

Balmer Lawrie

ANNUAL REPORT 2013-2014



Balmer Lawrie
TOURS & TRAVEL



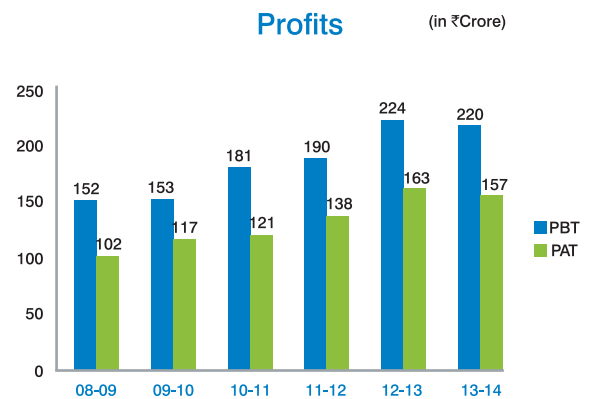
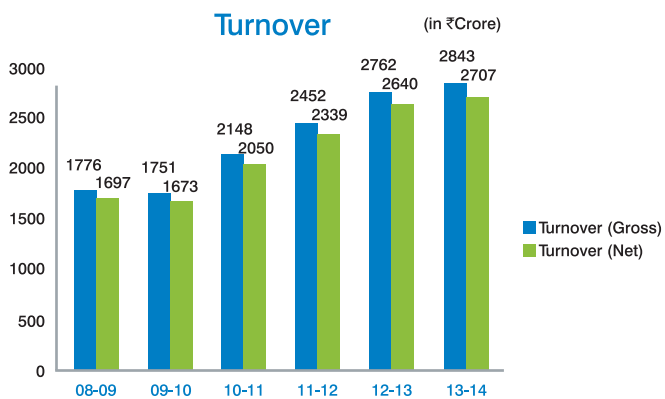
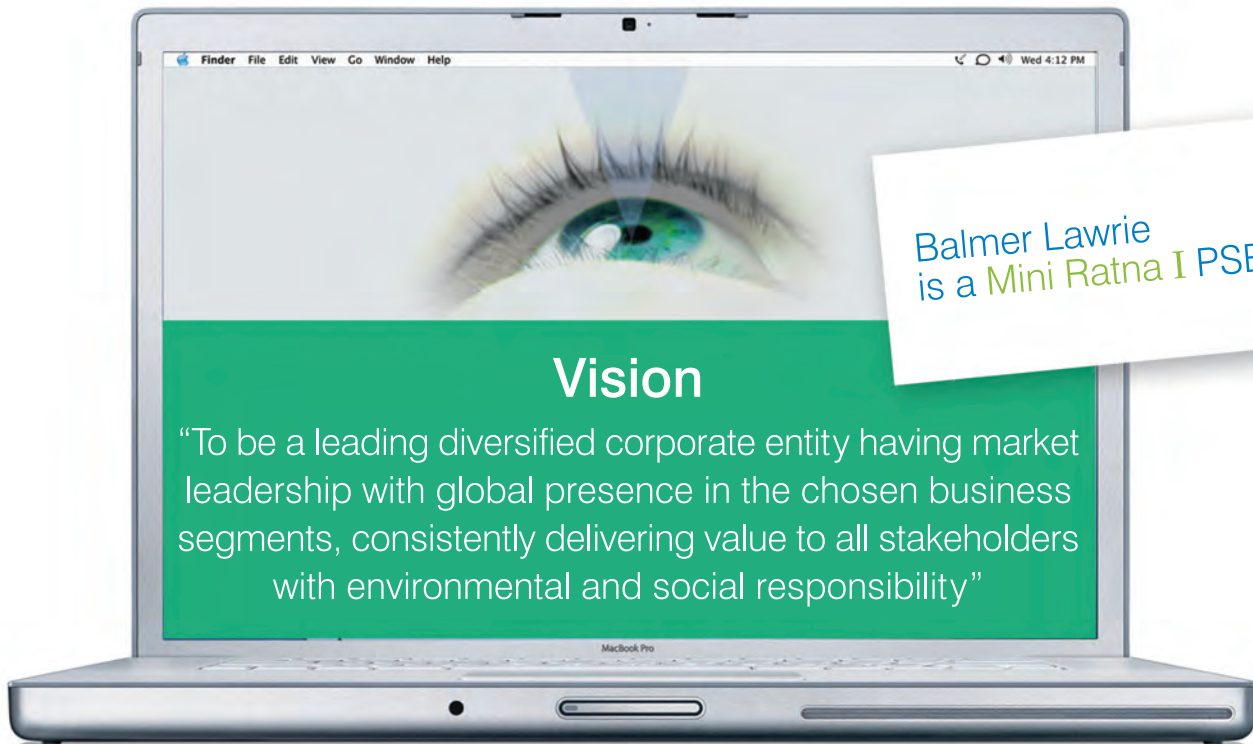
Refinery & Oilfield Services



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



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



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Board of Directors	: Shri Virendra Sinha, Chairman & Managing Director : Shri Partha S. Das, Govt. Nominee Director : Shri Alok Chandra, Govt. Nominee Director : 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 Vijaya Bank
Statutory Auditors	: Messrs Vidya & Company Centre Point, 21 Hemanta Basu Sarani Kolkata - 700 001
Branch Auditors	: Messrs R. K. Kumar & Co. 11th Floor, Congress Building 573, Mount Road Chennai - 600 006 Messrs Om Prakash S. Chaplot & Co. 101 Vatsalya Co-op Society, Vatsalya Building, Nr. RTO Office RTO Road, Andheri (W) Mumbai 400 053 Messrs BGJC & Associates Raj Tower, G-1, Alaknanda Community Centre New Delhi - 110 019
Internal Auditors	: Messrs Deloitte Haskins & Sells Bengal Intelligent Park Building Alpha 1st Floor, Block - EP & GP, Sector - V Salt Lake Electronics Complex Kolkata - 700 091
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 17.07.2014
1	SHRI VIRENDRA SINHA	BA, MBA	CHAIRMAN & MANAGING DIRECTOR	13.07.1955	01.12.2006	36
2	SHRI NIRAJ GUPTA	B.COM (HONS) ACA	DIRECTOR (SERVICE BUSINESS)	17.07.1955	03.03.1980	34
3	SHRI ANAND DAYAL	BA DIP IN MKTG MGMT	DIRECTOR (MANUFACTURING BUSINESS)	13.12.1954	01.01.2008	38
4	SHRI PRABAL BASU	B.COM (HONS) ACA, ACMA, ACS	DIRECTOR (FINANCE)	18.10.1963	04.04.1988	28
5	SHRI HARI KISHAN BHOKLAY	B.SC (HONS) AGRI PG DIP IN MGMT	EXECUTIVE DIRECTOR (CORPORATE AFFAIRS)	04.02.1955	02.05.1978	36
6	SHRI S RAVIKUMAR	B.TECH (CHEM) ME (CHEM)	CHIEF OPERATING OFFICER (PERFORMANCE CHEMICALS)	01.05.1954	18.11.1983	35
7	SHRI ANANDA SENGUPTA	BME, PGDBM PGDHRM	CHIEF OPERATING OFFICER (GREASES & LUBRICANTS)	26.02.1956	16.07.2001	34
8	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	36
9	SHRI MANASH MUKHOPADHYAY	B.SC (HONS) M.STAT. DIP IN COMP SC	SENIOR VICE PRESIDENT (INFORMATION TECHNOLOGY)	06.01.1955	01.06.1993	36
10	SHRI BISWARUP CHAKRABORTI	BE (METALLURGICAL) PGD IN SQC DIP IN MGMT	SENIOR VICE PRESIDENT (OPERATIONS) INDUSTRIAL PACKAGING	14.02.1957	04.05.1985	33
11	SMT PUKHRAJ SABARWAL	B.SC (HONS) MA, DIP IN BUSINESS ADMN TVL COURSE ON IATA-UFTAA	CHIEF OPERATING OFFICER (TOURS & TRAVEL)	30.09.1954	01.03.1977	37
12	SHRI ABHIJIT ROY	B.SC (CHEMISTRY) M.SC (ORGANIC)	SENIOR VICE PRESIDENT [OPERATIONS] GREASES & LUBRICANTS	19.11.1958	01.07.1982	32

SI No	Name	Qualification	Designation	Date of Birth	Date of Joining in Balmer Lawrie	Total years of experience as on 17.07.2014
13	SHRI MANOJ LAKHANPAL	B.COM ACA	SENIOR VICE PRESIDENT (FINANCE)	15.08.1958	15.04.1988	33
14	SHRI K SWAMINATHAN	ACMA, ACS	CHIEF OPERATING OFFICER (LOGISTICS INFRASTRUCTURE)	15.02.1960	02.11.2009	31
15	SHRI SANTANU CHAKRABARTI	BE	CHIEF OPERATING OFFICER (LOGISTICS SERVICES)	05.10.1961	16.09.2002	31
16	SHRI ADIKA RATNA SEKHAR	B.A. MSW	SENIOR VICE PRESIDENT (HUMAN RESOURCE)	10.06.1964	27.01.2014	26
17	SHRI RAVISHANKAR RAMCHANDRAN	B.SC, DEGREE IN LAW, DIPLOMA IN TRAVEL & TOURISM DIPLOMA IN MARKETING MGMT	CHIEF OPERATING OFFICER [TOURS - VACATIONS EXOTICA]	04.01.1959	01.02.2014	34
18	SHRI AMRIT MUKHOPADHYAY	BE (CIVIL), ME (COLLABORATIVE) IN PROJ ENGG MBA	SENIOR VICE PRESIDENT (TECHNICAL)	11.12.1957	03.12.1984	35
19	SHRI AMIT GHOSH	B.COM (HONS) ACA FCS LL.B	COMPANY SECRETARY	21.10.1954	13.08.2007 (ON DEPUTATION) 01.05.2012 (ON ABSORPTION)	33

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	36
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DEPUTED FROM THE GOVT OF INDIA TO BALMER LAWRIE

1	SHRI AMIT MOHAN PRASAD, IAS	M.A. (ECONOMICS) M.A. (GOVERNANCE & DEVELOPMENT)	CHIEF VIGILANCE OFFICER	04.03.1964	12.09.2013	23
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CHAIRMAN'S MESSAGE

Dear Esteemed Members,

It is my pleasure to welcome you to the 97th Annual General Meeting of the Company and to take you through the Agenda of the Meeting. May I, at the outset, take this opportunity to brief the distinguished Members about the Company's performance during 2013-14 and the environment against which the performance was accomplished.

The Business Environment

During 2013-14, the Indian economy has shown steady growth compared to the slowdown in the last two years. There has been a dramatic turnaround in the external economic situation with the Current Account Deficit [CAD] declining to manageable levels. Inflationary pressure has also eased in comparison to the previous year. The Global economy too has shown signs of recovery fuelled by better corporate performance.

In 2014-15, the Indian economy is reasonably poised to overcome the sub-5% growth level in Gross Domestic Product [GDP] witnessed over the last two years, which augurs well for the industry. Looking at the last few years one can state that the industrial sector, which showed remarkable recovery during three years since 2008-09 lost momentum owing to a combination of factors. Consequently, performance of the sector remained below par for the second year running in 2013-14 with only token growth recorded in the latest GDP estimates.

Indian services sector which remained resilient during and immediately after the global financial crisis, buckled under the pressure of continued global and domestic slowdown, resulting in sub-normal growth in the last two years. Revival traits are now discernible. The Tourism sector, in particular, is witnessing a steady growth although India is yet to tap the full potential of the sector.

The policy of Government of India to enhance private investment in ports is a welcome initiative. New tariff guidelines have been introduced envisaging greater flexibility for public-private partnership. In addition, the improvement in average output per ship berth day in 2013-14 indicates that the performance parameters of Indian ports are also improving.

The industry of storage services in India grew by 8.6% in 2012-13, with the important component of warehousing being agricultural inputs, agricultural products, storage of raw materials & finished goods and infrastructure for supporting import and export trade.

Against the aforesaid backdrop, must be juxtaposed your Company's core competency and ability to handle multiple and diversified businesses in a manner to maintain its top and bottom-lines despite cyclical fluctuations in any one or few of its business segments.

In summary, the business environment remains challenging, and your Company continues to focus its effort to drive synergy across its diversified business units to maintain a year-on-year top-line growth. However, the margins are under stress and we are continuously working on combating this.

I would now like to discuss the performance of the various Strategic Business Units [SBUs] of the Company during 2013-14.

Industrial Packaging

During 2013-14, the SBU continued to hold its position as market leader in India despite intense competition from various ends. The Company is India's largest manufacturer of steel drums in the segment of Rigid Industrial Packaging. Off-take of steel drums was generally better during 2013-14 compared to 2012-13, which has resulted in the highest-ever sales volumes during 2013-14. This was accomplished despite the shrinkage of the market in the wake of directive to Government Companies to procure MS Drums only from Small & Medium Enterprises. However, profitability remained thin and margin was under pressure. Thus, it is important for the SBU to innovate and push an aggressive new value-added product development strategy to tap into emerging markets, besides scaling up capacity and making processes cost efficient. The High Throughput Plant at Navi Mumbai, which would commence commercial production soon, would impart further competitive edge to the SBU.

Greases & Lubricants

The SBU functions both in the Industrial and Retail segments. The market is highly competitive with a large number of players including PSU Oil Companies, global majors as well as small regional players and several units in the unorganized sector all in the fray. In 2013-14, the SBU recorded an all-time high sales volume, registering a volume growth of 8% and turnover growth of 11% over the previous year. This was achieved despite various constraints holding up growth of the manufacturing sector, although the bottom-line was affected due to adverse market conditions. The SBU developed an aggressive sales strategy for the next 2-3 years and is investing into talent and technology to ensure seamless execution in order to increase market share. The future portends to be bright because fast infrastructural growth in India is expected to trigger higher movement of vehicular traffic, which may result in higher consumption of lubricants especially in the 4-Stroke two-wheeler segment which is expected to strengthen the bottom-line. The SBU also aims to pioneer development of value added specialty products such as eco-friendly / biodegradable lubricants with the object of consolidating its position in the niche market.

Performance Chemicals

SBU: Performance Chemicals is involved in manufacturing and marketing of Leather Chemicals – in particular, Fatliquor and Syntans and has relatively recently entered the Construction Chemicals market. It also aims to make a foray into the Finishing Chemicals segment. In the Financial Year 2013-14, the SBU achieved overall turnover growth of 14% over the preceding year and overall growth in volume by 7%. The SBU achieved a commendable 43% growth in volume for overseas business in 2013-14 and achieved highest-ever export volume, which is a significant achievement. However, the continuous escalation of raw material prices and other input costs have relentlessly squeezed the margins in the business. The applicability of REACH norms on products used in leather processing along with the tightening of pollution control norms in relation to the tannery / effluents are other major concern areas for the SBU.

Logistics Services

SBU: Logistics Services offers a cluster of services, viz., import consolidation by air and ocean, customs clearance at sea ports, handling of project cargo through multi-modal transportation, chartering of aircrafts & vessels, etc. 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 the financial year 2013-14. However, top line growth was flat compared to the previous year predominantly because of slow down of the Indian economy. Nevertheless, better product mix including increased handling of air charter services crystallized into a growth of 15% in contribution over the previous year. It is gratifying to note that the SBU registered a volume growth to the tune of around 44% in the ocean freight cargo segment and is now focusing on verticals such as Third Party Logistics and Project Logistics. The SBU plans to invest substantial amount in technology up-gradation of its existing system to inculcate Operational Excellence and make it one of the best in the industry.

Logistics Infrastructure

The SBU operates three state-of-the-art Container Freight Stations located at Nhava Sheva (Navi Mumbai), Chennai and Kolkata. Warehousing & Distribution has been a traditional activity of the Company and SBU: Logistics Infrastructure operates such warehousing facilities at Kolkata and Coimbatore. SBU: Logistics Infrastructure – together with SBU: Logistics Services, which has considerable synergy -- continues to be the money spinner and the bottom-line driver for your Company. However, during 2013-14, the CFS business witnessed sharp decline in volume, revenues and earnings compared to the previous year on account of severe competition especially from Shipping Company-owned-CFSs, reduction in volume available to CFS operators and loss of business from the shipping companies which have traditionally supported your Company. Warehousing is an integral part of logistics value chain. Warehousing activity turned in a decent performance and exceeded the previous year's bottom-line.

Tours & Travel

SBU: Tours & Travel offers to its customers, domestic and international travel & ticketing and tourism services. Extensive network of offices, 24x7 call centre, an online portal and experienced manpower are the strengths of the SBU. The adverse financial conditions of the Travel & Tourism sector continue to pose a threat to the SBU. The Travel & Tourism business is passing through challenging times owing to reduction in credit period by the airlines, non-payment of service charges by most of the customers and airlines making commission virtually nil. Despite the adverse environment, the SBU has continued to provide sizeable turnover which is higher than that of the previous year though marginally lower than the budget. Domestic travel accounted for 60% of

the turnover while international travel was around 21%. The revenue generated from tours touched 8% of the turnover. It is heartening to mention that the SBU has been awarded by Air Canada and Turkish Airlines for outstanding performance and sales support.

Tours - Vacations Exotica

In February 2014, your Company acquired the premier holidays brand "Vacations Exotica". Subsequently, it was integrated into your Company as SBU: Tours – Vacations Exotica. With this acquisition, your Company has become one of the top five Leisure Travel companies in India. This new SBU has bright prospects and huge potential to grow along with SBU: Tours & Travel. You are aware that your Company is one of the largest travel agencies in India affiliated to IATA. The main segments of growth are International Group Tours, Customized Travel, Cruises, Eurail and Indian Holidays. The emerging travel service segments – which promise to be lucrative in the near term – are packages for Group Inclusive Tours [GIT] and Free Individual Travellers [FIT]. Efforts are also on to strengthen our foothold in the burgeoning MICE segment. The market as a whole has very few well-organized tour operators providing quality-driven end-to-end services and hence, the opportunities are immense. With the acquisition of the Vacations Exotica, the Company can now offer holiday packages along with corporate travel management services to its portfolio of corporate and government clients which number approximately 7,50,000.

Refinery & Oilfield Services

Our SBU: Refinery & Oilfield Services is engaged in the activity of Mechanized Oil Tank Sludge Cleaning & Hydrocarbon Recovery Services. This SBU continues to be a pioneer and leader in this nascent market. While the market for Composite repair is still evolving, the same is expected to accelerate progressively with the increased awareness of users. In 2013-14, the SBU maintained its turnover pertaining to oily sludge processing in Refineries and oil installations. However, overall growth could not be achieved on account of non-availability of work in the power sector. In the near term, the SBU proposes to widen its service portfolio to cover processing of hazardous sludge in other industries.

Overall Financial Performance

Your Company has maintained a stable financial position, despite the prevailing adverse market conditions, during 2013-14.

At the close of another year of sustained performance,

your Company recorded its highest ever Turnover of Rs. 2843 crore in 2013-14 representing a growth of about 3% over the previous year. However, Profit Before Tax decreased marginally to ₹ 220 crore as against ₹ 224 crore in the preceding year. Segment-wise performance indicates that SBU: Logistics Services and SBU: Logistics Infrastructure were the main revenue drivers.

Your Company achieved yet another milestone with the Issue of Bonus Equity Shares in May 2013.

The Board of Directors has recommended a dividend at the rate of ₹18/- per share which corresponds to 180% for the financial year 2013-14 as against 176% in 2012-13, for declaration by the members at the 97th Annual General Meeting.

The First Quarter: 2014-15

The Unaudited Financial Results for the First Quarter ended 30 June, 2014 were approved by the Board at its Meeting held on 8 August, 2014. Despite the increase in gross turnover and net turnover by 5% each over the corresponding quarter in the previous financial year, Profit Before Tax [PBT] and Profit After Tax [PAT] have decreased significantly compared to the corresponding period of the previous year. The reduction is primarily due to prevailing sluggish economic conditions and the serious challenges being faced by SBUs: Greases & Lubricants and Performance Chemicals. Delay in commissioning the High Throughput Plant at Navi Mumbai also impacted overall performance. One of the highlights for the Quarter has been improvement of margin from Tours & Travel due to better commission from airlines other than Air India. The acquisition of the Vacations Exotica brand also contributed marginally to the overall turnover of the Tours & Travel business. However, collection from debtors continues to be a major concern. Despite the unfavourable factors, the Company is confident of maintaining growth in the remaining three Quarters.

Your Company is a firm believer in the dictum of Albert Einstein that "in the middle of difficulty lies opportunity."

Corporate Governance

Your Company's culture, policies, relationship with stakeholders and loyalty to values is reflected in the Corporate Governance Report. Following are the five pillars of Governance that the Company conforms to as a part of its commitment to adopt global best practices –

- High accountability to its stakeholders;
- Absolute transparency in its reporting system and adherence to disclosure compliance;

- High ethical standards in the conduct of business with due compliance of laws and regulations;
- Enhancement in the stakeholders' value on consistent basis; and
- Contributing to the enrichment of quality of life of the community through discharge of Corporate Social Responsibility and promotion of Sustainable Development.

With the introduction of the Companies Act, 2013 and the related Rules, there has been a material change in the area of statutory compliance. The Company is making best efforts to adapt and comply with the changing statutes. Voting through electronic platform with opportunity for ballot voting -- as envisaged in the Notice of the Annual General Meeting -- may be considered as an example of such effort.

The Securities & Exchange Board of India [SEBI] has also made changes in the Listing Agreement to maintain parity with the Companies Act, 2013. The Company, being a listed Government Company, adheres to the norms set by SEBI under the Listing Agreements, Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 and the Companies Act, 2013 along with the Rules made there under.

Corporate Social Responsibility [CSR]

Besides delivering value to its various stakeholders, the Company also discharges its environmental and social responsibility. The Company's policy and approach to CSR has evolved over a period of time and is in consonance with the prevailing Guidelines of Department of Public Enterprises as also the newly incorporated provisions in the Company Law.

The Company's long-term perspective CSR & Sustainability plan has been developed by Ernst & Young in consultation with the management *inter alia* keeping in mind the applicable Guidelines.

Various CSR projects have been undertaken under the two flagship schemes of the Company, viz., 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.

The Company spent an amount of ₹ 426 lakh on various CSR & Sustainability activities, which represents 2.6% of Profit After Tax thus exceeding the minimum spending benchmark laid down by the Government of India.

Acknowledgement

I take this opportunity to thank all of you for your unstinted support and continued confidence in us, which have been our source of inspiration. On behalf of the Board of Directors, I would like to convey to you our sincere gratitude.

I acknowledge the continued support and guidance of our Administrative Ministry, the Ministry of Petroleum & Natural Gas, Government of India and the encouragement provided to the Company. I also wish to thank other Ministries of the Government of India and other Governmental authorities, for their co-operation.

Today, we are what we are, because of our dedicated work force, which is highly motivated and committed to their duties and believe in the Company's philosophy. The work force constitutes the fulcrum based on which the Company structures its corporate goal-attainment machinery.

I also wish to thank our Holding company, Balmer Lawrie Investments Ltd., its valued shareholders as also our valued customers, vendors, business associates, bankers, financial institutions and other stakeholders for their continued support and co-operation. Finally, I must convey my gratitude to my colleagues on the Board for their wise counsel and valued involvement.

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

Virendra Sinha
Chairman & Managing Director
Kolkata, 19th August, 2014

Notice of 97th Annual General Meeting to the Members

NOTICE is hereby given that the 97th 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 Thursday, 25 September, 2014, at 10:30 a.m. for the following purposes :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31 March 2014 and the Profit and Loss Account for the financial year ended 31 March 2014 and the reports of the Auditors and the Directors thereon and in this connection to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Profit and Loss Account of the Company for the financial year ended on 31st March 2014 and Balance Sheet as on that date, together with Reports of the Board of Directors and Auditors thereon along with the Comments of the Comptroller & Auditor General of India on the Accounts of the Company, duly circulated to the members, be and are hereby received, considered and adopted.”

2. To declare dividend for the financial year ended 31 March, 2014 and in this connection to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the recommendation of the Board of Directors a dividend on 2,85,00,641 Equity Shares of ₹ 10/- each of the Company at the rate of ₹ 18.00 (Rupees Eighteen only) per Equity Share for the financial year ended 31 March 2014 be and is hereby declared on all the issued Equity Shares of the Company and be paid out of the profits of the Company for the financial year as mentioned above to those Members whose names appear on the Company’s Register of Members at the close of business hours on 10 September 2014 or whose names are placed on the Register of Members based on valid share transfers lodged with the Company or the Registrar and Share Transfer Agent on or before the close of business hours on the said 10 September 2014 as the Registered Holders of the said shares and to those “Deemed Members” whose names appear in the statement of Beneficial ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on 10 September 2014, without deduction of Tax at source.”

3. To appoint a Director in place of Shri Niraj Gupta (DIN 05252234), who retires by rotation and, being eligible, offers himself for reappointment and in this connection to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Niraj Gupta (DIN 05252234), a Director retiring under Section 152(6) of the Companies Act, 2013 be and is hereby reappointed a Director of the Company.”

4. To appoint a Director in place of Shri Anand Dayal (DIN 03368900), who retires by rotation and, being eligible, offers himself for reappointment and in this connection to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Anand Dayal (DIN 03368900), a Director retiring under Section 152(6) of the Companies Act, 2013 be and is hereby reappointed a Director of the Company.”

5. To fix remuneration of the Auditors for the financial year 2014-15 and to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139(5), 142 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Board of Directors be and is hereby authorized to determine the amount of remuneration payable to the Auditors appointed under Section 139(5) of the Act by the Comptroller & 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 2014-15 by the said Auditors”.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

6. **As an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 160 of the Companies Act, 2013 (“the Act”), Shri Alok Chandra (DIN 06929789), 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 a Special Resolution:**

“RESOLVED THAT pursuant to Section 188 and

other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and subject to approval of the Board for Industrial and Financial Reconstruction (BIFR) to which a reference has been made under the Sick Industrial Companies (Special Provisions) Act, 1985, consent be and is hereby accorded for the acquisition or purchase of the property of Transafe Services Limited ("TSL") – an "Associate" company within the meaning of Section 2(6) and a "Related Party" under Section 188 of the Act – at Dharuhera in Haryana consisting of Land admeasuring approximately 10,000 square meters together with the Building / structure(s) thereon (consisting of Factory shed, Office & store Building, Utility Rooms, Worker's Canteen, Restrooms, Toilets, Maintenance Room, Meter Room, Compound Wall and Internal Road) for a consideration of ₹ 675 lakh – excluding cost of registration and related stamp duty – to be paid by the Company to TSL."

8. As a Special Resolution:

"RESOLVED THAT pursuant to Sections 188 and other applicable provisions of the Companies Act, 2013 read with the applicable Rules, approval be and is hereby accorded to the Company entering into a Service Agreement with Balmer Lawrie Investments Ltd ('BLIL'), for a time span of 1 (one) year with effect from 1st May 2014 till 30th April 2015, envisaging a monthly service charge of ₹ 1,80,000/- (Rupees One lakh eighty thousand only) to the Company – which excludes reimbursement of all expenses, taxes and other levies and remuneration of the Company Secretary seconded by the Company to BLIL – so as to continue provision of infrastructure, management support and other support services by the Company as service provider to enable run the affairs of BLIL."

Registered Office:
Balmer Lawrie House
21, Netaji Subhas Road
Kolkata 700 001
19th August 2014.

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

Notes:

A. General

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND ON HIS BEHALF, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM MGT-11 PRESCRIBED UNDER COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, IS BEING SENT WITH THIS NOTICE.**
- A person can act as Proxy on behalf of not more than 50 Members and Members holding in aggregate not more than 10% of the total Share Capital of the Company. A Member holding more than 10% of the total Share Capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies, in order to be effective, must be received at the Registered Office, not less than 48 hours before the Meeting.**
- Members may note that since there would be no voting by Show of Hands at the Annual General Meeting, having regard to the provisions of the Companies Act, 2013, there would also be no arrangement for a Poll within the meaning of Section 109 of the said Act.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the items of Special Business under items 6 to 8 of the Notice is annexed hereto.
- Corporate members are requested to send a certified copy of their Board resolution passed under Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on the resolutions proposed to be transacted at the ensuing Annual General Meeting.
- Dividend on equity shares as recommended by the Board of Directors for the financial year ended 31 March 2014, 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 2014 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 2014. Such payment would be made on or before 24 October 2014.

7. 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 the 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.

8. 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 72 of the Companies Act, 2013, may submit the prescribed Form SH-13/SH-14 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’ under the tab Investors 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 form.
9. Additional information relating to the Directors retiring by rotation and seeking re-appointment at this Meeting, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to this Notice.
10. Members should opt for only one mode of voting, viz., electronic voting or by physical ballot. If a Member votes differently in both electronic and physical modes, votes cast by way of electronic vote would be considered valid.
11. Special Resolutions mentioned above shall be declared as passed on the date of the Annual General Meeting if the number of votes cast in favour is not less than three times the number of votes cast against the said Special Resolutions.

12. Members are requested to:

- I. Intimate on or before 20 September 2014, to the Registrar & Share Transfer Agent of the Company viz.,

Link Intime India Pvt. Ltd.

59C, Chowringhee Road, 3rd floor
Kolkata- 700 020,
Ph: 033-2289 0540
(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 2014 to 25 September, 2014 (both days inclusive)**. Share transfers received in order by the Company or its Registrar & Transfer Agent **till 10 September 2014** 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 25 September 2006 has been transferred to the Investor Education and Protection Fund on 28 November 2013. Further, the amount of unclaimed final dividend relating to the dividend paid on 3 October 2007 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 (or Section 124 of the Companies Act, 2013, once notified) on 31 October 2014.
- 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, 2013 duly updated till the date of the last Annual General Meeting namely 24 September, 2013. 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 under the section "Investor Relations" under the tab *Investors*.

VII. Note that though in terms of Sections 139(5) and 142 of the Companies Act, 2013, read with other applicable provisions, 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. 5 under the Ordinary Business has been included accordingly and proposed as an Ordinary Resolution.

VIII. Attention of the Members is invited to Communication on Green Initiative placed in the Annual 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.

B. Voting by Electronic means

1. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the items of business stated under items 1 to 8 being Shareholder Resolutions, shall be transacted through electronic voting system and the Company is providing facility for voting by electronic means (e-voting) to its Members. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for providing the e-voting platform to the Members, enabling them to cast their vote(s) in a secure manner.
2. Members may cast their vote electronically by logging on to the e-Voting system using the login/user id and password provided to them along with the Notice after following the steps enumerated in the attached "Process & Instructions for e-voting".

3. Members who have registered their e-mail ids with the Company / their respective Depository Participants shall also receive the login/user id and password for e-voting along with "Process & Instructions for e-voting" via e-mail from CDSL.
4. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed 3 days prior to the date of the Annual General Meeting. **Accordingly, the e-voting period shall commence on 19 September, 2014, 9:00 a.m. onwards and shall end on 21 September, 2014, at 6:00 p.m.** During this period, Members whose names feature in the Register of Members of the Company as on 22 August, 2014 (Cut-off date) and '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 22 August, 2014, may cast their vote(s) electronically. The e-voting module shall be disabled by CDSL after 6:00 p.m. on 21 September, 2014.
5. Vote cast on a resolution cannot be changed subsequently, once the Member has logged out of the e-voting platform.
6. Voting rights of the Members shall be in proportion to their shareholding(s) in the paid-up equity share capital of the Company as on the Cut-off date.
7. Shri P. V. Subramanian, Company Secretary in Practice [ACS-4585], shall act as the Scrutinizer to the e-voting process and to confirm that it is / has been conducted in a fair and transparent manner.
8. The Scrutinizer shall within 3 working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 witnesses not in the employment of the Company and draw up the Scrutinizer's Report of the votes cast in favour of and against the Resolutions and submit the same to the Chairman of the Company forthwith.
9. The results of the e-voting shall be declared at the Annual General Meeting of the Company. The Results along with Scrutinizer's Report shall be placed on the website of the Company (www.balmerlawrie.com) and on the website of CDSL within 2 days of passing of the resolutions at the 97th Annual General Meeting.

C. Voting by Ballot

1. By virtue of Clause 35B of the Listing Agreement, the items of business stated under items 1 to 8

can also be transacted by voting on Ballot Form. The Ballot Form is being sent with the Notice.

2. Members may choose to cast their vote(s) using the Ballot Form. The Ballot Form duly completed and signed should reach the Company in the manner set out in Para C.4 below, **on or before 6:00 p.m. on 21 September, 2014.**
3. Voting rights of the Members shall be in proportion to their shareholding(s) in the paid-up equity share capital of the Company as on the Cut-off date subject to their name appearing in the Register of Members of the Company and in respect of 'Deemed Members', the names appearing 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 22 August, 2014.
4. Shri P. V. Subramanian, Company Secretary in

Practice, shall act as the Scrutinizer for the Ballot voting process and he shall confirm that it is / has been conducted in a fair and transparent manner. The duly completed and signed Ballot Form may be sent in the enclosed self-addressed postage pre-paid Business Reply Envelope.

5. Postage of the Business Reply Envelope will be borne by the Company. However, envelopes containing Ballot Form, if sent by courier or by registered/speed-post at the expense of the Member will also be accepted. The Ballot Form may also be deposited personally.
6. The Scrutinizer shall in the manner and within the period specified in Note B.8 draw up the Scrutinizer's Report of the votes cast on Ballot in favour of and/ or against the Resolutions, and submit the same to the Chairman of the Company forthwith. The Results of the Voting through Ballot papers shall be declared and published in the same manner as specified in Note B.9.

