624.23	1,880.82	593.81	1,731.51
Excise duty on Closing Stock (Refer Note no. 26.18)	89.56	95.65	148.63	153.38
Repairs & Maintenance - Buildings	586.29	639.06	560.37	632.32
Repairs & Maintenance - Plant & Machinery	281.06	573.76	238.31	440.11
Repairs & Maintenance - Others	448.99	576.13	369.78	507.17
Power & Fuel	2,443.09	4,458.90	2,165.37	3,689.79
Electricity & Gas	391.11	394.19	268.16	268.16
Rent	785.93	1,428.67	764.52	1,038.93
Insurance	159.46	243.85	136.64	182.80
Packing, Despatching, Freight and Shipping Charges	2,919.34	4,121.95	2,546.89	3,431.22
Rates & Taxes	145.36	208.02	137.49	197.35
Auditors Remuneration and Expenses	29.29	51.99	19.06	44.62
Write Off of Debtors, Deposits, Loan & Advances	314.56	424.55	325.74	332.22
Provision for diminution in the value of Investments	147.63	–	1,182.37	–
Provision for Doubtful Debts & Advances	1,449.51	968.43	1,762.76	2,041.65
Fixed Assets Written Off	1.48	51.00	234.90	234.90
Loss on Disposal of Fixed Assets	7.57	8.01	10.03	10.03
Selling Commission	414.46	563.63	325.52	475.43
Cash Discount	492.21	494.17	253.49	256.23
Travelling Expenses	1,002.81	1,228.62	889.93	1,023.28
Printing and Stationary	224.28	244.26	198.98	217.47
Motor Car Expenses	125.30	199.01	112.44	242.93
Communication Charges	305.61	363.04	300.99	357.40
Miscellaneous Expenses	4,952.25	5,768.75	4,572.97	5,476.28
Prior Period - Income	22.40	22.40	(0.07)	(0.07)
Prior Period - Expenses	34.94	54.66	408.30	408.30
	19,382.23	26,269.14	19,369.41	24,447.47
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	(311.85)	(476.57)	(243.90)	(390.29)
Total	19,070.38	25,792.57	19,125.51	24,057.19

Note-23 Additional Disclosures

23.1 Disclosure of Interests in Subsidiary and Joint Venture Companies

Name of Subsidiary / Joint Venture Company	Nature of Relationship	Proportion of Shareholding	Country of Incorporation
Balmer Lawrie (UK) Ltd.	Subsidiary	100%	United Kingdom
Balmer Lawrie (UAE) Llc.	Joint Venture	49%	United Arab Emirates
Balmer Lawrie - Van Leer Ltd.	Joint Venture	48%	India
Transafe Services Ltd.	Joint Venture	50%	India
Avi - Oil India Private Ltd.	Joint Venture	25%	India
Balmer Lawrie Hind Terminals Pvt. Ltd.	Joint Venture	50%	India

Note: The accounting year of all the aforesaid companies is the financial year except for Balmer Lawrie (UAE) Llc which follows calendar year as the accounting year.

23.2 1,00,64,700 Equity Shares are held by Balmer Lawrie Investments Ltd. (Holding Company).

23.3 (a) Fixed Deposit with bank amounting to ₹ 1.57 Lakhs (₹ 1.57 Lakhs) are lodged with certain authorities as security.

(b) Conveyance deeds of certain land costing ₹ 2,948.46 Lakhs (₹ 3,007.51 Lakhs) and buildings, with written down value of ₹ 2,880.29 Lakhs (₹ 2,930.28 Lakhs) are pending registration / mutation.

(c) Certain buildings & sidings with written down value of ₹ 5156.87 Lakhs (₹ 4,794.34 Lakhs) are situated on leasehold/rented land.

23.4 Contingent Liabilities as at 31st March, 2013 not provided for in the accounts are:

(a) Disputed demand for Excise Duty, Customs Duty, Income Tax, and Sales Tax amounting to ₹ 8507.09 Lakhs (₹ 7,845.18 Lakhs) against which the Company has lodged appeal/petition before appropriate authorities.

(b) Claims against the company not acknowledged as debts amount to ₹ 1,107.94 Lakhs (₹ 836.93 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 ₹ 328.15 Lakhs (₹ 12.67 Lakhs).

23.5 Counter guarantees given to various banks in respect of guarantees/loans given by them amount to ₹ 11,203.42 Lakhs (₹ 12,392.90 Lakhs).

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

CA Sarad Jha
 Partner
 Membership No. 050138
 Kolkata, the 29th May, 2013

V. Sinha
 Chairman & Managing Director

23.6 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for amounted to ₹ 5104.75 Lakhs (₹ 2,050.01 Lakhs).

23.7 Segment Reporting

Information about business and geographical segment for the year ended 31st March, 2013 in respect of reportable segments as defined by the Institute of Chartered Accountants of India in the Accounting Standard – 17 in respect of "Segment Reporting" is attached as Annexure - A.

