



**बामर लॉरी एण्ड कं. लिमिटेड**  
(भारत सरकार का एक उद्यम)  
**Balmer Lawrie & Co. Ltd.**  
(A Government of India Enterprise)

सचिव 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  
E-mail : bhavsar.k@balmerlawrie.com  
CIN : L15492WB1924GOI004835

Ref: SECY/StockExchange/2016/

Date: 23<sup>rd</sup> September, 2016

The Secretary,  
National Stock Exchange of India Ltd.  
Exchange Place  
Bandra-Kurla Complex  
Bandra (E),  
Mumbai - 400 051  
Company Code : **BALMLAWRIE**

The Secretary,  
BSE Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001  
Company Code : **523319**

Dear Sir(s),

**Sub.: Submission of Annual Report in terms of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)**

Pursuant to **Regulation 34(1)** of the **SEBI (LODR)** please find attached the Annual Report as approved and adopted by the members in the 99<sup>th</sup> Annual General Meeting of the Company, held on Thursday, 22<sup>nd</sup> September, 2016 at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Chowdhury Avenue, Kolkata - 700 019 at 10:30 a.m.

Kindly acknowledge receipt of the same.

Thanking You,

Yours faithfully,

For Balmer Lawrie &amp; Co. Ltd.

Kaustav Sen

Compliance Officer

Enclosed: As above

Cc: The Assistant Vice President, NSDL  
The Vice President (Operation), CDSL

# बामर लॉरी एण्ड कं. लिमिटेड Balmer Lawrie & Co. Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)



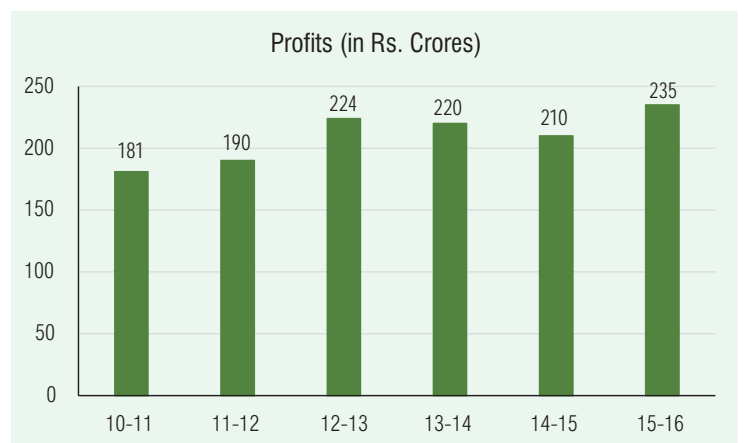
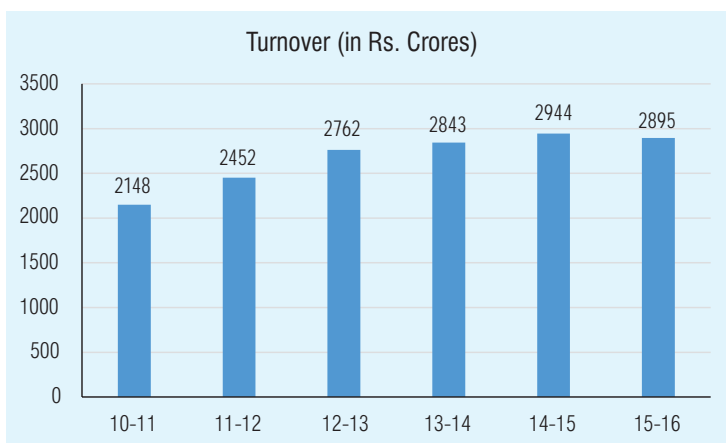
ANNUAL REPORT 2015 - 16

**A MINIRATNA I PSE**  
(Under Ministry of Petroleum & Natural Gas)



# VISION

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



# 150<sup>th</sup> FOUNDATION DAY CELEBRATIONS



Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent Charge), MOPNG, GOI inaugurates the 150<sup>th</sup> Foundation Day celebrations in Kolkata



Balmer Lawrie stepped into its 150<sup>th</sup> year of Foundation on 1<sup>st</sup> February, 2016. The first week of February witnessed moments that all Balmer Lawriens would fondly cherish in the years to come. After the week long celebrations that commenced from 1<sup>st</sup> February, all employees along with their families celebrated the 150<sup>th</sup> Foundation Day with great enthusiasm. While the units and establishments across the country celebrated the occasion on 7<sup>th</sup> February, the Eastern Region celebrated it on 12<sup>th</sup> February. It was a matter of great pride and honour to have Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent Charge), Ministry of Petroleum & Natural Gas, GOI as the Chief Guest of the function at Kolkata. Hon'ble Minister interacted with the media before the inauguration and later addressed all present on the occasion. Balmer Lawrie is extremely grateful to him for taking time off his busy schedule and joining the celebrations.