**Explanatory Statement Under Section 102 of the Companies Act, 2013
[Forming Part of the Notice to the Members]**

Item No. 6

Shri Alok Chandra (DIN 06929789), who holds a Master Degree in Economics and is a member of Indian Economic Services, was appointed on 8 August 2014 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 161 of the Companies Act, 2013 ["the Act"] and Article 9 of the Articles of Association of the Company, Shri Alok Chandra shall hold his office up to the date of the forthcoming Annual General Meeting.

The Company has received a notice under Section 160 of the Act, proposing the appointment of Shri Alok Chandra 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 24 June 2014 received in this regard for the appointment of Shri Alok Chandra, 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 office hours.

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

Except Shri Alok Chandra, no other Director or Key Managerial Personnel of the Company or their relatives are interested or concerned in the Resolution.

Item No. 7

Transafe Services Limited (TSL), joint venture of Balmer Lawrie & Co. Ltd. had commissioned a manufacturing facility at Dharuhera in the State of Haryana, near Delhi in 2009.

It is learnt that on account of severe cash crunch, TSL has overdue debts to its bankers and is in critical need of funds to reduce its debt burden. On the other hand, its assets at the Dharuhera factory are lying idle for quite some time.

TSL is understood to have given insertions in Newspapers in 2012 and June 2013 inviting suitable offers for the alienation of the said property and no

proper responses were received in this regard. The original cost of the assets at Dharuhera comprising Land & Buildings and related items proposed for disposal stands at ₹ 9.78 crore with a Written Down Value of ₹ 9.11 crore as on 30 June 2014.

The Company also had a valuation of property of TSL carried out by Jones Lang Lasalle in December 2013 wherein the value was estimated at ₹ 7 crore including Land & Building.

Taking into consideration all the associated factors, the Company had expressed its desire to TSL to acquire the Land & Building at the subject location for a consideration of ₹ 675 lakh for setting up Temperature Controlled Warehouse or Cold Chain. TSL has provided the Company with a copy of letter dated 15 July 2014 from HDFC Bank Ltd., (being the bank having exclusive charge on the subject property) granting its approval to TSL for the subject sale.

TSL has obtained approvals from its Board and its Shareholders for sale of the said asset at a consideration of ₹ 675 lakh and has submitted requisite application to the Board of Industrial and Financial Reconstruction (BIFR) being a "sick industrial undertaking" for disposal of these assets at Dharuhera.

As per the definition of "Related party" in Section 2(76) of the Companies Act, 2013 ("the Act"), any associate company is considered to be a Related Party in case of sale or purchase transactions which have been entered into otherwise than in the ordinary course of business. Since the transaction is not part of the ordinary course of business of both the companies and TSL being an Associate Company, provisions of Section 188 of the Act are attracted whereby the said companies, TSL and Balmer Lawrie & Co. Ltd., are to be considered as Related Parties.

Section 188 stipulates that any contract or arrangement with a Related Party pertaining to purchase of property of any kind can be done only with the consent of the Board of Directors at a Meeting. The Companies [Meetings of Board & its Powers] Rules, 2014 also stipulates that in case the paid-up share capital of the company is ₹ 10 crore or more, such contract shall require prior approval of the Members of the Company by Special Resolution. Accordingly, the consent of the Shareholders is being sought for passing a Special Resolution for the proposed purchase of the land &

buildings at Dharuhera by the Company from TSL under item 7 of the Notice.

Your Directors recommend the Special Resolution for your approval. None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned in the Resolution.

Item No. 8

Under the Service Agreement dated 30th May 2013 executed by and between the Company and Balmer Lawrie Investments Ltd. ("BLIL"), the Company permitted its Holding company to use its infrastructure and services in the nature of administration, finance, taxation, legal, secretarial, etc., as required for day to day operations of BLIL for the period from 1st May 2013 till 30th April 2014. The Service Agreement envisages a monthly service charge of ₹ 1,80,000/- – exclusive of reimbursement of all expenses, taxes and other levies and remuneration of the Company Secretary seconded by the Company to BLIL – payable by BLIL to the Company as consideration for provision of the

aforesaid services. It is now proposed to renew the service contract for another 1(one) year from 1st May 2014, under the existing terms and conditions, including fees for such services rendered by the Company.

By virtue of the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and Its Powers) Rules, 2014, renewal of the Agreement involves availing or rendering of service between Related Parties and the same would require approval of the Shareholders by passing Special Resolution since the paid-up capital of the Company is more than ₹ 10 crore. The proposal has already been approved by the Board of Directors of both the companies.

Your Directors recommend the Special Resolution for your approval. None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned in the Resolution, save and except, Shri Prabal Basu, Director (Finance) of the Company, who may be deemed interested by virtue of being a Director on the Board of BLIL.

Brief details of the Directors seeking Re-appointment / Appointment at the 97th Annual General Meeting to be held on 25 September 2014

Name	Shri Niraj Gupta	Shri Anand Dayal	Shri Alok Chandra
Date of Birth	17 July, 1955	13 December, 1954	24 April, 1968
Date of Appointment on the Board/assumption of office	27 July, 2012	1 August, 2012	8 August, 2014
Date of appointment/last re-appointment at the Annual General Meeting	26 September, 2012	26 September, 2012	NA
Qualification	<ul style="list-style-type: none"> • Bachelor of Commerce. • Chartered Accountant. 	<ul style="list-style-type: none"> • Bachelor of Arts • Post Graduate Diploma in Marketing Management. 	<ul style="list-style-type: none"> • Bachelor of Arts (Economics) • Master of Arts (Economics)
Expertise in Specific Functional areas	He has a working experience of 34 years during which he has developed expertise in areas of finance, international trade, especially in freight forwarding and logistic hubs and general management .	He has a working experience of 38 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.	Has a working experience of 21 years during which he has developed expertise in the finance functions having worked in the Department of Expenditure, Department of Economic Affairs, Capital Markets Division and Foreign Trade Division of the Ministry of Finance. He has also worked in the Department of Consumer Affairs, Government of India.
Shareholding of Non-Executive Director	Not Applicable being a Whole-time Director	Not Applicable being a Whole-time Director	Nil
Directorship/Chairmanship on the Board of other Companies	<p>Balmer Lawrie Hind Terminals Pvt. Ltd. (Chairman)</p> <p>PT Balmer Lawrie Indonesia (Commissioner)</p> <p>Vizag Logistics Park Ltd.</p>	<p>Avi Oil India Private Ltd.</p> <p>Balmer Lawrie Van Leer Ltd.</p> <p>Balmer Lawrie (UAE) LLC</p> <p>Proseal Closures Ltd.</p> <p>PT Balmer Lawrie Indonesia (Commissioner)</p>	Nil
Membership /Chairmanship of Committee(s) of the Board in other Companies.	Nil	Nil	Audit Committee Member: Balmer Lawrie & Co. Ltd.

Note: Shri Alok Chandra is a member of the Indian Economic Service [IES].

Directors' Report

The Directors have pleasure in presenting the 97th Report on the operations and results of your Company for the financial year ended 31 March 2014, 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	
	2014	2013	2014	2013
Surplus for the year before Finance Charge, depreciation and tax	24520	24437	28142	28925
Deduct there from:				
Finance Charge and depreciation	2558	2085	5932	6055
Provision for Taxation	6295	6075	6641	6156
	15667	16277	15569	16714
Add Transfer from: Profit & Loss Account	33669	26260	35361	27171
Total amount available for Appropriation:	49336	42537	50930	43885
Appropriations:				
Proposed Dividend @ ₹ 18 per equity share (previous year ₹ 17.60 per equity share)	5130	5016	4291	4453
Corporate Tax on Dividend	872	852	902	910
Transfer to General Reserve / Minority interest / Foreign Exchange Conversion Reserve etc.	3000	3000	(753)	3161
Surplus carried forward to next year	40334	33669	46490	35361
Total of Appropriations	49336	42537	50930	43885

Overview

- At the close of another year of sustained performance, the Company recorded its highest ever Turnover of ₹ 2843 crore in 2013-14 – despite the slowdown in the economy – as against ₹ 2762 crore achieved in 2012-13, representing a growth of around 3% over the previous year.
- Profit Before Tax during 2013-14 aggregated ₹ 220 crore, which was a marginal diminution from ₹ 224 crore in 2012-13, the decline being attributable primarily to tough economic environment prevalent both in the manufacturing and service sectors.
- Consequently, Profit After Tax also decreased from ₹ 163 crore in the previous year to ₹ 157 crore in 2013-14,

- Segment-wise performance analysis indicates that the Service sectors, led by SBU: Logistics Services and Logistics Infrastructure were the main Profit drivers.

Dividend

A dividend of ₹ 18 per equity share on the paid-up capital as on 31 March 2014 [as against ₹ 17.60 per equity share in the previous year] has been recommended by the Board of Directors, for declaration by the Members at the ensuing 97th Annual General Meeting to be held on 25 September 2014. The trend of past dividend payment is depicted here:



Note : Dividend rate for 2012-13 and 2013-14 are post Bonus issue made in May 2013.

Management Discussion and Analysis Report

An analytical Report on the businesses of the Company – covering both the activities, 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 previously 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. Balance 50% of the paid-up share capital of PTBLI is subscribed by PT. Imani Wicaksana of Indonesia. PTBLI is engaged in the manufacture and marketing of greases and other lubricants in Indonesia. The plant is in the process of stabilization. During the year under review, the joint venture suffered acutely because of adverse fluctuation of the exchange parity of Indonesian Rupiah vis-à-vis US Dollar.

BLUK does not have any other business activity and has invested its surplus funds aggregating approximately \$3.2 million in term-deposits with banks for financing future business opportunities. In 2013-14, BLUK bought back 1,583,280 Shares in its capital from the Company, being its Holding company, at a price of \$2.50 million. The financial year 2013-14 also saw BLUK making payment of its maiden dividend of \$ 1 million out of its reserves, which was paid as interim dividend, there being no final dividend.

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 Annual Accounts of the subsidiary, Balmer Lawrie [UK] Ltd, 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 2013-14, Avi-Oil – which is a joint venture [JV] of Indian Oil Corporation Ltd., NYCO S.A., France & your Company – has shown positive growth compared to the previous year with an increase in the production from 972 KL in the previous year to 1,144 KL blended lubricating oils in 2013-14.

Avi-Oil achieved gross sales of ₹ 44 crore in 2013-14 as against ₹ 40 crore achieved in the previous year. The Profit Before Tax in the year under report at about ₹ 16 lakh, was, however, 78% lower than 2012-13 and primarily because of rise in costs and pressure on margins as a result of challenging market conditions.

The major event in the year under report was the participation of Avi-Oil with NYCO in the Platinum Sponsorship for the 'National Conference on Environment Friendly Insulating Oils – EFIL 2013' organized by the Central Power Research Institute, Bangalore under Ministry of Power, Government of India. The Conference focused on the use of ester based fluids as liquid dielectrics in utility power transformers. Renewals of all relevant approvals issued by various statutory bodies were obtained well in time to sustain Military and Civil Aviation businesses.

Balmer Lawrie Van Leer Ltd. [BLVL]

Sales for the year 2013-14 at ₹ 264.05 crore was about 26% higher than ₹ 211.55 crore achieved in 2012-13. All divisions registered higher sales turnover and Plastic Containers contributed the major share of the increase.

The Profitability of the JV was, however, adversely impacted by significant foreign currency losses during the year of ₹ 3.01 crore. The Profit Before Tax recorded by the JV was ₹ 6.77 crore [as against ₹ 8.32 crore in 2012-13],

BLVL's products continued to be in demand. Sales of Steel Drum Closure dipped during the first quarter due to lower export volumes but subsequently picked up sufficiently to maintain the volumes of 2012-13.

Capacity constraints at Plastic Container Divisions at Navi Mumbai and Dehradun restricted possible growth of Market share. However, all Plastic Container divisions sold more volumes than the previous year mainly on account of improved manufacturing efficiencies. Efforts are being made to further improve the sales performance in the current year. Plastic Container Division, Dehradun successfully added large blow-moulded drums to the product range and the same was well received by the customers.

During the year BLVL also completed acquisition of balance 49% equity in Proseal Closures Ltd to make it a wholly owned subsidiary.

Transafe Services Ltd [TSL]

During the financial year 2013-14, TSL achieved a turnover of ₹ 68.86 crore which is around 15 % percent higher compared to the previous year. TSL closed the financial year 2013-14 recording a loss of ₹ 6.24 crore (as against ₹ 12.88 crore incurred in the previous year).

Strategically, TSL is increasingly focusing on domestic logistics and logistics services related activities. The margin in the logistics business has improved substantially (resulting in loss reduction from ₹ 3.01 crore in 2012-13 to ₹ 0.66 crore in 2013-14) consequent to action taken for decreasing transit time, increasing vehicle turnaround, ensuring better utilization of the idle fleet and catering to corporate customer rather than market loads.

In respect of the leasing business, there has been a marginal reduction in the turnover due to decrease of lease rental rate on account of ageing fleet of containers. However, TSL has been able to increase its customer base with concomitant improvement in realization.

There has been a substantial increase in TSL's container manufacturing business, which has

achieved a turnover of ₹ 17.19 crore as compared to ₹ 3.09 crore in the previous year. It is expected that the manufacturing business of TSL would be performing much better with the increase in demand from the major customers and robust order booking position.

Consequent to the erosion of its net-worth, TSL has duly been referred to BIFR. The rehabilitation report of TSL is under discussion with the respective Bankers and the same is expected to be submitted shortly before the BIFR upon finalization.

It may be clarified that 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)

Balmer Lawrie (UAE) LLC (BLUAE) achieved modest increase in sales volumes and market shares in all major product categories in 2013. This was achieved despite the subdued demand that BLUAE's customers continued to face owing to political turmoil in major markets in the region, which in turn adversely affected the demand for its products.

With competition intensifying and prices under pressure, BLUAE focused on improving customer service, product innovation, expansion of product range, employee retention and efficiency improvement to stay ahead of competition.

Margins remained under pressure. While prices of major raw materials moved within narrow bands during the year, there were cost increases in other areas especially on manpower. Overall performance showed improvement and is considered satisfactory.

In the near-term, BLUAE is focusing on skill development, technological up-gradation of its production facilities, augmentation of capacities in select product categories and improvement in efficiencies.

Balmer Lawrie Hind Terminals Pvt. Ltd.

As informed in our last report, Balmer Lawrie Hind Terminals Pvt. Ltd [BLHT], a joint venture company having 50:50 equity participation with Hind Terminals Pvt. Ltd. – a logistics solution company headquartered at Mumbai – commenced its business of operating a Virtual Container Freight Station at Manali, Chennai in August 2012. At the end of the financial year 2013-14, the Joint Venture registered a Profit after Tax of ₹167.99 lakh as against a profit of ₹ 17.97 lakh in the last financial year and recommended maiden dividend at the rate of 1000% that is ₹ 100 per equity share of ₹ 10 each for its shareholders.

Memorandum of Understanding (MoU)

Every year your Company enters into a MoU with the Government of India, Ministry of Petroleum & Natural Gas [MOP&NG] based on the guidelines issued by the Department of Public Enterprises [DPE]. The MoU sets out 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 the Department of Public Enterprises [DPE]. It is a matter of satisfaction to report that the performance score in respect of the MoU for the year 2012-13 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 2013-14, the Company expects to retain the 'Excellent' rating for the financial year 2013-14.

Human Resource Management

The strategic objective of the Company is to achieve market leadership in its chosen fields of activities and sustainably create value for customers and other stakeholders.

The approach to Human Resource Management in the Company is centered around partnering with the businesses to achieve the organizational vision with emphasis on

- [i] Enhancing work force productivity
- [ii] Continuously upgrading employee capability, and
- [iii] Developing Leaders.

Talent Acquisition

The Company in its efforts to reinvigorate its talent pool and to create a leadership pipeline through infusion of fresh talent has, during the year, laterally inducted 42 personnel, Executives and Officers taken together, in the regular payroll of the Company.

Furthermore, during the year the Company has taken onboard 93 personnel on Fixed Term Rolling Contract. This was ingrained as part of the acquisition of 'Vacations Exotica', Brand and Business, enabling the Company to make a big-ticket entry into the Leisure and Holiday Travel business. Your Company's initiative in this regard, though not new, is seen as trend-setting in terms of scales and strategic shifts in manning model.

Training & Development

Your Company continued to invest in enhancing the Professional skills, Managerial and Leadership

competencies of its employees. With this objective, extensive training programs for employees, in functional/ technical domain, general management, leadership development and customer interface management were planned and executed during the year. These training programs were customized with focus on the requirement of the various businesses/ functions of your Company.

Among other notable initiatives, your Company partnered with XLRI, Jamshedpur for an exclusively customized Senior Management program on Leadership development. In all, 900 (Nine hundred) Man-days of training, both in-house & external programmes were imparted across various categories of employees during the year.

Managing Performance

With a view to improve upon performance orientation and bring about objectivity in assessment, your Company has institutionalized a KPT based and Competency linked performance appraisal system for its executives.

To further enhance performance orientation in the Company, during the year, your Company has defined and put in place improvements in its Performance Management System [PMS]. The PMS policy of the Company not only integrates several benchmarked best practices, it is also compliant with all extant DPE Guidelines.

Employment of Special Categories

During the year 2013-14, 2 (Two) employees in the SC category, 6 (Six) employees in the OBC category, 6 (Six) women employees and 9 (Nine) employees in the Minorities category were recruited. The actual number of employees belonging to special categories, Group-wise, as on 31st March, 2014 is given below:-

Group	Regular Manpower as on 31.03.2014	SC	ST	OBC[*]	PH	Women	Minorities
A	486	44	6	30	1	50	35
B	211	22	-	29	3	27	15
C	123	13	2	11	3	16	4
D [including D1]	611	81	8	37	6	5	91
Total	1431	160	16	107	13	98	145

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

Employee Engagement and Welfare

An effective work culture has been established in the organization which encourages participation and involvement of employees in activities beyond work. Towards furthering this, during the year, the 148th Foundation Day was celebrated in all units and establishments across the country. The employees and their family members participated in large numbers and made the event a memorable occasion. Also various programs like Annual Sports Day, Cultural Evening etc. were organized by the Recreation Club at the different major locations of the Company.

Direct connect to Leadership is a key to employee engagement. Continuing the initiative started in the financial year 12-13, this year again the Town Hall exercise was conducted where the Directors of the Company communicated directly with all Executives and Officers of the Company in person and responded to their queries and concerns. The objective inherent is to institutionalize the process.

Employee Relations

The Company believes in an open and transparent policy of consultation with the collectives. Employee relations continued to be cordial at all units / locations of the Company and there was no instance of any industrial unrest at any of the locations of the Company. The Company continued its efforts to maintain industrial harmony in all its units and there was no loss of man-days due to any industrial action at any of the units / establishments of the Company.

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

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

Implementation of Official Language

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

Women Empowerment

The Company provides a very conducive ambience

for employment of women. The percentage of women employees is on the rise with new recruitments. The present strength of women employees is 6.85% despite the fact that a large chunk of our workforce constitutes shop floor workers. The Company has created an atmosphere conducive for women employees to join and build a career in this organization.

Your Company maintains the highest standard as regards addressing gender equity in the organization and also complies with guidelines/ statutes as applicable in such matters.

Employee Health & Safety

The Company accords high priority to Employee Health & Safety. In pursuance of this objective, the Company has established an integrated Health & Safety Management System across the organization. The Company has published the HSE [Health, Safety & Environment] Manual which would be used as a reference book in the plants and other establishments of the Company. The Company has also introduced HSE MIS system for all its manufacturing units & Container Freight Stations [CFS]. Every plant/ CFS unit submits a monthly HSE MIS Report to the Corporate Office enabling taking of corrective steps. 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 2013 - 14 were as follows:

- HSE Audits were carried out in all manufacturing units/establishment of the Company during the year and recommendations thereof implemented.
- Fire protection system/ Hydrant was upgraded at the Corporate Office.
- Intelligent type fire detection system was installed at the Corporate Office.
- Main Electrical distribution board at the Corporate Office was replaced with inbuilt safety features.
- Electrical Safety Audit was done at the Corporate Office by SGS Private Limited.
- Fire hydrant system was installed at the plants of SBU: Industrial Packaging at Silvassa and SBU: Performance Chemicals at Manali.
- Fire Sprinkler system was installed in the main administrative office of SBU: Greases & Lubricants at Silvassa.
- HSE training was conducted for employees

involving 1300 man-hours.

- Special training was carried out for drivers at Corporate Office on safe driving of cars.
- With support from National Safety Council, training on Safe Lifting operations was carried out at Warehousing & Distribution [W&D] unit at Kolkata.
- Safety Week was observed from 4th to 9th March, 2014 across all plants and establishments of the Company.
- Incident reporting & Investigation system was formalized across all SBUs.

Environmental Protection and Sustainability

Being fully committed towards the protection and conservation of the environment, the Company has 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. The Company has in place a comprehensive Long Term Integrated Sustainability Plan, which 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 2013-14 are as under:

- The Company has set up solar power plants at SBU: Industrial Packaging at Navi Mumbai (30KWp) and Asaoti (130KWp) which would significantly reduce greenhouse gases from these manufacturing units.
- Saplings have been planted at all units on the occasion of World Environment Day.
- Toxic Gas Detectors were put in place at SBU: Performance Chemicals at its Manali unit.
- Advanced Fume extraction & ventilation system was installed at SBU: Industrial Packaging at Asaoti.
- Oil level detector was installed in storage tanks at SBU: Greases & Lubricants at Kolkata to prevent tank overflow.
- Workshops were conducted across the organization to sensitize employees on Sustainability.
- External stakeholders trainings were conducted

in the Western & Eastern region on CSR & Sustainability.

- The Application Research Laboratory of the Company continues to make significant progress in developing a number of bio-degradable & 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 and waste footprints at various manufacturing units of the organization.
- A special cell, with expert manpower, operates under the Corporate Affairs Department at the Corporate Office to drive Sustainability & EHS initiatives across the Company.

Communications & Branding Initiatives

Several initiatives taken in the area of internal communications were improved and sustained in the year 2013-14 to enhance the process of information sharing in the organization, including:

- Weekly Media Update: The e-weekly of compilation of news about/relevant to the Company in the media
- BLOOM: Balmer Lawrie Online Monthly e-Bulletin of News, Events & Happenings
- BLOG: BL Organizational Gazette, the Quarterly House Magazine in print form, which focuses on a particular theme of relevance to the organization, besides carrying contributions from employees & their family members.
- Town Hall Meetings: An open house providing a platform to employees to interact with the whole time Directors

The external communication initiatives, especially from a branding perspective, include:

- Media Coverage: Corporate Reports in business magazines/papers and also on news channels
- Revamp of the Corporate Website: The Corporate Website has been revamped with a new and modern look. The development of SBU-specific microsites is in progress.

Further, comprehensive branding plans are in the process of implementation in the SBUs: Greases & Lubricants, Tours & Travel and the newly acquired

premier Holidays brand “Vacations Exotica”.

Implementation of ERP

Your Company is pleased to report that implementation of ERP is proceeding as per plan. In April 2013 your Company implemented SAP “go-live” for Human Resources (HR) function followed by Finance & Accounting (F&A) function in August 2013 and thereafter for SBU: Industrial Packaging. It was a well coordinated implementation with simultaneous cutover for all six Industrial Packaging plants and more than 20 F&A locations. The transition with minimal glitches and the transaction platform demonstrated appropriate resilience.

In April 2014, the Company successfully rolled out SAP for SBU: Performance Chemicals. Currently, business operations spanning Marketing, Sales, Despatch, Manufacturing, Quality, Maintenance, Procurement and Inventory are on SAP for both SBU: Industrial Packaging and SBU: Performance Chemicals. SAP has since been extended to Warehousing & Distribution business as also to the SBU: Refinery & Oilfield Services, SBU: Tours - Vacations Exotica and to the new Industrial Packaging plant at Navi Mumbai.

In May 2014, your Company implemented the go-live for e-Recruitment. Your Company is amongst a select group of organizations which have implemented this functionality thereby providing an online platform to prospective employees enabling them to register their resumes against advertised jobs and track their application on the portal.

Your Company is poised to Implement SAP in the second phase in SBU: Greases & Lubricants while in the third phase SBUs--Tours & Travel, Logistics Services and Logistics Infrastructure would be brought under the ambit of SAP.

Progress on principles under ‘Global Compact’

The Company is a founder member of the Global Compact, and it remains committed to promote the principles enumerated under the Global Compact programme. The details of various initiatives taken in this regard can be found in the Communication of Progress (CoP) uploaded on the website of the Company.

The CoP for the year 2013–14 captures the efforts put in during the year by your Company to ensure execution of focused Sustainable Development and Corporate Social Responsibility (CSR) projects, adoption of green technologies and environment friendly processes. A ‘first-of-its-kind’ CSR initiative was rolled out across the country in the financial year under report. This was the distribution of 20,000 water backpacks to the womenfolk in the desert regions and

water-stressed zones around the country. The new state-of-the-art high throughput plant which has been set up at Navi Mumbai for barrel manufacturing, is powered partially by a 30 KWp solar power unit, and supported by host of other green features designed to reduce overall carbon footprint. A 130 KWp Solar Power plant has also been installed at the Industrial Packaging plant at Asaoti.

Vigilance

Your company believes in principles of good governance. The thrust of Vigilance Department is to take up measures to sensitize all stakeholders about anti-corruption principles, with the belief in the philosophy of “Prevention is better than Cure.” Accordingly, preventive vigilance measures were undertaken through regular study of systems prevailing in the Company and through surveillance inspections across the locations with actionable recommendations forwarded to the management for implementation. It is always the endeavor of Vigilance department to ensure that the management obtains the maximum out of its various transactions with stakeholders.

Online complaint handling system is in place and several improvements in systems and procedures have been implemented. Various directives of the Central Vigilance Commission in the matter of leveraging technology through introduction of initiatives like e-procurement, e-disposals and on-line posting of job applications for transparency have been implemented in the Company.

The threshold of procurements made through e-tendering has been substantially reduced to include maximum purchases and contracts awarded through e-procurement process. In the interest of inculcating transparency in the award of contracts and purchases, all tender documents and list of contracts awarded are made available on the website of 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 time-line to the Ministry of Petroleum & Natural Gas, Government of India pertaining to requests for information received under the RTI Act. Monthly reports are 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 2013-14 as furnished to the Administrative Ministry is set out herein for information of the Members:

Progress in 2013-14						
	Opening Balance as on 01/04/2013	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 31/03/2014
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Requests	16	54	0	21	39	10
First Appeals	NIL	14	NIL	5	5	4

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:

- That in the preparation of the accounts for the financial year ended 31 March 2014, the applicable accounting standards have been followed and there was no departure from such standards;
- 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 2014 and of the profit of the Company for the said financial year;
- 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;
- That the Directors have prepared the accounts for the financial year ended 31 March 2014 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 Report on compliance of Corporate Governance during 2013-14 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 2013-14 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 2014 are 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.

It may be noted that pursuant to Article 7A of the Articles of Association of the Company, so long as the Company remains a Government company, the Directors – including Independent Directors – are to be nominated by the Government of India. The Ministry of Petroleum & Natural Gas [MOP&NG], Government of India being the Administrative Ministry, intimated the Company that proposals to appoint new Non-Official Part-time Independent Directors are under active consideration of the Ministry. The Company continues to pursue with the 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 P P Sahoo, who was appointed a whole-time Director on 14 December 2011 in the position of Director [Human Resource & Corporate Affairs], retired from the services of the Company on 31 May 2014 upon attaining the age of superannuation.

Government Nominee Director, Shri VLVSS Subba Rao, also ceased to be on the Board of the Company with effect from 30 May 2014.

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

Shri Alok Chandra, Advisor [Finance] in MOP&NG, has been appointed as Additional Director on 8 August 2014 in place of Shri VLVSS Subba Rao, pursuant to a direction from the Administrative Ministry. In accordance with the provisions of Section 161 of the Companies Act, 2013 read with Article 9 of the Articles of Association of the Company, Shri Chandra would hold office up to the date of the forthcoming Annual General Meeting. The Company has received due Notice from a member under Section 160 of the Companies Act, 2013 proposing candidature of Shri Chandra for his appointment at the ensuing Annual General Meeting, as Director, whose period of office shall be subject to determination by retirement of directors by rotation. Accordingly, particulars relating to the said candidature have been included in the Notice of the Annual General Meeting, for circulation to the members pursuant to Section 160 of the Act read with Rule 13 of the Companies [Appointment & Qualification of Directors] Rules, 2014.

In accordance with the provisions of Section 152[6] of the Companies Act, 2013 read with Article 12 of the Articles of Association, Shri Niraj Gupta and Shri Anand Dayal 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 143(5) of the Companies Act, 2013. However, the remuneration of the Auditors for the year 2014-15 is to be determined by the members at the ensuing Annual General Meeting as envisaged in the said Act. Members are requested to authorize the Board to decide on their remuneration as per applicable statutory provisions.

Auditors' Report

Members may note that the Auditors' Report dated 29 May 2014 for the year ended 31 March 2014 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 diverse Strategic Business Units of the Company.

Towards that end, the Directors wish to place on record their sincere appreciation of the significant role played by the employees towards realization of new performance milestones through their dedication, commitment, perseverance and collective contribution. The Board of Directors also places on record its deep appreciation of the support and confidence reposed in the Company by its customers as well as the dealers who have contributed towards the customer-care efforts put in by 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 and confidence reposed in the Company.

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

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 vision.

Registered Office:
Balmer Lawrie House
21 Netaji Subhas Road
Kolkata – 700001.

On behalf of the Board of Directors
Virendra Sinha
Chairman & Managing Director

Date: 19 August 2014

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, 2014

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	106.69
Total Foreign Exchange earned	38.79

FORMA

Form for Disclosure of Particulars with respect to Conservation of Energy

Power & Fuel Consumption

	2013-14 Current Year	2012-13 Previous Year
1 Electricity		
(a) Purchased		
Units ('000 kwh)	9444.47	8885.24
Total amount (₹ Lakhs)	732.89	677.54
Rate / Unit (₹/ kwh)	7.76	7.60
(b) Own generation		
(i) Through Diesel generator		
Units ('000 kwh)	718.46	1282.00
Units per ltr. of diesel oil	2.21	2.50
Cost/unit (₹/unit.)	25.55	19.00
(ii) Through steam turbine/generator		
Units per ltr. of fuel oil/gas	N.A.	N.A.
Cost / unit		

	2013-14 Current Year	2012-13 Previous Year
2. Coal		
Quantity (tonnes) } Total Cost } Average Rate }	N.A.	N.A.
3. Coal Gas		
Quantity (therms)	–	11.00
Total Cost (₹/lakh)	–	8.10
Average Rate (₹/Unit)	–	73.64
4. Furnace Oil		
Quantity (kl)	2572.42	2229.50
Total amount (₹/ Lakh)	1423.69	1253.60
Average Rate (₹/ kl)	55344.00	55421.00
5. Other/Internal Generation (LDO)		
Quantity (kl)	251.65	105.50
Total Cost (₹/Lakh)	197.10	78.30
Cost/unit	78323.00	74218.00

B. Consumption per unit of production

	2013-14 Current Year	2012-13 Previous Year
Lubricating Greases		
• Electricity (kwh/mt-kl)	66.00	65.00
• Furnace Oil (l/mt-kl)	20.00	13.00
Barrels & Drums		
• Electricity (kwh/unit)	1.52	1.55
• Furnace Oil (l/unit)	0.38	0.33
Synthetic Fat Liquors		
• Electricity (kwh/mt)	134.90	149.00
• Furnace Oil (l/unit)	36.50	38.00
Syntans		
• Electricity (kwh/mt)	147.50	106.00
• 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 undertaken in development of Greases and Lubricants, Performance Chemicals and Industrial Packaging.
- In Greases and Lubricants, R&D efforts were directed towards development of Biodegradable greases, fire resistant hydraulic fluid, food grade greases, high EP & highly adhesive open gear compound, long life gear/transmission oils, expander oil for steel pipes, emulsified cutting oil, semisynthetic cutting oil, rust preventive oil for automotive use, wax based compounds and inorganic composite mixture for EP property.
- In Performance Chemicals, the development had been towards formaldehyde free syntans, acrylic syntans, development of oil pull up in finishing chemicals, development of polycarboxylate ether based admixtures and amino-sulfonic acid based admixtures in construction chemicals.
- In Industrial Packaging: R&D efforts had been towards development of improved manufacturing processes through re-engineering of in-house equipment developed such as Chimb Painting Equipment, Double Ended Double Seamer, Stretch Wrapping Machine, Welding machines to improve cycle time, spray painting system with improved paint yield, AC inverter to reduce power consumption for welding machines etc. Advanced manufacturing process implemented for better weldability and leakproofness of GI Drums at Asaoti.

b) Benefits derived as a result of the above

- R&D efforts in Lubricants and Greases have helped the Company to increase the business horizon 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 technology 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 Greases & 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>2013-14</u>	<u>2012-13</u>
Capital	65.83	146.50
Revenue	609.48	585.48
Total	675.31	731.98
Total R&D expenditure as % Turnover	0.25	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 product 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 2013-14]

Company's philosophy on good Corporate Governance

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

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

Board of Directors

a) Composition

The composition of the Board of Directors of the Company is governed by provisions of the Companies Act, 2013, 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 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 till September 2012. 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 the Administrative Ministry of the Company which

is a Government Company under Section 2(45) of the Companies Act, 2013 – the number of Whole-time Directors and Government Nominee Directors became 7 out of a Board strength of 13 Directors including 6 Non-Whole-time Independent Directors. Till May 2013 this composition continued with the number of Independent Directors being marginally short of the 50% norm envisaged in the Listing Agreement. However, the 6 Independent Directors vacated their directorship at the close of business hours on 29 May, 2013 after completing their envisaged term of office.