23.8 Earnings per Share

(i) Earnings per share of the company has been calculated considering the Profit after Taxation of ₹ 16,714.69 Lakhs (₹ 14,806.26 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 ₹ 1,628.61 Lakhs (₹ 1,628.61 Lakhs) and the earnings per share (Basic) for the year on the above mentioned basis comes to ₹ 102.63 (₹ 90.91) and Diluted ₹ 58.65 (₹ 51.95). {Refer Note 1 A}

23.9 Financial statements of PT Balmer Lawrie Indonesia (PTBLI), a joint venture company of the wholly owned subsidiary Balmer Lawrie (UK) Ltd., for the year ended March 31, 2013, as prepared by the management of PTBLI, has been considered for preparing the consolidated financial statements of the company.

23.10 Certain balances amounting to ₹ 9.13 crores included under Long Term Loans & Advances- Unsecured considered good in the books of Transafe Services Limited (TSL) are awaiting reconciliation of individual accounts based on the parties' confirmations or otherwise and completion of management's review for adjustment of the balances. The consequential impact of adjustments as may be necessary in this regard on the year's result and year-end net assets of TSL is not ascertainable at this stage. The company's share of the same included in the consolidated financial statements amounts to ₹ 6.74 crores.

23.11 During the year, the company has acquired 11,81,299 equity shares of Balmer Lawrie Van Leer Ltd. at ₹ 94.83 per share. The book value of these shares on date of acquisition was ₹ 44.37 per share. The Goodwill arising from this transaction amounting to ₹ 596.38 lakhs has been adjusted against the existing Capital Reserve in the consolidated financial statements of the company.

23.12 (a) The financial statements have been prepared as per revised Schedule VI to the Companies Act, 1956.

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

(c) Figures in brackets relate to previous year.

(d) Previous year figure have been regrouped /reclassified wherever necessary.

M. P. Bezbaruah
 Asish K. Bhattacharyya
 VLSS Subba Rao
 P. P. Sahoo
 Niraj Gupta

Arun Seth
 P. K. Bora
 Abha Chaturvedi
 A. Dayal
 Prabal Basu

Directors

Amit Ghosh
 Secretary

ANNEXURE - A (Note 23.7)
`/Lakhs

Consolidated
Information About Business Segments for the Year Ended 31st. March 2013

	Industrial Packaging		Logistics Infrastructure & Services		Tours and Travel		Greases and Lubricants		Others		Consolidated Total	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
SEGMENT REVENUE												
External Revenue	83708.26	76797.00	52625.70	45833.32	113171.35	92328.74	40389.01	39756.00	11665.22	12157.00	301559.54	266872.06
Inter-Segment Revenue	1931.72	1871.20	146.39	36.81	46.96	41.14	499.62	435.09	42.76	34.08	2667.44	2418.33
Total Segment Revenue	85638.98	78667.20	52771.09	45870.13	113218.31	92369.88	40888.63	40191.09	11707.98	12191.08	304226.98	269290.39
Less: Inter-Segment Revenue											2667.44	2418.33
Add: Other Unallocable Revenue											268.69	270.73
TOTAL REVENUE											301828.22	267142.79
SEGMENT RESULT												
Profit / (Loss) before Interest & tax	5221.56	6533.00	14460.89	12729.00	3618.78	2979.89	3552.47	2850.00	157.00	(586.00)	27010.70	24505.89
Less: Interest Expense											2268.71	2301.00
Prior Period Adjustment											57.33	409.31
Other Unallocable Expenditure (net of Unallocable Revenue)											1814.21	1574.00
TOTAL PROFIT BEFORE TAX											22870.46	20221.59
OTHER INFORMATION												
Segment Assets	51513.45	39327.00	20391.46	19880.00	18004.06	17037.41	22138.65	21631.00	22982.42	23262.00	135030.04	121137.41
Other Unallocable Assets											37584.71	40791.00
Total Assets	22966.81	21935.00	13360.17	13459.00	5391.23	5709.06	8246.67	9114.00	15245.36	15002.00	172614.75	161928.41
Segment Liabilities	1530.89	586.67	855.40	1260.53	26.81	132.93	1925.50	511.00	1365.43	563.47	85814.60	85186.06
Other Unallocable Liabilities	1484.99	1313.00	556.11	473.73	69.85	66.00	332.59	338.00	1341.88	1306.00	5704.03	3054.59
Capital Expenditure											3785.41	3496.73
Depreciation												
Impairment loss on Fixed Assets												
Amortisation of Deferred Revenue Expenditure												

Notes :

- Details of products / services included in each of the above Business Segments are given below:
Industrial Packaging - Barrels, Drums & Closures
Logistics Infrastructure & Services - Logistics Services & Logistics Infrastructure
Travel & Tours - Travel (Ticketing), Tours & Money Changing activities
Greases & Lubricants - Greases, Lubricating Oils & Aviation Lubricants
Others - Tea Blending & Packaging, Leather Chemicals, Operating Lease of 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 Industrial Packaging activity in UAE and Greases & Lubricating Oils activity in Indonesia.