# Strategic Business Units of Balmer Lawrie

INDUSTRIAL PACKAGING | GREASES & LUBRICANTS | LEATHER CHEMICALS | TRAVEL & VACATIONS | LOGISTICS | REFINERY & OIL FIELD SERVICES

**Balmer Lawrie**  
INDUSTRIAL PACKAGING

**Balmerol**<sup>®</sup>  
LUBRICANTS

**BALMOL**



**Balmer Lawrie**  
TRAVEL & VACATIONS

*Vacations & Experiences*<sup>™</sup>  
A world of difference

**Balmer Lawrie**  
LOGISTICS

**Balmer Lawrie**  
REFINERY & OIL FIELD SERVICES

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**Company Information**

**Board of Directors** : Shri Prabal Basu, Chairman & Managing Director  
: Ms. Manjusha Bhatnagar, Director (Human Resource & Corporate Affairs)  
: Shri D Sothi Selvam, Director (Manufacturing Businesses)  
: Shri Kalyan Swaminathan, Director (Service Businesses)  
: Shri Shyam Sundar Khuntia, Director (Finance) & Chief Financial Officer  
: Shri Alok Chandra, Government Nominee Director  
: Shri Prashant Sitaram Lokhande, Government Nominee Director

**Company Secretary** : Ms. Kavita Bhavsar

**Registered Office** : Balmer Lawrie & Co. Ltd.  
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  
: Vijaya Bank

**Statutory Auditors** : Messrs. Dutta Sarkar & Co.  
7A, Kiron Sankar Roy Road,  
Kolkata – 700 001

**Branch Auditors** : Messrs. R K Kumar & Co.  
2<sup>nd</sup> Floor, Congress Building  
573, Anna Salai,  
Chennai – 600 006  
: Messrs. P M Dalvi & Co.  
26, 3<sup>rd</sup> Floor, Laxmi Narayan Baug,  
Bal Govind Das Road, Mahim West  
Mumbai – 400 016  
: Messrs. BGJC & Associates  
2<sup>nd</sup> Floor, Raj Tower 1, G-1  
Alaknanda Community Centre  
New Delhi – 110 019

**Internal Auditors** : Messrs. Deloitte Haskins & Sells  
Bengal Intelligent Park Building Alpha  
1<sup>st</sup> 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, 3<sup>rd</sup> Floor  
Kolkata – 700 020

**MANAGEMENT TEAM**

Sl. No.	Name	Qualification	Designation	Date of Birth	Date of Joining Balmer Lawrie	Total years of experience as on 31-07-2016
1	SHRI PRABAL BASU	B.COM (HONS), ACA, ACMA, ACS, EXEC PROG IN GENL MGMT (MIT)	CHAIRMAN & MANAGING DIRECTOR	18.10.1963	04.04.1988	30
2	MS. MANJUSHA BHATNAGAR	B.SC., MBA	DIRECTOR [HUMAN RESOURCE & CORPORATE AFFAIRS]	24.01.1958	30.12.2014	36
3	SHRI D SOTHI SELVAM	B.TECH., MBA, PG DIPLOMA IN JOURN & COMMN	DIRECTOR [MANUFACTURING BUSINESSES]	31.07.1960	02.01.2015	33
4	SHRI K SWAMINATHAN	ACMA, ACS	DIRECTOR [SERVICE BUSINESSES]	15.02.1960	02.11.2009	33
5.	SHRI SHYAM SUNDAR KHUNTIA	B.SC., CA, CMA	DIRECTOR [FINANCE] & CHIEF FINANCIAL OFFICER	01.05.1960	28.03.2016	30
6.	SHRI BISWARUP CHAKRABORTI	BE (METALLURGICAL), PGD IN SQC, DIPLOMA IN MGMT	EXECUTIVE DIRECTOR [INDUSTRIAL PACKAGING]	14.02.1957	04.05.1985	35
7.	SHRI MANOJ LAKHANPAL	B.COM, CA	SENIOR VICE PRESIDENT [NEW INITIATIVES & PROGRAMME DELIVERY]	15.08.1958	15.04.1988	35
8.	SHRI ADIKA RATNA SEKHAR	B.A., MSW	SENIOR VICE PRESIDENT [HUMAN RESOURCE]	10.06.1964	27.01.2014	28
9.	SHRI R RAVISHANKAR	B.SC, DEGREE IN LAW, DIPLOMA IN TRAVEL & TOURISM, DIPLOMA IN MARKETING MGMT	CHIEF OPERATING OFFICER [TRAVEL & VACATIONS]	04.01.1959	01.02.2014	36
10.	SHRI R M UTHAYARAJA	BE	CHIEF OPERATING OFFICER [LEATHER CHEMICALS]	11.08.1967	31.12.2014	25



## Balmer Lawrie & Co. Ltd.

Sl. No.	Name	Qualification	Designation	Date of Birth	Date of Joining Balmer Lawrie	Total years of experience as on 31-07-2016
11.	SHRI VIJAY KUMAR BATRA	B.COM, M.COM	SENIOR VICE PRESIDENT [CO-ORDINATION]	01.07.1957	04.07.1979	37
12.	SHRI ABHISHEK AGARWAL	BE (COMP SCIENCE), MS (SOFTWARE SYSTEMS)	CHIEF INFORMATION OFFICER	28.01.1973	09.02.2015	21
13.	SHRI MANAS KUMAR GANGULY	B.COM [HONS], CMA (INTER)	CHIEF OPERATING OFFICER [LOGISTICS]	03.09.1968	16.03.2015	25
14.	SHRI SREEJIT BANERJEE	B.SC., B.TECH	CHIEF OPERATING OFFICER [GREASES & LUBRICANTS]	04.06.1967	01.04.2016	23
15.	SHRI AMRIT MUKHOPADHYAY	BE (CIVIL) ME (COLLABORATIVE) IN PROJ ENGG, MBA	SENIOR VICE PRESIDENT (TECHNICAL)	11.12.1957	03.12.1984	37
16.	MS. KAVITA BHAVSAR	B.COM (HONS), FCS, LLB, PGDFM	COMPANY SECRETARY	11.02.1968	08.12.2014	26