Shri VLVSS Subba Rao, Government Nominee Director ceased to be a Director of the Company effective at the close of the business hours on 29 May 2014 consequent upon withdrawal of his nomination upon his transfer from the Ministry of Petroleum & Natural Gas. Shri P P Sahoo, Director [Human Resource & Corporate Affairs] laid down his office with effect from 31 May 2014 upon attaining the age of superannuation. Shri Alok Chandra has been appointed as a Government Nominee Director in terms of Sections 161 of the Companies Act, 2013 read with Article 7A of the Articles of Association based upon direction received from the Ministry of Petroleum & Natural Gas with effect from 8 August, 2014.

Consequently, the Board currently consists of 6 Directors, viz, 4 Whole-time Directors and 2 Non-Whole-time Government Nominee Directors, thereby resulting in non-fulfillment of the provisions of Section 149 (4) of the Companies Act, 2013, Corporate Governance norm for Board composition stipulated in Clause 49 of the Listing Agreement and Clause 3.1.2 of the CPSE Guidelines.

Whole-time Directors as on date

- | | |
|----------------------------|--|
| Shri Virendra Sinha | (Chairman & Managing Director) |
| Shri Niraj Gupta | (Director – Service Business) |
| Shri Anand Dayal | (Director – Manufacturing Business) |
| Shri Prabal Basu | (Director – Finance) |

Government Nominee Directors as on date

- | |
|--------------------------|
| Shri Partha S Das |
| Shri Alok Chandra |

A brief profile of the Directors of the Company 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 36 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. He is currently holding the additional charge of the post of Director [Human Resource & Corporate Affairs] consequent to the retirement of Shri PP Sahoo on attaining the age of superannuation.

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 its 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 34 years during which he has developed expertise in the functional areas of finance, international trade, especially in freight forwarding and logistic hubs and general management.

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 its 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 38 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. Pursuant to Section 257 of the Companies Act, 1956, he was further appointed by the members at the 96th Annual General Meeting held on 24th September 2013. 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 28 years during which he has developed expertise in the functional areas of Accounts & Finance.

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 24 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 Alok Chandra

Government Nominee Director

Shri Alok Chandra was appointed as Government Nominee Director on the Board on 8 August, 2014 based on direction from the Government of India. Pursuant to Section 161 of the Companies Act, 2013, he was appointed by the Board at its meeting held on 8 August, 2014. He is a Post Graduate in Economics with specialization in Econometrics and belongs to the Indian Economic Service (IES) 1992 batch. He has a working experience of about 21 years during which he has developed expertise in the finance functions having worked in the Department of Expenditure, Department of Economic Affairs, Capital Markets Division and Foreign Trade Division of the Ministry of Finance. He has also worked in the Department of Consumer Affairs, Government of India. He is currently Adviser (Finance) in the Ministry of Petroleum & Natural Gas, Government of India.

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 continuing to pursue 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 Companies Act, 2013, 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 8th August 2014 are enumerated as follows [for full details of the directorship & membership of committees held by the Directors please refer to the attached **Annexure A**]:

Name of the Director	No. of companies/bodies corporate, other than the Company, in which the Director holds Directorship.	Membership held by the Director in various Committees ¹ across all companies in which he is a Director	Chairmanship held by the Director in various Committees 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 24 September 2013
Shri Virendra Sinha	3	3	0	0	Yes
Shri Niraj Gupta	2	0	0	1	Yes
Shri Anand Dayal	5	0	0	0	Yes
Shri Prabal Basu	4	2	1	0	Yes
Shri Partha S Das	0	0	2	0	No
Shri Alok Chandra [§]	0	1	0	0	NA

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.

[§] Shri Alok Chandra has been appointed as the Government Nominee Director with effect from 8 August 2014.

All the Directors have made requisite disclosures as required under the Companies Act 2013, 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 2013-14 is shown below:

Name of the Director	Board Meetings held during 2013-14							
	18 April 2013	29 May 2013	12 August 2013	8 November 2013	16 December 2013	13 January 2014	7 February 2014	21 March 2014
Shri Virendra Sinha	√	√	√	√	√	√	√	√
Shri VLVSS Subba Rao [§]	√	√	√	√	√	√	√	√
Shri Partha S Das	X	X	√	√	√	√	X	√
Shri PP Sahoo*	√	√	√	√	√	√	√	√
Shri Niraj Gupta	√	√	√	√	√	√	√	√
Shri Anand Dayal	√	√	√	√	√	√	√	√
Shri Prabal Basu	√	√	√	√	√	√	√	√

Shri K C Murarka #	X	X	NA	NA	NA	NA	NA	NA
Shri Arun Seth #	X	√	NA	NA	NA	NA	NA	NA
Shri M P Bezbaruah#	√	√	NA	NA	NA	NA	NA	NA
Shri P K Bora #	√	√	NA	NA	NA	NA	NA	NA
Shri Asish K Bhattacharyya#	√	√	NA	NA	NA	NA	NA	NA
Smt. Abha Chaturvedi#	√	√	NA	NA	NA	NA	NA	NA
Shri Alok Chandra@	NA	NA	NA	NA	NA	NA	NA	NA

\$ Shri VLVSS Subba Rao ceased to hold office as a Government Nominee Director of the Company at the close of business hours on 29 May, 2014/

* Shri P P Sahoo laid down his office as Director (Human Resource & Corporate Affairs) consequent upon his attaining the age of superannuation as on 31 May, 2014.

Shri K C Murarka, Shri Arun Seth, Shri M P Bezbaruah, Shri P K Bora, Shri Asish Bhattacharyya and Smt. Abha Chaturvedi laid down their offices as Non-whole-time Independent Directors at the close of business hours on 29 May, 2013.

@ Shri Alok Chandra was appointed as the Government Nominee Director upon direction by the Administrative Ministry with effect from 8 August 2014.

Committees of the Board

1. Audit Committee

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend the remuneration of the Statutory Auditor, appointed by the Comptroller and Auditor General of India, for approval of the shareholders at the General Meeting in terms of the provisions of Section 142 of the Companies Act, 2013 so long as the provisions of Section 139[5] remain applicable to the Company and approval of payment to statutory auditors for any other services rendered by the Statutory Auditor within the meaning of Section 142[2] of the said Act.
- 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 including subsequent modification of transactions of the Company with related parties.
- 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., making appropriate recommendations to the Board to take up steps, if any, in this matter and monitoring the end-use of funds raised through public offers and related matters.
- Reviewing and monitoring with the management, performance of statutory and internal auditors including their independence, the adequacy of internal control systems and the effectiveness of audit process.

- 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 internal financial controls, computerized information system controls and security, and
 - Related findings and recommendations of the independent auditors and internal auditors, together with the management responses
 - Scrutinize inter-corporate loans & investments of the Company from time to time, authorize valuation of undertakings or assets of the Company as and when the same becomes necessary and evaluate the risk management systems of the Company.
 - 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 177 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 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 till the end of May 2013. Subsequently, the Independent Directors on the Committee vacated their office at the close of business hours on 29 May 2013 as mentioned above. As a result, the Committee consists of 3 Members including two Non-Wholetime Government Nominee Directors which till the close of the financial year 2013-14 was in compliance with the Companies Act, 1956 although not compliant with the Listing Agreement with the Stock Exchanges and the applicable CPSE Guidelines on Corporate Governance.
- The Committee currently consists of 3 Members, namely Shri Partha S Das, Shri Alok Chandra both Government Nominee Directors and Shri Virendra Sinha, Chairman & Managing Director. Shri Partha S Das heads the Committee as its Chairman. The Company Secretary acts as the Secretary to this Committee.
- It may be noted that pursuant to Article 7A of the Articles of Association of the Company, so long as the Company remains a Government Company, the Directors (which includes the Independent Directors) are to be nominated by the Government of India. The

Ministry of Petroleum & Natural Gas, Government of India being the Administrative Ministry, has intimated the Company that proposals to appoint new Non-Official Part time Independent Directors are under its active consideration. This non-conformity with the provisions of Section 177 of the Companies Act, 2013 as well as with the Corporate Governance norms is expected to be corrected as soon as fresh Independent Directors are appointed by the Government of India. The Company continues to pursue with the Ministry for expediting appointment of Independent Directors on the Board of the Company to bring the Board composition and that of the Audit Committee in line with the requirements of the Companies Act, 2013, Listing Agreement with the Stock Exchanges and applicable CPSE Guidelines on Corporate Governance.

The Audit Committee met 5 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 2013-14				
	29 May 2013	12 Aug 2013	8 Nov 2013	7 Feb 2014	21 Mar 2014
Shri Partha S Das	X	√	√	X	√
Shri VLVSS Subba Rao#	√	√	√	√	√
Shri V Sinha	√	√	√	√	√
Shri M P Bezbaruah*	√	NA	NA	NA	NA
Shri P K Bora*	√	NA	NA	NA	NA
Shri Asish K Bhattacharyya*	√	NA	NA	NA	NA
Shri Arun Seth*	√	NA	NA	NA	NA
Smt. Abha Chaturvedi*	√	NA	NA	NA	NA

Shri VLVSS Subba Rao ceased to hold office as a Government Nominee Director of the Company at the close of business hours on 29 May, 2014 and consequently ceased to be a Member of the Audit Committee from the said date. Shri Alok Chandra has been co-opted in his place with effect from 8 August, 2014.

* Shri M P Bezbaruah, Shri P K Bora, Shri Asish Bhattacharyya, Shri Arun Seth, and Smt. Abha Chaturvedi being Members of the Audit Committee laid down their offices as Independent Directors and ceased to be Members on the Committee at the close of business hours on 29 May, 2013.

During the financial year under review the Audit Committee had discussions on relevant issues as per 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. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is the new nomenclature for the Shareholders'/Investors' Grievance Committee in line with the provisions of Section 178 of the Companies Act, 2013. The 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, 2014 the Committee met and took on record the status of investors' grievances as well as the services rendered during the financial year 2013-14. The terms of reference of the Committee are as per the terms set out in the Listing Agreement.

The particulars of investors' complaints during 2013-14 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 2013 to 31 March 2014.

The Company had received 6 communications in the nature of complaint and 343 general communications during the financial year 2013-14, which were resolved / replied to within a maximum period of 120 hours from the time of receipt. 3 communications received in the nature of complaint were resolved beyond 120 hours.

Nature of Communication	General Communication		Complaints		Grievances	
	Resolved	Resolved	Resolved	Resolved	Resolved	Resolved
	Within 120 hours	Beyond 120 hours	Within 120 hours	Beyond 120 hours	Within 120 hours	Beyond 120 hours
Non-receipt of share certificates lodged for transfer/Non-receipt of confirmation of Dematerialization of shares	32	NIL	NIL	NIL	NIL	NIL
Non-receipt of share certificates after sub-division, consolidation, duplicate and renewal of share certificates	0	NIL	NIL	NIL	NIL	NIL
Loss of share certificates	22	NIL	NIL	NIL	NIL	NIL
Change of address	77	NIL	NIL	NIL	NIL	NIL
Transmission, Registration of power of attorney, death, marriage certificates etc.	18	NIL	NIL	NIL	NIL	NIL
Non-receipt of dividend	38	NIL	NIL	NIL	NIL	NIL
Revalidation/ issue of fresh Dividend warrant	71	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	44	NIL	NIL	NIL	NIL	NIL
Queries from SEBI	0	NIL	1	3*	NIL	NIL
Queries from CLB, Stock Exchanges and Depositories	0	NIL	5	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	1	NIL	NIL	NIL	NIL	NIL
Miscellaneous	40	NIL	NIL	NIL	NIL	NIL
Total	343	NIL	6	3	NIL	NIL

*Issue of fractional pay orders to the entitled Bonus Issue shareholders involved considerable procedural formalities involving creation and registration of a Trust for holding the fractional shares, obtaining PAN from the Income-Tax authorities for the Trust, opening of Demat Account in the name of the Trust with a Depository Participant, opening linked Bank Account with the Bankers, effecting sale of fractional shares on the Stock Market and protracted follow-up with the Bank for issue of Fractional Pay Orders. The processes have been completed and the complaints have since been addressed.

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 has been made mandatory under the Companies Act, 2013 as well as the Listing Agreement. The Company being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013, 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 law, the Listing Agreement and the applicable Government Guidelines. During the financial year 2013-14, the Committee held one meeting viz., on 29 May 2013 to approve disbursement of Performance Related Pay (PRP) to the Executives and Officers of the Company (including the Board level executives). The Meeting was chaired by an Independent Director and the Committee consisted of three members, viz., two Independent Directors and one Government Nominee Director. With the Independent Directors laying down their offices at the close of business hours on 29 May, 2013, the Committee has become defunct but would be constituted afresh as soon as the Independent Directors are appointed by the Government.

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 have been completed within the stipulated time of 15 days of lodgment, 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 2013-14, 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 systematic 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 2012-13, this audit has been initiated in the year 2013-14 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 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. Subsequently, the Ministry of Corporate Affairs issued yet another directive on Cost Audit by dint of which the product Construction Chemicals produced by SBU: Performance Chemicals also came under the purview of Cost Audit from 2012-13 onwards.

Accordingly, 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 is underway and the Audit report for the financial year 2013-14 would be submitted to the Central Government in due course and as per statutory timeline.

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 have 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 still not mandatory having regard to the provisions of Section 205(1)(c) of the Companies Act, 2013; however the Company endeavors to adhere to these to the best possible extent, especially concerning matters such as 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 to maintain correct/updated bank details of the investors falling under the relevant segment viz., demat and physical.

The Company, therefore, 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. Usage of NECS facility 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

It may be noted that the law governing Unclaimed

Dividend continues to be Section 205C of the Companies Act, 1956 since Sections 124 and 125 of the Companies Act, 2013 are yet to be notified by the Ministry of Corporate Affairs. 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. Rule 3[i] of the Investors Education and Protection Fund [Awareness and Protection of Investors] Rules, 2001 enjoins that any amount required to be credited by a company to the Investor Education & Protection Fund shall be remitted into the specified branches of Punjab National Bank within a period of 30 days of such amount becoming due to be credited to the Fund.

Accordingly, the amount of unclaimed dividend, which was lying in the ‘unpaid dividend account’ of the Company, for the financial year 2005-06 has been deposited with the “Investor Education and Protection Fund” of the Central Government, by the Company on 4 December 2013.

The details of dividends remaining unclaimed as on 30 June 2014, 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 30 June 2014 (₹)	% of Unclaimed Dividend on the total Dividend	Due date* for transfer to Investor Education and Protection Fund
3 October 2007	2006-07	21,98,62,093.50	13.50	1846557.20	0.84	31 October 2014
3 October 2008	2007-08	27,68,63,377.00	17.00	2317678.00	0.84	1 November 2015
29 September 2009	2008-09	32,57,21,620.00	20.00	2584280.00	0.79	30 October 2016
1 October 2010	2009-10	37,45,79,863.00	23.00	3104655.00	0.83	31 October 2017
7 October 2011	2010-11	42,34,38,106.00	26.00	3570043.00	0.84	31 October 2018
9 October 2012	2011-12	45,60,10,268.00	28.00	3676580.00	0.81	1 November 2019
7 October 2013	2012-13	50,16,11,281.60	17.60	3981100.20	0.79	1 November 2020

*These are indicative dates. Actual Deposit dates may vary but would be as per Section 205C of the Companies Act, 1956 or 124 & 125 of the Companies Act, 2013 read with the applicable Rule(s) in case the said Sections of the 2013 Act are made applicable.

During 1 April 2013 to 31 March 2014, 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 2013	5 July 2013	5 July 2013
30 September 2013	5 October 2013	3 October 2013
31 December 2013	5 January 2014	1 January 2014
31 March 2014	5 April 2014	1 April 2014

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
24 September 2013 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata – 700 019	96th Annual General Meeting	Yes, a Special Resolution was passed at the AGM altering Clause 5 of the Memorandum of Association pursuant to Section 94(1)(a) of the Companies Act, 1956 and Article 3 of the Articles of Association of the Company pursuant to Section 94(1) read with Section 31 of the Companies Act, 1956.
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

Resolutions passed through Postal Ballot

During the 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.

Shri P V Subramanian, Company Secretary in whole-time practice, had been appointed as a 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 is set out herein :

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 2014 requiring disclosure under Clause 49 of the Listing Agreement, except as has been mentioned under Clause 26.20 (i) & (ii) and Clause 26.23 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 2014.
- 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. However, the Committee was non-

functional during the year due to non-availability of Independent Directors.

- h) The Company introduced the 'Whistle Blower Policy' with effect from 9 April 2010 as per Clause 49 of the Listing Agreement to promote and encourage transparency in the Company despite it being a non-mandatory requirement under the Listing Agreement.

Section 177 of the Companies Act, 2013 has, however, made it mandatory for every listed company to establish a "Vigil Mechanism" for the Directors and Employees to report genuine concerns in such manner as may be prescribed. Rule 7 of the Companies (Meetings of Board & its Powers) Rules, 2014, accordingly, enjoins that companies which are required to constitute an Audit Committee shall oversee the Vigil mechanism through the Audit Committee. The objective of the Vigil mechanism is to provide safeguards against victimization including by direct access to the Chairperson of the Audit Committee.

Since the Company has a Whistle Blower Policy which protects employees against victimization, the Vigil mechanism is already in place but in view of the express provision in Companies (Meetings of Board & its Powers) Rules, 2014, the nomenclature of Whistle Blower Policy has been changed to *Whistle Blower Policy / Vigil Mechanism* and it has been provided that Chairperson of the Audit Committee shall be the Ombudsperson under the Policy.

- 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.

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 pays sitting fees of a sum of ₹ 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 2013-14 are enumerated hereunder:

(All figures in ₹)

Name of Director	Salaries and allowances	Contribution to provident fund	Contribution to gratuity fund	Other benefits and perquisites	Sitting fees	Total Remuneration
Shri Virendra Sinha*	4250256	343230	55642	501441	–	5150569
Shri VLVSS Subba Rao	–	–	–	–	–	–
Shri Partha S Das	–	–	–	–	–	–
Shri P P Sahoo#	4528650	331466	88047	289361	–	5237524
Shri Niraj Gupta@	3577036	327892	81075	448368	–	4434371
Shri Anand Dayal##	2923378	311766	43787	388352	–	3667283
Shri Prabal Basu^	4110526	329382	43535	271624	–	4755067
Shri K C Murarka	–	–	–	–	–	–
Shri Arun Seth	–	–	–	–	20000	20000
Shri M P Bezbaruah	–	–	–	–	30000	30000
Shri P K Bora	–	–	–	–	30000	30000
Shri Asish K Bhattacharyya	–	–	–	–	30000	30000
Smt Abha Chaturvedi	–	–	–	–	30000	30000
TOTAL	19389846	1643736	312086	1899146	140000	23384814

*includes ₹ 2345200 as Performance Related Payment (PRP).

#includes ₹ 1745807 as PRP.

@includes ₹ 1434272 as PRP.

includes ₹ 1174656 as PRP.

^ includes ₹ 1081872 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 its Directors and Senior Management Personnel, which is in operation since 2006. The Code 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 Niraj Gupta	175**
Shri Prabal Basu	110

*Includes 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 continues to be operational.

Shareholders' Information

Date and time of the

97th Annual General Meeting : 25 September 2014 at 10.30 a.m.

Venue

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

Financial year ended on

: 31 March 2014.

Dividend Payment date

: The dividend warrants would be posted or dividends would be transferred through NECS on or after 10th October 2014 and within 30 days from the date of declaration as provided in the Companies Act, 2013.

Date of Book Closure

: 11 September 2014 to
25 September 2014
(Both days inclusive)

The shareholders are required to submit NECS mandate / bank particulars, on or before 20 September 2014 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

Attention of the Members is drawn to Clause 5A of the Listing Agreement with Stock Exchanges which stipulates that the shares issued in physical form pursuant to a public issue or any other issue, which remains unclaimed, shall be transferred to the “Unclaimed Suspense Account” of the Company bearing a separate folio. The Company has identified folios in respect of which the shares appear to be unclaimed with incomplete address being recorded with the Company. As per Clause 5A, the Registrars are required to send at least three reminders at the address given in the application form/last available address as per Company’s/Registrar’s record, which are in the process of being issued. If no response is received after the 3 reminders, the Company shall transfer all the shares into the “Unclaimed Suspense Account” as mandated in the Listing Agreement after giving due consideration to the response of the concerned members. It may be noted that under the Clause 5A the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Also, all corporate benefits accruing on such shares shall be credited to the Unclaimed 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 2014-15 paid to the Stock Exchanges on
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001	523319	6 May 2014
National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	BALMLAWRIE	23 April 2014

ISIN Code of the Company	INE 164A01016
Corporate Identification Number (CIN) of the Company	L15492WB1924GOI004835

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. are authorized to track the e-mail messages received.
- All communications relating to share registry matters may be addressed to:

Link Intime India Pvt. Ltd.

59-C, Chowringhee Road, 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 30 June 2014:

No. of Equity Shares	Number of Share holders	Percentage of total Share holders	Number of Shares	Percentage of total Share holding
1 To 50	12005	49.89	222640	0.78
51 To 100	4029	16.74	333424	1.17
101 To 200	3280	13.63	514701	1.80
201 To 300	1122	4.66	283219	0.99
301 To 400	787	3.27	278028	0.98
401 To 500	473	1.97	221051	0.78

501 To 1000	1213	5.04	889131	3.12
1001 To 2000	569	2.36	841155	2.95
2001 To 3000	213	0.89	529743	1.86
3001 To 4000	120	0.50	421666	1.48
4001 To 5000	55	0.23	247121	0.87
5001 To 10000	113	0.47	790304	2.77
10001 & ABOVE	84	0.35	22928458	80.45
TOTAL	24063	100.00	28500641	100.00

Distribution of Shareholding as on 30 June 2014 on the basis of category of Shareholders

Category	No. of shares held	Percentage of Share holding
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	998632	3.50
B Banks, Financial Institutions, Insurance Companies (including Central/State Govt. Institutions/ Non-Government Institutions)	2074726	7.28
C Foreign Institutional Investors	573101	2.01
Sub-Total	3646459	12.79
C Others		
A Bodies Corporate*	18818252	66.03
B Indian Public	5774537	20.26
C Non-Resident Indians/ Overseas Corporate Bodies	261393	0.92
D Any other	–	–
Sub-Total	24854182	87.21
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 30 June 2014

Category	Number of Physical Shares	Number of Dematerialized Shares	Total number of Shares	Percentage of Equity holding
Foreign Nationals	22	834472	834494	2.93
Financial Institutions and Banks	13567	2054124	2067691	7.25
Balmer Lawrie Investments Limited (a Government company)	0	17613225	17613225	61.80
UP State Government	7035	0	7035	0.02
Mutual Funds	1137	997495	998632	3.50
Bodies Corporate	7927	1197100	1205027	4.23
Directors & their relatives	450	285	735	0.01
Public	572172	5201630	5773802	20.26
TOTAL	602310	27898331	28500641	100.00

Percentage of physical and dematerialized shares as on 30 June 2014

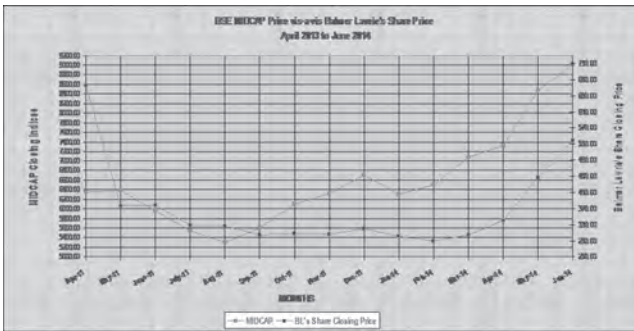
Type of shares	%
Physical	2.12
Dematerialized	97.88
Total:	100.00

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 2013 to June 2014)

Month	High (₹)	Low (₹)	Volume of Transactions during the month (No.s)
April 2013	683.90	609.35	1,56,734
May 2013	715.00	373.15*	2,15,942
June 2013	394.35	355.05	1,09,142
July 2013	394.85	325.00	1,76,066
August 2013	343.90	307.80	1,61,106
September 2013	343.35	306.00	1,55,139
October 2013	314.85	298.10	2,22,427
November 2013	332.00	296.10	2,33,910
December 2013	325.00	300.00	3,11,789
January 2014	335.00	299.90	2,05,711
February 2014	308.95	285.00	1,79,085
March 2014	321.95	287.20	2,57,362
April 2014	361.00	304.05	5,39,457
May 2014	483.00	336.10	14,11,313
June 2014	566.00	454.95	16,92,741

*Ex-Bonus price.

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



Location of Business:

Name of the Business	Location
Greases & Lubricants	Manufacturing Units:
	Chennai
	Kolkata
	Mumbai
	Silvassa
	Marketing Offices:
	Bengaluru
	Pune
	Chennai
	Kolkata
	Mumbai
	New Delhi
	Raipur
	Secunderabad
	Vadodara
Chandigarh	
Industrial Packaging	Manufacturing units:
	Chennai
	Kolkata
	Sewree
	Silvassa
	Chittoor
	Asaoti
	Mumbai
	Navi Mumbai
	SBU Office:
	Mumbai
	Sales Office:
	New Delhi
	Vadodara
	Manufacturing units:
Chennai (Manali)	
Technical Service Centers:	
Ambur-Vaniyambadi	
Chennai	
Performance Chemicals and Construction Chemicals	

Name of the Business	Location	
Logistics Infrastructure	Kanpur	
	Kolkata	
	Ranipet	
	Marketing office:	
	Chennai	
	Kolkata	
	Delhi	
	Kanpur	
	Ranipet	
	Jalandhar	
	Offices:	
	Chennai	
	Kolkata	
	Mumbai	
	Coimbatore	
Offices:		
Thiruvananthapuram		
Tuticorin		
Visakhapatnam		
Gwalior		
Bhubaneswar		
Ludhiana		
Goa		
Kanpur		
Vadodara		
Mangalore		
Guntur		
Indore		
Logistics Services:		
	Ahmedabad	
	Bengaluru	
	Chennai	
	Coimbatore	
	Delhi	
	Hyderabad	
	Karur	
	Kochi	
	Kolkata	
	Lucknow	
	Mumbai	
	Pune	
	Tours and Travel & Tours: Vacations Exotica	Ahmedabad
		Bengaluru
Bhubaneswar		
Chennai		
Delhi		
Hyderabad		
Vadodara		
Chandigarh		
Mumbai		
Kolkata*		
Lucknow*		
Thiruvananthapuram*		
Pune*		
Bokaro*		
Dehradun*		
Goa*		
Guwahati*		
Port Blair*		
Refinery & Oilfield Services		
	Kolkata	

* Tours & Travel Offices only

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

No.	Name of Director	No.	Name of Companies of which the Director is a Director	No.	Membership of the Directors on Board level Committees
1	Shri Virendra Sinha	3	Balmer Lawrie (UK) Ltd Balmer Lawrie (UAE) LLC Balmer Lawrie Van Leer Ltd.	3	Audit Committee Member: Balmer Lawrie & Co Ltd. Balmer Lawrie Van Leer Ltd Shareholders'/Investors' Grievance Committee Member: Balmer Lawrie & Co Ltd
2	Shri Niraj Gupta	3	Balmer Lawrie Hind Terminals Pvt. Ltd. (Chairman) PT Balmer Lawrie Indonesia (Commissioner) Vizag Logistics Park Ltd.	NIL	NA
3	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
4	Shri Prabal Basu	4	Balmer Lawrie (UK) Ltd. Balmer Lawrie Investments Ltd. Balmer Lawrie Hind Terminals Pvt. Ltd Vizag Logistics Park Ltd.	3	Audit Committee Member: Balmer Lawrie Investments Ltd (Chairman) Shareholders'/Investors' Grievance Committee Member: Balmer Lawrie & Co. Ltd. Balmer Lawrie Investments Ltd.
5	Shri Partha S Das	NIL	NA	2	Audit Committee Member: Balmer Lawrie & Co. Ltd. (Chairman) Shareholders'/Investors' Grievance Committee Member: Balmer Lawrie & Co. Ltd. (Chairman)
6	Shri Alok Chandra*	NIL	NA	1	Audit Committee Member: Balmer Lawrie & Co Ltd.

* Shri Alok Chandra was appointed as the Government Nominee Director upon direction by the Administrative Ministry with effect from 8 August, 2014.

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

To
The Members of
Balmer Lawrie & Co. Limited

I, Virendra 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 2014.

Kolkata
19th August 2014

Virendra 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, 2014 as stipulated in clause 49 of the Listing Agreement with the Stock Exchange.

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

- i) Clause 49 II (A) of the Listing Agreement and para 3.1.4 of the Central Public Sector Enterprises Guidelines on Corporate Governance issued by Department of Public Enterprise require that in case the Chairman is an Executive Director at least half of the Board should comprise of Independent Director. However during the year there were no Independent Director on the Board of the Company for the period from 30th May,

2013 to 31st March, 2014.

- ii) Clause 49 III (A) of the Listing Agreement and para 4.1.1 of the Central Public Sector Enterprises Guidelines on Corporate Governance issued by Department of Public Enterprise require that at least two third of Audit Committee should comprise of Independent Director. However during the year there were no Independent Director on the Audit Committee of the Company for the period from 30th May, 2013 to 31st March, 2014.
- iii) Non-functioning of Remuneration Committee which was constituted by the Company as per clause 49 IV of the Listing Agreement but Committee has become defunct during the year as there were no Independent Director on this committee for the period from 30th May, 2013 to 31st March, 2014.

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
Date: 19th August 2014

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

(CA Sarad Jha)
Partner
Membership No : 050138

MANAGEMENT DISCUSSION AND ANALYSIS
[Forming Part of the Directors' Report for 2013-14]

The Management Discussion & Analysis seeks to provide to the Shareholders of the Company an overview of each of the Strategic Business Units [SBUs] of the Company and analyses the underlying economic factors, which have influenced or impacted the performance of the Company with focus on the financial year 2013-14. Also covered in the analysis are issues governing future outlook.

At the outset, it may be observed that the economy is slowly but surely showing signs of looking up, which is welcome more so because the slowdown in the last two years was sufficiently broad-based to affect all sectors. The developments in the macro-economic front, particularly the dramatic improvement in the external economic situation with the Current Account Deficit [CAD] declining to manageable levels -- after two years of worryingly high levels -- constitute redeeming features of 2013-14. Inflation too is gradually losing its edge and creeping into the moderate zone, which again would be expected to ease the controls imposed under the anti-inflationary monetary policies and revive the confidence of investors. With the global economy also on the way to moderate recovery, the Indian economy too can look forward to better growth prospects in 2014-15 and beyond. In 2014-15, the Indian economy is reasonably poised to overcome the sub-5% growth level in Gross Domestic Product [GDP] witnessed over the last two years, which augurs well for industry.

Post 2008-09, the industrial sector – consisting of manufacturing, mining, electricity, and construction – showed remarkable recovery and steady growth for three years but lost momentum thereafter owing to a combination of factors. Thus, industrial performance in 2013-14 remained lackluster for the second successive year. The latest GDP estimates show that industry grew by just 1% in 2012-13 and in 2013-14, a token increase of 0.4% was only posted.

The average growth rate in eight core industries viz., coal, fertilizer, electricity, crude oil, natural gas, refinery products, steel, and cement was 5% in 2011-12 and 6.5% during 2012-13. The index of eight core industries grew by only 2.7 per cent during 2013-14. The low growth rate was a net effect of the negative growth witnessed in natural gas (-13.0 per cent) and

crude oil (-0.2 per cent) and low growth in coal (0.7 per cent), fertilizers (1.5 per cent), and refinery products (1.7 per cent).

India's Services sector that remained resilient even during and immediately after the global financial crisis, buckled under the pressure of continued global and domestic slowdown, resulting in sub-normal growth in the last two years. However, early shoots of revival are now visible in 2014-15. Different indices and estimates indicate a buoyancy in India's services business, which is now gaining prominence in terms of contribution to the national and states' incomes, trade flows, FDI inflows and employment. It is worth noting that India's share of world services exports -- which increased from a low of 0.6% in 1990 to 1.1% in 2000 and further to 3.3% in 2013 -- has been outstripping its share of world merchandise exports, underlying the significance of the Services sector.

According to World Travel & Tourism Council estimates, the Tourism sector in India contributed around 6.6% of India's GDP in 2012 and supported 39.5 million jobs, which is 7.7% of its total employment. The sector is projected to grow at an annual average rate of 7.9% from 2013 to 2023. India's share in world inbound tourist arrivals increased from 0.4% in 1997 to 0.63 % in 2013, with a 6.9% CAGR, which is much higher than the 3.9% CAGR (compound annual growth rate) for the world during the same period. The size of domestic tourism has also crossed an estimated 1.1 billion annual travel visits. However, India is yet to tap the full potential of its tourism sector.

The performance of shipping services and merchandise trade is closely related to the efficiency of ports. The total capacity of Indian ports has reached approximately 1425 million tonnes as on 31 March 2014. During 2013-14 total traffic handled at all ports at 980.49 million tonnes grew by 5.02% over the previous year. The cargo throughput of major ports grew by 1.78% while the non-major ports registered a growth of 9.57%.

According to CSO estimates, storage services grew by 8.6% in 2012-13 as compared to 2.9% in the previous year. Storage services are an integral part of both in-bound and out-bound logistics as the goods produced have to be stored in different geographical

locations before shipping / despatch as per demand/ order inflows. In India, the most important component of warehousing is storage of agricultural inputs, food-grains, oilseeds, pulses, cotton, fertilizers and manure. Other components include industrial warehousing for storage of raw materials & finished goods and infrastructure for supporting import and export trade like Inland Container Depots [ICD] and Container Freight Stations [CFS], cargo terminals of the Integrated Check Posts [ICPs] and special warehouses for perishable goods [essentially cold and temperature-controlled storage].