Information About Geographical Segments for the Year Ended 31st. March 2013

	Indian Operations		Overseas Operations		Consolidated - Total	
	2012-13 `/Lakhs	2011-12 `/Lakhs	2012-13 `/Lakhs	2011-12 `/Lakhs	2012-13 `/Lakhs	2011-12 `/Lakhs
SEGMENT EXTERNAL REVENUE	274845.22	242883.79	26983.00	24259.00	301828.22	267142.79
SEGMENT ASSETS	143792.20	132293.41	28822.55	29635.00	172614.75	161928.41
CAPITAL EXPENDITURE	5455.90	2429.49	124.00	625.10	5579.90	3054.59

OFFICE & PLANT LOCATIONS

REGISTERED OFFICE

21 Netaji Subhas Road, Kolkata - 700 001
 Phone: 033 2225218 / 230
 Fax: 033 2225292
 Website: www.balmerlawrie.com

INDUSTRIAL PACKAGING

Mumbai	SBU Office	5, J N Heredia Marg, Ballard Estate, Mumbai - 400 001 Phone: 0091 22 66258181 Fax: 0091 22 66258200
New Delhi	Sales Office	1st Floor, E-15, Hauz Khas, New Delhi - 110 016 Phone: 91 11 41020223 / 224 Fax: 0091 11 40590692
Silvassa	Plant	23/1/1, Khadoli, Silvassa - 396 230 Phone: 0090 260 2699064 / 65, 3254564 Fax: 0091 260 2699046
Chennai	Sales Office	32, Sattangadu Village, Thiruvottiyur - Manali Road, Manali, Chennai - 600 068 Phone: 0091 44 25941438 Fax: 0091 44 25941157 / 3653
Kolkata	T&PD	Container Division, P-4/1, Oil Installation Road, Kolkata - 700 088 Phone: 0091 33 24393808 Fax: 0091 33 24393793
Asaoti	Plant	Village Piyala, Post Asaoti, Faridabad, Haryana - 121 102 Phone: 009 112 92205073 Fax: 009 112 92215090
Baroda	Marketing Office	G, 5-9 Stop-N-Plaza, Near Affel Tower, R C Dutt Road, Alkapuri, Baroda - 390 007 Phone: 0091 0265 2325459 Fax: 0091 0265 2314835
Chittoor	Marketing Office	62, Patnam (Village & Post), Thavanan Palli, Nandal, Chittoor (OT), PIN - 517 131 Phone: 08573 281077 Fax: 08573 281088

GREASES & LUBRICANTS

Chennai	Plant	32, Sattangadu Village, Thiruvottiyur - Manali Road, Manali, Chennai - 600 068 Phone: 044 25941551 / 6500 Fax: 044 25941436
Kolkata	Plant	P-43, Hide Road Extension, Kolkata - 700 088 Phone: 033 24395769 / 3448 Fax: 033 24392277
Silvassa	Plant	Survey No. 201/L, Sayli Rakholi Road, Silvassa - 396 230 (UT of D&NH) Phone: 0260 2680026 Fax: 0260 2641315
Mumbai	Plant	149, Jackeria Bander Road, Sewree (W), Mumbai - 400 015 Phone: 022 21432421 / 22 / 23 Fax: 022 24146274
Taloja	Plant	G-15/16/17, MIDC, Taloja, Dist. - Raigad - 410 208, Maharashtra
Kolkata	ARL	P-43, Hide Road Extension, Kolkata - 700 088 Phone: 033 24395405 / 5406 Fax: 033 24395764

Kolkata	Marketing Office	P-43, Hide Road Extension, Kolkata - 700 088 Phone: 033 24393448 / 24505400 Fax: 033 24392277 / 2765 E-Mail: chakraborty.s@balmerlawrie.com
Mumbai	Marketing Office	149, Jackeria Bander Road, Sewree (W), Mumbai - 400 015 Phone: 022 24130544 Fax: 022 24146274 E-Mail: mumbaimktg@balmerlawrie.com
New Delhi	Marketing Office	E-15, Hauz Khas Main Market (1st Floor) (Near State Bank of Patiala), New Delhi - 110 016 Phone: 011 41020230 Fax: 011 40590692 E-Mail: mohapatra.sr@balmerlawrie.com
Secunderabad	Marketing Office	141/2, Durga Bhavan, Rashtrapati Road, Secunderabad - 500 003 Phone: 040 27533936 Fax: 040 27537365 E-Mail: blgsec@vsnl.net
Vadodara	Marketing Office	G-5-9 Stop-N-Shop Plaza, R C Dutt Road, Alkapuri, Vadodara - 390 007 Phone: 0265 2337608, 2327473 Fax: 0265 2314835 E-Mail: blgbaroda@vsnl.net
Pune	Marketing Office	16 & 17, "C" Block, Sreenath Plaza Building, Fergusson College Road, Pune - 411 005 Phone: 020 25514330 / 4331 E-Mail: gupta.abhishek@balmerlawrie.com
Bengaluru	Marketing Office	S-1868, 1st H Main Road, 2nd Stage, D Block, Rajajinagar, Bengaluru - 560 010 Phone: 080 23427210 Fax: 080 23427210 E-Mail: balmerol@vsnl.net
Raipur	Marketing Office	Room No. 206, 2nd Floor, Arihant Complex, Station Road, Raipur - 492 009 Phone: 0771 4044739 Fax: 0771 4044739 E-Mail: chopra.n@balmerlawrie.com
Chennai	Marketing Office	628, Anna Salai, Teynampet, Chennai - 600 018 Phone: 044 24302503 / 504 Fax: 044 24302 2503 E-Mail: srinivasan.s@balmerlawrie.com
Jaipur	Marketing Office	E-20, No. B-5, Triveni Complex, Transport Nagar, Jaipur - 302 003 Phone: 0141 2641146 E-Mail: srivastava.rajan@balmerlawrie.com
Indore	Marketing Office	Flat No. 303, Block 'B', Shivanest Palace, Bhola Ram Ustab Marg, Indore - 452 001 E-Mail: ramanamurthy.v@balmerlawrie.com