### DEPUTED / SECONDED FROM BALMER LAWRIE TO JOINT VENTURE COMPANY

1.	SHRI ABHIJIT ROY	B.SC (CHEMISTRY) M.SC (ORGANIC)	PRESIDENT DIRECTOR, PT. BALMER LAWRIE INDONESIA	19.11.1958	01.07.1982	34
2.	SHRI SAMIR GHOSH	B.COM (HONS), M.COM, LLB, CA, CMA	CHIEF EXECUTIVE OFFICER TRANSFAE SERVICES LIMITED	02.05.1957	10.12.1986	37
3.	SHRI SANTANU CHAKRABARTI	BE	HEAD - SALES & MARKETING, TRANSFAE SERVICES LIMITED	05.10.1961	16.09.2002	33
4.	SHRI BISHWAJIT NANDI	AMIE PGDM	CHIEF EXECUTIVE, BALMER LAWRIE [UAE] LLC, DUBAI, UAE	12.03.1962	07.07.1987	29

**CHAIRMAN'S ADDRESS**



Dear Esteemed Members,

It is my pleasure to welcome all of you to the 99<sup>th</sup> Annual General Meeting of your Company. The year 2016 is a landmark year for your Company as it has stepped into its 150<sup>th</sup> year of Foundation. We are extremely fortunate to witness this unique milestone of your Company, which is a testimony of the vision, entrepreneurship spirit and commitment of our Founders and Leaders. It is a matter of great pride that today, your Company has a unique place in the corporate history of the nation. We cherish our journey and our rich heritage and we plan to celebrate the completion of your Company's 150 years in a grand manner. This very special anniversary is also an opportunity to walk down memory lane, to introspect and plan the way forward.

Your Company has gone through number of transformations since its inception. It was formed as a partnership firm on 1<sup>st</sup> February, 1867 by its Founders Mr. Stephen George Balmer and Mr. Alexander Lawrie. In the initial years, your Company operated as an 'agency house' and the agency business was mainly in trading. The basic character of the business i.e. 'commission agency' remained unaltered for many years. Your Company became a Pvt. Ltd. company in 1924, a Public Ltd. company in 1936 and then a Government of India Enterprise in 1972, evolving into a diversified conglomerate with strong leadership in both manufacturing and service businesses. We have crossed many major milestones in our journey and our success today, is due to the fact that the right course

was set years or even decades ago. I feel proud to say that your Company has never made losses in its journey of 149 years.

Before I interact with our distinguished Members, I express my gratitude to all of you for your continued trust, support and patronage that you have put in this Company since the last 149 years. It is my privilege to present to you the Annual Report of the Company for the Financial year 2015-16. May I take this opportunity to brief the stakeholders about your Company's performance during 2015-16 and the environs it had been working in!

The unusual and prolonged volatility in the global economy has dampened investors' sentiment and global recovery is not yet in sight. The uncertainties and challenges seem to be many with risks of extreme events rising. Amidst this gloomy landscape, India's macro-economy is stable, founded on the government's commitment to fiscal consolidation and low inflation. Its economic growth is amongst the highest in the world, aided by a reorientation of government spending towards required public infrastructure. Inflation, the fiscal deficit, and the current account deficit have all declined. Economic growth appears to be recovering, albeit at varying speeds across sectors.

Agriculture is expected to register better growth this year owing to favorable monsoon. Industrial growth has shown significant improvement primarily on account of the remarkable acceleration in manufacturing (9.5% vis-à-vis 5.5% in 2014-15). The service sector remains the key driver of India's economic growth, contributing almost 66.1% of its gross value added growth in 2015-16, important net foreign exchange earner and the most attractive sector for foreign direct investment inflows. However, the global slowdown has cast a

shadow even on this promising sector.

Growth in 2016-17 may not pick up dramatically from the levels achieved in 2015-16 as the possibility of slow global economic growth and financial sector uncertainties still loom large. The Indian economy is expected to register growth in excess of 7% for the third year in succession.

Hence, I can conclude that, despite the many challenges, there remains considerable room for optimism. Reflecting the better economic performance and the commitment of the government to reforms, the global perception about India's competitiveness has improved as per the Global Competitiveness Index of the World Economic Forum. Significantly, at position 55, India went up 16 rungs up the ladder in 2015-16, which is the largest gain among the major economies.

Against the aforesaid macro-economic backdrop, it has been seen that the core competency of the Company lies in its ability to handle multiple diversified businesses in a manner to keep topline and bottomline healthy, despite adverse fluctuations in business segments.

I would now like to discuss the performance of the various Strategic Business Units (SBUs).

### **INDUSTRIAL PACKAGING [SBU:IP]**

SBU:IP is the largest manufacturer of Steel Barrels in India and is a trend setter in the industry in terms of quality and technology. Steel Barrels are utilized for safe packaging and transportation of liquid, semi-liquid, pulp, greases, powder etc. The SBU has been catering to the Steel Barrel requirements of neighbouring countries as well.

The main drivers of rigid industrial packaging are

underlying growth of customer industries, shift between different materials due to changing customer needs and standardization of products increasing comparability between packaging products.

The SBU is making entry to new market segments such as PCPIR and also into markets where it does not have substantial presence. Sales volume of the SBU during the year 2015-16 was marginally less than the previous year, which was accomplished despite the shrinkage of available markets in the wake of directives to Government companies to procure MS Drums only from Small & Medium Enterprises. The new state-of-the-art barrel manufacturing plant at Navi Mumbai has stabilized and since the plant is located close to the largest consumption centre for Steel Barrels in the Western Region, it has a competitive advantage. The closure of the IP, Sewree plant was completed in a congenial environment.