Against the aforesaid macro-economic backdrop, it would be seen from this Report read with the Directors' Report, that the core competency 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. The core competency 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 largest manufacturer of 200 litre capacity Steel Drums in the Rigid Industrial Packaging segment. The major customers of Steel Drums are from Lubricants, Greases, Transformer Oil, Chemicals, Agrochemicals as well as Food and Fruit Industries. Steel Drums are utilized for safe packing, transport and storage of the above products. The Company effects sale of the manufactured Steel Drums through its own pan-India marketing network.

SBU:IP offers a product range which covers both 165 litre and 200 litre capacity Steel Drums produced from CRCA steel in its six manufacturing locations spread across the country and located in the major consumption centres.

The SBU has commissioned state-of-the-art facility for manufacture of 200 litre capacity Steel Drums at Navi Mumbai.

The High Throughput Plant is capable of producing 800 drums per hour and has the facility of manufacturing Drums of different variety including Conical/ Expandable/Necked-in Drums. The entire equipment in this plant has been imported and is technically at par

with Best-in-the-World similar facilities.

Focusing now on the Industry, surplus capacities and a large number of manufacturers, leading to depressed margins, characterized the operations of the industry. Cold rolled steel is the main raw material. Output prices were generally stable throughout the year under review.

The SBU continued to hold its position as market leader in India.

Opportunities & Threats

The major Opportunities for the SBU lie in:

- Extension of product range
- Leveraging the benefit of its multi-locational presence and well accepted quality standards across diverse industry segments leading to "most preferred supplier" status with a large base of customers
- Nurturing its Leading edge technology and technical expertise.
- Moving up the value chain as a packaging, filling and logistics service provider to a large number of customers.
- Consolidation in the Industry.
- Entry into new markets.

The major Threats being faced by the SBU are:

- Under the government's public procurement policy, PSUs and government departments have been mandated to procure drums exclusively from small and medium enterprises. Consequently SBU:IP has been precluded from 20% of the market.
- The presence of excess manufacturing capacity in the Industry leading to depressed pricing / margins.
- Tender based supplies offering wafer-thin margins.
- Emerging competition from alternative products such as PE Drums, IBC/ISO Tankers/Flexi-Tanks etc.
- Volatility in the steel industry leading to unstable product pricing.

- Challenges pertaining to availability of Steel at times.

Segmentwise or Productwise Performance

Off-take of steel drums were generally better during 2013-14 compared to 2012-13 which has resulted in the highest-ever sales volume during 2013-14. This was accomplished despite the shrinkage of the market in the wake of directive to Government Companies to procure MS Drums only from Small & Medium Enterprises.

Outlook

Indicative trends point to a positive 2014-15 with the fruit segment expecting a bumper crop and liquidation of all finished stock held with the fruit pulp customers. On the other hand, however, various contracts with PSU Oil Companies would be terminating during 2014-15 and hence further supply from PSU Oil Companies and Government customers would cease because of the Government's decision to reserve procurement of MS Drums by Government Companies from Small & Medium Enterprises only.

On the brighter side, GDP growth rate in the country is poised to go up and as a concomitant thereof, the SBU expects its volume to grow and market share to remain stable, if not improve, during 2014-15. Equipment up-gradation during the current year has led to augmentation of the production capacity. The High Throughput Plant at Navi Mumbai would commence commercial production soon and this would impart requisite competitive edge to the SBU.

Risks & Concerns

With the shrinkage of the market size due to directive to Government Companies to procure MS Drum from Small & Medium Enterprises, the competition in other segments is expected to intensify exerting tremendous pressure on price. Escalation in input costs, especially steel and paint could result in less than commensurate product price adjustments and has often subjected the Industry, in which the SBU operates, to operational pressures.

Discussion on Financial Performance with respect to Operational Performance

On account of severe competition in the financial year 2013-14, the margins were under severe pressure and the SBU concentrated on retaining overall volume by aggressive pricing.

Internal Control Systems and their Adequacy

The SBU is governed by a performance budget system and internal controls to monitor performance against targets/norms. BIS certification is available for all plants of the SBU. Besides, all the six plants of the SBU are certified to ISO 9001:2000 Quality Management Systems and four plants are certified to ISO 14001:2004. Additional checks are maintained through Internal Audit, Vigilance Inspection, etc.

Material Developments in Human Resources / Industrial Relations

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

2. GREASES & LUBRICANTS (SBU - G&L)

Industry Structure and Developments

Indian lubricant market ranks as the seventh largest in the world and the second largest in Asia after China. The lubricant industry in India is estimated to have an annual turnover of around ₹ 35,000 crore and the consumption level during 2013-14 was of the order of about 2.09 million tonnes. About 67% of the lube market comprises Automotive Grades leaving the balance 33% for Industrial Grades. The market is highly competitive with a large number of players including PSU Oil Companies, global majors as well as small regional players and several units in the unorganized sector all in the fray. Prominent players in the lubricant market can be categorised as under:

1. Major PSU Oil companies viz., Indian Oil Corporation, Hindustan Petroleum and Bharat Petroleum.
2. Multinationals working directly or through their subsidiaries, such as Castrol, Mobil, Valvoline, Shell, Total etc.
3. Indian lubricant companies like Tide Water Oil and Balmer Lawrie.
4. Niche market players, who operate in select segments such as Fuchs, Quaker and Bechem.

The industry is currently dominated by a few major MNCs and the three Oil PSU Companies, which together have a market share of about 70% due to their brand equity value and reach. The balance 30%

is shared amongst the rest.

The Indian automotive lubricant market is highly price sensitive and volume growth is slow due to longer drain intervals considering usage of upgraded version of engine oils being used in 4-wheelers & 2-wheelers. Nevertheless, in the longer term, the overall outlook for the automotive lubricant market portends to be bright considering the projected growth of the Indian economy and increasing purchasing power in the hands of customers.

Opportunities & Threats

Fast infrastructural growth in India is expected to trigger higher movement of vehicular traffic, which, in turn, could result in higher consumption of lubricants. In particular, growth in the 4-Stroke two-wheeler segment, especially in China and India, would offer opportunity to lubricant manufacturers to launch value-added, high-quality engine oils suited for such applications. Significant opportunities exist in the diesel engine oil segment for commercial vehicles, which is the single largest segment in the lubricant industry.

A major strength area of the SBU is the knowledge base and technology at its disposal. The Company already has an acknowledged presence in the Industrial Sector -- particularly in segments like Steel, Mining, Defence and Railways -- which is bolstered by the strategic location of its three manufacturing facilities in the East, South and West.

The ester manufacturing facility in Kolkata is one of the finest and the knowledge of in-house developed ester based lubricants helps the SBU to focus on creation of a market for eco-friendly / biodegradable lubricants. The fact that the Company has modern and well equipped Quality Audit Laboratories in all its plants (one being NABL accredited) adopting stringent audit norms is another major positivity in the efforts to create product differentiation and garner volumes.

The major thrust area for the SBU has been R&D, which has a major role in developing and commercialising high-value products as well as speciality lubricants for niche markets including biodegradable and eco-friendly products. The R&D Centre provides the decisive cutting edge of technology enabling the Company to capitalize on the emerging opportunities. Using its own in-house R&D, SBU: Greases & Lubricants has

successfully developed speciality lubricants, such as, rolling oil, expander oil, fire resistant hydraulic fluid, synthetic mould oil and speciality greases; all these products constitute potential market for growth in the proximate future.

Amongst the threat perceptions is volatility of the base oil market, which pushes up the lubricant prices and affects the demand and margins. Base oil is the primary raw material for manufacturing greases and lubricants. The Company is largely dependent on PSU Oil Companies for sourcing its Base oil. In the industrial tender related business, the tendency of the PSU Oil majors has traditionally been to absorb the high raw material cost particularly base oil cost to gain competitive advantage and put pressure on the margins and market share of the Company. Longer drain intervals and filled-for-life lubricants are becoming the order of the day and these often cut into the efforts of the SBU to achieve volume growth. Distribution channel of the Company requires to be strengthened and expanded to boost retail sales and hence this is becoming one of the priority areas for the SBU.

Segmentwise or Productwise Performance

The business of SBU: G&L may be divided into [a] Processing/Contract Manufacturing Business and [b] Direct Sales or what the SBU refers to as "Balmerol" Sales segment.

The "Balmerol" sale segment can, in turn, be classed into –

- (a) Institutional / Industrial Sales – basically sales to Railways, Defence, Steel and the Coal sectors, OEM, Sponge Iron, Power and Infrastructure.
- (b) Retail Sales
- (c) Export

In 2013-14, the SBU recorded an all-time high sales volume, registering a volumetric growth of 8% and turnover growth of 11% over the previous year. This was achieved despite various constraints holding up growth of the manufacturing sector, although the bottom line was affected due to adverse market conditions.

The SBU is laying thrust on the Retail sector through expansion of its distribution network, participation in various promotional campaigns and incentive schemes which would activate retail sales growth.

Outlook

The SBU expects to achieve a significant improvement in Retail sales with a target of achieving a much higher market share within the next couple of years. Currently, the Indian market has negligible presence in eco-friendly / biodegradable lubricants; however, the Company aims increasingly to pioneer development of such value-added specialty products for niche markets particularly for the steel and the automobile sectors, which are poised for major takeoff.

Risks & Concerns

The major risks in the business emanate from the control by the PSU Oil Companies over base oil, the major raw material, as also cross subsidizing by some of the oil majors. The margins are under threat in a rising base oil and additive price scenario which are proposed to be effectively countered by global sourcing of vital inputs.

Discussion on Financial Performance with respect to Operational Performance

As mentioned above, during 2013-14, the SBU grew its sales turnover by about 11% despite prevailing economic sluggishness in the country, competition from PSU Oil Companies & major MNCs and sharp hike in base oil & additive prices compared to the previous year.

The bottom-line has, however, been affected owing to higher input costs, which could not be passed on to the customers because of tough market conditions. Higher depreciation rates and interest cost on account of capitalization of Silvassa facilities have also affected the profitability.

Internal Control Systems and their Adequacy

The SBU has adequate internal control systems suitable for its business needs. SAP implementation process has been initiated for the SBU.

The SBU has a detailed Management Information & Control system to monitor performance against budget/targets. The Quality & Environment Management System at the manufacturing plants are certified to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards.

SBU: G&L is committed to environment protection and its plants are certified to ISO 14001:2004 and OHSAS 18001:2007 standards. Energy audits have also been conducted and recommendations have

been implemented at all the plants for ensuring energy conservation.

Material Developments in Human Resources / Industrial Relations

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

3. PERFORMANCE CHEMICALS [SBU – PC]

Industry Structure & Developments:

Leather is one of the most widely traded commodities globally. The growth in its demand is driven by the demand for leather articles, such as, garments, footwear, furniture upholstery, interior design and automotive upholstery amongst others. Global leather trade in 2011 and 2013 were of the order of US Dollars 160 billion and 195 billion respectively. This Leather industry is expected to grow at 10% CAGR and touch US Dollars 283 billion by 2017.

Around 60% of the global Leather and leather articles are produced in Asian countries such as China, India, Vietnam and Bangladesh. China's export is around 30% of the global trade followed by Italy 13%, Vietnam 6.5%, Germany 4% and India at 3% occupies 7th position on the global trade map. It is being seen that Asian countries are progressively becoming stronger in terms of producing and exporting leather and leather products. For India there is also a large captive domestic market waiting to be tapped.

40% of India's export in the last fiscal consisted of footwear and footwear related materials followed by leather goods which aggregated 23% and finished leather which recorded 20%. There was also a steady domestic demand and inclusive of this demand, the turnover of the Indian leather industry has been projected to touch US Dollars 9 Billion in 2013-14.

Indian Leather Chemicals market is estimated to be around ₹ 1500 crore. While MNCs have the major share in the Leather Chemicals market, there is stiff competition in the market on account of the presence of these MNC Companies and small domestic manufacturers.

Availability of power is a constraint in the Leather industry especially in the Southern Region. In certain areas unscheduled power cuts last as long as 4-5 hours per day. This pushes up the power costs as the industry has to run on diesel generators. Raw material shortage is also a persistent problem, as large quantities

of semi-finished leather are exported to China and Italy. The Union Government has recently decided to accept the view of the Council for Leather Exports that certification by the Central Leather Research institute be made mandatory for leather exports, to ensure conformity with the Government's regulatory policies. This would also promote standardization and prevent clandestine exports of raw hides and skins.

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 from development of High performance Fat Liquor, leveraging the strength of R&D as this would enable it to enhance its market share. The SBU also aims to step up its export turnover to a level of at least 20% of the total turnover. Main thrust areas for export, are China, Korea, Bangladesh and Iran. Also under consideration are the prospects of entering Turkey, Egypt 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. The objective inherent is to be present in the niche area of Concrete Admixtures such as Polycarboxylate-based Admixtures. This would provide additional revenues and generate profit streams for the SBU.

As regards threat perceptions, in the Leather Chemicals business, one of the relevant adverse factors is that the Rupee is getting stronger with reference to the Dollar, which will make imports cheaper. This is a potential threat for the SBU, which is proposing to penetrate into the High Performance Chemicals market and could eat into the Fat Liquor volumes. It can also affect exports because prices might become less attractive. Availability of raw hides and skins continues to be yet another threat for the industry.

The consistent rise in prices of input materials for Leather Chemicals such as paraffin wax, phenol, acrylic acid, etc., is a major constraint, more so because in a buyer's market, it may not be possible to pass on the increased cost to the customer, in which case there would be shrinkage of contribution margin.

Segmentwise or Productwise Performance

In the Financial Year 2013-14, the SBU achieved overall turnover growth of 14% over the preceding year and overall growth in volume by 7%. In the Fat Liquor

segment the Company has also achieved a volume growth of 7% whereas growth in the Syntans segment was 12% over 2012-13.

The SBU achieved 43% growth in volume for overseas business during 2013-14 and recorded highest ever export volume, which is a significant achievement.

Outlook

The future outlook for the SBU appears very challenging. The SBU proposes to combat the challenges through continuous innovation and intensive R&D work. To sustain leadership in Fat Liquor, new innovative products are planned to be launched. There is an urgent need to increase volume and this would be achieved through increase in the market share for Syntans focusing on both domestic market and overseas business. Commensurate with the increase in sales volume, plans for stepping up production volume are also on the anvil. With these efforts, it is expected that the SBU would successfully carry on business maintaining continuity, sustainability and growth.

Risks & Concerns

The continuous escalation of raw material prices and other input costs have relentlessly squeezed the margins in the business. The applicability of REACH norms on products used in leather processing along with the tightening of pollution control norms in relation to the tannery / effluents are other major concern areas for the SBU.

Discussion on Financial Performance with respect to Operational Performance

Sales volume and turnover have increased during the year under review. This has improved the financial performance of the SBU too.

Internal Control Systems and their Adequacy

The SBU has internal control systems commensurate with the complexity and scale of operation. The manufacturing units, product development, marketing functions and the unit for Construction Chemicals (Concrete Admixtures) are now certified under an Integrated Management System accredited to ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 of TUV:SUD standards.

Material Development in Human Resources / Industrial Relations

Industrial relations remained cordial during the year.

4. LOGISTICS SERVICES (SBU - LS)

Industry Structure and Developments

The twin factors – growth of the economy and the resultant rise in the volume of freight traffic -- which have made the Logistics sector in India an area of priority continued to remain suppressed. However, towards the end of the year, increase in the volume of traffic, especially exports has infused growth opportunities in all segments of the logistics trade including transportation, warehousing, freight forwarding, express cargo delivery, container services, shipping services etc. Various estimates have put the market size of the Indian logistics industry to be between US Dollar 90 – 100 billion. The industry employs an estimated 45 million people and this is growing at 15% per annum with some sub-sectors growing at even double the rate.

Various surveys conducted by leading companies highlights India's attractiveness as a potential destination for strong growth in logistics. However, the Indian logistics sector continues to be stuck in the quagmire of inefficiencies in transportation, complex tax structure, low rate of technology adoption and poor skills of logistics professionals.

The coming fiscal year holds promise with shift in government policy towards infrastructure development, opening up of Foreign Direct investment in Defence sector coupled with intent to implement Goods & Services Tax which shall act as a catalyst to create more opportunity in this industry.

Opportunities & Threats

Air cargo consolidation accounts for close to half of the total turnover of the SBU whereas, as per estimates, more than 80% of freight forwarding is conducted through Ocean. In 2013-14, the SBU accordingly put greater emphasis on this segment which helped it to register a volume growth of around 44% over the previous year in the ocean freight cargo segment and is now focusing on new verticals such as 3 PL [Third Party] Logistics and Project Logistics. During the year under report, the SBU opened two Satellite branches at Guntur and Indore and added five more Associates, which contributed towards growth of bottom-line.

However, the business of the SBU is predominantly PSU-driven and subject to changes in Government policy coupled with dependency and support from its Associates. The entry of major international freight forwarders in India has had the effect of aggravating

competition in the sector. SBU: LS also perceives threat from some of the domestic players who are re-aligning their business strategies through international tie-ups, mergers and acquisitions etc.

Segmentwise or Productwise Performance

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 the financial year 2013-14. However, top line growth was flat as compared to previous year predominantly because of slow down of the Indian economy. Nevertheless, better product mix including increased handling of air charter services crystallized into a growth of 15% in contribution over the previous year.

Outlook

The financial year 2013-14 saw the SBU exploring the possibility of realigning its business verticals and inculcate Operational Excellence. Accordingly, a study was commissioned to analyze the existing business portfolios and suggest the way forward in pursuit of Business Excellence. In line with the study & recommendations, the SBU is looking at newer segments like 3 PL activities and Project Logistics segment for pushing its growth. The SBU plans to invest substantial amount in technology up-gradation of its existing system to make it compatible with the best in the industry. Also on the anvil are plans to re-organize its human resource structure to make it more customer-focused.

Risks & Concerns

Low entry barriers have today made the Logistics Services industry somewhat vulnerable. The entry of increasing number of domestic and international players has created surplus capacities within the industry. Customers are insisting on single-window services which can be expected to give a fillip to Multinational Freight Forwarders having presence across the globe to offer competitive rates. Backward integration by the shipping lines has brought them into direct competition in the Ocean cargo segment.

The SBU is countering emerging challenges through its strong associate network and offering customers single-window delivery in association with SBU: Logistics Infrastructure and the joint venture company Transafe Services Ltd.

Discussions on Financial Performance with respect to Operational Performance

Financial performance during 2013-14 was

commendable with the SBU surpassing all its previous year records and achieving its highest ever profit despite somewhat flat growth in the top line. This was achieved primarily on account of better product mix and marketing of value added services to the customers.

Internal Control Systems and their Adequacy

The SBU has in place an effective Internal Control mechanism. During the year under review, a fairly large number of Internal Audits were carried in all branches and the findings were found to be satisfactory. All branches of the SBU are ISO accredited and accreditations are successfully renewed every year.

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. LOGISTICS INFRASTRUCTURE [SBU-LI]

Industry Structure and Developments

Logistics Infrastructure comprises three main segments viz., Container Freight Station [CFS] typically set up in the vicinity of Ports, Inland Container Depot [ICD] established with proximity to Industrial belts and located in the hinterland and Warehousing & Distribution (W&D). CFS / ICD are facilities set up mainly as extension of a Port for custom clearance with a view to decongesting ports and to handle and temporarily store exim cargo-laden containers/empty containers. These provide an integrated platform for pursuing activities such as loading, unloading, transporting, stuffing and de-stuffing of containers.

Presently, the SBU operates three state-of-the-art CFSs located at Nhava Sheva (Navi Mumbai), Chennai and Kolkata. These three ports account for nearly 59% of the total container traffic handled in Indian Ports, which is lower by 6% since the last fiscal. The drop was mainly attributable to congestion at Jawaharlal Nehru Port Trust [JNPT] and better infrastructure facility and increase in vessel frequency at private ports such as Mundra and Pipavav. Import volume in the three ports of JNPT, Kolkata and Chennai dropped by 3% in 2013-14.

Warehousing & Distribution has been a traditional activity of the Company and the SBU operates such warehousing facilities at Kolkata and Coimbatore. Warehousing is an integral part of the logistics value

chain facilitating collection, receipt, storage, sorting and dissemination of goods. Unorganised players continue to dominate the industry accounting for almost 85% of the market share. However, with 3 PL [Third Party Logistics] Providers catching up, share of the organized sector is expected to increase over the next few years.

Temperature Controlled Industry [TCI] is worth Indian Rupee 150-159 Billion and the Industry is expected to grow at the rate of 15-20% per annum.

Opportunities & Threats

The existing low level of containerised exim traffic in India as compared to the world average offers scope for incremental business in the years to come. The economy is also showing signs of turning around and the push in Infrastructure growth which is expected, should provide opportunity to the SBU to further grow. Emergence of new storage models such as Multi Modal Logistics Park would improve quality of warehousing and optimise storage space.

Overall warehousing space in India is poised to expand significantly prompted by factors such as growth in external trade, growth across major industry segments such as automobile, pharmaceuticals and FMCG together with the emergence of organised retail. Growth will be driven by the increasing need for organised warehousing, introduction of Goods & Service Tax (GST) and the need for savings in logistics costs.

Simplification of customs formalities has, however, become a threat factor as it has lead to faster clearance of containers through green channel or using Air Cargo Product (ACP) containers, which have reduced the volumes available to CFS operators.

Another associated factor to be reckoned with is the possibility of growth in share of the private ports and their higher operational efficiency, which leads to diversion of volume from the three major ports viz., JNPT, Kolkata and Chennai thereby affecting the volumes for the Company. Lack of perceptible improvement in the global economy together with relative strengthening of the Indian rupee vis-à-vis the US Dollar, may affect exports. Excess capacity build-up in the three locations where the Company has CFS, is also seen as a negative growth driver.

Segmentwise or Productwise Performance

SBU: Logistics Infrastructure -- together with SBU: Logistics Services which has considerable synergy

with the former -- continues to be the bottom-line driver. However, during 2013-14, the CFS business witnessed sharp decline in volumes, revenues and earnings compared to the previous year on account of severe competition especially from Shipping Company-owned-CFSs, reduction in volumes available to CFS operators and loss of business from the shipping companies who have traditionally supported the Company. The Import – Export mix was largely the same that is, 86% Imports and 14% exports.

However, warehousing activity turned in a decent performance and exceeded the previous year's bottom-line.

Outlook

Diversification of operations not only acts as a profitability driver but also as a hedging tool. Realizing that the market is in need of one-stop logistics solution and would be willing to pay a premium for such a service, the SBU has initiated actions to offer a bouquet of services to the customers as a value added proposition.

Considering the potential in Cold Chain Logistics, SBU has begun work towards establishing three Temperature Controlled Warehouses [TCW] at Hyderabad, National Capital Region [NCR] and Mumbai in the first phase. Land has, accordingly, been acquired at Hyderabad whereas acquisition in the NCR is at an advanced stage.

The SBU has towards the close of 2013-14 executed a Shareholders' / Joint Venture Agreement with Visakhapatnam Port Trust [VPT] for setting up a Multi Modal Logistics Hub at Visakhapatnam. The Company with 60% and VPT with 40%, would be the two equity partners in the joint venture. The Multi-Modal Logistics Hub [MMLH] would be set up on land to be provided by VPT and would be equipped with facilities for handling exim and domestic cargo, a railhead, a truck terminal, warehousing facilities - both general and temperature controlled container repair facilities, etc.

However, both the activities -- TCW and MMLH-- have a gestation period and hence likely to be operative in 2015-16 only.

Risks & Concerns

Competition is intense in the CFS business with close to 30 players each at Chennai and Mumbai and 3

competitors at Kolkata. In the absence of service differentiation factors, pricing pressure is quite high. Entry barriers are minimal; as such, the threat of new entrants looms large. Since the CFS business depends on the EXIM trade of the country, any fluctuation in trade directly impacts the container traffic volumes.

In the last few years, improved efficiencies has lead to a noticeable reduction in the 'dwell time' of the containers affecting the SBUs 'storage revenue'. Competitive pressures compel giving of 'free period', and very substantially increased incentives. All these cumulatively have led to lower margins per TEU (Twenty Equivalent Unit) and brought down the level of profits of the CFS operators.

Further 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 directly from the Port bypassing the CFSs, as it is more cost effective.

Discussion on Financial Performance with respect to Operational Performance

Export volume went up by 23% in the financial year 2013-14. However, since the import volumes were down by 29% over 2012-13, the profitability was adversely impacted compared to 2012-13. Rupee depreciation affected imports.

Internal Control Systems and their Adequacy

The SBU introduced a new Operations package "iComet" which is an improvement over the earlier package for managing its operations including billing, raising debit/credit notes, MIS to Shipping companies etc. During the year under review, introduction of SAP module has improved the internal controls and checks and balances. In 2013-14, the SBU introduced "iPortal" a web based customer interface tool enabling a customer to take out estimates of the bill for services rendered, get quotations as well ascertain the status of arrival or delivery of containers. The SBU has a robust Performance Budget system whereby actual performance is weighed against Business Plan. All the three units 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 in all the units remained cordial right through the year.

6. TOURS & TRAVEL [SBU-T&T]**Industry Structure & Development**

The Government of India, as an austerity measure, down scaled entitlement on Domestic sector of Government officials. The applicability of Code of Conduct due to elections in the major states has also impacted the travel industry.

The positive step initiated by the Government last year viz., permitting Foreign Direct Investment to foreign airlines bore fruit during the year with Etihad investing in Jet Airways, Air Asia joining hands with Tatas and Singapore Airlines announcing Vistara in joint venture with Tata. Another new Domestic Airline, Air Costa, was also launched.

The entry of Air Asia resulted in a price war with all Airlines wooing customers to ensure more than 70% occupancy. On top of this, the margins in the sector have been eroded by high taxation and increasing competition from online portals. Weakening of the Indian Rupee by 7% against the Dollar has adversely affected International airfares and reduced leisure traffic.

Opportunities & Threats

The business of the SBU: Tours & Travel consists of three segments viz., domestic travel, international travel and domestic tour packages. The positive feature of the SBU is its extensive network of offices, 24x7 helpline and the presence of experienced and supervised manpower. The Online Portal was operative for the first full year with continuous increase in bookings. Work is on to add International Tickets, Hotel and Car booking to the portal.

Travel & Tourism business is passing through difficult times. The SBU was squeezed due to reduction in credit period by the airlines, non-payments of services charges by most of the customers for a large part of the year and the airlines making commission virtually nil.

Segmentwise & Productwise Performance

Despite the adverse environment, the SBU has continued to provide sizeable turnover from the ticketing business, which is higher than that of the previous year though marginally lower than the budget. Domestic travel accounted for 60% of the turnover while international travel was around 21%. The revenue generated from other activities touched 8% of the turnover.

Outlook

With the 'feel good' factor driving the economy, post-elections, a positive impact on the Tours & Travel business is anticipated. Low Cost Carriers (LCC) have commenced operations on both Domestic and International sectors. They have even added new Aircrafts and are poised to grow. Vistara, the Tata Group and Singapore International Airlines joint-venture is expected to be launched in October 2014 and the Airline hopes to link its flyers with the global network of Singapore Airlines. Advent of this new Airline is expected to have a favourable impact on business.

One of the major concerns for the SBU would be deep financial problems being faced by most airlines including the national carrier. Another area of concern is usage of technology whereby the customers are making their own bookings and gradually becoming less and less dependent on travel agents. Keeping in view the changing trend of travel, the SBU has embarked on a major plan to upgrade its technology which will help it to drastically improve its service levels and reduce overheads. The SBU is also in the process of consolidating travel related contents on the travel portal (Air/Train/Hotel/Cruise/Cars/Insurance and Visa Services), which are all under designing and implementation. The corporate customer prefers use of Self Booking Tool and these would be increasingly provided for prime clients as has already been done for a few clients.

Travel and Tourism's economic contribution is expected to grow by 7% this year, thereby giving a boost to the Indian economy. As per Centre for Asia Pacific Aviation (CAPA), Domestic traffic is expected to expand by 4 – 6% and International by 10-12% in the near term. The Indian aviation industry could also grow significantly in 2014 owing to special initiatives taken by the Government towards improving airport infrastructure, attracting foreign investment and allowing airlines to deploy A380s in India.

Introduction of the facility of Visa-on-Arrival to a few countries and implementation of e-visas would make important contribution to the Indian aviation industry. There is likelihood of addition of more airlines having 50-70 seater small planes for providing connectivity to smaller towns. However, 2014 will witness very stiff competition in the domestic aviation sector

Risks & Concerns

Despite the regime of zero commission by most of

the airlines and lower commission by others, the competition in the market is getting more and more intense as operators are offering commission and discounts to the clients. On the other hand, the client's expectations for free / add-on services and discount are, as always, on the increase.

The SBU continues to face serious issues in the collection of debts mainly from various Ministries, resulting in huge pressure on working capital requirement and high finance cost.

Discussion on Financial Performance with respect to Operational Performance

Sales for the year had been relatively low due to Code of Conduct for the Lok Sabha elections and austerity measures taken by the Government during the year which reduced the demand for travel services. Further, withdrawal of commission/transaction fees also affected the SBU substantially.

The SBU has been awarded by Air Canada and Turkish Airlines for outstanding performance and sales support.

Internal Control System and their Adequacy

The SBU has adequate internal controls through various Standard Operating Procedure [SOPs], Compliance reports and checks & balances. The major branches are certified under either ISO 9001:2000 or ISO 9001:2008.

Material Development in Human Resources/ Industrial Relations

Industrial relations continued to be cordial at all units of SBU Tours & Travel while operating with optimum level of manpower.

7. TOURS - VACATIONS EXOTICA [SBU- TOURS-VE]

The Company has acquired Leisure Travel Business of Vacations Exotica Destinations Pvt. Ltd., a large Tour operator in the country. This new SBU has bright prospects and huge potential to grow along with SBU: Tours & Travel.

Industry Structure and Developments

Travel & Tourism is one of the world's largest industries and the Indian Outbound Market is emerging as one of the fastest-growing sector. Absolute numbers and overall value of spending by travellers in the Outbound travel sector in India is second only to China.

Increase in disposable income has energized the sector to grow further and, accordingly, the outbound tourism is on positive growth. The size of the Indian middle class roughly stands at more than 350 million --the size of the US population -- and is estimated to grow at the rate of 40-50 million annually.

With 17% of the world's population (and a median age of 25 years), India is ranked as one of the top five countries for potential outbound travel. Consequently, the number of Indians travelling abroad annually is set to rise from around 15 million today to 50 million by 2020. There was a time when Indian travellers were perceived to be cautious and non-experimental but today globe-trotting Indian travellers are a familiar sight.

India's business and MICE travel market is flourishing. Taking into account the rapid pace of development of the segment, several countries, including Canada, Singapore, Macau and USA are in quest for taking advantage of the scenario.

Referring to the Inbound Tourism market, the total tourist visits in India have been growing at a steady pace of about 16% annually over the past five years. The Travel & Tourism Sector in India generates significant socio-economic benefits for the country. Over the next decade, the sector has been projected to grow at the rate of 12%.

Several industry drivers such as government initiatives, diverse product offerings, growing economy, increasing disposable income and marketing initiatives along with key trends such as increasing number of women and senior citizen travellers, multiple short-trips with weekend holidays, introduction of innovative tourism concepts and customized tour packages are all playing a pivotal role in shaping the Indian tourism sector.

The USA and UK accounted for the maximum number of foreign tourist visits in the northern states of India in 2012. The country also had a fair share of tourists from non-English speaking countries like Germany, Japan and UAE underlining the need for tourist information to be made available in multiple languages.

Opportunities & Threats

The Company is one of the largest travel agencies in India affiliated to IATA. With the acquisition of the Vacations Exotica brand and business in February 2014, the Company has become one of the top five tour operators in India. It now offers holiday packages to the portfolio of corporate and government clients

which number approximately 7,50,000. SBU: TVE sees tremendous opportunities from tapping the new segment of corporate customers. Efforts are also on to improve visibility in the MICE and Events segment. Additionally, SBU: TVE hopes to cash in on the LTC [Leave Travel Concession] market by offering value packages even as it focuses on improving the current business model as the next step forward. The core area of operation of SBU: TVE is focused on the Leisure Travel Market. This market has very few well-organized tour operators providing quality driven services, hence this is an opportunity factor for the SBU.

Amongst the threat perceptions, it is seen that a trend fast emerging is the advent of small-time travel companies like travel agencies -- essentially Ticketing offices -- penetrating aggressively into the Leisure Travel segment with Price driven products that lack quality but aim at weaning away a stratum of the customers consisting of 'price conscious' people. Negative news affecting the world like plane crashes, war, conflict zones etc often impact the Leisure Travel market and is another potential threat factor. The Online websites lure customers with 'Price Driven' bargains often without transparency and these require to be suitably countered by the Company.

Segmentwise or Productwise Performance

As seen in the past, there has been consistent growth in most of the segments such as the International Group Tours, Customized Travel, Cruises, Eurail and importantly Indian Holidays. The main travel service segments are Group Inclusive Tours [GIT] and Free Individual Travellers [FIT]. About 49% of the sales revenue comes from GIT whereas 36% arise from FIT. Indian Holidays account for 3% of the sales.

Europe tops as the highest selling destination in both categories, GIT & FIT, followed by the USA, Australia, New Zealand, South Africa, the Far East, Middle East and China.

Discussion on Financial performance with respect to Operational Performance

The acquisition of this business has taken place in the last quarter of the financial year 2013-14, an effective report on financial performance with respect to operational performance would, therefore, be submitted in the next year's Annual Report.

Internal Control systems and their Adequacy

SBU: TVE has implemented SAP accounting system

which has streamlined the accounts systems and is now working on a new operations standardizing package which is currently under development.