TRAVEL & TOURS

New Delhi	Branch & SBU Office	Ground Floor, Core - 8, Scope Complex, 7, Lodhi Road, New Delhi - 110 003 Phone: 8826032288 Fax: 011 46412235, 011 24361526 E-Mail: tiwari.d@balmerlawrie.com
New Delhi	Branch Office	Amba Deep Building (11th Floor), 14, Kasturba Gandhi Marg, New Delhi - 110 001 Phone: 0091 11 23765156, 9818960374
Lucknow	Branch Office	302, 3rd Floor, Sriram Towers, Ashok Marg, Near Hazrat Ganj, Lucknow - 226 001 Phone: 0091 522 2286189, 2288361 / 62 / 63, 9935090101 Fax: 0091 522 2288364 E-Mail: khare.m@balmerlawrie.com

Port Blair Branch Office	97, M G Road, Middle Point, 1st Floor, Port Blair - 744 101 Phone: 03192 240045 / 048, 9474273464, 9474208178 E-Mail: tvl.portblair@balmerlawrie.com	Chandigarh Branch Office	SCO-53, (First Floor), Sector-47C, Chandigarh-160 047 Phone: 0091 0172 2630752, 9041404038 (M) Fax: 0091 0172 2632368 E-Mail: blchandigarh209@gmail.com; singh.tp@balmerlawrie.com
Baroda Branch Office	5-9, Stop-N-Shop Plaza, R C Dutt Road, Alkapuri, Baroda - 391 007 Phone: 0265 2353775, 2340196/514, 2364267, 9898014721(M) Fax: 0265 2314835 E-Mail: charan.ps@balmerlawrie.com	Dehradun Branch Office	NCR Plaza, 1st Floor, New Cant. Road, Dehradun - 248 001 Phone: 0091 0135 2793043/3303/3027, 9837001962 Fax: 0135 2756671 E-Mail: balmerlawrie.ddn@gmail.com
Ahmedabad Branch Office	Suyog Complex (2nd Floor), Drive-in-Road, Ahmedabad - 380 052 Phone: 55522185 / 86, 9898014721 (M) Fax: 0091 79 27492952 E-Mail: charan.ps@balmerlawrie.com	Guwahati Branch Office	Shop No. 1, Adjacent to PRS, Station Canteen Complex, C/o. HQ 51 Sub Area, Narengi Military Station, Narengi, Guwahati - 781 027 Phone: 0361 2649864, 9706043459 (M) Fax: 0361 2469871 E-Mail: saikia.r@balmerlawrie.com
Bengaluru Branch Office	1, Ground Floor, Batra Centre, 27 & 27/1, Alsoor Road, Bangalore - 560 042 Phone: 0091 80 25321804/1533/1534/1655/1535, 25581004/6/8, 25328381(D), 9591100996(M) Fax: 0091 80 25580090 E-Mail: phatarphekar.s@balmerlawrie.com	Bokaro Branch Office	Old TA Building, Room No. 14&15, Bokaro - 827001 Phone: 0091 06542 222051, 9939329162 (M) Fax: 0091 06542 221545 E-Mail: tvl.bokaro@balmerlawrie.com
Thiruvananthapuram Branch Office	TC 15/50(3), New TC 30/96, Vellayambalam, Thiruvananthapuram - 695 010 Phone: 0091 471 2314980 / 4981 / 5205 / 5301, 2315027 / 4998 (D), 9895050931 (M) Fax: 0091 471 2315201 E-Mail: a.ramakrishnan@balmerlawrie.com	LOGISTICS SERVICES	
Hyderabad Branch Office	302, Regency House, 680, Samajiguda, Hyderabad - 500 482 Phone: 0091 40 23414553 / 23400642 / 3067 / 0845, 7702059000 (M) Fax: 0091 40 23406399 E-Mail: nair.sr@balmerlawrie.com	Kolkata Branch & SBU Office	21, Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 33 22134658, 22225456 Fax: 0091 33 22225282
Mumbai Branch Office	5, J N Heredia Marg, Ballard Estate, Mumbai-400 038 Phone: 0091 66361240 (D), 9833833891 (M) Fax: 0091 22 66361110 E-Mail: grover.m@balmerlawrie.com	Mumbai Branch Office	101,102,103 ASCOT Centre, Next to Le Meridien Hotel, D P Road, Andheri(E), Mumbai - 400 099 Phone: 0091 22 2826707 / 8249 Fax: 0091 22 28364311
Chennai Branch Office	Balmer Lawrie House, 628, Anna Salai, Teynampet, Chennai - 600 018 Phone: 0091 44 24349593/9343/9038/9737/9604, 24338222, 24321209/1219, 9600031241 (M) Fax: 0091 44 24342579 E-Mail: prabhakar.m@balmerlawrie.com	New Delhi Branch Office	32-33 Kushal Bazar, (Ground Floor), Nehru Place, New Delhi - 110 019 Phone: 0091 11 26467565, 26441390 Fax: 0091 11 26467383
Kolkata Branch Office	21, Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 33 22225211 / 13 / 16 / 17 / 25, 22134786, 22610586, 9831005977 (M) Fax: 0091 33 22134618 E-Mail: nath.sk@balmerlawrie.com	Bengaluru Branch Office	No. 342, Konena Agrahara, Airport Exit Road, HAL Post, Bangalore - 560 017 Phone: 0091 80 25227221 / 8769 Fax: 0091 80 25227231
Bhubaneswar Branch Office	108/B, Janpath Unit III, 2nd Floor, Bhubaneswar - 751 001 Phone: 0091 674 2536225/178/154, 9937017287(M) Fax: 0091 674 2536186 E-Mail: singh.arvind@balmerlawrie.com	Chennai Branch Office	Balmer Lawrie House, 628, Anna Salai, Teynampet, Chennai - 600 018 Phone: 0091 44 24302450 Fax: 0091 44 24348066
Pune Branch Office	16 & 17, C Wing, Shrinath Plaza, 1st Floor, Dnyaneshwar Paduka Chowk, Fergusson College Road, Pune - 411 005 Phone: 0091 020 25514330/31/32/33, 9881065932(M) Fax: 020 25514334 E-Mail: balmerlawrie.pune@gmail.com	Hyderabad Branch Office	301, Regency House, 680, Samajiguda, Hyderabad - 500 082 Phone: 0091 40 23415272 Fax: 0091 40 23400958
Goa Branch Office	612, Shiv Towers, 6th Floor, Near Panjim Bus Station, Panjim, Goa - 403 001 Phone: 0091 832 2437792 /93/4, 9881065932 (M) Fax: 0832 2437795 E-Mail: blgoa2011@balmerlawrie.com	Ahmedabad Branch Office	Suyog Complex (2nd Floor), Near Kamala Kamdhenu Hall, Drive-in-Road, Ahmedabad - 380 052 Phone: 0091 79 27498971 / 27447185 Fax: 0091 79 27492952
		Kochi Branch Office	2nd Floor, Door No. 39/4108, Rukiya Bagh Bldg., M G Road, Ravipuram, Kochi - 682 016 Phone: 0091 484 2358024 / 25 Fax: 0091 484 2358026
		Coimbatore Branch Office	5/245, Thadagam Main Road, Kanuvai, Coimbatore - 641 108 Phone: 0091 422 2405527 Fax: 0091 422 2405510
		Karur Branch Office	No. 42, 1st Floor, Periyar Nagar, CG Apartment Road, Karur - 639 002 Phone: 0091 4324 232025