### **GREASES & LUBRICANTS [SBU:G&L]**

The business of SBU:G&L may be divided into:

- a) Processing / Contract / Manufacturing
- b) Direct Sales or what the SBU refers to “Balmerol” sales segment which, in turn may be further classified into –
  - i) Institutional / Industrial Sales – basically sales to Railways, Defence, Steel, Coal Sector, OEM, Sponge Iron, Power & Infrastructure
  - ii) Retail Sales
  - iii) Export

In 2015-16, due to the challenging business

environment and volatility in the lubricants market and also falling base oil prices, the SBU recorded a 7.94% negative growth in turnover over the previous year. This was registered despite various constraints holding up growth of the manufacturing sector.

The bottomline of the SBU during the year has seen a significant turnaround over the last year mainly due to the favourable impact of lower base oil prices.

The SBU is laying thrust on the retail sector and has also been working on implementation of DMS (Distributor Management System) primarily for retail functions to track the secondary sales and to increase operational efficiency.

The SBU's R&D Centre, known as the Application Research Laboratory (ARL) located in Kolkata, developed tribological solutions using the unique “DEKATROL technology” which has a ten-point advantage, is eco-friendly, helps to reduce frictional energy losses, enhance fuel economy and also the life of the product. The solutions developed using “WOWtech” technology provide extra protection and act as a strong shield for the engine, clutch and gear for 2 wheeler applications.

The SBU has implemented ISO/TS 16949:2009 at its Silvassa facility to bring in international practices in Quality Management System towards design and manufacture of lubricants. The SBU has implemented SAP effective 1<sup>st</sup> July, 2015.

### **LEATHER CHEMICALS [SBU: LC]**

The Government of India had identified the Leather Sector as a Focus Sector in the Indian Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation. The Indian leather industry aims to augment production, thereby

## Balmer Lawrie & Co. Ltd.

enhance export, and resultantly create additional employment opportunities.

Being the major market share holder in the Synthetic Fat Liquors (SFL) segment, the SBU has good opportunities to grow. There is potential available for the Syntan market where the SBU can penetrate further. The newly introduced Beam House Chemical, Balgresol SOC was well appreciated by our customers. New dealers have been appointed to improve the distribution system across the country. However, the threat of shrinking market always lurks on this industry.

In spite of lower sales volume achieved during 2015-16 as compared to the previous year, the SBU turned around to earn profits by improving process efficiency and undertaking operational excellence initiatives.

### **SBU: LOGISTICS**

Under this SBU, there are two verticals viz., Logistics Infrastructure and Logistics Services.

#### **A. LOGISTICS INFRASTRUCTURE**

The Logistics Infrastructure business comprises three main segments viz., Container Freight Stations (CFS) typically set up in the vicinity of Ports, Warehousing & Distribution (W&D) and Temperature Controlled Warehouses (Cold Chains).

Presently, the Company has three state-of-the-art CFSs located at Nhava Sheva (Navi Mumbai), Chennai and Kolkata. Incidentally, these three ports account for nearly 54% of the total container traffic handled in Indian Ports, and this has gone down by 1.9% as compared to last year. The drop was mainly attributable to the frequent congestion at JNPT and better infrastructure facility and increase in vessel frequency at non-major ports such as Mundra, Pipavav

and Krishnapatnam.

The import volume in the three ports of JNPT, Kolkata and Chennai improved by 0.5% and the volumes moved to CFS from Port in these three cities rose sharply by 7% during 2015-16 as compared to the earlier year.

Warehousing & Distribution facilities are presently available at Kolkata and Coimbatore. The Indian Warehousing industry of late has transformed itself into an active one by providing additional Value Added Services (VAS).

Emergence of new storage models such as MMLP (Multi Modal Logistics Park) is an evolved form of modern warehousing offering various Value Added Services apart from traditional storage functions. These services would improve quality of warehousing and storage space in the country although land acquisition issues, high capital investment, low technology penetration, lack of supporting infrastructure and fragmented market are collectively impeding the growth of this business segment. Balmer Lawrie is setting up its MMLH project at Vizag in collaboration with the Joint Venture partner M/s Visakhapatnam Port Trust (VPT). Based on the MOU signed with VPT, land of approximate 53 acres was allotted to the JV between VPT and BL for putting up a Multi Modal Logistics Hub. In this Multi-Modal Logistics Hub, facilities will be created for handling Exim and Domestic Cargo.

The Logistics Infrastructure and Logistics Services verticals continue to drive the bottomline of the Company. During the year, the CFS business grew in volumes, revenues and earnings as compared to the previous year, primarily due to your Company adding business from new customers even while retaining its present set of customers.

Warehousing activity performed exceedingly well during the year due to better utilization of space.

The CFS business depends on the Exim trade of the country. Any fluctuation in trade directly impacts the container traffic volumes. Further, there is a growing trend amongst large and well established importers to avail the green channel facility, whereby direct delivery is taken of import laden boxes from the Port bypassing the CFSs, as it is more cost effective. These are being addressed through appropriate management intervention, employee involvement and improved processes.

## **B. LOGISTICS SERVICES [LS]**

The industry is becoming more competitive with the entry of global giants and large Indian corporate houses. A plethora of companies are also planning to broaden their area of operations and are also planning to develop their own logistics parks across the country. Air freight services continue to be a dominant activity of LS and provides more than 50% of the SBU's overall topline.

The dismantling of Transchart has opened the floodgate of opportunities in ocean freight activity which, the SBU is keen on capitalising. Improvement in service levels is continuously ushered in through CRM and better utilisation of technology.

During the year LS achieved a growth of 8% in topline which is primarily on account of surge (20% growth YOY) in air freight services activity partly offset by dip in ocean freight earnings due to volatility in the Global Ocean Freight market. There were multiple merger & acquisitions in Shipping Lines for optimum use of their services because of global slowdown. Your Company, also suffered, like many in the industry due to reduction in profit margins.