Material Developments in Human Resources/ Industrial Relations

The Brand and the Vacations Business have been procured only in February 2014. The integration of the T-VE manpower into the Company and ultimately with SBU: T&T is an ongoing process and is likely to be completed in all respects by financial year 2014-15.

8. REFINERY AND OILFIELD SERVICES [SBU-ROFS]

Industry Structure and Developments

The SBU: Refinery & Oilfield Services is engaged in the activity of Mechanized Oil Tank Sludge Cleaning & Hydrocarbon Recovery Services. The SBU is also in other technology driven services such as Composite repair service, 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 and 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. It is worth mentioning that 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 visualized by the SBU 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 2013-14, the SBU could maintain its turnover pertaining to oily sludge processing in Refineries and oil installations. However, overall growth could not be achieved on account of non-availability of work in the power sector.

Outlook

In the near term, the SBU aims to widen its service portfolio – involving processing of hazardous sludge - into other industries. The SBU nurtures plans for increasing market awareness as to the utility of composite repairing services. The SBU is still weighing

the factors pertaining to entry into Environmental Engineering in the waste management area, which is expected to offer significant growth opportunities.

Risks & Concerns

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

Discussion on Financial Performance with respect to Operational Performance.

In 2013-14, the SBU has achieved 82% of the last year's turnover but there is a moderate increase in segmental profit. The reason for lower turnover is non-availability of work in the power sector as mentioned above.

Internal Control System and their Adequacy

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

Material Developments in Human Resources/ Industrial Relations.

Industrial relations continued to be satisfactory during the financial year under report.

9. CORPORATE SOCIAL RESPONSIBILITY [CSR] & SUSTAINABILITY

Corporate Social Responsibility [CSR] & Sustainability are integral to your Company's way of doing business. CSR & Sustainability are enshrined in the Vision statement of the Company. The Company has in place a long-term perspective CSR & Sustainability plan which was developed by Ernst & Young in consultation with the management keeping in view the Guidelines issued by Department of Public Enterprises, Government of India. The Company undertakes various CSR projects under the two flagship schemes: 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 centres of the Company.

The Company spent an amount of ₹ 426 lakh in 2013-14 on various CSR & Sustainability activities, which

represent 2.6% of Profit After Tax of the Company thus exceeding the minimum spending benchmark of 2% of post-tax profit as laid down by the Government of India. 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 centres 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 following CSR activities/projects were undertaken during 2013-14:

[a] Education:

- i The Company has awarded scholarship to 62 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 ₹ 23.90 lakh was spent on this activity.
- ii Upgradation of Primary School to Secondary School: The Company built required infrastructure for the upgradation of Primary School to Secondary School at Khadoli village in Dadra & Nagar Haveli.

[b] Health:

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 2013-14 and an

amount of ₹ 22 lakh was spent during the year on this project.

[c] Drinking water & Sanitation:

The Company has distributed water backpacks to 20,000 households in water stressed regions of the Country – villages in Barmer districts of Rajasthan, villages adjoining Ahmedabad in Gujarat, Titlagarh area in Odisha and villages in North - eastern states of India. The Water Backpack is an innovative alternative to buckets and jerry cans designed to carry and store water at home. It is designed to ease the burden of carrying household water from access point to home. It has a removable liner that, after use, is easily sanitized with exposure to sunlight. With a spout for dispensing water and a puncture-resistant outer shell, it is a safe and effective way to store clean water. It can hold 20 litres of water. The Water Backpack is efficient as it is 7 times lighter and 7 times smaller than a jerry can that holds the same amount of water.

[d] Child Sustenance:

- i The Company continues to sponsor 3 Family Homes [Kolkata-2 & Visakhapatnam-1] of SOS Children's Villages in India comprising 30 destitute orphaned children for their sustenance and development. An amount of ₹ 19.5 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 ₹ 1 lakh as a sponsor to an event organized by IICP towards building its corpus fund.
- iii Maintenance of Garden for physically challenged children involving an amount of ₹ 3 lakh at Wadala, Mumbai.

[e] Contribution towards Uttarakhand Chief Minister's Relief Fund

The Company has contributed ₹ 20.37 lakh to Uttarakhand Chief Minister's Relief Fund to help mitigate suffering of people in that state which was devastated due to heavy rains and floods in 2013.

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. The Company has published HSE [Health, Safety & Environment] Manual which would be used as reference book in plants and other establishments of the Company. The Company has also introduced HSE MIS system for all manufacturing & CFS units. Every plant/CFS unit submits a monthly HSE MIS to corporate office enabling taking corrective steps. 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 2013 - 14 were as follows:

- HSE Audits were carried out in all manufacturing units/establishment of the Company during the year and recommendations thereof implemented.
- Fire protection system/ Hydrant upgraded at Corporate office.
- Installed intelligent type fire detection system at Corporate office.
- Main Electrical distribution board at corporate office replaced with inbuilt safety features.
- Electrical Safety Audit done at Corporate office by SGS.
- Fire hydrant system installed at plants of IP-Silvassa and PC – Manali.
- Fire Sprinkler system installed in main administrative office of G&L, Silvassa.
- Conducted HSE training for employees involving 1300 man-hours.
- Special training carried out for drivers at Corporate office on safe driving of cars.
- With support from National Safety Council, training on Safe Lifting operations was carried out at W&D, Kolkata.
- Observed Safety Week from 4th to 9th March 2014 across all plants and establishments of the Company.
- Incident reporting & Investigation system formalized across all SBUs.

Environmental Protection and Sustainability:

Being fully committed towards the protection and conservation of the environment, the Company has

taken various initiatives to minimize pollution from its operations. Treatment & disposal of effluents conform to statutory requirements. Air emission norms laid down in the Environment Protection Act, 1986 are also strictly adhered to. 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. The Company has in place a comprehensive Long Term Integrated Sustainability Plan which 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 2013-14 include:

- The Company has set up solar plants at IP – Navi Mumbai (30KWp) and IP-Asaoti (130KWp) which would significantly reduce greenhouse gases from these manufacturing units
- Saplings planted at all units on the occasion of World Environment Day
- Installed Toxic Gas Detectors at PC – Manali unit.
- Advanced Fume extraction & ventilation system installed at IP-Asaoti
- Commissioning of an Integrated Sewage treatment plant at the Manali complex.
- Oil level detector installed in storage tanks at G&L Kolkata to prevent tank overflow.
- Workshops were conducted across the organization to sensitize employees on Sustainability.
- Conducted external stakeholders training in Western & Eastern region on CSR & Sustainability.
- The Application Research Laboratory of the Company continue to make significant progress in developing a number of bio-degradable & 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 at various manufacturing units of the organization.
- A special cell, with expert manpower, operates under the Corporate Affairs department at the Corporate Office to drive Sustainability & EHS initiatives across the Company.

Cautionary Note

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

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

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

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

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, 2014, 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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act 2013. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

Emphasis of Matter

We draw attention to:

1. Note No. 26.31 : Change in depreciation rates on items given under furniture equipment scheme of employees and the effect of such revision resulted in reduction of current year profit by ₹ 13,84,868/-
2. Note No. 26.29 : Change in Inventory valuation of semi finished goods and finished goods in respect of Industrial Packing Division consequent to implementation of SAP and impact of such change on the profit is not ascertainable.

Our opinion is not qualified in respect of above matters.

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, 2014;
- b) in the case of the statement of Profit and Loss, 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 sub section (3C) of section 211 of the

Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;

- 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 & co.
Chartered Accountants
FRN: 308022E

CA Sarad Jha
Partner
Membership No.: 050138

Place : Kolkata
Date: 29th May, 2014

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, 2014. We report that:

- | | |
|---|--|
| <p>(i) a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</p> <p>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.</p> <p>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.</p> | <p>(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. During the year the Company has implemented SAP system in phase wise manner for accounting and operational control.</p> |
| <p>(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.</p> <p>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.</p> <p>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.</p> | <p>(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.</p> <p>(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.</p> <p>(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.</p> |
| <p>(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.</p> | <p>(viii) We have broadly reviewed the books of account maintained by the Company in respect of the products of Grease and Lubricants, Industrial Packaging & Performance Chemical 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</p> |

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, 2014 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, 2014 aggregating to ₹ 18972.80 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, 2014 and it has not incurred cash losses during the financial year ending 31st March, 2014 and immediately preceding financial year.

(xi) According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders as at the Balance Sheet date.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has maintained adequate documents and records in respect of loans and advances granted to a

party on the basis of security by way of pledge of shares.

(xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.

(xvii) On an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long term investment during the year.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures during the year and therefore no amount is outstanding in respect of debentures as on the Balance Sheet date.

(xx) The Company has not raised any money by public issues during the year.

(xxi) During the course of our audit, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor reported during the year, nor have we been informed of such case by the management.

For VIDYA & co.
Chartered Accountants
FRN: 308022E

CA Sarad Jha
Partner
Membership No.: 050138

Place : Kolkata
Date: 29th May, 2014

**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 31ST MARCH 2014**

The preparation of financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31st March 2014 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 Standards on Auditing 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 2014.

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 2014. 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

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

Place : Kolkata
Date : 25 June 2014

Balance Sheet as at 31st March 2014

	Note No.	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	1	2,850.06	1,628.61
Reserves and Surplus	2	79,114.37	70,670.82
Total Shareholder's Fund		81,964.43	72,299.43
Non-current Liabilities			
Other Long Term Liabilities	4	3,418.44	4,149.66
Long Term Provisions	5	3.85	20.00
Total Non-current Liabilities		3,422.29	4,169.66
Current Liabilities			
Trade Payables	6	26,457.32	21,466.15
Other Current Liabilities	7	20,190.13	18,138.44
Short Term Provisions	8	11,805.44	11,234.98
Total Current Liabilities		58,452.89	50,839.57
TOTAL		1,43,839.61	1,27,308.66
ASSETS			
Non-current Assets			
Fixed Assets	9		
Tangible Assets		27,328.33	26,126.61
Intangible Assets		1,701.42	222.22
Capital Work-in-Progress		7,379.25	814.24
Intangible Assets Under Development		–	100.82
Non-current Investments	10	5,739.32	5,517.10
Deferred tax assets (net)	3	434.92	219.92
Long Term Loans and Advances	11	1,427.07	2,157.34
Total Non-current Assets		44,010.31	35,158.25
Current Assets			
Inventories	12	14,172.00	11,959.74
Trade Receivables	13	41,069.43	36,102.98
Cash and Cash Equivalents	14	34,686.00	37,038.75
Short Term Loans and Advances	15	7,510.01	5,652.83
Other Current Assets	16	2,391.86	1,396.11
Total Current Assets		99,829.30	92,150.41
TOTAL		1,43,839.61	1,27,308.66
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, 2014

Chairman & Managing Director

Directors

Secretary

Profit and Loss Statement for the year ended 31st March 2014

	Note No.	For The Year Ended 31 March 2014 (₹ in lakhs)	For The Year Ended 31 March 2013 (₹ in lakhs)
Income:			
Revenue from Operations		2,76,218.14	2,70,293.24
Less Excise Duty		(13,555.36)	(12,224.93)
Revenue from Operations (Net of Excise)	17	2,62,662.78	2,58,068.31
Other Income	18	8,071.13	5,891.78
Total Revenue		2,70,733.91	2,63,960.09
Expenses:			
Cost of Materials Consumed & Services Rendered	19	2,10,424.46	2,04,928.49
Purchases of Trading Goods	20	7.10	34.29
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(1,541.64)	(278.90)
Employee Benefit Expenses	22	17,242.95	15,880.06
Finance Costs	23	599.64	421.70
Depreciation and Amortisation Expenses	24	1,958.55	1,663.30
Other Expenses	25	20,080.86	18,959.12
Total Expenses		2,48,771.92	2,41,608.06
Profit before exceptional and extraordinary items and tax		21,961.99	22,352.03
Exceptional items		—	—
Profit before extraordinary items and tax		21,961.99	22,352.03
Extraordinary Items		—	—
Profit before Tax		21,961.99	22,352.03
Tax Expenses:			
Current Year		7,110.00	7,460.00
Earlier Years		(600.00)	(1,040.00)
Deferred Tax		(215.00)	(345.00)
Profit after Tax		15,666.99	16,277.03
Earnings per Equity Share: (₹)			
Basic		54.97	57.11
Diluted		54.97	57.11

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, 2014

Chairman & Managing Director

Directors

Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	(₹ in lakhs)	
	YEAR ENDED MARCH 31, 2014	YEAR ENDED MARCH 31, 2013
A. Cash flow from operating activities		
Net profit before tax [Note 1]	21955	22270
Adjustment for		
Depreciation and fixed assets written off	1917	1669
Foreign Exchange	(22)	–
Provision for doubtful loans and advances	–	909
Interest / Dividend	(4500)	(4294)
Provision for diminution in value of investments		148
Profit on sale of Investments	(631)	–
Operating Profit Before Working Capital Changes	18719	20702
Trade and other receivables	(7432)	(1856)
Inventories	(2212)	375
Trade and other Payables	7014	49
Cash generated from operations	16089	19270
Direct Taxes paid	(6073)	(6661)
NET CASH FROM OPERATING ACTIVITIES	10016	12609
B. Cash flow from investing activities		
Purchase of fixed assets	(11603)	(5207)
Sale of Fixed assets	167	105
Purchase of Investments	(1100)	(1123)
Sale of Investments	1509	–
Interest received	2722	3610
Dividend received	2196	921
NET CASH FROM INVESTING ACTIVITIES	(6109)	(1694)
C. Cash flow from financing activities		
Interest paid	(418)	(237)
Dividend paid	(4990)	(4536)
Corporate Tax on Dividend	(852)	(740)
NET CASH FROM FINANCING ACTIVITIES	(6260)	(5513)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(2353)	5402
CASH & CASH EQUIVALENTS - OPENING BALANCE	37039	31637
CASH & CASH EQUIVALENTS - CLOSING BALANCE	34686	37039

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, 2014

Chairman & Managing Director

Directors

Secretary

NOTES ON CASH FLOW STATEMENT

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

(₹ in lakhs)

	2013-14	2012-13
2. Net Profit after tax as per Profit & Loss Statement	15667	16277
Add : Tax Provision (Net)	6295	6075
	21962	22352
Less : Profit / (Loss) on disposal of fixed assets (net)	7	82
Net profit before tax	21955	22270
3. Changes in Working Capital - computation (Excluding items shown separately)		
Current Assets		
Trade and other Receivables	41069	36103
Loans & Advances	12970	10504
Inventories	14172	11960
	68211	58567
Current Liabilities		
Trade and other Payables	49747	42732
Net Current Assets	18464	15835
Changes	2629	1432
4. Component of Cash and Cash equivalent		
Cash and Bank Balances	34686	37039
Cash Credit / Demand Loan	-	-
	34686	37039
Changes	(2353)	5402

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

CA Sarad Jha
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 Membership No. 050138
 Kolkata, the 29th May, 2014

Chairman & Managing Director

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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 20% per annum; 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.

SIGNIFICANT ACCOUNTING POLICIES

- b) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost upto the relative stage of completion.
 - c) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
 - d) Tea (unblended, blended and packed) - on the basis of specific cost.
- (ii) Tools, dies, jigs and fixtures are written-off over the economic life except items costing upto ₹ 10000 which are charged off in the year of issue.

5. Recognition of Revenue

Revenue is recognised in compliance with the following:

- a) In case of sale of goods:

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

- b) In case of services rendered:

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

- c) In case of project activities:

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

- d) In case of other income:

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

6. Employee Benefits

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

7. Treatment of Prior Period and Extraordinary Items

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

8. Foreign Currency Translations

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

SIGNIFICANT ACCOUNTING POLICIES

- 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 ₹ 500000 and above and license to use software per item of ₹ 25000 and above, from which economic benefits will flow over a period of time, is capitalized and amortized over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- (b) Goodwill and Brand Value arising on acquisition are recognized as an asset and are amortised on a straight line basis over 5 years and 10 years respectively.
- (c) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

16. Provisions, Contingent Liabilities and Capital Commitments

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

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

CA Sarad Jha
Partner
Membership No. 050138
Kolkata, the 29th May, 2014

Chairman & Managing Director

Directors

Secretary

Note No.1 Share Capital

	As at 31 March 2014		As at 31 March 2013	
	NUMBER	(₹ in lakhs)	NUMBER	(₹ in lakhs)
A Share Capital				
Authorised				
Equity Shares of ₹ 10 each	6,00,00,000	6,000.00	3,00,00,000	3,000.00
Issued				
Equity Shares of ₹ 10 each	2,85,00,641	2,850.06	1,62,86,081	1,628.61
Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid	2,85,00,641	2,850.06	1,62,86,081	1,628.61
Total		<u>2,850.06</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 2014		As at 31 March 2013	
	No. of shares	%	No. of shares	%
Balmer Lawrie Investments Ltd.	1,76,13,225	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 The Board of Directors had 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.

F Reconciliation of Share Capital

	As at 31 March 2014 No of Shares	As at 31 March 2013 No of Shares
Issued		
Balance at the beginning of the year	1,62,86,081	1,62,86,081
Add : Bonus Shares issued	1,22,14,560	—
Balance at the end of the year	2,85,00,641	1,62,86,081
Subscribed & Paid up		
Balance at the beginning of the year	1,62,86,081	1,62,86,081
Add : Bonus Shares subscribed	1,22,14,560	—
Balance at the end of the year	2,85,00,641	1,62,86,081

Note No. 2
RESERVES & SURPLUS

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ 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	33,375.47	30,375.47
(+) Current Year Transfer	3,000.00	3,000.00
(-) Current Year (Bonus Share)	1,221.46	-
Closing Balance	35,154.01	33,375.47
Profit & Loss Statement		
Opening balance	33,668.58	26,260.15
(+) Net Profit/(Net Loss) For the current year	15,666.99	16,277.03
(-) Proposed Dividends	5,130.12	5,016.11
(-) Corporate tax on Dividend	871.86	852.49
(-) Transfer to General Reserves	3,000.00	3,000.00
Closing Balance	40,333.59	33,668.58
Total	79,114.37	70,670.82

Note No. 3 DEFERRED TAXATION

The major components of the net deferred tax liability are :

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Net Opening Balance [A]	(219.92)	125.08
Provision for the Current Year		
Liability for timing difference arising during the year on account of		
Add:		
a) Provision for loans, debts, deposits, advance & Investment, written back	128.00	101.00
b) Adjustments for VRS expenditure	(28.00)	3.04
c) R & D Exps Charged off (100%)	26.00	–
	126.00	104.04
Less:		
i) Fixed Assets written-off in accounts	–	1.00
ii) Depreciation Allowance	125.00	(174.88)
iii) Provision for Leave /LTA / PRMBS ,etc.	(161.00)	133.00
iv) Provision for loans, debts, deposits & advances	(294.00)	489.92
v) For Change In Tax Rate	(11.00)	–
	(341.00)	449.04
Net Deferred Tax Liability for the year [B]	(215.00)	(345.00)
Balance of Deferred Taxation liability [A+B]	(434.92)	(219.92)

Note No. 4 OTHER LONG TERM LIABILITIES

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Trade Payables	0.02	0.02
Others	3418.42	4,149.64
Total	3,418.44	4,149.66

**Note No. 5
LONG TERM PROVISIONS**

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Provision for Employee Benefits	0.12	12.04
Others	3.73	7.96
Total	3.85	20.00

**Note No. 6
TRADE PAYABLES**

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Trade Payables	26,237.17	21,097.69
Payable to MSME	220.15	368.46
Total	26,457.32	21,466.15

**Note No. 7
OTHER CURRENT LIABILITIES**

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Advance from Customers	2,098.82	451.41
Unclaimed Dividend (*)	211.63	185.05
Other Payables (Details are as per Note No. 26.28)	17,879.68	17,501.98
Total	20,190.13	18,138.44

(*) 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 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Provision for Taxation (Net of Advance)	6,675.32	6,218.87
Proposed Final Dividend	5,130.12	5,016.11
Total	11,805.44	11,234.98

(A) Assets held for Active Use

(in ₹/Lakhs)

Fixed Assets	Gross Block				Depreciation				Impairment of Assets			Net Block	
	As at 1st April 2013	Additions during the year	Total Cost of items Sold or scrapped/ Adjusted	As at 31st March 2014	Upto 31st March 2013	For the Year	On items sold or Scrapped/ Adjusted	Total	As at 1st April 2013	For the Year	Balance as on 31.3.2014	W.D.V. As at 31st March 2014	W.D.V. As at 31st March 2013
Tangible Assets													
Land - Freehold	1,274.04	7.86	-	1,281.90	-	-	-	-	-	-	-	1,281.90	1,274.04
Land - Leasehold	4,095.52	-	-	4,095.52	763.31	94.21	-	857.52	-	-	-	3,238.00	3,332.21
Buildings & Sidings	12,708.23	1,177.74	-	13,885.97	2,620.58	259.09	-	2,879.67	64.76	-	64.76	10,941.54	10,022.89
Plant & Machinery	15,538.91	1,230.00	344.28	16,424.63	8,068.30	654.81	195.30	8,527.81	42.11	-	42.11	7,854.71	7,428.50
Spares for Plant & Machinery	275.25	2.21	104.93	172.53	206.80	28.82	102.52	133.10	-	-	-	39.43	68.45
Electrical Installation and Equipment	2,697.08	378.56	39.86	3,035.78	1,408.92	168.99	35.28	1,542.63	1.17	-	1.17	1,491.98	1,286.99
Furniture and Fittings	782.56	130.22	49.56	863.22	465.37	47.60	45.95	467.02	-	-	-	396.20	317.19
Typewriters, Accounting Machine and Office Equipment	2,815.32	105.75	93.68	2,827.39	1,707.52	304.09	92.96	1,918.65	-	-	-	908.74	1,107.80
Tubewells, Tanks and Miscellaneous Equipment	1,357.64	85.74	3.83	1,439.55	732.41	52.92	3.51	781.82	3.92	-	3.92	653.81	621.32
Vehicles	947.87	8.68	15.81	940.74	280.65	153.72	15.65	418.72	-	-	-	522.02	667.22
Total Tangible Assets	42,492.42	3,126.76	651.95	44,967.23	16,253.86	1,764.25	491.17	17,526.94	111.96	-	111.96	27,328.33	26,126.61
Intangible Assets													
Computer Software	324.09	333.24	-	657.33	101.87	97.64	-	199.51	-	-	-	457.82	222.22
Goodwill	-	918.25	-	918.25	-	45.28	-	45.28	-	-	-	872.97	-
Brand Value	-	380.00	-	380.00	-	9.37	-	9.37	-	-	-	370.63	-
Total Intangible Assets	324.09	1,631.49	-	1,955.58	101.87	152.29	-	254.16	-	-	-	1,701.42	222.22
Total (A)	42,816.51	4,758.25	651.95	46,922.81	16,355.73	1,916.54	491.17	17,781.10	111.96	-	111.96	29,029.75	26,348.83

Note no. 9 (Continued)

(B) Assets held for Disposal

(in ₹/Lakhs)

Fixed Assets	Gross Block			Depreciation				Impairment of Assets			Net Block		
	As at 1st April 2013	Additions during the year	Total Cost of items Sold or scrapped/ Adjusted	As at 31st March 2014	Upto 31st March 2013	For the Year	On Items sold or Scrapped/ Adjusted	Total	As at 1st April 2013	For the Year	Balance as on 31.3.2014	W.D.V. As at 31st March 2014	W.D.V. As at 31st March 2013
Tangible Assets													
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-	-
Land - Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings & Sidings	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	1.34	-	1.33	0.01	1.34	-	1.33	0.01	-	-	-	-	-
Spares for Plant & Machinery	25.01	-	25.01	-	25.01	-	25.01	-	-	-	-	-	-
Electrical Installation and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Typewriters, Accounting Machine and Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Tubewells, Tanks and Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	26.35	-	26.34	0.01	26.35	-	26.34	0.01	-	-	-	-	-
Total Tangible Assets	42,518.77	3,126.76	678.29	44,967.24	16,280.21	1,764.25	517.52	17,526.94	111.96	-	111.96	27,328.33	26,126.61
Total Intangible Assets	324.09	1,631.49	-	1,955.58	101.87	152.29	-	254.16	-	-	-	1,701.42	222.22
Grand Total (A+B)	42,842.86	4,758.25	678.29	46,922.82	16,382.08	1,916.54	517.52	17,781.10	111.96	-	111.96	29,029.75	26,348.83
2012-13	38,802.98	5,236.84	1,196.96	42,842.86	15,886.95	1,667.89	1,172.76	16,382.08	111.96	-	111.96	26,348.83	

2013-14	2012-13
1,916.54	1,667.89
(42.01)	4.59
<u>1,958.55</u>	<u>1,663.30</u>

Depreciation for the year as above

Less: Prior Period Adjustment

Depreciation as per Profit & Loss Account

Note No.10 NON CURRENT INVESTMENT

Unquoted, unless otherwise stated
Name of the Body Corporate

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ 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. 8,601,277 (7,501,277) Equity shares of ₹ 10 each {11,00,000 (1181299) share have been acquired during the current year}	3,385.03	2,285.03
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 (25000) equity shares of ₹10 each	2.50	2.50
In Subsidiary Company		
Balmer Lawrie (UK) Ltd. 1,797,032 (3,380,312) Ordinary Shares of GBP 1 each {1583280 (Nil) shares repurchased during the current year}	996.28	1,874.06
Investments in Preference Shares (Fully paid stated at Cost)		
Transafe Services Ltd. 13,300,000 (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 –	1,330.00 –
Total	5,724.80	5,502.58
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
Biocco Lawrie Ltd. 1,95,900 (1,95,900) equity shares of Rs. 10 each (Carried in books at a value of ₹ 1 only)	–	–
Duncan Brothers & Co. Ltd. (Quoted) 71 (71) Equity Shares of ₹ 10 each	0.06	0.06
Woodlands Multispeciality Hospitals Ltd. 8,850 (8,850) Equity Shares of ₹ 10 each	0.45	0.45
Total	14.52	14.52
Total	5,739.32	5,517.10
Aggregate amount of quoted investments at Cost (Market value of ₹ 0.15 (2012-13 - ₹ 0.15 lakhs)	0.06	0.06
Aggregate amount of unquoted investments at cost	5,739.26	5,517.04
	5,739.32	5,517.10

**Note No.11
LONG TERM LOANS AND ADVANCES**

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Capital Advances		
Unsecured, considered good	155.48	520.29
	155.48	520.29
Security Deposits		
Secured, considered good	–	–
Unsecured, considered good	243.61	493.19
	243.61	493.19
Loans and advances to related parties		
Unsecured, considered good		
Transafe Services Ltd.	180.00	180.00
Doubtful		
Balmer Lawrie Van-leer Ltd.	1,817.92	1,817.92
Less: Provision	(1,817.92)	(1,817.92)
	180.00	180.00
(*) 11,361,999 (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	491.37	589.68
Unsecured, considered good	356.61	374.18
Doubtful	765.60	443.61
Less: Provision	(765.60)	(443.61)
	847.98	963.86
Total	1,427.07	2,157.34

Note No.12 INVENTORIES

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Raw Materials and components	6,964.49	6,316.89
Goods-in-transit	–	28.65
Slow Moving & Non moving	252.16	220.70
Less: Adjustment for Slow & Non moving	(160.71)	(141.81)
Total - Raw Materials and components	7,055.94	6,424.43
Work in Progress	1,364.44	708.86
Total - Work in Progress	1,364.44	708.86
Finished goods	4,878.62	3,892.65
Goods-in transit	329.50	419.61
Slow Moving & Non moving	364.58	399.03
Less: Adjustment for Slow & Non moving	(220.60)	(241.15)
Total - Finished Goods	5,352.10	4,470.14
Stock-in-trade	4.16	0.06
Total - Stock-in-trade	4.16	0.06
Stores and spares	388.20	324.91
Goods-in transit	–	0.72
Slow Moving & Non moving	45.35	88.69
Less: Adjustment for Slow & Non moving	(38.19)	(58.64)
Total - Stores & Spares	395.36	355.68
Loose Tools	–	0.57
Total - Loose Tools	–	0.57
Total	14,172.00	11,959.74

[Refer to Point No.4 of “Significant Accounting Policies” for method of valuation of inventories]

**Note No.13
TRADE RECEIVABLES**

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Trade receivables outstanding for a period less than six months		
Secured, considered good	–	–
Unsecured, considered good	36,419.38	32,520.04
Unsecured, considered doubtful	16.38	–
Less: Provision for doubtful debts	(16.38)	–
	36,419.38	32,520.04
Trade receivables outstanding for a period exceeding six months		
Secured, considered good		
Unsecured, considered good	4,650.05	3,582.94
Unsecured, considered doubtful	1,080.16	1,085.74
Less: Provision for doubtful debts	(1,080.16)	(1,085.74)
	4,650.05	3,582.94
Total	41,069.43	36,102.98

**Note No.14
CASH AND CASH EQUIVALENTS**

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Balances with banks	4,179.73	3,134.81
Cheques, drafts in hand	–	28.42
Cash in hand	38.75	12.89
	4,218.48	3,176.12
Balances with bank		
As Margin Money	54.21	43.20
In Short Term Deposit Account	30,201.68	33,634.38
In Dividend Account	211.63	185.05
	30,467.52	33,862.63
Total	34,686.00	37,038.75

Balmer Lawrie & Co. Ltd.