Balmer Lawrie & Co. Ltd.

Lucknow	Branch Office	302, Sriram Towers, 13 Ashok Marg, Lucknow - 226 001 Phone: 0091 522 2288361 - 3 Fax: 0091 522 2288364	Kolkata	Technical Service Centre	Zone-1, Plot No. 63A (near CETP), Kolkata Leather Complex, 24 Pgns (South), West Bengal - 743 502 Phone: 0091 09903009703 / 09727
Pune	Branch Office	10, Aditya Shagun Mall, Bavadhan Khurd, NDA-Pashan Road, Pune - 411 021 Phone: 0091 20 54731573 Fax: 0091 20 54731573	Ambur & Vaniyambadi	Technical Service Centre	C/o. Zubaida Tanning Industries, No. 4/172, Gudiyatham Road, Thuthipet, Ambur - 635 802 Phone: 0091 4174244468
Thiruvananthapuram	Branch Office	TC 34/1307 (2), Motherland Buildings, Airport-Valiyathura Road, Thiruvananthapuram - 695 008 Phone: 0091 471 2503713, 2506483 Fax: 0091 471 2503694	Chennai	Technical Service Centre	70-72, Developed Industrial Estate, Rajiv Gandhi Salai, Perungudi, Chennai - 600 096 Phone: 0091 44 24960157 / 7220 / 7221
Tuticorin	Branch Office	4B/A-28, 1st Floor, Mangal Mall, Mani Nagar, Palayamkotai Road, Tuticorin - 628 003 Phone: 0091 461 2320803 Fax: 0091 461 2322887	Kanpur	Technical Service Centre	2A/1(A), Jajmau, Opp. All Badar Mosque, Near Supreme Petroleum, Kanpur - 208 010, U.P. Phone: 0993510-61087
Visakhapatnam	Branch Office	Flat No. 28-21-1 (S-1), II Floor, Classic Complex Prakashrao Pet, Dabagardens, Visakhapatnam - 530 029 Phone: 0091 891 2564922 / 7693	Jalandhar	Sales Office	274, 'L' Model Town, Jalandhar City - 144 003 Punjab Phone: 9888414422
Gwalior	Branch Office	FL-163, Deen Dayal Nagar, Gwalior (MP) Phone: 09630437077 (M)	TEA		
Bhubaneswar	Branch Office	108/B, Janpath, Unit No - III, 2nd Floor, Bhubaneswar - 751 001 Phone: 0674 2536225 / 178 Fax: 0674 2536186	Kolkata	Plant & SBU Office	P-43, Hide Road Extension, Kolkata - 700 088 Phone: 033 24505553 / 5551, 24396071 Fax: 033 24392704 E-Mail: ccutea@balmerlawrie.com
Ludhiana	Branch Office	C-148, CFS Road, Phase - 5, Focal Point, Ludhiana - 141 010, Punjab, Contact Person: Mr. S P Singh Phone: 098 184 03535 / 0161 2672672	Kolkata	Sales Outlet	21, Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 33 22225229
Goa	Branch Office	Shop No. 5, Ground Floor, Dr. Ozler Forum, Next to Roy Petrol Pump, Vasco Da Gama, Goa - 403 802 Phone: 0091 832 2500282 / 280 / 284	LOGISTICS INFRASTRUCTURE		
Kanpur	Branch Office	Adjacent HAL Post Office, HAL Township, Near Ramadevi Chauraha, Kanpur, Uttar Pradesh - 208 007 Phone: 0512 2400 629 Fax: 0512 2400 639	Kolkata	SBU Office	21, Netaji Subhas Road, Kolkata - 700 001 Phone: 033 22225556 Fax: 033 22225728
Baroda	Branch Office	G-5-9, Stop-N-Shop Plaza, R C Dutt Road, Alkapuri, Vadodara - 390 007 Phone: 0265 2345267 Fax: 0265 2314835	Kolkata	CFS	P-3/1, Transport Depot Road, Kolkata - 700 088 Phone: 0091 33 24495299 Fax: 0091 33 24498355 E-Mail: kolkata_cfs@balmerlawrie.net