Your Company, during the year, worked on upgrading technology for its LS operation. Its operation software is undergoing major revamp and the benefits are likely to accrue in the coming years.

The SBU during 2015 -16 achieved the highest ever topline since its inception, registering a growth of 8% year on year.

## **TRAVEL & VACATIONS [SBU:T&V]**

SBU: T&V is one of the largest tours & travel operators in the country, which provides end to end domestic and international travel, ticketing, tourism and MICE related services to its clients. It is one of the oldest IATA accredited travel agencies in India. Operating from more than 88 locations across 19 cities in the country, Balmer Lawrie works round the clock to provide reliable, innovative and cost effective travel solutions to its customers. Apart from the Central Government Ministries and Public Sector Undertakings/Enterprises, the SBU has started servicing private customers as well.

Travel business in general is passing through difficult times. Government officials have reduced their air travel as part of austerity measures. Corporate travel is not increasing with the advent of video conferencing, meeting through skype etc.

The acquisition of brand Vacations Exotica has opened up new avenues for the SBU. Known for its innovative products, the SBU now has an access to various other streams of revenue like Hotels, Transportation, Holiday Packages and Forex.

The ticketing vertical continues to be topline driver for your Company. The successful implementation of the SBT (Self Booking Tools) in some PSUs present an

opportunity to the SBU to venture out and add Private sector corporates to its list of clientele. Possibilities of some major customers of your Company buying tickets through internet is not ruled out.

During the year, the topline almost remained flat. This is because of the average fares coming down sharply in 2015-16 compared to 2014-15 due to reduction in aviation fuel prices. However, the number of tickets booked went up significantly for the SBU. The SBU's financial performance was also noteworthy as it improved compared to the previous year.

Keeping in view of the changing trends in the travel industry, the SBU has embarked on a major plan to upgrade its technology, which will help to improve its service levels and reduce overheads.

### **REFINERY AND OIL FIELD SERVICES [SBU: ROFS]**

SBU: ROFS is engaged in the activity of Mechanized Sludge/Sediment Cleaning and Hydrocarbon Recovery Services of the crude oil storage tanks. This continues to be a niche industry with a very limited number of players and your Company is a pioneer and leader in this market.

The SBU continues to enjoy a sizeable market share in the processing of oily sludge. Additional growth opportunity exists with the applicability of strict pollution norms in the Oil and other related industry.

In 2015-16, the SBU has achieved growth above the last year's turnover and also substantial increase in segmental profit. This is owing to robust market demand for services along with improvement in operational efficiency and effective cost control by the SBU.

### **OVERALL FINANCIAL PERFORMANCE**

Your Company recorded a turnover of Rs.289495 Lakhs in 2015-16 representing a marginal reduction of 1.67% over 2014-15. However, the Profit Before Tax (PBT) marked a significant increase to Rs.23454 Lakhs from Rs.21044 Lakhs in the preceding year. SBUs: Industrial Packaging, Greases & Lubricants and Refinery and Oil Field Services are the main incremental profit generators of your Company.

The Board of Directors has recommended a dividend at the rate of Rs.20 per Equity share which corresponds to 200% for the financial year 2015-16 for declaration by the members in the 99<sup>th</sup> Annual General Meeting.

### **THE FIRST QUARTER: 2016-17**

The Unaudited Financial Results for the First Quarter ended 30<sup>th</sup> June, 2016 were approved by the Board at its meeting held on 10<sup>th</sup> August, 2016. Your Company registered a decrease in gross and net turnover by 2% each over the corresponding quarter in the preceding financial year. However, Profit Before Tax (PBT) and Profit After Tax (PAT) have increased substantially in comparison to the corresponding period of the preceding financial year. The increase is primarily due to favorable base oil and steel prices and several operational efficiency improvement initiatives taken by your Company. The collection from Debtors remains a major cause of concern and this is primarily due to change in market practice. The inventory factor days have shown significant improvement. However, your Company is quite optimistic about registering a positive growth in the upcoming three Quarters.

### **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 your 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 advent of Companies Act, 2013 and the related Rules followed by Listing Regulations, there has been a material change in the area of statutory compliances. Your Company is making best efforts to adapt and comply with the changing statutes. During the year number of policies were adopted as per the requirement of the statute and to standardize the various activities and procedure of the organization.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company believes in giving back to the Society. Our motto is sustainable growth. As a responsible corporate citizen, we undertake several CSR activities for the benefit of the society.

Balmer Lawrie's CSR initiatives are driven by two Flagship Programs - Balmer Lawrie Initiative for Self-Sustenance [BLISS] and Samaj Mein Balmer Lawrie [SAMBAL]. While the first Program is directed at providing and improving the long term economic

sustenance of the underprivileged, the second Program aims at improving the living standards and quality of life of the population in and around your Company's work-centers. During the year 2015-16 your Company spent Rs.394 Lakhs towards various CSR activities.

### **ACKNOWLEDGEMENT**

I take this opportunity to thank all of you for your 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 for the guidance and encouragement provided to your Company. I also wish to thank other Ministries of the Government of India and other Governmental authorities for their co-operation.

I would like to thank our holding company, Balmer Lawrie Investments Ltd., its valued shareholders, our valued customers, vendors, business associates, bankers, financial institutions and other stakeholders for their continued support and co-operation.

Our performance during the year was driven by the dedication and commitment of our employees. Our employees are our biggest strength. I would like to record my appreciation for the efforts of all my colleagues at Balmer Lawrie for their dedication and hard work.

It was a combination of many factors which made Balmer Lawrie a successful enterprise. Our success story has been possible only because of a high-performing and motivated leadership team and the



commitment of each individual employee. We want to continue our growth journey and touch the zeniths of success in all our endeavours. Finally, I must convey my gratitude to my colleagues on the Board for their wise counsel and valued involvement.