Note No.15

SHORT-TERM LOANS AND ADVANCES

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Deposits		
Unsecured, considered good	2,673.17	1,433.11
	<u>2,673.17</u>	<u>1,433.11</u>
Loans and advances to related parties		
Balmer Lawrie Investments Ltd.	4.24	-
Balmer Lawrie Hind Terminal Pvt. Ltd.	10.38	-
Pt. Balmer Lawrie Indonesia	20.47	-
Balmer Lawrie Van Leer Ltd.	20.27	18.72
Transafe Services Ltd.	152.27	160.24
Balmer Lawrie UAE Ltd.	11.55	3.79
	<u>219.18</u>	<u>182.75</u>
Other Loans & Advances		
Secured, considered good other {due from Director ₹ Nil (₹ Nil Lakhs)}	130.67	251.80
Unsecured, considered good	4,486.99	3,785.17
Doubtful	182.48	177.93
Less: Provision	(182.48)	(177.93)
	<u>4,617.66</u>	<u>4,036.97</u>
Total	<u>7,510.01</u>	<u>5,652.83</u>

Note No.16

OTHER CURRENT ASSETS

	As at 31 March 2014 (₹ in lakhs)	As at 31 March 2013 (₹ in lakhs)
Other Accrued Income	2,391.86	1,396.11
Total	<u>2,391.86</u>	<u>1,396.11</u>

Note No.17
REVENUE FROM OPERATIONS

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Sale of products	1,09,633.58	1,01,667.51
Less : Excise Duty	(13,555.36)	(12,224.93)
Sale of Products (Net of Excise)	96,078.22	89,442.58
Sale of Services	1,64,125.66	1,66,473.26
Sale of Trading Goods	19.31	44.83
Other Operating Income	2,439.59	2,107.64
Total	2,62,662.78	2,58,068.31

Note No.18
OTHER INCOME

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Interest Income	3,544.22	3,430.86
Dividend Income	2,195.71	921.10
Other Non-operating Income	2,331.20	1,539.82
Total	8,071.13	5,891.78

Note No.19
COST OF MATERIALS CONSUMED & SERVICES RENDERED

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Cost of Materials Consumed	71,544.56	65,877.66
Cost of Services Rendered	1,38,879.90	1,39,050.83
Total	2,10,424.46	2,04,928.49

Note No.20
PURCHASE OF TRADING GOODS

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Trading Goods	7.10	34.29
Total	7.10	34.29

Note No. 21

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

		For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Change in Trading Goods	Opening	0.06	3.82
	Closing	4.16	0.06
	Change	(4.10)	3.76
Change in Work In Progress	Opening	708.86	792.83
	Closing	1,364.44	708.86
	Change	(655.58)	83.97
Change in Finished Goods	Opening	4,470.14	4,103.51
	Closing	5,352.10	4,470.14
	Change	(881.96)	(366.63)
		(1,541.64)	(278.90)

Note No. 22

EMPLOYEE BENEFIT EXPENSES

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Salaries and Incentives	14,039.29	12,957.59
Contributions to Provident & Other Funds	1,808.95	1,636.06
Staff Welfare Expenses	1,394.71	1,286.41
Total	17,242.95	15,880.06

Note No. 23

FINANCE COSTS

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Interest Cost	418.08	237.39
Bank Charges*	181.56	184.31
Total	599.64	421.70

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

Note No. 24

DEPRECIATION & AMORTISATION EXPENSES

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Depreciation	1,806.26	1,624.88
Amortisation of Intangible Assets	152.29	38.42
Total	1,958.55	1,663.30

**Note No.25
OTHER EXPENSES**

	For the Year Ended 31 March 2014 (₹ in lakhs)	For the Year Ended 31 March 2013 (₹ in lakhs)
Manufacturing Expenses	1,171.28	981.10
Consumption of Stores and Spares	656.79	624.23
Excise duty on Closing Stock (Refer Note no. 26.17)	185.21	89.56
Repairs & Maintenance - Buildings	467.89	586.29
Repairs & Maintenance - Plant & Machinery	304.96	281.06
Repairs & Maintenance - Others	379.95	444.65
Power & Fuel	2,651.23	2,432.27
Electricity & Gas	311.52	391.11
Rent	782.92	774.43
Insurance	186.32	156.17
Packing, Despatching, Freight and Shipping Charges	3,244.49	2,912.83
Rates & Taxes	119.31	145.12
Auditors Remuneration and Expenses	19.91	20.47
Write Off of Debtors, Deposits, Loan & Advances	443.49	314.56
Provision for diminution in the value of Investments	–	147.63
Provision for Doubtful Debts & Advances	818.81	1,449.51
Fixed Assets Written Off	–	1.48
Loss on Disposal of Fixed Assets	82.77	7.12
Selling Commission	495.49	404.98
Cash Discount	471.15	491.12
Travelling Expenses	961.84	996.67
Printing and Stationary	250.61	222.80
Motor Car Expenses	129.03	125.30
Communication Charges	362.17	299.62
Miscellaneous Expenses	6,078.81	4,913.55
Prior Period - Income	(20.73)	22.40
Prior Period - Expenses	(97.35)	34.94
	20,457.87	19,270.97
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	(377.01)	(311.85)
Total	20,080.86	18,959.12

Note No. 26 ADDITIONAL DISCLOSURES

- 26.1 (a) Fixed Deposit with bank amounting to ₹ 1.37 lakhs (₹ 1.57 lakhs) are lodged with certain authorities as security.
- (b) Conveyance deeds of certain land costing ₹ 2,889.41 lakhs (₹ 2,948.46 lakhs) and buildings, with written down value of ₹ 2,900.70 lakhs (₹ 2,880.29 lakhs) are pending registration / mutation.
- (c) Certain buildings & sidings with written down value of ₹ 5,083.80 lakhs (₹ 5,156.87 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, 2014 not provided for in the accounts are:
- (a) Disputed demand for Excise Duty, Income Tax, Sales Tax, Provident Fund and Service Tax amounting to ₹ 18,972.80 lakhs (₹ 8,462.88 lakhs) against which the Company has lodged appeal/petition before appropriate authorities. Details of such disputed demands as on 31st March, 2014 are given in Annexure – A.
- (b) Claims against the company not acknowledged as debts amounts to ₹ 1,090.76 lakhs (₹ 1,039.40 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.
- 26.3 Counter guarantees given to Standard Chartered Bank, Bank of Baroda, Canara Bank and Indusind Bank in respect of guarantees given by them amounts to ₹ 10,884.35 lakhs (₹ 10,864.36 lakhs).
- 26.4 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for [net of advances paid – ₹ 15.37 lakhs (₹ 940.69 lakhs)] amounted to ₹ 1,741.34 lakhs (₹ 5,094.96 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 except as is shown below:

Name of the Supplier	Amount due as on		Interest paid for delayed payments		Interest due and payable for delayed payments	
	31.03.2014 (₹ L)	31.03.2013 (₹ L)	2013-14 (₹ L)	2012-13 (₹ L)	2013-14 (₹ L)	2012-13 (₹ L)
Vineet Oils Pvt Ltd.	95.01	-	-	-	6.51	-
Agarwal Rubber Udyog	0.65	-	-	-	0.07	-

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 ₹ 416.95 lakhs (₹ 103.74 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 :

	2013-14 ₹/Lakhs	2012-13 ₹/Lakhs
Salaries	193.90	185.12
Contribution to Provident and Gratuity Fund	19.56	16.89
Perquisites	18.99	19.48
	232.45	221.49

26.9 Auditors' remuneration and expenses:	<u>2013-14</u>	<u>2012-13</u>
Statutory Auditors		
– Audit Fees	3.85	3.85
– Tax Audit Fees	0.70	0.70
– Other Capacity for Limited Review and Other certification jobs	2.10	2.70
Branch Auditors		
– Audit Fees	8.89	8.39
– Other Capacity	–	–
– Expenses relating to audit of Accounts	4.37	4.83
	<u>19.91</u>	<u>20.47</u>

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

Class of Goods	Opening Value ₹/Lakhs	Closing Value ₹/Lakhs	Sales Value ₹/Lakhs
Grease & Lubricating Oils	3,684.04 (3,533.50)	4,793.14 (3,684.04)	45,374.60 (41,700.19)
Barrels and Drums	489.46 (398.23)	457.16 (489.46)	50,396.35 (47,857.16)
Blended Teas including Bulk, Packets and Tea Bags	9.60 (8.03)	– (9.60)	37.13 (200.96)
Leather Auxiliaries	287.04 (163.75)	101.80 (287.04)	7,346.58 (6,467.19)
Others including Manufacturing Scrap	– (–)	– (–)	1,942.57 (2,007.63)
	<u>4,470.14</u> (4,103.51)	<u>5,352.10</u> (4,470.14)	<u>105,097.23</u> (98,233.13)

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

Class of Goods	Opening Value ₹/Lakhs	Closing Value ₹/Lakhs	Sales Value ₹/Lakhs
Greases & Lubricating Oils	– (–)	– (–)	4,536.36 (3,434.38)
	<u>–</u> (–)	<u>–</u> (–)	<u>4,536.36</u> (3,434.38)

26.10 (c) **Work in Progress**

	Value ₹/Lakhs
Greases and Lubricating Oils	260.94 (197.82)
Barrels and Drums	1067.24 (478.52)
Tea	– (1.57)
Leather Auxiliaries	36.26 (30.95)
	<hr/> 1364.44 (708.86) <hr/>

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

	Value ₹/Lakhs
Steel	32,975.93 (32,146.20)
Lubricating Base Oils	20,775.22 (17,775.23)
Additives and other Chemicals	6,251.86 (5,521.33)
Vegetable and Other Fats	2,627.69 (2,301.73)
Drum Closures	1,635.59 (1,560.48)
Paints	1,222.43 (1,149.66)
Paraffin Wax	966.30 (968.01)
Tea	55.44 (155.01)
Others	5,034.09 (4,300.01)
	<hr/> 71,544.55 (65,877.66) <hr/>

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

	2013-14 ₹/Lakhs	(%)	2012-13 ₹/Lakhs	(%)
Raw Materials				
Imported	4,521.71	6.32	2,926.80	4.44
Indigenous	67,022.84	93.68	62,950.86	95.56
	<hr/> 71,544.55	<hr/> 100.00	<hr/> 65,877.66	<hr/> 100.00
Spare Parts & Components				
Imported	14.87	2.93	15.03	2.57
Indigenous	491.84	97.07	569.79	97.43
	<hr/> 506.71	<hr/> 100.00	<hr/> 584.82	<hr/> 100.00

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

Class of Goods	Purchase Value ₹/Lakhs	Sale Value ₹/Lakhs
Tea	– (34.29)	12.88 (38.57)
Coolants	7.10 (–)	6.43 (6.26)
	<u>7.10</u> (34.29)	<u>19.31</u> (44.83)

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

Class of Goods	Opening Value ₹/Lakhs	Closing Value ₹/Lakhs
Coolants	0.06 (3.82)	4.16 (0.06)
Total	<u>0.06</u> (3.82)	<u>4.16</u> (0.06)

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

	2013-14 ₹/Lakhs	2012-13 ₹/Lakhs
Raw Materials	4,282.66	2,333.85
Components and Spare Parts	18.23	7.94
Capital Goods	4232.59	697.98
	<u>8,533.48</u>	<u>3,039.77</u>

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

	2013-14 ₹/Lakhs	2012-13 ₹/Lakhs
Services	10,588.13	10,789.90
Others	81.04	1,192.14
	<u>10,669.17</u>	<u>11,982.04</u>

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

	2013-14 ₹/Lakhs	2012-13 ₹/Lakhs
Export of Goods and Components calculated on F.O.B basis as invoiced	1,500.42	1,347.29
Interest and Dividend	1097.22	809.72
Services	1256.69	504.58
Freight, Insurance, Exchange Gain and Miscellaneous items	24.24	17.05
	<u>3,878.57</u>	<u>2,678.84</u>

Earnings from services exclude deemed exports of ₹ 118.26 Lakhs (₹ 32.92 lakhs).

26.15 Research and Development expenditure charged to Profit & Loss Account during the year 2013-14 amounts to ₹ 609.48 lakhs (₹ 585.48 lakhs).

26.16 Excess Income Tax provision in respect of earlier years amounting to ₹ 600 lakhs (₹ 1,040.00 Lakhs) has been reversed in the current year.

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

26.18 Employee Benefits

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

Defined Benefit Plans / Long Term Employee benefits in respect of Gratuity, Leave Encashment 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.

26.19 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.

26.20 Related Party Disclosure

<u>i) 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.	Wholly owned subsidiary of Balmer Lawrie Van Leer Ltd.
PT Balmer Lawrie Indonesia	Joint Venture of Balmer Lawrie (UK) Ltd.
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
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	31/03/14 31/03/13	3.49 3.03	– –	38.49 22.25	– –	41.98 25.28
b)	Purchase of Goods	31/03/14 31/03/13	– –	– –	1,796.01 1,836.56	– –	1,796.01 1,836.56
c)	Sale of Fixed Assets	31/03/14 31/03/13	– –	– –	– 2.74	– –	– 2.74
d)	Value of Services Rendered	31/03/14 31/03/13	21.80 19.97	– –	1110.46 349.31	– –	1132.26 369.28
e)	Value of Services Received	31/03/14 31/03/13	– –	– –	1207.51 853.61	– –	1207.51 853.61
f)	Remuneration to Directors	31/03/14 31/03/13	– –	– –	– –	250.56 227.48	250.56 227.48
g)	Income from leasing or hire purchase agreement	31/03/14 31/03/13	– –	– –	1.08 1.23	– –	1.08 1.23
h)	Purchase of Fixed Assets	31/03/14 31/03/13	– –	– –	10.90 5.23	– –	10.90 5.23
i)	Investment in shares as on	31/03/14 31/03/13	– –	996.28 1,874.06	4,728.52 3,776.15	– –	5,724.80 5,650.21
j)	Loans given as on	31/03/14 31/03/13	– –	– –	180.00 230.84	– –	180.00 230.84
k)	Dividend Income	31/03/14 31/03/13	– –	603.70 –	1,588.43 919.31	– –	2,192.13 919.31
l)	Dividend Paid	31/03/14 31/03/13	3,099.93 2,818.12	– –	– –	– –	3,099.93 2,818.12
m)	Interest Income	31/03/14 31/03/13	– –	– –	216.22 186.98	– –	216.22 186.98
n)	Amount received on a/c. of salaries, etc. of Employees deputed or otherwise	31/03/14 31/03/13	12.87 10.52	– –	26.20 45.77	– –	39.07 56.29
o)	Net outstanding recoverable as on	31/03/14 31/03/13	4.44 3.17	– –	1,488.14 336.04	– –	1,492.58 339.21
p)	Net outstanding payable as on	31/03/14 31/03/13	– –	– –	534.39 403.80	– –	534.39 403.80
q)	Provision for advances/ investments	31/03/14 31/03/13	– –	– –	4,967.49 4,803.88	– –	4,967.49 4,803.88

26.21 Segment Reporting

Information about business segment for the year ended 31st March, 2014 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.

26.22 Earnings per Share

- i. Earnings per share of the company has been calculated considering the Profit after Taxation of ₹ 15,666.99 lakhs (₹ 16,277.03 lakhs) as the numerator.
- ii. The weighted average number of equity shares used as denominator for calculation of basic and diluted earnings per share is 2,85,00,641 (2,85,00,641) and face value per share is ₹ 10.
- iii. The nominal value of shares for calculation of basic and diluted earnings per share is ₹ 2,850.06 lakhs (₹ 2850.06 lakhs) and the earnings per share for the year on the above mentioned basis comes to ₹ 54.97 (₹ 57.11).
- iv. Consequent to the approval of the shareholders, vide the postal ballot, the Company has issued Bonus Shares in the proportion of three new equity shares for every four existing equity shares held. Accordingly a sum of ₹ 1221.45 lakhs has been capitalized out of General Reserve and transferred to Share Capital Account on allotment of fully paid bonus shares on 25th May, 2013. The earnings per share have been adjusted for bonus issue of 3:4.

26.23 Disclosure of Interests in Joint Venture Companies

Name of Joint Venture Company	Proportion of Shareholding	Country of Incorporation
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 ₹ 2257.24 lakhs (₹ 9.79 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	– ₹ 41,048.53 lakhs (₹ 41,941.16 lakhs)
Liabilities	– ₹ 29,118.50 lakhs (₹ 29,398.78 lakhs)
Income	– ₹ 47,762.90 lakhs (₹ 42,466.25 lakhs)
Expenses	– ₹ 47,134.09 lakhs (₹ 41,750.33 lakhs)

26.24 Cost of Services is comprised of :

	2013-14 ₹/Lakhs	2012-13 ₹/Lakhs
Air / Rail travel costs	1,10,936.81	1,06,755.15
Air / Ocean freight	23,127.88	26,061.66
Transportation / Handling	3,725.81	5,234.80
Other Service charges	1,089.41	999.22
	1,38,879.91	1,39,050.83

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

Asset Classification(*)	31.03.2014 ₹/Lakhs	31.03.2013 ₹/Lakhs
Leasehold Land	3.79	3.79
Building	2843.12	324.61
Plant & Machinery	3558.08	289.14
Electrical Installation & Equipment	160.79	14.88
Furniture & Fittings	7.02	20.62
Typewriters, Accounting Machine & Off. Equipment	47.22	0.89
Tubewells, Tanks & Misc. Equipment	139.02	–
Pre-production Expenses	620.21	160.31
Intangible Assets under development	–	100.82
	7379.25	915.06

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

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

26.27 (a) Certain fixed deposits amounting to ₹ 3,400 lakhs (₹ 3,500 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 31.3.2014.

(b) Certain fixed deposits amounting to ₹ 54.21 lakhs (₹ 43.20 lakhs) are pledged with a bank against guarantees availed from the said bank.

26.28 Details of Other Payables (Note no. 7)

	31.03.2014 ₹/Lakhs	31.03.2013 ₹/Lakhs
Creditor for Expenses	9,013.93	7,297.55
Creditor for Capital Expenses	365.15	857.14
Employee Payables	2,130.56	3,647.82
Statutory Payables	1,792.13	1,636.02
Others	4,577.91	4,063.45
	17,879.68	17,501.98

26.29 Consequent to implementation of SAP in Industrial Packaging, overheads are loaded on real time basis on to semi-finished goods and finished goods on standard cost which is periodically reviewed. Prior to introduction of SAP, such loading of overheads was done on the closing stock of semi-finished goods and finished goods at the year-end based on the allocation of overheads at pre-determined ratios on the stock of semi-finished goods and finished goods. The impact of this change, however, is not ascertainable.

26.30 During the current year the company finally closed down the operations of the Tea division which had been underperforming over a number of years. It was a non-core activity and was not a reportable segment under Accounting Standard 17 – Segment Reporting. With the closure of operations on 30th September, 2013 all the fixed assets of the division, having a carrying value of ₹ 90.10 lakhs, have been disposed off during the year at a net profit on sale of such assets of ₹ 36.56 lakhs. The closure of the business has neither any material impact on the operating results of the Company nor on its cash flows.

26.31 During the year the Company revised depreciation rates on items given under furniture equipment scheme to employees. The effect of such revision amounted to reduction of current year profit by ₹ 13.85 lakhs.

26.32 (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, 2014
(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
		2013-14	2012-13		
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	Asst yr 2003/04	Dy. Commissioner, Mumbai
		-	0.98	Asst yr 2003/04	Dy. Commissioner, Mumbai
		-	2.23	Asst yr 2003/04	Dy. Commissioner, Mumbai
		-	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	Asst yr 2000/01	Dy. Commissioner, Mumbai
		4.85	4.85	Asst yr 2001/02	Dy. Commissioner, Mumbai
		0.24	-	Asst yr 2008/09	Jt. Commissioner, Mumbai
		1.35	1.35	Asst yr 2000/01	Dy. Commissioner, Mumbai
		1.68	1.68	Asst yr 2001/02	Dy. Commissioner, Mumbai
		5.48	-	Asst yr 2008/09	Jt. Commissioner, Mumbai
		1.37	1.37	Asst yr 2001/02	Dy. Commissioner, Mumbai
		7.07	7.07	Asst 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	Asst yr 1993/94	CTO, Kochi
		2.25	2.25	Asst yr 2005/06	CTO, Kochi
		6.63	6.63	Asst yr 2005/06	CTO, Kochi
		10.85	10.85	Asst yr 2004	CTO, Kochi
		1.82	1.82	Asst yr 2003/04	Asst. Commissioner, Chennai
		14.95	14.95	Asst yr 2008/09	Appeal pending with AAC
		1.64	1.64	Asst yr 2008/09	Appeal pending with AAC
		14.65	14.65	Asst yr 1998/99	Appeal pending before STAT
		67.82	67.82	Asst yr 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	90.93	Asst yr 2005/06	- do -
		2.17	2.17	Asst yr 1998/99	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	137.55	Asst yr 2008/09	- do -		

ANNEXURE - A

Name of the Statute	Nature of the Dues	Amount(₹/ Lakhs)		Period to which the amount relates	Forum where dispute is pending
		2013-14	2012-13		
		108.64	108.64	Asst yr 2009/10	Addl. Commissioner (CT)
		491.68	491.68	Asst yr 2009/10	- do -
		959.65	-	Asst yr 2010/11	Jt. Commissioner, Commercial Tax
		798.81	-	Asst yr 2009/10	Appeal against Dy. Commissioner Order, Orissa
SUB TOTAL		3,067.19	1,315.94		
Central Excise Act	Excise Duty	91.16	91.16	October, 2000	High Court, Mathura
		1,119.25	1,072.04	July '97	Appelate Tribunal, Kolkata
		16.31	16.31	Feb 2004	Appelate Tribunal, Kolkata
		47.00	47.00	04/10/2002	- do -
		-	337.32	Jul 00 to Dec 02	Commissioner, Mumbai
		-	51.95	Feb. 2004	Jt Commissioner, Mumbai
		6.07	5.58	Oct. 2012	Asstt Commissioner, Mumbai
		-	11.06	April '08	Addl. Commissioner, Mumbai
		1.57	1.33	2006/07	Commissioner (Appeal), Mumbai
		15.63	15.63	22-11-2011	Addl. Commissioner (CE)
		0.37	0.37	05/05/2011	Dy. Commissioner (CE)
		0.69	0.69	11.02.2013	Commissioner (CE)
		4.87	12.63	March, 2011	Comm (Appeals), Mumbai
		2.46	2.46	March 2010	- do -
		12.42	10.52	March, 2002	Asstt Commissioner, Mumbai
		81.59	69.14	2008-09	Commissioner (Appeal), Mumbai
		3.13	341.67	2004-05	Commissioner (Appeal), Mumbai
		218.03	218.03	18-09-2002	CESTAT
		99.29	99.29	02-05-2003	- do -
		9.07	9.07	08-05-2006	- do -
		-	37.57	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 -
		1.62	3.77	03/06/2011	Comm. (Appeal)
		1.09	1.09	08-09-1995	Asst. Commissioner
SUB TOTAL		1,755.19	2,479.25		
Cess		95.36	90.43	Asst yr 1999/00	High Court, Mumbai
		78.92	74.78	Asst yr 2000/01	High Court, Mumbai
SUB TOTAL		174.28	165.21		
Service Tax Act	Service Tax	-	293.43	Aug.'02 - March'05	Commissioner of Central Excise (Adjn), Mumbai

Name of the Statute	Nature of the Dues	Amount(₹/Lakhs)		Period to which the amount relates	Forum where dispute is pending
		2013-14	2012-13		
		-	179.99	April'05 - March'06	- do -
		-	193.55	July, 2007	- do -
		222.55	212.58	14-05-2009 to 29-12-2009	Commissioner of Registered Commissionerate, Mumbai
		49.00	46.70	14-05-2009 to 29-12-2009	- do -
		16.75	15.62	19-03-2010	Commissioner (Appeal) Service Tax
		3,054.72	3,054.72	October 2002 March 2007	CESTAT, West Bengal
		8.43	7.82	April'08-Dec.'10	Dy. Commissioner (Service Tax) Mumbai
		0.80	0.74	Jan.'121-Oct.'11	Suppdt.
		1.96	1.81	April'06-Dec.'10	- do -
		3.01	2.77	Nov 11 to Jun 12	Superintendent
		3.03	2.79	Nov 11 to Jun 12	Asstt Commissioner
		9.98	8.46	28 November, 2007	CESTAT, Ahmedabad
		1,240.08	-	April, 2010	Commissioner, Mumbai
		25.19	25.19	Asstt Yr 2005-06/ 2006-07	Addl. Commissioner (Service Tax), West Bengal
		11.43	10.73	Apr 06 to Feb 10	Asstt Commissioner, Mumbai
		2.52	2.35	Mar 10 to Dec 10	Superintendent, Mumbai
		4.14	3.88	Apr 06 to Dec 10	Asstt Commissioner, Mumbai
		-	309.44	31st Jan.'13	Comm. Service Tax -I, Mumbai
		17.38	17.38	Mar-09	Commr of Central Excise, Coimbatore
		9.03	9.03	06-01-2012	- do -
		46.39	46.39	05-01-2011	Appellate Tribunal
		27.97	27.97	23-07-2012	Ist Appellate Authority, Delhi
		29.07	26.21	09-11-2010	Additional Commissioner, Mumbai
		3.67	-	July 12 to Mar 13	Asstt Commissioner, Mumbai
		1.56	1.36	29-11-2012	Dy. Commissioner, Mumbai
		4.32	-	July 12 to Mar 13	Asstt Commissioner, Mumbai
		3.16	-	Apr 13 to Sep 13	Asstt Commissioner, Mumbai
		22.45	-	Oct 07 to Mar 13	Commissioner, Mumbai
		4818.59	4500.91		
Income Tax Act	Income Tax	9155.99	-	Asst yr 2012/13	CIT (Appeals VI), Kolkata
		9155.99	-		
Provident Fund Act.	Provident Fund	1.57	1.57	31/08/2004	EPF Appllate Tribunal, Delhi
		1.57	1.57		
GRAND TOTAL		18972.80	8462.88		

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

₹/Lacs

	Particulars	Gratuity (Funded)		Post-retirement Medical (Non-Funded)		Leave Encashment (Non-Funded)		Long Service Award (Non-Funded)	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
I	Net Asset / (Liability) recognised in the Balance Sheet as at March 31, 2014								
	1 Present value of funded obligations – A	4,190.94	3,911.57	296.34	278.42	3,658.11	3,284.03	420.59	378.30
	2 Fair Value of Plan Assets – B	3,667.27	3,383.38	–	–	–	–	–	–
	3 (Deficit)/Surplus – (A - B)	(523.67)	(528.19)	(296.34)	(278.42)	(3,658.11)	(3,284.03)	(420.59)	(378.30)
	4 Net Asset/Liabilities								
	– Assets	–	–	–	–	–	–	–	–
	– Liabilities	(523.67)	(528.19)	(296.34)	(278.42)	(3,658.11)	(3,284.03)	(420.59)	(378.30)
II	Expense Recognised in the Profit & Loss Account for the year ended March 31, 2014								
	1 Current Service Cost	277.60	242.20	–	–	739.82	647.72	–	–
	2 Interest on Defined Benefit Obligation	321.15	272.43	22.99	17.29	264.59	222.80	33.43	27.76
	3 Expected Return on Plan Assets	331.54	276.85	–	–	–	–	–	–
	4 Net Actuarial Losses/(Gains) recognised during the year	133.93	160.30	26.31	65.58	(110.14)	(195.23)	125.72	77.05
	5 Past Service Cost	–	–	–	–	–	–	–	–
	6 Excess Contribution made in earlier years to be adjusted in future years	–	–	–	–	–	–	–	–
	Total (1 + 2 - 3 + 4 + 5)	401.14	398.08	49.30	82.87	894.27	675.29	159.15	104.81
	Actuarial return on Plan Assets								
III	Change in present value of obligation during the year ended March 31, 2014								
	1 Opening Defined Benefit Obligation	3,911.57	3,590.67	278.42	236.69	3,284.03	2,961.24	420.59	378.30
	2 Past Service Cost	–	–	–	–	–	–	–	–
	3 Current Service Cost	277.60	242.20	–	–	739.82	647.72	–	–
	4 Interest Cost	321.15	272.43	22.99	17.29	264.59	222.80	33.43	27.76
	5 Actuarial Losses/(Gains)	163.24	176.80	26.31	65.58	(110.14)	(195.23)	125.72	77.05
	6 Benefits Paid	482.62	370.53	31.38	41.14	520.19	352.50	77.05	62.52
	7 Closing Defined Benefit Obligation (1+2+3+4+5-6)	4,190.94	3,911.57	296.34	278.42	3,658.11	3,284.03	502.69	420.59
IV	Change in fair value of Plan Assets during the year ended March 31, 2014								
	1 Opening Fair Value of Plan Assets	3,383.38	3,128.16	–	–	–	–	–	–
	2 Expected Return	331.54	276.85	–	–	–	–	–	–
	3 Actuarial (Losses)/Gains on Plan Assets	29.31	16.50	–	–	–	–	–	–
	4 Assets Distributed on settlements	–	–	–	–	–	–	–	–
	5 Contribution by employer	405.66	332.40	–	–	–	–	–	–
	6 Benefits Paid	482.62	370.53	–	–	–	–	–	–
	7 Closing Fair Value of Plan Assets (1+2+3-4+5-6)	3,667.27	3,383.38	–	–	–	–	–	–
V	The Major categories of Plan Assets as a percentage of total Plan Assets								
	1 Government of India Securities/State Govt (s) Securities	37.71%	31.06%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	2 Corporate Bonds	55.59%	61.78%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	3 Others	6.70%	7.16%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
VI	Principal Actuarial Assumptions as at March 31, 2014								
	1 Discount Rate (p.a.)	8.75	8.00	8.75	8.00	8.75	8.00	8.75	8.00
	2 Expected Rate of Return on Plan Assets (p.a.)	8.75	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 IALM 2006-2008 ULTIMATE TABLE.								
IX	The valuations have been done using the Projected Unit Credit Method.								

Information About Business Segments for the Year Ended 31st. March 2014

	Industrial Packaging		Logistics Infrastructure & Services		Tours and Travel		Greases and Lubricants		Others		Consolidated Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
SEGMENT REVENUE												
External Revenue	47,530.20	45,312.40	46,962.73	52,625.70	1,17,063.48	1,13,171.35	42,548.21	38,671.01	8,129.75	8,019.16	2,62,234.37	2,57,799.62
Inter-Segment Revenue	2,042.97	1,931.72	193.93	146.39	667.09	46.96	464.66	499.62	110.04	42.76	3,478.69	2,667.45
Total Segment Revenue	49,573.17	47,244.12	47,156.66	52,772.09	1,17,730.57	1,13,218.31	43,012.87	39,170.63	8,239.79	8,061.92	2,65,713.06	2,60,467.07
Less :												
Inter-Segment Revenue											3,478.70	2,667.46
Add :											428.40	268.68
Other Unallocable Revenue											2,62,662.78	2,58,068.31
TOTAL REVENUE												
SEGMENT RESULT												
Profit/(Loss) before Interest & Tax	3,378.84	2,909.88	12,959.72	14,460.89	2,261.57	3,618.78	2,688.52	3,604.35	53.12	95.40	21,341.77	24,689.30
Less :												
Interest Expense											599.63	421.71
Prior Period Adjustment											(118.07)	57.33
Other Unallocable Expenditure (net of Unallocable Revenue)											(1101.77)	1,858.20
TOTAL PROFIT BEFORE TAX												
OTHER INFORMATION												
Segment Assets	26,386.80	18,148.86	23,026.84	20,391.46	20,354.19	18,004.06	24,139.20	19,505.91	5,211.88	5,381.65	99,118.91	81,431.94
Other Unallocable Assets											44,720.72	45,876.76
Total Assets	7,294.70	5,834.74	13,189.49	13,360.17	8,147.87	5,391.23	7,616.24	6,551.75	1,708.63	1,716.10	1,43,839.63	1,27,308.70
Segment Liabilities	598.83	1,406.76	916.45	855.40	1,427.41	26.81	464.01	1,925.50	436.48	1,365.43	3,843.18	5,579.89
Other Unallocable Liabilities	395.61	413.60	565.36	556.11	130.34	69.85	278.31	204.65	588.93	419.10	1,958.55	1,663.30
Total Liabilities												
Capital Expenditure												
Depreciation												
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. 58.81/USD	
a) Holding Company's Interest: Entire Issued Share Capital of Ordinary Shares of £ 1 each fully paid up at cost	28,37,478	16,68,72,081
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, 2014	71,795	42,22,264
ii) for the previous financial years (cumulative)	22,62,019	13,30,29,337
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, 2014	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, 2014

Chairman & Managing Director

Directors

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, 2014 is furnished in Indian Rupees converted
at the exchange rate as on 31.03.2014 – ₹ 58.81/USD**

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

Directors' Report for the year ended 31 March 2014

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

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 is in the process of stabilisation. During the year under review the Joint Venture suffered tremendously due to adverse fluctuation of the exchange rate of Indonesian Rupiah vis-a-vis the US Dollar.

The Company is at present having no other business and have invested the surplus funds of approximately \$3.2million in term deposits with Banks to fund future business opportunities.

During the year, the Company has bought back 1,583,280 shares of the Company from its holding company for a consideration of \$2.50 million. Further, the Company paid a maiden dividend of \$1 million out of the reserves of the Company.

Results and Dividends

The results for the year are set out on Page - 5

The Profit for the year before taxation was \$100,268 (2013: Profit \$137,263)

The Directors do not recommend the payment of any further dividend over and above the interim dividend paid during the year amounting to \$1,000,000 (2013: \$nil)

Directors

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report

V Sinha
PBasu

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report 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 at the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 41 B 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 aud. information and to establish that the company's auditors are aware of that information.

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

Date: 23rd May, 2014

On behalf of the board
V Sinha - Director

Balmer Lawrie (UK) Limited

Independent Auditors' Report to the Members of Balmer Lawrie (UK) Limited

We have audited the financial statements of Balmer Lawrie (UK) Limited for the year ended 31 March 2014 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 an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report; or for the opinions we have formed.

Respective responsibilities of directors and auditors

As 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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 March 2014 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Kalbinder Sanghera (Senior Statutory Auditor)
for and on behalf of Haines Watts, Chartered Accountants
& Statutory Auditor
Sterling House
177-181 Farnham Road
Slough
Berkshire
SL 1 4XP

Balmer Lawrie (UK) Limited

Profit and Loss Account for the year ended 31 st March 2014

(₹ Lakhs)

	Notes	<u>31-03-2014</u>	<u>31-03-2013</u>
Turnover			
Administrative expenses		(17.15)	(5.70)
Operating loss	2	(17.15)	(5.70)
Interest receivable and similar charges	3	76.11	86.42
Profit on ordinary activities before taxation		58.96	80.72
Tax on profit on ordinary activities	4	(16.74)	(19.37)
Profit for the financial year		42.22	61.35

Balance Sheet as at 31 st March 2014

	Notes	<u>31-03-2014</u>	<u>31/03/2013</u>
Fixed Assets			
Investments	7	892.56	892.56
		892.56	892.56
Current Assets			
Debtors	8	195.54	52.53
Cash at bank and in hand		1988.96	4137.32
		2184.50	4189.85
Creditors			
Amounts falling due within one year	9	(35.82)	(25.05)
Net current assets		2148.68	4164.80
Total assets less current liabilities		3041.24	5057.36
		3041.24	5057.36
Capital and reserves			
Called up share capital	10	1668.72	3138.97
Profit and loss account	11	1372.52	1918.39
Shareholders' fund – equity interests		3041.24	5057.36

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 23rd May 2014 and were signed on its behalf by :

P Basu
Director

V. Sinha
Director

Balmer Lawrie (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2014

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

Accounting Convention

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

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group. No other related party transactions existed in the year.

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.

2 Interest receivable and similar income

	31-03-2014	31-03-2013
Deposit account interest	76.11	86.42

3 Profit on ordinary activities before taxation

The profit on ordinary activities is stated after charging/(crediting)

Auditors' remuneration	2.35	2.35
Foreign exchange differences	(1.66)	0.25
Directors' remuneration and other benefits	—	—

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	16.74	19.37
Tax on profit on ordinary activities	16.74	19.37

5 Dividends

Ordinary shares of UKP 1 each Interim	588.10	—
---------------------------------------	--------	---

6 Fixed Asset Investments

Cost at 1 April 2013 and 31 March 2014	892.56	892.56
Net Book Value at 31 March 2014 and 31 March 2013	892.56	892.56

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	(655.27)	261.68
Loss for the year	(876.75)	(590.13)

Notes to the Financial Statements for the year ended 31 March 2014

	31.03.2014	31.03.2013
7 Debtors		
Other Debtors	176.44	–
Prepayments and accrued income	19.10	52.53
	<u>195.54</u>	<u>52.53</u>

Other debtors represents USD 300000 advanced to PT Balmer Lawrie Indonesia, the Company's joint venture investment (see note 7) for future share issuance which had not been completed at the balance sheet date.

8 Creditors : Amounts falling due within one year

Tax	16.74	19.37
Accruals and deferred income	19.08	5.68
	<u>35.82</u>	<u>25.05</u>

9 Called up Share Capital

	Nominal Value	
Authorised issued and fully paid		
1,797,032 Ordinary Shares of GBP1 each	1668.72	3,138.97

Of the 3,380,312 issued and allotted number of shares at 13 March 2013; 1,583,280 ordinary shares were repurchased for USD 2.5 million during the year. This

resulted in the creation of a redemption reserve for USD 2.5 million which was subsequently transferred to distributable reserves.