Mangalore	Branch Office	No. C-1, 1st Floor, Rama Bhavan Complex, Kodialbail, Mangalore - 575 012, Karnataka Phone: 0091 824 2411868	Mumbai	CFS	Plot No. 1, Sector 7, Dronagiri Node, Opp JNPT, Navi Mumbai - 400 707 Phone: 0091 22 27471042 Fax: 0091 22 27472943 E-Mail: mumbai-cfs@balmerlawrie.net
PERFORMANCE CHEMICAL			Chennai	CFS	32, Sattangadu Village, Thiruvottiyur - Manali Road, Manali, Chennai - 600 068 Phone: 0091 44 25341780 Fax: 0091 44 25941863 E-Mail: chennai-cfs@balmerlawrie.net
Chennai	Plant & SBU Office	32, Sattangadu Village, Thiruvottiyur - Manali Road, Manali, Chennai - 600 068 Phone: 0091 44 25941547 Fax: 0091 44 25945006	Kolkata	Warehouse	Warehousing & Distribution, P-43, Hide Road Extn, Kolkata - 700 088 Phone: 0091 33 24505581 E-Mail: kolkata-wd@balmerlawrie.net
New Delhi	Sales Office	Kanchan Jantgha Apartment, 18A, F Block, Sector - 53, Noida - 201 301, UP Phone: 0091 1202586755	Kolkata	Warehouse	Warehousing & Distribution, 1, Sonapur Road, Kolkata - 700 088 Phone: 0091 33 24496174 E-Mail: kolkata-wd@balmerlawrie.net
Chennai	PDC	32, Sattangadu Village, Thiruvottiyur - Manali Road, Manali, Chennai - 600 068 Phone: 0091 44 22384034 / 7242 Fax: 0091 44 22384034	Coimbatore	Warehouse	Warehousing and Distribution, 5/245, Thadaham Main Road, Kanuvai, Coimbatore - 641 108 Phone: 0091 422 2400342 E-Mail: coimbatore-wd@balmerlawrie.net
Chennai	Technical Service Centre	No. 18, 1st Floor, Thiruneermalal Road, Nagalkeni, Chennai - 600 044 Phone: 0091 44 22384034 / 7242 Fax: 0091 44 22384034	REFINERY & OIL FIELD SERVICES		
Ranipet	Technical Service Centre	No. 18, 2nd Floor, Othawadai Street, Navalpur, Ranipet - 632 402, Vellore District Phone: 0091 41 72273408	Kolkata	SBU Office	21, Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 33 22225610, 22134674 Fax: 0091 33 5444 / 5333

IMPORTANT COMMUNICATION TO SHAREHOLDERS

Dear Shareholder,

Sub: SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE UNDER GREEN INITIATIVE IN THE CORPORATE GOVERNANCE.

The Ministry of Corporate Affairs (MCA) has taken up 'Green Initiative' as a part of Corporate Governance by allowing paperless compliance by companies as per their circular dated 21 April 2011 stating that the service of documents by a company can be made through electronic mode. MCA has further clarified that the company will be deemed to have complied with the provisions of Section 53 (Service of Documents) of the Companies Act, 1956, in case the documents like Notice, Annual Report etc., are sent to its members in electronic mode to their registered e-mail addresses.

Similarly, Securities and Exchange Board of India (SEBI) in line with the green initiative of MCA came out with amendments to the Equity Listing Agreement vide its circular dated 5 October 2011 to the effect that instead of supplying complete and full annual report to all the shareholders, the listed entities shall inter alia supply soft copies of full annual report to all those shareholders who have registered their e-mail addresses for the purpose.