I wish all of us have a great 150<sup>th</sup> anniversary year. We are grateful for your presence today. Thank you, once again for the trust and confidence reposed on Balmer Lawrie.

**Prabal Basu**

**Chairman & Managing Director**

10<sup>th</sup> August, 2016

Kolkata

## BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting the 99<sup>th</sup> Report on the operations and results of your Company for the Financial year ended 31<sup>st</sup> March, 2016, together with the Audited Financial Statement, Auditor's Report and the Comments of Comptroller & Auditor General of India on the Accounts of the Company.

## Financial Summary &amp; Highlights

(₹ in Lakhs)

	STANDALONE FINANCIAL RESULTS		CONSOLIDATED FINANCIAL RESULTS*	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Surplus for the year before deduction of Finance Charge, Depreciation and tax	26619	24185	32122	28704
Deduct there from:				
i. Finance Charges and depreciation	3165	3141	6866	6890
ii. Provision for Taxation	7134	6300	7368	6601
Profit After Tax (PAT)	16320	14744	17888	15213
Add Transfer from:				
Profit & Loss Account	45676	40334	44630	46490
<b>Total amount available for Appropriation:</b>	<b>61996</b>	<b>55078</b>	<b>62518</b>	<b>61703</b>
Appropriations:				
Interim Dividends	—	—	—	208
Proposed Dividend @ Rs.20 per equity share (previous year Rs.18 per equity share)	5700	5130	7038	6386
Corporate Tax on Dividend	1193	1073	1225	1194
Transfer to General Reserve	3000	3000	3834	3984
Adjustment for Depreciation	—	199	—	247
Minority interest / Foreign Exchange Conversion Reserve etc.	—	—	—	5054
Surplus carried forward to next year	52103	45676	50421	44630
<b>Total of Appropriations</b>	<b>61996</b>	<b>55078</b>	<b>62518</b>	<b>61703</b>

\* The Board's Report is based on standalone results and this information is given as an added information to the members.

## Overview of the state of the Company's Affairs

- The Company recorded a Turnover of Rs.289495 Lakhs (inclusive of Excise Duty) during 2015-16 which was a marginal reduction from Rs.294404 Lakhs (inclusive of Excise Duty) in 2014-15, representing a fall of around 1.67% over the previous year.
- However, the Profit Before Tax during 2015-16 which aggregated to Rs.23454 Lakhs, had made a significant increase from Rs.21044 Lakhs in 2014-15 registering an increase of 11.45% over the previous year. Thus the Company had achieved the highest ever profit in its history.
- The Profit After Tax for 2015-16 increased to Rs.16320 Lakhs from Rs.14744 Lakhs in 2014-15.
- The Strategic Business Units: (a) Industrial Packaging, (b) Greases and Lubricants and (c) Refinery & Oil Field Services were the main drivers of incremental profit generation for the Company during 2015-16.
- The Reserve and Surplus of your Company increased to Rs.103776 Lakhs as on 31<sup>st</sup> March 2016 compared to Rs.87456 Lakhs as on 31<sup>st</sup> March 2015.

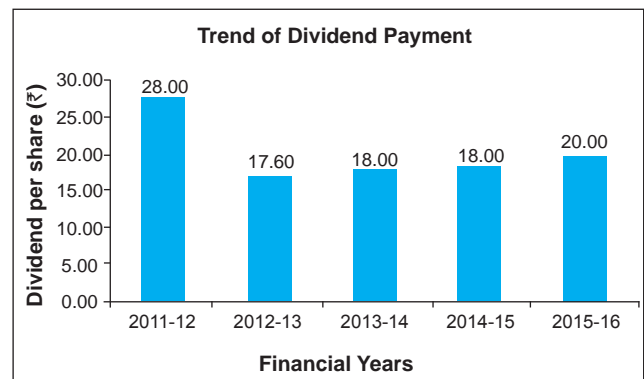
## Share capital

The paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2016 stood at Rs.28,50,06,410. During the year under review, the Company has not issued any share with differential voting rights nor has granted any stock options or sweat equity shares.

## Dividend

A dividend of Rs.20/- (Rupees Twenty only) per Equity Share of the face value of Rs.10 each fully

paid up on the paid-up Equity Share Capital as on 31<sup>st</sup> March, 2016 has been recommended by the Board of Directors, for declaration by the Members at the ensuing 99<sup>th</sup> Annual General Meeting (AGM) to be held on 22<sup>nd</sup> September, 2016. Subject to the approval of the Shareholders in the ensuing 99<sup>th</sup> AGM, dividend will be paid either by way of warrant, demand draft or NECS mode and will be paid to those Shareholders who would be holding shares of the Company as on 15<sup>th</sup> September 2016 End of Day. In respect of shares held electronically, dividend will be paid to the beneficial owners, as per details to be furnished by their respective Depositories, i.e., either Central Depository Services (India) Ltd. or National Securities Depository Ltd. The trend of past dividend payment is depicted below:



Note: Dividend rate for 2013-14, 2014-15 and 2015-16 are post Bonus issue made in May 2013.

## Material changes and commitments affecting the Financial position of the Company occurred between the end of the Financial year and the date of the Report

No material changes and commitments have occurred after the close of the Financial year till the date of this Report, which could affect the Financial position of the Company.

## Management Discussion and Analysis Report

An analytical Report on the businesses of the Company

as required under the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 – covering both manufacturing and service activities – is furnished along with this Report under the heading “Management Discussion and Analysis Report” and attached as “Annexure 1”.

### **Consolidated Financial Statements**

The Financial Statements and results of your Company have been duly consolidated with its Subsidiaries, Associates and Joint Ventures pursuant to applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standards.