10 Reserves

	Figs in ₹ Lakhs		
	Profit and Loss account	Capital Redemption Reserve	Totals
At 1 April 2013	1918.39		1918.39
Profit for the year	42.23		42.23
Dividends	(588.10)		(588.10)
Purchase of own shares	(1470.25)	1470.25	–
Transfr from capital redemption reserve	1470.25	(1470.25)	–
At 31 March 2014	<u>1372.52</u>	<u>0.00</u>	<u>1372.52</u>

11 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 2014

	(₹ Lakhs)	
	31-03-2014	31-03-2013
Income		
Other Income		
Deposit account interest	76.11	86.42
	<u>76.11</u>	<u>86.42</u>
Expenditure		
Accountancy	2.24	2.80
Capital reorganisation costs	13.97	–
Auditors' remuneration	2.35	2.35
Foreign exchange gains	(1.66)	0.25
	<u>16.90</u>	<u>5.40</u>
	<u>59.21</u>	<u>81.02</u>
Finance costs		
Bank charges	0.24	0.30
Net Profit	<u>58.97</u>	<u>80.72</u>

**Independent Auditors' Report
To the Board of Directors of Balmer Lawrie & Co. Ltd.****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, 2014, 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.

Auditors' 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.

Emphasis of Matter

We draw attention to:

1. Note No. 23.10: Change in depreciation rates on items given under furniture equipment scheme of employees of Balmer Lawrie & Co Ltd and the effect of such revision resulted in reduction of current year profit by ₹ 13.85 Lacs.
2. Note No. 23.11 : Change in Inventory valuation of semi finished goods and finished goods in respect of Industrial Packing Division of Balmer Lawrie & Co Ltd consequent to implementation of SAP and impact of such change on the profit is not ascertainable.
3. Note No. 23.12 : One of Joint Venture Company M/s Transafe Services Limited, where Company holds 50% stake, accumulated losses has exceeded its net worth by ₹ 1356.81 Lacs as on the Balance Sheet Date and its application for revival under Sick Companies Act 1985 made to BIFR (case No. 83/2013) is pending. These conditions indicate evidence of material uncertainty that may cast significant doubt about its ability to continue as going concern.
4. Note No. 23.14 : In respect of Joint Venture Company PT Balmer Lawrie Indonesia, where Company holds 50% stake through its wholly owned subsidiary, the entity has incurred losses of ₹ 938.80 lacs and negative cash flow of ₹ 11.85 Lacs during the year ended March 31, 2014. These condition raise doubt about its ability to continue as going concern.

Our opinion is not qualified in respect of above matters.

Basis for Qualified Opinion

- (i) As stated in Note 23.9 Additional Disclosure in consolidated financial statement regarding certain balances totaling ₹ 4.56 crores (₹ 9.13 crores) in the books of Transafe Service Limited, a Joint Venture Company (in which the Group share is ₹ 3.37 crores (₹ 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) 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 31 March, 2014;
- (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 ₹ 43502.62 lacs as at 31st March, 2014, total revenues of ₹ 48813 .18 lacs and net cash flows amounting to (₹ 1639.00 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, 2014

CA Sarad Jha
Partner
Membership No. 050138

CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED
Balance Sheet as at 31st March 2014

	Note No.	As at 31 March 2014		As at 31 March 2013	
		Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	2,850.06	2,850.06	1,628.61	1,628.61
Reserves and Surplus	2	79,909.88	95,282.43	72,628.63	84,674.78
Total Shareholders' Funds		82,759.94	98,132.49	74,257.24	86,303.39
Minority Interest		–	–	–	346.01
Non-current Liabilities					
Long Term Borrowings	3	856.70	9,447.50	723.58	11,430.55
Deferred Tax Liabilities (Net)		–	–	–	150.52
Other Long Term Liabilities	4	3,418.44	3,521.10	4,149.66	4,509.20
Long Term Provisions	5	11.51	1,034.80	20.00	981.98
Total Non-current Liabilities		4,286.65	14,003.40	4,893.24	17,072.25
Current Liabilities					
Short Term Borrowings	6	525.37	7,197.39	396.03	6,449.11
Trade Payables		26,553.97	34,651.18	21,528.76	30,327.30
Other Current Liabilities	7	20,360.82	21,182.58	18,324.41	20,301.02
Short Term Provisions	8	11,806.95	12,175.19	11,273.95	11,815.71
Total Current Liabilities		59,247.11	75,206.34	51,523.15	68,893.14
TOTAL		1,46,293.70	1,87,342.23	1,30,673.63	1,72,614.79
ASSETS					
Non-current Assets					
Fixed Assets	9				
Tangible Assets		28,128.41	44,682.15	26,980.46	44,898.61
Intangible Assets		1,701.42	1,720.09	222.22	253.83
Capital Work-in-Progress		7,382.37	7,718.88	814.24	1,105.21
Intangible Assets under Development		–	–	100.82	100.82
Non-current Investments	10	4,743.04	14.52	3,643.04	14.52
Deferred Tax Assets (net)		434.74	62.59	251.05	–
Long Term Loans and Advances	11	1,427.07	1,784.42	2,160.66	2,820.37
Other Non-current Assets	12	–	1.10	0.69	13.77
Total Non-Current Assets		43,817.05	55,983.75	34,173.18	49,207.13
Current Assets					
Inventories	13	14,407.61	30,858.41	12,196.44	28,356.21
Trade Receivables	14	41,440.49	52,575.07	36,344.03	44,927.69
Cash and Cash Equivalents	15	36,678.16	37,210.08	40,811.81	41,202.15
Short Term Loans and Advances	16	7,555.82	7,829.90	5,752.05	6,730.86
Other Current Assets	17	2,394.57	2,885.02	1,396.12	2,190.75
Total Current Assets		1,02,476.65	1,31,358.48	96,500.45	1,23,407.66
TOTAL		1,46,293.70	1,87,342.23	1,30,673.63	1,72,614.79

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, 2014

Chairman & Managing Director

Directors

Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED
Profit and Loss Statement for the year ended 31st March 2014

	Note No.	For the year ended 31 March 2014		For the year ended 31 March 2013	
		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		2,77,192.83	3,27,691.89	2,71,105.24	3,15,258.62
Less Excise Duty		(13,555.36)	(15,214.89)	(12,224.93)	(13,430.08)
Revenue From operations (Net of Excise)	18	2,63,637.47	3,12,477.00	2,58,880.31	3,01,828.54
Other Income	19	8,146.72	7,070.09	5,973.14	5,491.16
Total Revenue		2,71,784.19	3,19,547.09	2,64,853.45	3,07,319.70
Expenses:					
Cost of Materials Consumed/Services Rendered		2,11,072.04	2,41,338.78	2,05,535.78	2,32,342.63
Purchase of Trading Goods		7.10	37.20	34.29	160.24
Changes In inventories of Finished Goods, Work-in-progress, Trading goods		(1,534.73)	(1,814.89)	(261.63)	(424.39)
Employee Benefit Expenses	20	17,351.72	22,442.31	15,998.71	20,523.85
Finance Costs	21	1,006.72	2,405.69	597.97	2,269.18
Depreciation and Amortization Expenses		2,025.84	3,526.73	1,723.65	3,785.42
Other expenses	22	20,275.09	29,402.05	19,070.40	25,792.57
Total Expenses		2,50,203.78	2,97,337.87	2,42,699.17	2,84,449.50
Profit Before tax		21,580.41	22,209.22	22,154.28	22,870.20
Tax Expense:					
Current Tax		6,525.99	6,855.07	6,437.51	6,645.52
Deferred Tax		(183.49)	(214.55)	(345.00)	(490.01)
Profit (Loss) for the period		15,237.91	15,568.70	16,061.77	16,714.69
Minority Interest		–	–	–	108.07
Earnings per equity share {Basic}		53.47	54.63	56.36	58.65
Earnings per equity share {Diluted}		53.47	54.63	56.36	58.65
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 , 2014

Chairman & Managing Director

Directors

Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH , 2014

(₹ in lakhs)

	Year ended March 31, 2014	Year ended March 31, 2013
A. Cash Flow from Operating Activities	22172	22713
Net profit before Tax [Note]		
Adjustment for		
Depreciation and fixed assets written off	4063	3808
Foreign Exchange	260	171
Profit on sale of investment	(631)	106
Interest / Dividend	(1408)	(3044)
Investments written off / Provision for diminution in value	503	2313
Provision for write down of inventories to net relisable value	25	(7)
Operating Profit Before Working Capital Changes	24984	26060
Trade and other receivables	(7069)	(1569)
Inventories	(1122)	1481
Trade Payables	5932	1124
Cash generated from operations	22725	27096
Direct Taxes paid	(6037)	(6977)
NET CASH FROM OPERATING ACTIVITIES	16688	20119
B. Cash Flow from Investing Activities		
Purchase of Fixed assets	(12269)	(6188)
Sale of Fixed assets	202	249
Purchase of Investments	(2149)	(3075)
Sale of Investments	1510	-
Interest received	2817	3518
Dividend received	2330	969
NET CASH FROM INVESTING ACTIVITIES	(7559)	(4527)
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings & Equities	(2907)	(2139)
Proceeds from other Borrowings	(35)	(1054)
Proceeds from issue of shares	1054	-
Interest paid	(2139)	(1440)
Dividend Paid	(8197)	(4695)
Corporate Tax on Dividend	(897)	(744)
NET CASH FROM FINANCING ACTIVITIES	(13121)	(10072)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(3992)	5520
CASH & CASH EQUIVALENTS - OPENING BALANCE	41202	35682
CASH & CASH EQUIVALENTS - CLOSING BALANCE	37210	41202

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)

	2013-14	2012-13
2 Net Profit after Tax as per Profit & Loss Account	15569	16715
Add : Tax Provision (Net)	6641	6155
	22210	22870
Less : Profit / (Loss) on Disposal of Fixed Assets (Net)	38	157
Net Profit before Tax	22172	22713

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 , 2014

Chairman & Managing Director

Directors

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 20% per annum; and (vi) assets whose actual cost does not exceed ₹ 5000, at the rate of 100% in the year of addition of the asset, irrespective of the date of addition.

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

3. Valuation of Investments

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

4. Valuation of Inventories

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

5. Recognition of Revenue

Revenue is recognised in compliance with the following:

a) In case of sale of goods :

When the property and all significant risks and rewards of ownership are transferred to the buyer

and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales are stated exclusive of Sales Tax / VAT.

b) In case of services rendered:

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

c) In case of project activities:

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

d) In case of other income:

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

6. Employee Benefits

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

7. Treatment of Prior Period and Extraordinary Items

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

8. Foreign Currency Translations

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

9. Accounting for Research & Development

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

10. Treatment of Grant/Subsidy

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

set off against the cost of those fixed assets.

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

11, Accounting for Borrowing Cost

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

12. Impairment of Assets

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

13. Cash Flow Statement

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

14. Segment Reporting

Segment Reporting is done as per Accounting Standard

– 17 issued by The Institute of Chartered Accountants of India .The Company has identified business segment as its primary reporting segment with secondary information reported geographically.

15. Intangible Assets

- (a) Expenditure incurred for acquiring intangible assets like software of ₹ 5,00,000 and above and license to use software per item of ₹ 25000 and above, from which economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
- (b) Goodwill and Brand Value arising on acquisition are recognized as an asset and are amortised on a straight line basis over 5 years and ten years respectively.
- (c) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

16. Provisions, Contingent Liabilities and Capital Commitments

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

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

CA Sarad Jha
 Partner
 Membership No. 050138
 Kolkata, the 29th May , 2014

Chairman & Managing Director

Directors

Secretary

**Note No.1
Share Capital**

Authorised

60,000,000 (30,000,000) Equity Shares of ₹ 10 each

Issued

28,500,641 (16,286,081) Equity Shares of ₹ 10 each

Subscribed & Paid up

Equity Share Fully Paid In cash
28,500,641 (16,286,081) of ₹ 10 each

Total Subscribed & Fully Paid

As at 31 March 2014		As at 31 March 2013	
Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
6,000.00	6,000.00	3,000.00	3,000.00
2,850.06	2,850.06	1,628.61	1,628.61
2,850.06	2,850.06	1,628.61	1,628.61
2,850.06	2,850.06	1,628.61	1,628.61

A The Board of Directors had 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.

B Reconciliation of Share Capital

Issued

Balance at the beginning of the year
Add : Bonus Shares issued
Balance at the end of the year

Subscribed & Paid up

Balance at the beginning of the year
Add : Bonus Shares subscribed
Balance at the end of the year

As at 31 March 2014 No of Shares	As at 31 March 2013 No of Shares
1,62,86,081	1,62,86,081
1,22,14,560	—
2,85,00,641	1,62,86,081
1,62,86,081	1,62,86,081
1,22,14,560	—
2,85,00,641	1,62,86,081

Note No. 2

Reserves & Surplus

Capital Reserves On Consolidation

	As at 31 March 2014		As at 31 March 2013	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
Opening Balance	824.98	951.79	824.98	2,616.23
(+) Current Year Transfer	–	–	–	(1,068.08)
(-) Written Back in Current Year	824.98	277.53	–	596.38
Closing Balance	–	674.26	824.98	951.78

Securities Premium Account

Opening Balance	3,626.77	4,199.98	3,626.77	4,199.98
(-) Adjustments	–	573.21	–	–
Closing Balance	3,626.77	3,626.77	3,626.77	4,199.98

Contingency Reserve

Opening Balance	–	58.60	–	58.60
(+) Current Year Transfer	–	8.48	–	–
Closing Balance	–	67.08	–	58.60

General Reserve

Opening Balance	33,375.47	42,182.72	30,375.47	39,129.56
(+) Current Year Transfer	3,000.00	5,002.04	3,000.00	3,053.15
(-) Current Year (Bonus Issue)	1,221.46	1,221.46	–	–
Closing Balance	35,154.01	45,963.30	33,375.47	42,182.71

Investment Allowance Reserve

Opening Balance	–	3.96	–	3.96
(+) Current Year Transfer	–	0.77	–	–
Closing Balance	–	4.73	–	3.96

Foreign Exchange Conversion Reserve

Opening Balance	317.92	1,916.72	97.75	1,040.28
(+) Current Year Transfer	504.74	(469.69)	220.17	876.44
(-) Written Back in Current Year	412.98	2,990.78	–	–
Closing Balance	409.68	(1,543.75)	317.92	1,916.72

Profit & Loss Statement

Opening balance	34,483.49	35,361.01	27,290.32	27,170.58
(+) Net Profit/(Loss) for the current year	15,237.91	15,568.70	16,061.77	16,606.63
(+) Movement in Liabilities & Provisions	–	4,313.04	–	–
(-) Proposed Dividends	5,130.12	4,290.69	5,016.11	4,452.80
(-) Corporate tax on dividend	871.86	902.12	852.48	910.23
(-) Transfer to General Reserves	3,000.00	3,559.90	3,000.00	3,053.15
Closing Balance	40,719.42	46,490.04	34,483.50	35,361.03

Total

	79,909.88	95,282.43	72,628.64	84,674.78
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Note No. 3

Long Term Borrowings

Secured

Term loans

From banks

As at 31 March 2014		As at 31 March 2013	
Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
856.70	9,185.98	723.58	10,359.80
–	2.64	–	–
–	–	–	984.76
856.70	9,188.62	723.58	11,344.56

From other parties

Loans and advances from related parties

Unsecured

Other loans and advances

Total

Note No. 4

Other Long Term Liabilities

Trade Payables

Others

Total

Note No. 5

Long Term Provisions

Provision for employee benefits

Others

Total

As at 31 March 2014		As at 31 March 2013	
Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
0.02	57.63	0.02	102.55
3,418.42	3,463.47	4,149.64	4,406.65
3,418.44	3,521.10	4,149.66	4,509.20

7.78	949.19	12.04	910.90
3.73	85.61	7.96	71.08
11.51	1,034.80	20.00	981.98

Note No. 6

Short Term Borrowings

Secured

Other Loans & advances

From banks

	As at 31 March 2014		As at 31 March 2013	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
	414.72	6,312.62	396.03	5,950.70
	414.72	6,312.62	396.03	5,950.70
Unsecured				
Other loans and advances				
Term Loan Bank	–	143.73	–	–
Other Loan Bank	–	565.71	–	498.41
From other	110.65	175.33	–	–
	110.65	884.77	–	498.41
Total	525.37	7,197.39	396.03	6,449.11

Note No.7

Other Current Liabilities

Current maturities of long-term debt
 Current maturities of finance lease obligations
 Interest accrued but not due on borrowings
 Interest accrued and due on borrowings
 Income received in advance/Advance From Customers
 Unpaid dividends
 Unpaid matured deposits and interest accrued thereon
 Other payables

	58.07	837.08	120.73	1,669.60
	–	–	4.61	4.61
	–	3.58	–	2.32
	–	169.04	–	20.71
	2,098.82	2,125.31	451.41	600.55
	211.63	217.70	185.05	189.51
	–	–	–	58.30
	17,992.30	17,829.87	17562.61	17755.42
Total	20,360.82	21,182.58	18324.41	20301.02

Note No. 8

Short Term Provisions

Provision for employee benefits
 Others
 Provision for Taxation (Net of Advance)
 Proposed Final Dividend
 Others (Provision for Employee Benefits)

	–	28.99	3.74	30.91
	6,676.83	7,855.51	6,219.43	7,297.32
	5,130.12	4,290.69	5,016.11	4,452.80
	–	–	34.67	34.68
Total	11,806.95	12,175.19	11273.95	11815.71

Note No. 9
Fixed Assets

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2013
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Tangible Assets										
Land Freehold	1,360.57	7.86	-	1,368.43	-	-	-	-	1,368.43	1,360.57
	Consolidated with Subsidiary									
Land Leasehold	1,751.44	7.86	-	1,759.30	-	-	(1.70)	-	1,761.00	1,751.44
	Consolidated with Subsidiary & Joint Venture Companies									
	Consolidated with Subsidiary	-	-	4,095.52	763.31	94.21	(0.01)	-	3,238.01	3,332.21
	Consolidated with Subsidiary & Joint Venture Companies	-	(1.28)	4,855.56	856.51	105.09	(3.84)	(1.28)	3,899.08	4,000.32
Buildings & Sidings	12,841.33	1,177.74	-	14,019.07	2,638.83	269.86	(6.09)	-	11,116.47	10,202.50
	Consolidated with Subsidiary									
	Consolidated with Subsidiary & Joint Venture Companies	1,218.80	(5.02)	20,611.52	5,150.86	592.25	(13.59)	(5.02)	14,887.02	14,246.88
Plant and Equipment	20,463.91	1,702.45	(492.90)	21,673.46	10,627.56	946.88	(121.39)	(336.58)	10,556.99	9,836.35
	Consolidated with Subsidiary									
	Consolidated with Subsidiary & Joint Venture Companies	2,275.53	(1,042.90)	52,487.11	28,887.34	2,118.69	(152.64)	(391.78)	22,025.50	22,367.14
Furniture and Fixtures	795.24	130.46	(49.56)	876.14	472.93	50.59	0.02	(45.94)	398.54	322.31
	Consolidated with Subsidiary									
	Consolidated with Subsidiary & Joint Venture Companies	146.34	(144.46)	1,383.96	910.00	6.44	(0.37)	(46.28)	514.17	472.08
Vehicles	981.72	27.65	(34.78)	974.59	290.52	165.91	(0.07)	(23.00)	541.23	691.20
	Consolidated with Subsidiary									
	Consolidated with Subsidiary & Joint Venture Companies	45.01	(60.63)	1,867.73	1,117.73	175.71	(0.25)	(57.38)	631.92	765.60
Office equipment	2,791.94	105.75	(93.68)	2,804.01	1,556.62	304.09	127.52	(92.96)	908.74	1,235.32
	Consolidated with Subsidiary									
	Consolidated with Subsidiary & Joint Venture Companies	115.08	(100.98)	3,074.68	1,765.44	318.42	127.30	(99.94)	963.46	1,295.14
Total	43,330.23	3,151.90	(670.92)	45,811.22	16,349.77	1,831.54	(0.02)	(498.48)	28,128.41	26,980.46
	Consolidated with Subsidiary									
	Consolidated with Subsidiary & Joint Venture Companies	3,808.62	(1,355.27)	86,039.86	38,687.88	3,316.60	(45.09)	(601.68)	41,357.71	44,898.61
Intangible Assets										
Goodwill	-	918.25	-	918.25	-	45.28	-	-	872.97	-
	Consolidated with Subsidiary									
	Consolidated with Subsidiary & Joint Venture Companies	-	-	918.25	-	45.28	-	-	872.97	-

	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2013	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	
Computer software	324.09	333.24	-	657.33	101.87	97.64	-	-	199.51	457.82	222.22
Consolidated with Subsidiary & Joint Venture Companies	365.57	336.02	-	701.70	121.36	107.52	(0.11)	-	228.77	472.93	244.22
Brand Value	-	380.00	-	380.00	-	9.37	-	-	9.37	370.63	-
Consolidated with Subsidiary & Joint Venture Companies	-	380.00	-	380.00	-	9.37	-	-	9.37	370.63	-
Licenses and franchise	-	-	-	-	-	-	-	-	-	-	-
Consolidated with Subsidiary & Joint Venture Companies	128.38	-	-	128.38	118.76	5.96	-	-	124.72	3.66	9.62
Total	324.09	1,631.49	-	1,955.58	101.87	152.29	-	-	254.16	1,701.42	222.22
Consolidated with Subsidiary & Joint Venture Companies	493.95	1,634.27	-	2,128.33	240.12	168.12	(0.11)	-	408.13	1,720.19	253.83
Capital Work In Progress	814.24	6,568.13	-	7,382.37	-	-	-	-	-	7,382.37	814.24
Consolidated with Subsidiary & Joint Venture Companies	1,144.83	6,627.81	(14.14)	7,758.50	39.62	-	-	-	39.62	7,718.88	1,105.21
Total	814.24	6,568.13	-	7,382.37	-	-	-	-	-	7,382.37	814.24
Consolidated with Subsidiary & Joint Venture Companies	1,144.83	6,627.81	(14.14)	7,758.50	39.62	-	-	-	39.62	7,718.88	1,105.21
Intangible assets under Development	100.82	(100.82)	-	-	-	-	-	-	-	-	100.82
Consolidated with Subsidiary & Joint Venture Companies	100.82	(100.82)	-	-	-	-	-	-	-	-	100.82
Total	100.82	(100.82)	-	-	-	-	-	-	-	-	100.82
Consolidated with Subsidiary & Joint Venture Companies	100.82	(100.82)	-	-	-	-	-	-	-	-	100.82
Grand Total	44,569.38	11,250.71	(670.92)	55,149.17	16,451.64	1,983.83	(0.02)	(498.48)	17,936.97	37,212.20	28,117.74
Consolidated with Subsidiary & Joint Venture Companies	85,326.08	11,969.89	(1,369.41)	95,926.69	38,967.62	3,484.72	(45.20)	(601.68)	41,805.46	54,121.22	46,358.47

Note No 9 (Continued)
Fixed Assets held for Disposal

	Gross Block			Accumulated Depreciation					Net Block	
	Balance as at 1 April 2013	Additions/ Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Tangible Assets										
Buildings & Sidings	-	-	-	-	-	-	-	-	-	-
Plant and Equipment	1.33	(1.33)	-	(1.33)	-	-	1.33	-	-	-
Spares for Plant & Machinery	1.33	(1.33)	-	(1.33)	-	-	1.33	-	-	-
Furniture and Fixtures	25.01	(25.01)	-	(25.01)	-	-	25.01	-	-	-
Office equipment	25.01	(25.01)	-	(25.01)	-	-	25.01	-	-	-
Total	26.34	(26.34)	-	(26.34)	-	-	26.34	-	-	-

	2013-14	2012-13
Depreciation charged in P&L Account	1,983.83	1,727.78
Consolidated with Subsidiary	42.01	(4.13)
Prior Period Adjustment	2,025.84	1,723.65
Total	3,484.72	3,816.41
Consolidated with Subsidiary & Joint Venture Companies	42.01	(30.99)
Prior Period Adjustment	3,526.73	3,785.42
Total		

Note No.11

Long Term Loans and Advances

Capital Advances

Secured, considered good
Unsecured, considered good

As at 31 March 2014		As at 31 March 2013	
Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
–	–	–	–
155.48	182.34	520.29	569.64
155.48	182.34	520.29	569.64

Security Deposits

Secured, considered good
Unsecured, considered good
Doubtful
Less: Provision for doubtful deposits

–	–	–	–
243.61	345.45	493.19	607.35
–	3.27	–	3.25
–	(3.27)	–	(3.25)
243.61	345.45	493.19	607.35

Other loans and advances

Secured, considered good
Unsecured, considered good
Doubtful
Less: Provision

491.37	828.86	589.68	589.68
356.61	427.77	377.50	1,053.70
765.60	1,402.64	443.61	742.53
(765.60)	(1,402.64)	(443.61)	(742.53)
847.98	1,256.63	967.18	1,643.38

Loans and advances to related parties

Secured, considered good
Unsecured, considered good
Doubtful
Less: Provision for doubtful loans and advances

–	–	–	–
180.00	–	180.00	–
1,817.92	–	1,817.92	–
(1,817.92)	(1,817.92)	(1,817.92)	–
180.00	(1,817.92)	180.00	–

Movement in Liabilities & Provisions trfd to P&L Account

–	1,817.92	–	–
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Total

1,427.07	1,784.42	2,160.66	2,820.37
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Note No. 12

Other Non Current Assets

Long term trade receivables /Others

Secured, considered good
Unsecured, considered good
Doubtful
Less: Provision for doubtful debts

–	1.05	–	13.03
–	0.05	0.69	0.74
–	–	–	20.76
–	–	–	(20.76)
–	1.10	0.69	13.77

Total

Note No.13

Inventories

	As at 31 March 2014		As at 31 March 2013	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
Raw Materials and components	7,141.03	19,080.81	6,484.69	19,346.73
Goods-in transit	–	61.35	28.65	734.63
Slow Moving & Non moving	252.16	252.16	220.70	220.70
Less; Provision for Slow & Non moving	(160.71)	(160.71)	(141.81)	(333.51)
Total	7,232.48	19,233.61	6,592.23	19,968.55
Work-in-progress	1,377.34	2,117.89	714.82	1,375.99
Total	1,377.34	2,117.89	714.82	1,375.99
Finished goods	4,917.25	6,055.21	3,948.05	4,798.33
Goods-in transit	329.50	1,651.53	419.61	419.61
Slow Moving & Non moving	364.58	364.58	399.03	399.03
Less; Provision for Slow & Non moving	(220.60)	(456.09)	(241.15)	(241.15)
Total	5,390.73	7,615.23	4,525.54	5,375.82
Stock-in-trade	4.16	4.16	0.06	0.06
Total	4.16	4.16	0.06	0.06
Stores and spares	388.20	1,853.00	324.91	1,321.74
Goods-in transit	–	–	0.72	0.72
Slow Moving & Non moving	45.35	45.35	88.69	88.69
Provision for Slow & Non moving	(38.19)	(38.19)	(58.64)	(58.64)
Total	395.36	1,860.16	355.68	1,352.51
Loose Tools	0.06	0.06	1.02	1.02
Total	0.06	0.06	1.02	1.02
Others	7.48	27.30	7.08	282.26
Total	7.48	27.30	7.08	282.26
Total	14,407.61	30,858.41	12,196.43	28,356.21

Note No.14

Trade Receivables

Trade receivables outstanding for a period less than six months				
Unsecured, considered good	36,790.44	47,878.36	32,761.09	40,882.68
Unsecured, considered doubtful	16.65	16.65	–	–
Less: Provision for doubtful debts	(16.65)	(16.65)	–	–
	36,790.44	47,878.36	32,761.09	40,882.68
Trade receivables outstanding for a period exceeding six months				
Unsecured, considered good	4,650.05	4,696.71	3,582.94	4,045.01
Unsecured, considered doubtful	1,075.06	1,648.86	1,085.74	1,759.92
Less: Provision for doubtful debts	(1,075.06)	(1,648.86)	(1,085.74)	(1,759.92)
	4,650.05	4,696.71	3,582.94	4,045.01
Total	41,440.49	52,575.07	36,344.03	44,927.69

Note No. 15
Cash and cash equivalents

	As at 31 March 2014		As at 31 March 2013	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
Balances with banks	6,171.56	6,267.80	6,907.44	6,970.00
Cheques, drafts on hand	–	105.37	28.42	69.28
Cash on hand	39.08	62.33	13.32	32.89
Balances with bank	30,467.52	30,774.57	33,862.63	34,129.99
- As margin money	54.21	346.61	43.20	299.23
- In short term deposit account	30,201.68	30,209.41	33,634.38	33,639.71
- Dividend Accounts	211.63	217.70	185.05	189.51
- With EEFC A/c	–	0.85	–	1.54
Total	36,678.16	37,210.07	40,811.81	41,202.14

Note No.16
Short-term loans and advances

Deposits				
Unsecured, considered good	2,580.80	2,770.84	1,522.20	1,624.97
	2,580.80	2,770.84	1,522.20	1,624.97
Others Loans & Advances				
Secured, considered good	130.67	130.67	251.80	251.80
Unsecured, considered good	4,625.17	4,603.20	3,795.30	4,590.18
Doubtful	182.48	182.48	177.93	191.42
Less: Provision	(182.48)	(182.48)	(177.93)	(191.42)
	4,755.84	4,733.87	4,047.10	4,841.98
Loans and advances to related parties				
Secured, considered good	–	–	–	–
Unsecured, considered good	219.18	325.19	182.75	263.91
	219.18	325.19	182.75	263.91
Total	7,555.82	7,829.90	5,752.05	6,730.86

Note No.17
Other current assets

Other Accrued Income	2,394.57	2,885.02	1,396.12	2,190.75
Total	2,394.57	2,885.02	1,396.12	2,190.75

Note No. 18

Revenue From Operation

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
Sale of products	1,10,608.27	1,58,062.47	1,02,479.51	1,42,474.72
Sale of services	1,64,125.65	1,64,367.19	1,66,473.26	1,67,547.47
Sale of Trading goods	19.31	44.43	44.83	139.50
Other operating revenues	2,439.60	5,217.80	2,107.64	5,096.93
Less: Excise duty	(13,555.36)	(15,214.89)	(12,224.93)	(13,430.08)
Total	2,63,637.47	3,12,477.00	2,58,880.31	3,01,828.54

Note No. 19

Other Income

Interest Income	3,616.90	3,599.74	3,507.76	3,432.15
Dividend Income	2,195.71	741.66	921.10	49.88
Net gain/loss on sale of investments	—	—	—	—
Other non-operating income	2,334.11	2,728.69	1,544.27	2,009.13
Total	8,146.72	7,070.09	5,973.14	5,491.16

Note No. 20

Employee Benefits Expenses

Salaries and incentives	14,148.06	18,629.36	13,076.24	17,003.03
Contributions to Provident Fund & Other Fund	1,808.95	1,934.29	1,636.06	1,746.09
Staff welfare expenses	1,394.71	1,878.66	1,286.41	1,774.74
Total	17,351.72	22,442.31	15,998.71	20,523.86

Note No. 21

Finance Cost

Interest expense	548.18	1,786.30	344.18	1,823.58
Other borrowing costs	186.07	346.92	188.27	380.09
Net loss on foreign currency transactions	272.47	272.47	65.52	65.52
Total	1,006.72	2,405.69	597.97	2,269.19

Note No. 22
Other Expenses

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
Manufacturing Expenses	1,249.71	1,832.80	983.56	1,205.62
Consumption of Stores and Spares	656.79	2,122.13	624.23	1,880.82
Excise duty on Closing Stock	185.21	192.83	89.56	95.65
Repairs & Maintenance - Buildings	467.89	527.64	586.29	639.06
Repairs & Maintenance - Plant & Machinery	308.48	524.47	281.06	573.76
Repairs & Maintenance - Others	379.95	529.83	448.99	576.13
Power & Fuel	2,651.23	4,861.99	2,443.09	4,458.90
Electricity & Gas	311.52	311.52	391.11	394.19
Rent	792.85	1,500.68	785.93	1,428.67
Insurance	189.61	284.15	159.46	243.85
Packing, Despatching, Freight and Shipping Charges	3,251.34	4,586.59	2,919.34	4,121.95
Rates & Taxes	119.31	211.43	145.36	208.02
Auditors Remuneration and Expenses	22.16	44.28	29.29	51.99
Write Off of Debtors, Deposits, Loan & Advances	443.49	543.13	314.56	424.55
Provision for diminution in the value of Investments	—	—	147.63	—
Provision for Doubtful Debts & Advances	818.81	1,219.83	1,449.51	968.43
Fixed Assets Written Off	—	0.01	1.48	51.00
Loss on Disposal of Fixed Assets	82.77	90.24	7.57	8.01
Selling Commission	497.92	632.59	414.46	563.63
Cash Discount	471.15	481.95	492.21	494.17
Travelling Expenses	966.80	1,227.31	1,002.81	1,228.62
Printing and Stationery	251.89	271.59	224.28	244.26
Motor Car Expenses	135.83	217.72	125.30	199.01
Communication Charges	367.70	431.59	305.61	363.04
Miscellaneous Expenses	6,147.77	7,336.00	4,952.25	5,768.75
Prior Period - Income	(20.73)	(20.73)	22.40	22.40
Prior Period - Expenses	(97.35)	(84.33)	34.94	54.66
	20652.10	29877.24	19382.25	26269.14
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	(377.01)	(475.19)	(311.85)	(476.57)
Total	20275.09	29402.05	19070.40	25792.57

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 1,76,13,225 (1,00,64,700) Equity Shares are held by Balmer Lawrie Investments Ltd. (Holding Company).

- 23.3 (a) Fixed Deposit with bank amounting to ₹ 1.37 Lakhs (₹1.57 Lakhs) are lodged with certain authorities as security.
 (b) Conveyance deeds of certain land costing ₹ 2,889.41 Lakhs (₹ 2,948.46 Lakhs) and buildings, with written down value of ₹ 2,900.70 Lakhs (₹ 2,880.29 Lakhs) are pending registration / mutation.
 (c) Certain buildings & sidings with written down value of ₹ 5083.80 Lakhs (₹ 5156.87 Lakhs) are situated on leasehold/rented land.