The Company, therefore, proposes to send documents like Notices, Annual Reports, Postal Ballot Papers and other communication to the members through e-mail as updated with their Depository Participant (DP) and made available to the Company by the Depositories. Sending the notices and reports through electronic mode will definitely reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. The Notices, Annual Reports and other communication sent electronically will also be made available on the Company's website www.balmerlawrie.com (under 'About Us/Financials') for viewing by the members, after being printed.

Members holding shares in electronic form are, therefore, requested to please update their e-mail addresses with concerned Depository Participant (DP), if not registered already. Members holding shares in physical mode are also requested to register their e-mail addresses with Registrar and Transfer Agent M/s Link Intime India Pvt. Ltd. (RST A) by post or e-mail (kolkata@linkintime.co.in). The members who have already registered their e-mail addresses are also advised to update, if any, their e-mail addresses with the DP/RSTA to receive the documents correctly through e-mode.

Please note that the law provides that members will be entitled to be furnished, free of cost, with a printed copy of the Annual Report of the Company and other notice/documents, in accordance with the provisions of Companies Act, 1956, upon receipt of a requisition from them, any time, as a member of the Company.

{For members who choose not to opt for the Green Initiative, hard copy of Notices, Annual Report and other communication would continue to be sent by the Company.}

Thanking you,

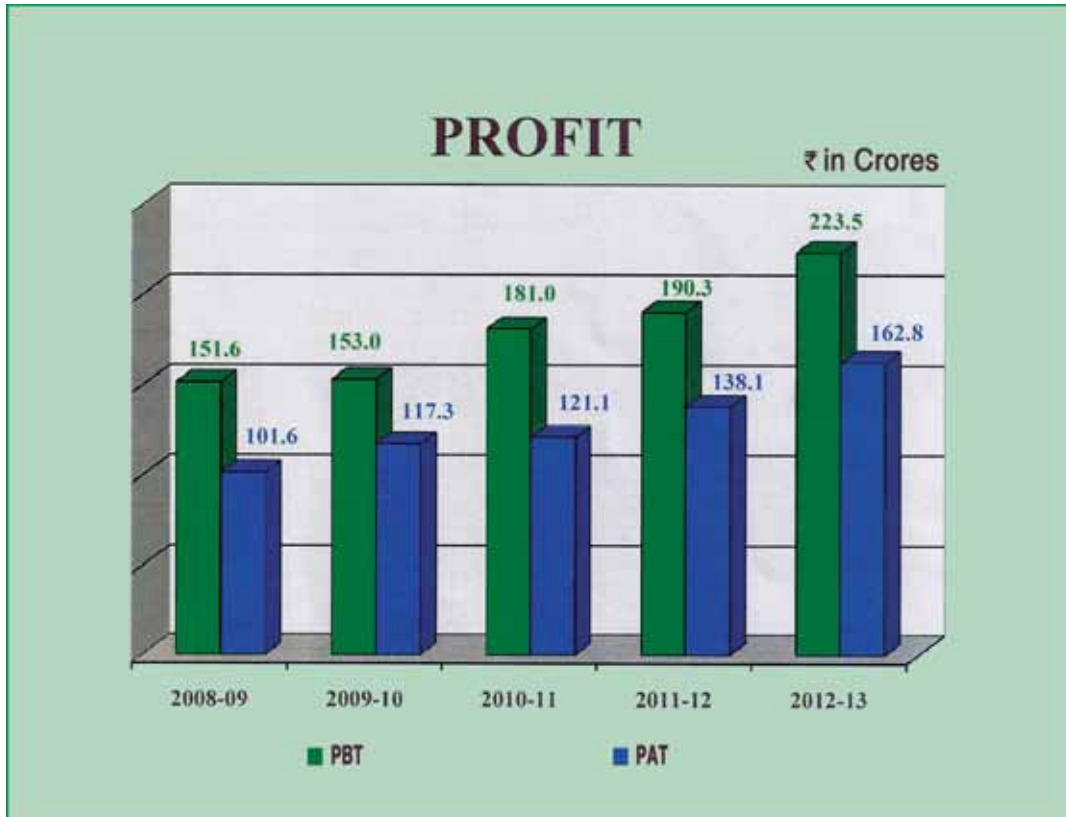
Yours faithfully,

Balmer Lawrie & Co. Ltd.