Further, in line with Section 129(3) of the Companies Act, 2013 read with the Rules thereon, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Accounting Standard 21, Consolidated Financial Statements prepared by your Company includes a separate Statement in Form ‘AOC-I’ containing the salient features of the Financial Statement of your Company’s Subsidiaries, Associates and Joint Venture companies which forms part of the Annual Report.

### **Report on Subsidiaries**

During the year under review, no company has ceased to be a Subsidiary, Joint Venture or Associate Company.

The Policy for determining material subsidiaries as approved may be accessed on the Company’s website at the link:

[http://www.balmerlawrie.com/app/webroot/uploads/Policy\\_on\\_Determining\\_Material\\_Subsiary-BL.pdf](http://www.balmerlawrie.com/app/webroot/uploads/Policy_on_Determining_Material_Subsiary-BL.pdf).

As per the aforesaid policy none of the Subsidiaries appear to be material subsidiary of your Company.

### **Financial Statements of Subsidiary Companies**

In line with the provisions of Section 136 of the Companies Act, 2013, your Company has placed separate audited accounts in respect of each of its

subsidiaries on its website - [www.balmerlawrie.com](http://www.balmerlawrie.com). Members shall be provided separate audited financial statement of the Subsidiary Companies as per requisition made by them.

### **Performance and financial position of Subsidiaries, Joint Ventures and Associate Company**

A brief write up on the performance and financial position of Subsidiary, Joint venture and Associate companies of your Company is presented hereunder:

#### **Balmer Lawrie (UK) Ltd. [BLUK]**

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\$ 2.01 million equivalent to Indonesian Rupiah 21.0 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 operations at the plant has now stabilized and the JV is actively trying to get a foothold in the challenging Indonesian lube market. During the year under review, the joint venture incurred losses due to lower volume of Sales achieved than anticipated. The financial performance of the company in the last quarter of the year was encouraging and the JV is expected to show improvement in performance from 2016-17 onwards.

#### **Visakhapatnam Port Logistics Park Limited [VPLPL]**

As a part of its Strategic Plan, your Company has consistently been looking for opportunities for setting

up logistics infrastructure facilities at ports and inland locations. In pursuance of this objective, your Company has vigorously worked with Visakhapatnam Port Trust (VPT) for the last several years for setting up a Multi-Modal Logistics Hub (MMLH) at Visakhapatnam in joint venture. The efforts have ultimately yielded results with the signing of Shareholders' JV Agreement between your Company & VPT in March 2014. The proposed JV Company has been incorporated and christened as Visakhapatnam Port Logistics Park Limited (VPLPL). The JV will have equity participation between your Company & VPT in the ratio of 60:40. While your Company's contribution to equity would be in the form of cash, VPT's would be upfront lease rental of 53.025 acres of land allotted to VPLPL for a period of 30 years. VPT handed over the earmarked land to VPLPL in January 2015. The project would be managed by your Company. Although the civil work for construction of Boundary wall started in the month of July 2015, the major work towards land development could not be started due to delay in shifting of Transmission towers from our premises by APTRANSCO. The work on land development is now expected to start by the end of 2016 and based on this schedule, the project is expected to be completed by end- 2017.

### Report on Joint Ventures

#### **AVI-OIL India Private Ltd. [AVI-OIL]**

For the Financial year 2015-2016, AVI-OIL has shown a significant growth as compared to the previous year with growth in sales volumes of lubricants blended by 44% from 876 KL to 1258 KL.

With the improved physical performance, the Company achieved a gross turnover of Rs.65.53 Crore with net sales amounting to Rs.58.56 Crore, which was higher by 53% as compared to the previous year.

Moreover, the Company achieved the highest ever Profit Before Tax (PBT) of Rs.12.18 Crore, which was higher by 6.5 times as compared to Rs.1.88 crore PBT earned for the previous year. The increase in profit is mainly attributable to the higher volumes sold and better product coupled with reduction in raw material and other costs.

AVI-OIL participated in Acrex 2016 at Mumbai from 25<sup>th</sup> to 27<sup>th</sup> February 2016. Our stall was visited by many visitors from HVAC & R, Air Conditioning, Ventilation, and Refrigeration and Building services industry.

Our Company manufactures synthetic refrigeration oils which are environment friendly and supports HFCS based refrigeration systems.

#### **Balmer Lawrie Van-Leer Ltd. [BLVL]**

In the backdrop of challenging scenario in the global economy and cautious market and business sentiments, BLVL has achieved a gross turnover of Rs.297 Crore which reflects a marginal decrease of 2.6% as a result of substantial fall in polymers and steel prices thereby affecting the sale price of our products over the last Financial year which stood at Rs.305 Crore. However, the profit before tax clocked at Rs. 14.73 Crore as against Rs.7.91 Crore achieved in 2014-15, indicating a clear jump of 86%. The steel closures production have plummeted by 13.5% compared to last year as a result of weak economic demand in US, Europe and Far East Countries. Overall the BLVL's performance was very satisfactory in the wake of stiff competition faced in the market for its products.

BLVL's products continued to be in demand. Capacity constraints at the plastic container plants at Navi Mumbai and Dehradun restricted possible growth of market share. Efforts for debottlenecking production facilities and further improve sales performance are on in the current year.

#### **Transafe Services Ltd. [TSL]**

During the Financial year 2015-16, TSL achieved a turnover of Rs. 65.22 Crore, i.e. a growth of 13.4% over its total turnover last year. In terms of Profit After Tax, TSL closed the year 2015-16 at Rs (4.90) Crore as against last year's Rs (6.79) Crore.