23.4 Contingent Liabilities as at 31st March, 2014 not provided for in the accounts are:

- (a) Disputed demand for Excise Duty, Customs Duty, Income Tax, and Sales Tax amounting to ₹ 21803.72 Lakhs (₹ 8507.09 Lakhs) against which the Company has lodged appeal/petition before appropriate authorities.
 (b) Claims against the company not acknowledged as debts amount to ₹ 1,174.00 Lakhs (₹ 1,107.94 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 ₹ 500.68 Lakhs (₹ 328.15 Lakhs).

23.5 Counter guarantees given to various banks in respect of guarantees/loans given by them amount to ₹ 15,054.78 Lakhs (₹ 11,203.42 Lakhs).

23.6 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for amounted to ₹ 2272.61 Lakhs (₹ 5104.75 Lakhs).

23.7 Segment Reporting

Information about business and geographical segment for the year ended 31st March, 2014 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 ₹ 15,568.70 Lakhs (₹ 16,714.69 Lakhs) as the numerator.
 (ii) The weighted average number of equity shares used as denominator is 28,500,641 (1,62,86,081).
 (iii) The nominal value of shares is ₹ 2,850.06 Lakhs (₹ 1,628.61 Lakhs) and the earnings per share (Basic) for the year on the above mentioned basis comes to ₹ 54.63 (₹ 58.65) and Diluted ₹ 54.63 (₹ 58.65). (Refer Note 1 A)

(iv) Consequent to the approval of the shareholders, vide the postal ballot, the Company has issued Bonus Shares in the proportion of three new equity shares for every four existing equity shares held. Accordingly a sum of ₹ 1221.45 lakhs has been capitalized out of General Reserve and transferred to Share Capital Account on allotment of fully paid bonus shares on 25th May, 2013. The earnings per share have been adjusted for bonus issue of 3:4.

23.9 Certain balances amounting to ₹ 4.56 crores (₹ 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 ₹ 3.37(6.74) crores.

23.10 Change in depreciation rates on items given under furniture equipment scheme of employees of Balmer Lawrie & Co. Ltd. and the effect of such revision resulted in reduction of current year profit by ₹ 13,85 lakhs.

23.11 Change in Inventory valuation of semi finished goods and finished goods in respect of Industrial Packaging Division of Balmer Lawrie & Co. Ltd. consequent to implementation of SAP and impact of such change on the profit is not ascertainable.

23.12 Continuous losses incurred by a joint venture, Transafe Services Ltd. over the last few years have resulted in negative net worth of ₹ 1356.83 lakhs as on 31st March 2014. Based on negative net worth of ₹ 732.54 lakhs as on 31st March 2013 a reference application was required to be made to BIFR under Sec. 15 of the Sick Industrial Companies Act 1985 for determining the measures which shall be adopted with respect to the joint venture. An application was accordingly made to BIFR by the joint venture on 22nd July 2013 which was registered by BIFR under case no. 83/2013. A hearing before bench No 3 took place on 7th January 2014 wherein all the lenders to the joint venture were directed to file their objections/suggestions. The hearing stands adjourned since then due to internal reasons of BIFR.

23.13 M/s Transafe Services Limited, a Joint Venture Company, where Company holds 50% of the equity shares of the company has defaulted in repayment of dues to Banks amounting to ₹ 610.48 Lacs which were due as on the Balance Sheet date.

23.14 In respect of the Joint Venture Company of the wholly owned subsidiary of the company Balmer Lawrie (UK) Ltd. (BLUK), PT Balmer Lawrie Indonesia, in which BLUK holds 50% of the equity shares, has incurred losses of ₹ 938.80 lacs and negative cash flow of ₹ 11.85 lakhs during the year ended March 31, 2014. These conditions raise doubt about the joint venture's ability to continue as a going concern.

Management's plan to overcome this situation has been discussed and approved by the shareholders of the joint venture through Board of Commissioners meeting on February 7th 2014 as described below:

- a. Restructure the outstanding bank loan and overdraft of the joint venture with PT Bank of Indonesia Tbk to reduce the interest rate costs.
 b. Increase the joint venture's current revenue through obtaining new opportunities in local and export market.

23.15 (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.

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, 2014

Chairman & Managing Director

Directors

Secretary

ANNEXURE - A (Note 23.7)
₹/LakhsConsolidated
Information about Business Segments for the Year Ended 31st March, 2014

	Industrial Packaging		Logistics Infrastructure & Services		Tours and Travel		Greases and Lubricants		Others		Consolidated Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
SEGMENT REVENUE												
External Revenue	91624.68	83708.26	46962.73	52625.70	117063.48	113171.35	44502.99	40389.01	12077.38	11665.22	312231.26	301559.54
Inter-Segment Revenue	2042.97	1931.72	193.93	146.39	667.09	46.96	464.66	499.62	110.04	42.76	3478.70	2667.44
Total Segment Revenue	93666.65	85638.98	47155.66	52772.09	117730.57	113218.31	44967.65	40888.63	12187.43	11707.98	315709.96	304226.98
Less : Inter-Segment Revenue											3478.70	2667.44
Add : Other Unallocable Revenue											245.75	269.01
TOTAL REVENUE											312477.00	301828.54
SEGMENT RESULT												
Profit / (Loss) before Interest & tax	6421.56	5221.56	13085.21	14460.89	2261.57	3618.78	2679.82	3552.47	643.23	157.00	25091.39	27010.70
Less : Interest Expense											3005.33	2268.71
Prior Period Adjustment											(118.07)	57.33
Other Unallocable Expenditure											(5.08)	1814.46
(net of Unallocable Revenue)											22209.22	22870.20
TOTAL PROFIT BEFORE TAX												
OTHER INFORMATION												
Segment Assets	63351.43	51513.45	23124.92	20391.46	20354.19	18004.06	26659.71	22138.65	19481.85	22982.42	152972.09	135030.03
Other Unallocable Assets											34370.15	37584.76
Total Assets	24304.80	22966.81	13192.09	13360.17	8147.87	5391.23	11640.39	8246.67	13941.36	15245.36	187342.23	172614.79
Segment Liabilities	874.50	1530.89	916.45	855.40	1427.41	26.81	467.13	1925.50	497.35	1365.43	71226.51	65210.24
Other Unallocable Liabilities	927.73	1484.99	565.36	556.11	130.34	69.85	411.82	332.59	1491.47	1341.88	17983.24	21101.16
Total Liabilities											89209.74	86311.40
Capital Expenditure											4182.84	5704.03
Depreciation											3526.73	3785.42
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 2014

	Indian Operations		Overseas Operations		Consolidated - Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	₹/Lakhs	₹/Lakhs	₹/Lakhs	₹/Lakhs	₹/Lakhs	₹/Lakhs
SEGMENT EXTERNAL REVENUE	285494.00	274845.22	26983.00	26983.00	312477.00	301828.54
SEGMENT ASSETS	158519.68	143792.20	28822.55	28822.55	187342.23	172614.79
CAPITAL EXPENDITURE	3719.18	5580.03	124.00	124.00	3843.18	5704.03

OFFICE & PLANT LOCATIONS

REGISTERED OFFICE

21 Netaji Subhas Road, Kolkata - 700 001
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 Fax: 033 22225292
 Website: www.balmerlawrie.com

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 Fax: 0091 22 66258200
 E-Mail: sherigar.s@balmerlawrie.com

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 Phone: 0091 022 24132421 / 22
 Fax: 0091 022 24137448
 E-Mail: rajesh.i@balmerlawrie.com

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 E-Mail: rajesh.i@balmerlawrie.com

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 Fax: 0091 11 40590692
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 Fax: 0091 260 2699046
 E-Mail: rajesh.i@balmerlawrie.com

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 E-Mail: sarkar.a@balmerlawrie.com

Kolkata T & PD Container Division, P-4/1, Oil Installation Road, Kolkata - 700 088, West Bengal
 Phone: 0091 033 24393795 / 3808
 Fax: 0091 033 24393793
 E-Mail: prasad.tn@balmerlawrie.com

Asaoti Plant Village Piyala, Post Asaoti, Faridabad, Haryana - 121 102
 Phone: 0091 0112 2205073 / 2205322
 Fax: 0091 0129 22215090
 E-Mail: roy.parashar@balmerlawrie.com

Vadodara Sales Office G-5-9 Stop-N-Plaza, Near Offtel Tower, R C Dutt Road, Alkapuri, Vadodara - 390 007, Gujarat
 Phone: 0091 0265 2325459
 Fax: 0091 0265 2314835
 E-Mail: rajesh.i@balmerlawrie.com

Chittoor Plant 62, Patnam (Village & Post), Thavanan Palli, Nandal, Chittoor - 517 131, Andhra Pradesh
 Phone: 0091 08573 281077
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 Fax: 044 25941436

Kolkata Plant P-43, Hide Road Extension, Kolkata - 700 088
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 Fax: 033 2439 2277

Silvassa Plant 201/1, Sayli Rakholi Road, Silvassa - 396 230
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 Fax: 0260 2641315

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 Fax: 022 66361110
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Vadodara Marketing Office G-5-9 Stop-N-Shop Plaza, R C Dutt Road, Alkapuri, Vadodara - 390 007
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 Phone: 97669-09193
 E-Mail: rade.cy@balmerlawrie.com

Bengaluru Marketing Office S-1868, 1st 'H' Main Road, 2nd Stage, 'D' Block, Rajajinagar, Bengaluru - 560 010
 Phone: 080 2342 7210
 Fax: 080 2342 7210
 E-Mail: balmerol@vsnl.net

Raipur Marketing Office Room No. 206, 2nd Floor, Arihant Complex, Station Road, Raipur - 492 009
 Phone: 0265 233 7608 / 232 7473
 Fax: 0265 232 7473
 E-Mail: blglbaroda@vsnl.net

Chennai	Marketing Office	628, Anna Salai, Tenyampet, Chennai - 600 018 Phone: 044 24302503 / 2504 Fax: 044 24302503 E-Mail: srinivasan.s@balmerlawrie.com	Hyderabad	Branch Office	302, Regency House, 680, Samajiguda, Hyderabad - 500 482 Phone: 0091 40 23414553 / 23400642 / 3067 / 0845, 91778 98111 (M) Fax: 0091 40 23406399 E-Mail: a.ramakrishnan@balmerlawrie.com
Kolkata	ARL	P-43, Hide Road Extension, Kolkata - 700 088 Phone: 033 24395405 / 5406 Fax: 033 24395764	Mumbai	Branch Office	5, J N Heredia Marg, Ballard Estate, Mumbai - 400 038 Phone: 0091 66361240(D), 9892546251(M) Fax: 0091 22 66361110 E-Mail: karangutkar.t@balmerlawrie.com
Chandigarh	Marketing Office	House No. 31, Saraswati Vihar, Dhakoli Zirakpur - 160 104 Phone: 8146132396 E-Mail: chopra.n@balmerlawrie.com	Chennai	Branch Office	Balmer Lawrie House, 628, Anna Salai, Teynampet, Chennai - 600 018 Phone: 0091 44 24349593/9343/9038/9737/ 9739/9604, 24338222, 24321209/ 1219, 9600031241 (M) Fax: 0091 44 24342579 E-Mail: prabhakar.m@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	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
Lucknow	Branch Office	20-1, Vidhan Sabha Marg, Lucknow - 226 001 Phone: 0091 522 4931700 (16 Lines) / 701 (D), 9935090101 Fax: 0091 522 493170 E-Mail: khare.m@balmerlawrie.net	Bhubaneswar	Branch Office	2nd Floor, SCR-59, Janpath, Kharavel Nagar, Unit - III, Bhubaneswar - 751 001 Phone: 0091 674 2536225 / 178 / 154, 9937017287 (M) Fax: 0091 674 2536186 E-Mail: singh.arvind@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	Pune	Branch Office	16 & 17, C Wing, Shrinath Plaza, 1st Floor, Dnyaneshwar Paduka Chowk, Fergusson College Road, Pune - 411 005 Phone: 0091 25514330 / 31 / 32 / 33, 9881065932 (M) Fax: 020 25514334 E-Mail: balmerlawrie.pune@gmail.com
Vadodara	Branch Office	5-9, Stop-N-Shop Plaza, R C Dutt Road, Alkapuri, Vadodara - 391 007 Phone: 0265 2353775, 2340196 / 514, 2364267, 9898014721 (M) Fax: 0265 2314835 E-Mail: charan.ps@balmerlawrie.com	Goa	Branch Office	612, Shiv Towers, Near Panjim Bus Station, 6th Floor, Panjim, Goa - 403 001 Phone: 0091 832 2437792 / 93 / 4, 9881065932 (M) Fax: 0832 2437795 E-Mail: blgoa2011@balmerlawrie.com
Ahmedabad	Branch Office	204, 3rd Eye, Panchvati Circle, CG Road, Ahmedabad - 380 009 Phone: 9898014721 / 26464771 / 4773 / 4775 / 4776 Fax: 0091 79 26464774 E-Mail: charan.ps@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
Bengaluru	Branch Office	1, Ground Floor, Batra Centre, 27 & 27/1, Alsoor Road, Bengaluru - 560 042 Phone: 0091 80 25321804/1533/1534/1655/ 1535, 25581004 / 6 / 7 / 8, 25328381(D) Fax: 0091 80 25580090 E-Mail: gupta.sangeeta@balmerlawrie.com; nair.sr@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
Thiruvananthapuram	Branch Office	TC No. 9/1816 (1), Anugraha Sankar Road, Sasthamangalam, Thiruvananthapuram - 695 010 Phone: 0091 471 2314980/4981/5205/5301, 2315027 / 4998 (D), 9895050931 (M) Fax: 0091 471 2315201 E-Mail: mishra.v@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

Bokaro Branch Office Old TA Building, Room No. 14 & 15, Bokaro - 827 001
Phone: 0091 06542 222051, 9939329162(M)
Fax: 0091 06542 221545
E-Mail: tvl.bokaro@balmerlawrie.com

LOGISTICS SERVICES

Kolkata Branch & SBU Office 21, Netaji Subhas Road, Kolkata - 700 001
Phone: 0091 33 22134658, 22225456
Fax: 0091 33 22225282

Mumbai Branch Office 101,102,103 ASCOT Centre, D P Road, Next to Hilton Hotel, Andheri(E), Mumbai - 400 099
Phone: 0091 22 28266707 / 8249
Fax: 0091 22 28364311

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

Bengaluru Branch Office No. 342, Konena Agrahara, Airport Exit Road, HAL Post, Bengaluru - 560 017
Phone: 0091 80 25227221 / 8769
Fax: 0091 80 25227231

Chennai Branch Office Balmer Lawrie House, 628, Anna Salai, Teynampet, Chennai - 600 018
Phone: 0091 44 24302450
Fax: 0091 44 24348066

Hyderabad Branch Office 301, Regency House, 680, Samajiguda, Hyderabad - 500 082
Phone: 0091 40 23415272
Fax: 0091 40 23400958

Ahmedabad Branch Office 204, 3rd Eye, Panchvati Circle, CG Road, Ahmedabad - 380 009
Phone: 0091 79 26464745 / 4746
Fax: 0091 79 26464774

Kochi Branch Office 2nd Floor, Door No. 39/4/108, 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

Lucknow Branch Office GF-8, Ratan Square 20A, Vidhansabha Marg, Lucknow - 226 001
Phone: 0091 522 4931700 to 716
Fax: 0091 522 4931716

Pune Branch Office 10, Aditya Shagun Mall, Bavadhan Khurd, NDA-Pashan Road, Pune - 411 021
Phone: 0091 20 54731573
Fax: 0091 20 54731573

Thiruvananthapuram Branch Office Sivada Tower, 1st Floor, Snnra 17, Pettah, Thiruvananthapuram - 695 024
Phone: 0091 471 2463713 / 477 / 2464476
Fax: 0091 471 2465483

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

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

Gwalior Branch Office FL-163, Deen Dayal Nagar, Gwalior (MP)
Phone: 09630437077 (M)

Bhubaneswar Branch Office 108/B, Janpath, Unit No - III, 2nd Floor, Bhubaneswar - 751 001
Phone: 0674 2536225 / 178
Fax: 0674 2536186

Ludhiana Branch Office C-148, CFS Road, Phase - 5, Focal Point, Ludhiana - 141 010, Punjab
Phone: 8283840706
Fax: 0161 2672 672

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

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

Vadodara Branch Office G-5-9, Stop-N-Shop Plaza, R C Dutt Road, Alkapuri, Vadodara - 390 007
Phone: 0265 2345267
Fax: 0265 2314835

Mangalore Branch Office No. C-1, 1st Floor, Rama Bhavan Complex, Kodiabail, Mangalore - 575 012, Karnataka
Phone: 0091 824 2411868

Guntur Branch Office 103, Sreenivasa Towers, Opp: ITC, G T Road, Guntur - 522 004, Andhra Pradesh
Phone: 8015001599 (M) / 0863 2225111

Indore Branch Office Office No. 101, Blue Diamond, 17-18, Diamond Colony, Dr. R S Bhandari Marg, Indore - 452 001
Phone: 09827727164

PERFORMANCE CHEMICAL

Chennai Plant & SBU Office 32, Sattangadu Village, Manali, Chennai - 600 068
Phone: 0091 44 25946500
Fax: 0091 44 25941156/25945006

Ranipet Technical Service Centre No. 135 & 136, 1st Floor, SIDCO Industrial Estate, SIPCOT, Ranipet - 632 403
Phone: 0091 4172 245018/245019

New Delhi Sales Office F -18A, Kanchan Jangha Apartment, Sector - 53, Noida - 201 301, UP
Phone: 0091 9818669762

Chennai PDC 32, Sattangadu Village, Manali, Chennai - 600 068
Phone: 0091 44 25946604
Fax: 0091 44 25941156

Kolkata Technical Service Centre Zone-1, Plot No. 63A, Calcutta Leather Complex, 24 Paraganas (South), West Bengal - 743 502
Phone: 0091 9836814336

Ambur & Vaniyambadi Technical Service Centre C/o. Zubaida Tanning Industries, No. 4/172, Gudiyatham Road, Thuthipet, Ambur - 635 802
Phone: 0091 4174 244468

Chennai Technical Service Centre 70-72, Developed Industrial Estate, Perungudi, Chennai - 600 096
Phone: 0091 44 24961162

Jalandhar Sales Office 274 - L , Model Town, Jalandhar - 144 003, Punjab
Phone: 0091 9888414422

Kanpur Technical Service Centre 2A/1(A), Albadar Compound, Jajmau, Kanpur - 208 010, U.P.
Phone: 0091 9935061087

LOGISTICS INFRASTRUCTURE

Kolkata SBU Office 21, Netaji Subhas Road, Kolkata - 700 001
Phone: 033 22225556
Fax: 033 22225728

Kolkata CFS P - 3/1, Transport Depot Road, Kolkata - 700 088
Phone: 24506821 / 6835 / 6813
Fax: 24498355
E-Mail: kolkata_cfs@balmerlawrie.net

Mumbai CFS Plot No. 1, Sector 7, Dronagiri Node, Navi Mumbai - 400 707
Phone: 0091 22 27240216
Fax: 0091 22 27242943
E-Mail: blcfsmumbai@gmail.com

Chennai CFS Container Freight Station, 32, Sathangadu Village, Manali, Chennai - 600 068
Phone: 0091 44 25941813, 25940641
Fax: 0091 44 25941863
E-Mail: chennai_cfs@balmerlawrie.net

Kolkata WD (Hide Road) Warehousing & Distribution, P-43, Hide Road Extension, Kolkata - 700 088
Phone: 0091 33 24491346
Fax: 0091 33 24498355
E-Mail: blwd.kol.extn@balmerlawrie.net

Kolkata WD (Sonapur) Warehousing & Distribution, 1, Sonapur Road, Kolkata - 700 088
Phone: 0091 33 24506824 / 6825 / 6840
Fax: 0091 33 24498355
E-Mail: kolkata_wd@balmerlawrie.net

Coimbatore WD Warehousing & Distribution, 5/245, Thadagam Main Road, Kanuvai, Coimbatore - 641 108
E-Mail: coimbatore-wd@balmerlawrie.net

REFINERY & OIL FIELD SERVICES

Kolkata SBU Office 21, Netaji Subhas Road, Kolkata - 700 001
Phone: 00 91 33 22225610, 22134674
Fax: 00 91 33 5444 / 5333

SBU - TOURS, VACATIONS EXOTICA

Mumbai SBU Office 5, J N Heredia Marg, Ballard Estate, Mumbai - 400 001
Phone: 00 91 22 61983399 (board line)
Fax: 00 91 22 61983300
E-Mail: anaita@vacationsexotica.com

New Delhi Branch Office Upper Ground Floor, Kunchanjunga Building, Barakhamba Road Connaught Place, New Delhi - 110 001
Phone: 00 91 11 49518800
Fax: 00 91 11 49518816
E-Mail: venkatraman@vacationsexotica.com

Vadodara Branch Office 1st Floor, Shop No.14, A Wing, Trident Complex, Race Course Circle, Vadodara - 390 007
Phone: 00 91 265 3082131/32/33
E-Mail: luvpagar@vacationsexotica.com

Ahmedabad Branch Office 204, 3rd Eye, 2nd Floor, Opp.White House Building, Panchvati Cross Roads, C.G. Road, Ahmedabad - 380 009
Phone: 00 91 79 40371000
Fax: 00 91 79 40370448
E-Mail: maitri@vacationsexotica.com

Bengaluru Branch Office Cosmopolitan Club, 22nd Cross, 3rd Block, Jayanagar Bengaluru - 560011
Phone: 00 91 80 40815322
Fax: 00 91 80 26637999
E-Mail: pradeep@vacationsexotica.com

Hyderabad Branch Office 302, Regency House, 680, Samajiguda, Hyderabad - 500 082
Phone: 00 91 40 40126565/ 6564/6563
E-Mail: anand@vacationsexotica.com

Mumbai Branch Office Shop No – 2, Neminath, Co-Op. Hsg. Soc. Ltd, Kambli Wadi, Opp. Railway Station, Vile Parle (E), Mumbai – 400 057.
Phone: 00 91 22 42143333 (board line)
Fax: 00 91 22 26121287
E-Mail: pinky@vacationsexotica.com

Chennai Branch Office 1st Floor, Krishnan Complex, Above HDFC Bank, New No. 46B, South Boag Road, T. Nagar, Chennai - 600 017
Phone: 00 91 44 42111900
E-Mail: thiaga@vacationsexotica.com / venkat@vacationsexotica.com

Bhubaneswar Branch Office 2nd Floor, SCR 59, Janpath, Unit III, Kharavel Nagar, Bhubaneswar - 751 001
Phone: 00 91 674 2536225 / 178 / 154
E-Mail: meenu@vacationsexotica.com

Chandigarh Branch Office SCO-53, First Floor, Sector-47C, Chandigarh - 160 047
Phone: 00 91 0172 2630752
Fax: 00 91 0172 2632368
E-Mail: anuradha@vacationsexotica.com virender@vacationsexotica.com

IMPORTANT COMMUNICATION TO SHAREHOLDERS

Dear Shareholder,

Sub: SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE UNDER GREEN INITIATIVE IN THE CORPORATE GOVERNANCE.

It may be recalled that the Ministry of Corporate Affairs (MCA) had 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 had 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 and have recorded their positive consent with the company.

Section 20 of the Companies Act, 2013 provides that a document may be served on any member by sending the same to him *inter alia* by such electronic or other mode as may be prescribed. Rule 35[3] of the Companies [Incorporation] Rules, 2014 stipulates that a document may be served on any member through electronic transmission.

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 and in case of physical shareholders, as intimated to the Registrars of the Company. 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 'Investors/ Annual Reports') for viewing by the members.

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. (RSTA) by post or by e-mail to kolkata@linkintime.co.in. The members who have already registered their email addresses may up-date their e-mail addresses with the DP/RSTA in case of any change therein.

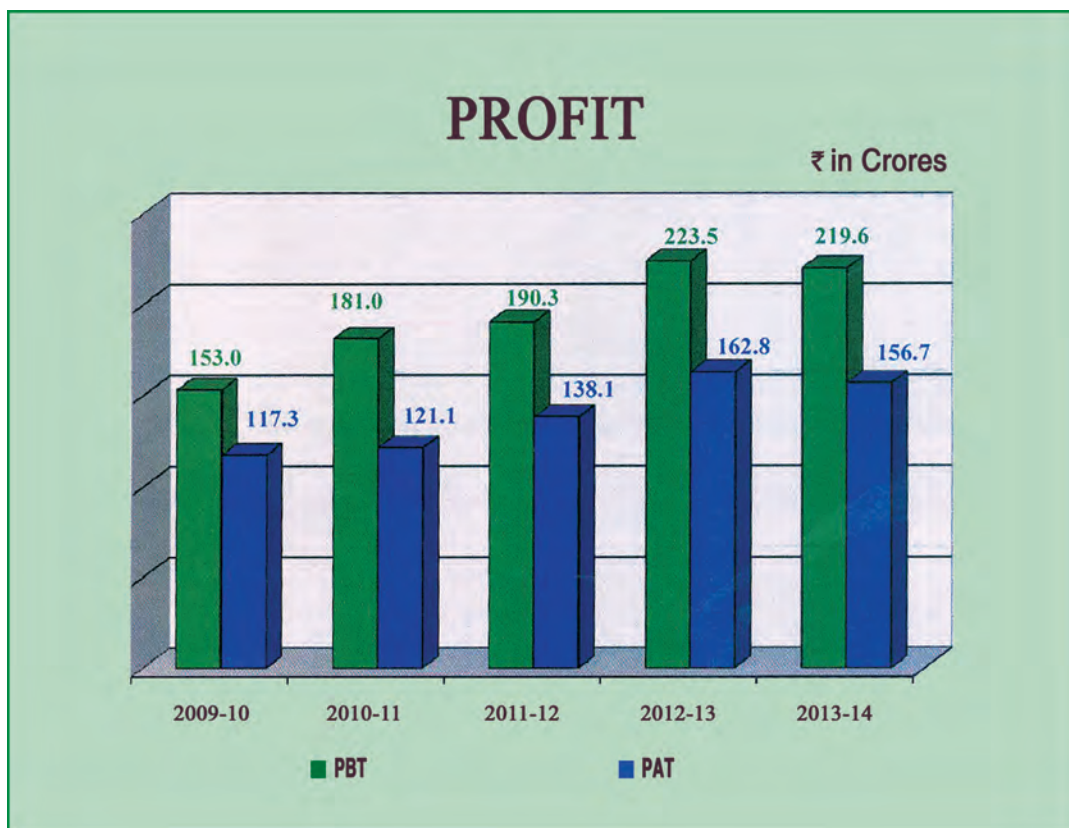
For members who choose not to opt for the Green Initiative, hard copy of Notices, Annual Report and other communication would continue to be sent by the Company.

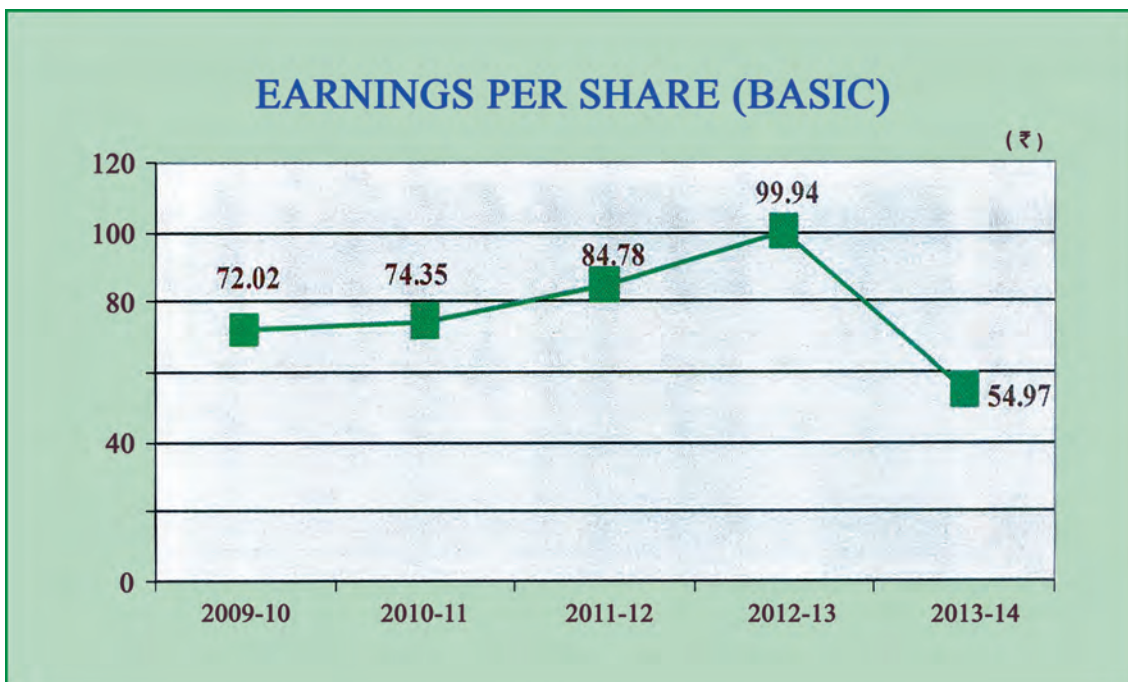
Thanking you,
Yours faithfully,
Balmer Lawrie & Co. Ltd.

Amit Ghosh
Company Secretary

Place : Kolkata
Date : 19 August, 2014

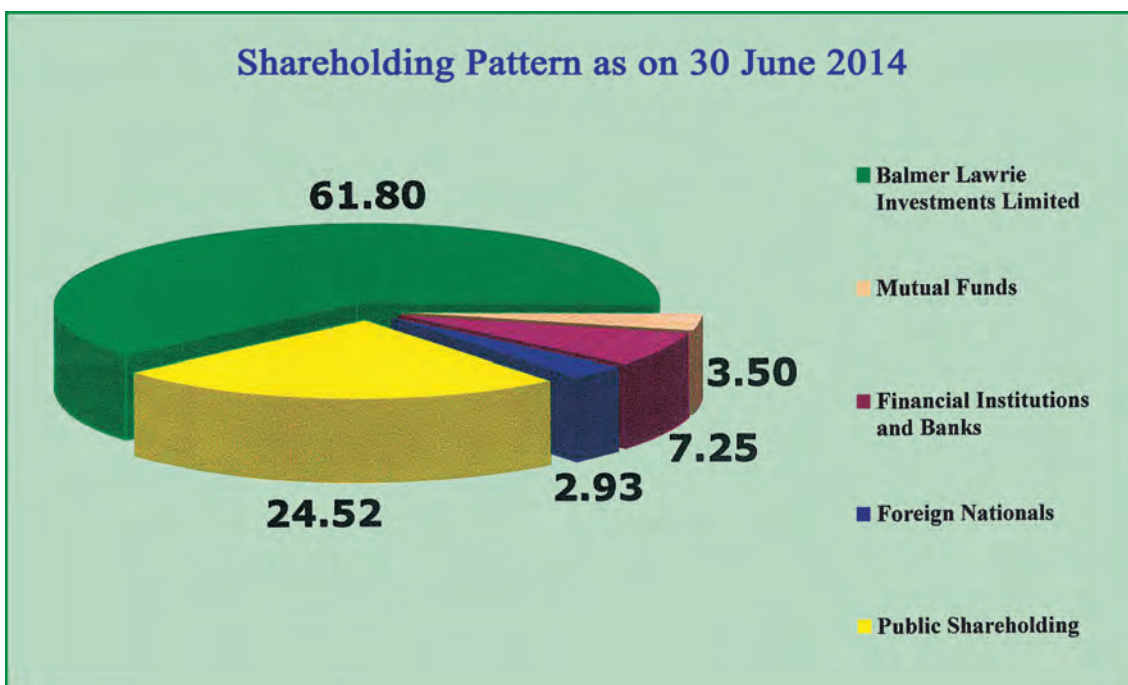
Graphical Representation





Note

Earning Per Share for the financial year 2013-14 has been based on the expanded capital base of 2,85,00,641 nos. of shares consequent to the bonus issue of additional 1,22,14,560 nos. equity shares of ₹ 10 each on 25th May, 2013, whereas for the earlier years it is based on a capital base of 1,62,86,081 nos. of shares.





Inauguration of the 148th Foundation Day Celebrations at Kolkata



SBU: Performance Chemicals at the All China Leather Exhibition, Shanghai



SBU: T&T and LS at Defence Expo 2014, New Delhi



20,000 Water Backpacks distributed across India as part of CSR



Balmerol branded bus stop at Kolkata



BL acquired "Vacations Exotica" in February, 2014



Tours and Travel office at Kolkata



130 KWp Solar Power plant at Industrial Packaging, Asaoti

BALMER LAWRIE - UAE



BALMER LAWRIE - VAN LEER



TRANSFAE SERVICES



PT BALMER LAWRIE
INDONESIA



BALMER LAWRIE HIND TERMINAL



AVI - OIL

Leading ahead with time

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



SINCE 1867

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

(A Mini Ratna I PSE)
www.balmerlawrie.com



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 5329 / 5314 / 5209

SECRETARY'S DEPARTMENT

21, Netaji Subhas Road, Kolkata - 700 001 (INDIA)
Phone : (91) (33) 2222 5329 / 5314 / 5209
CIN : L15492WB1924GOI004835

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	31st March 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared – • first time : YES • repetitive : N.A. • since how long period : N.A.
5.	To be signed by- • CEO/Managing Director : • CFO : • Auditor of the Company (SARAD JHA) : • Audit Committee Chairman :	<p>For VIDYA & CO. SARAD JHA Partner Vidya & Company.</p>