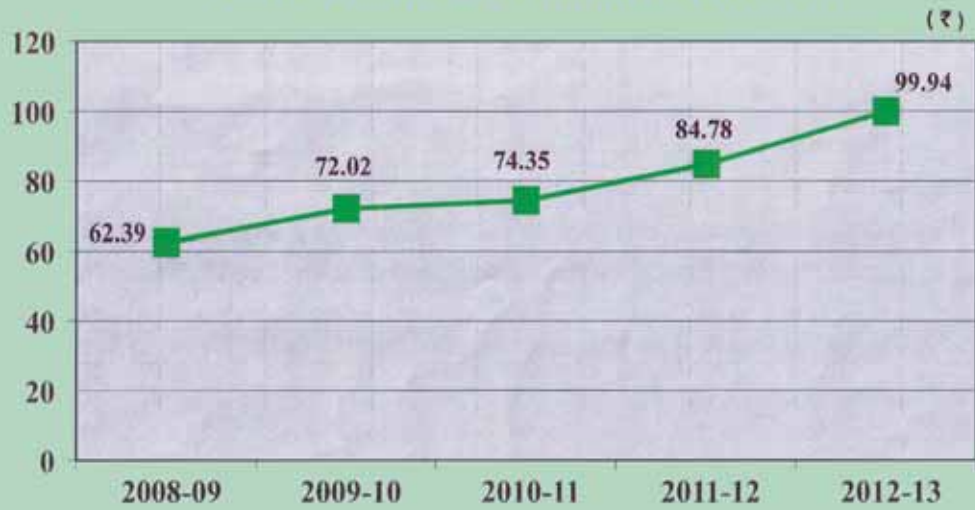
Amit Ghosh
Company Secretary

Place : Kolkata
Date : 12 August, 2013

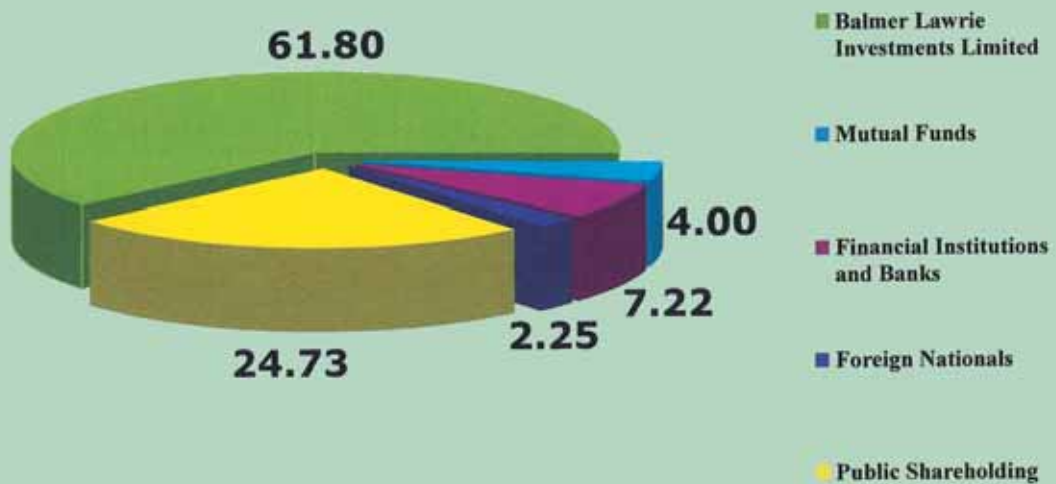
Graphical Representation



EARNINGS PER SHARE (BASIC)



Shareholding Pattern as on 31 July 2013





Inauguration of 147th Foundation Day celebrations



Inauguration of Water Backpacks distribution in Barmer, Rajasthan – a CSR initiative



SBU: Performance Chemicals participates in the All China Leather Exhibition 2012 at Shanghai, China



COO [Tours & Travel] hands over the key of a mid-day meal distribution van sponsored by BL to Akshaya Patra in Delhi



SBU: Logistics Services was declared as the best performing SBU for the year 2012-13



CFS, Chennai won the "Container Freight Station of the Year" Award, given by Gateway Media



Upwards and Onwards

बामर लॉरी एण्ड कं. लिमिटेड
 (भारत सरकार का एक प्रतिष्ठान)



Balmer Lawrie & Co. Ltd.
 (A Government of India Enterprise)

(A Mini Ratna I PSE)

www.balmerlawrie.com

www.cdcpinters.com

Designed by PRESSMAN



बामर लॉरी एण्ड कं. लिमिटेड
(भारत सरकार का एक उद्यम)
Balmer Lawrie & Co. Ltd
(A Government of India Enterprise)

सचिव का विभाग

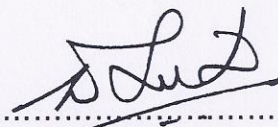
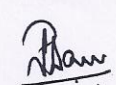
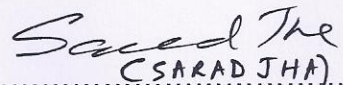
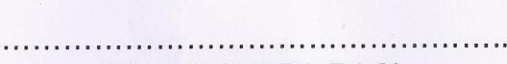
21, नेताजी सुभाष रोड, कोलकाता - 700 001 (भारत)
फोन : (91) (33) 2222 5322 / 5314 / 5209

SECRETARY'S DEPARTMENT

21, Netaji Subhas Road, Kolkata-700 001 (INDIA)
Phone : (91) (33) 2222 5322 / 5314 / 5209

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Balmer Lawrie & Co. Ltd.
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	[Whether appeared first time...../ repetitive...../ since how long period.....] Not Applicable
5.	To be signed by – <ul style="list-style-type: none">• CEO / Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	<p> (VIRENDRA SINHA)</p> <p> (PRABAL BASU)</p> <p> For Vidya & Co., Chartered Accountants</p> <p> (VLVSS SUBBA RAO)</p> 