In SBU Manufacturing, with total income at Rs. 18.73 Crore, (including Repair / miscellaneous income)

growth has been high at 58% Year-on-Year. Major chunk of the business is from private sector customers and there was no manufacturing business order from PSUs like ONGC and CONCOR.

In SBU Logistics, the revenue at Rs. 23.73 crore has gone up by 20% Year-on-Year. The maximum revenue is in the area of Indo Trailers for 37% and ISO tank sector accounting for 20% of the total revenue. The Company has brought in new clients in the private sector. The Company has been able to utilize its assets more in 2015-16 compared to last year.

Leasing business, with a topline of Rs. 22.76 Crore, however, experienced a tough time with a decline in business by 13% caused by reduction in lease rental rates and off leasing of containers by some of the customers. A decline in international business with its effect on domestic business has dented the revenue.

As reported earlier in the Annual Report 2014-15, TSL has duly been referred to Board for Industrial and Financial Reconstruction.

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

Balmer Lawrie (UAE) LLC achieved increased production and sales volumes in most of the major product segments.

Increased focus on customer service, initiatives taken to garner greater market share and product innovation enabled the Company to strengthen customer relationships. The company achieved significant improvement in retention of skilled employees and employee morale, with positive impact on productivity and efficiencies. Simultaneously, cost reduction was achieved on many fronts. These endeavors enabled the company to stay ahead of competition, which none the less remains intense.

BLUAE has now firmed up plans and embarked on plant modernization and capacity enhancement initiatives across its different product lines. Work is in progress for developing infrastructure and creating capacities to meet the targeted business growth in the medium to long term.

Overall performance during the year was however lower than the results achieved due to stiff competition

in the market leading to tremendous pressure on the margins for the products sold by the company. However, in the light of the business environment prevailing in the region where the company operates the performance during the year 2015 is considered satisfactory.

#### **Balmer Lawrie Hind Terminals Pvt. Ltd. [BLHTPL]**

Balmer Lawrie Hind Terminals Pvt. Ltd. [BLHTPL], a joint venture company has gone for a voluntary winding-up by its members. Last final accounts of BLHTPL was drawn for a period of 9 months from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015 which has been audited by their Statutory Auditors. Based on the audited accounts, the Directors of BLHTPL have given declaration of Solvency and recommended for winding-up.

Further, on 11<sup>th</sup> February, 2016, the members of BLHTPL apart from approving the proposal of winding-up had appointed Liquidator of the Company. The Liquidator realised the assets and paid the liabilities and distributed the surplus amongst the Shareholders. The Liquidator then placed the final liquidation accounts at the final meeting of Shareholders held on 12<sup>th</sup> May, 2016 at Chennai.

The Liquidator then filed a return of the aforesaid final shareholders meeting together with final liquidation accounts to ROC and the Official Liquidator. The Official Liquidator is in the process of formulating its report for due submission before the Hon'ble Madras High Court.

#### **Memorandum of Understanding (MoU)**

Every year your Company enters into MoU with the Government of India, Ministry of Petroleum & Natural Gas [MoP&NG] based on guidelines issued by the Department of Public Enterprises [DPE]. The MoU sets out various targets on operational, financial and efficiency parameters, customer's satisfaction etc. Your Company's performance vis-à-vis the targets set in the MoU is evaluated at the year-end by DPE. The Company's performance score in respect of the MoU for the year 2014-15 has been adjudged by the

DPE in “Very Good” category. Based on the internal assessment and considering audited results for the year 2015-16, your Company expects to have a “Very Good” rating for the Financial year 2015-16.

## Human Resource Management

The strategy of the Company is centred on managing talent, developing leadership & managerial competencies, managing employee performance and enhancing employee engagement. Towards achieving these objectives, the Company put in place the following initiatives during the 2015-16:-

### [a] Talent Acquisition

During the year, we have laterally inducted 65 Executives & Officers to bridge the talent gap.

### [b] Training & Development

Your Company believes in continuously honing the skills and competencies of the people with an objective of creating a leadership pipeline. With this objective in mind, the Company planned and executed exhaustive training programmes for its employees: both in General Management as well as specialist skill development with focus on the requirement of the businesses. In all, 1278 (One Thousand Two Hundred Seventy Eight) Man-days of training, both in-house & external programmes were imparted to all categories of employees during the year.

### [c] Managing Performance

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

To further enhance timely completion of PMS, the process has already been e-enabled for executives upto the grade E-7.

### [d] 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 150<sup>th</sup> Foundation Day was celebrated in all the units and establishments of the company across the country. The employees and their family members joined the celebrations in large numbers and made the event a memorable occasion. Also, various programs like Annual Sports Day, Cultural Evening and competition for family members of employees 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 Financial year 12-13, this year again our Functional Directors interacted with the Executives & Officers during the Town Hall Meetings and responded to their queries and concerns. Town Hall Meetings have been institutionalized and are our effective medium of direct dialogue with employees.

## Employment of Special Categories

During the year 2015-16, 9 (Nine) employees in the SC category, 16 (Sixteen) employees in the OBC category, 2 (Two) women employees and 1 (One) employee in the Minorities category were recruited. The actual number of employees belonging to special categories, Group-wise, as on 31<sup>st</sup> March, 2016 is given below:-

Group	Regular Manpower as on 31.03.2016	SC	ST	OBC [*]	PH	Women	Minorities
A	482	45	5	39	1	46	27
B	232	29	-	39	3	30	16
C	95	5	-	12	1	11	3
D [including D1]	439	59	5	18	7	5	75
Total	1248	138	10	108	12	92	121

[\*] On and from 08th September, 1993 onwards

## 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. A special drive to this effect was initiated

in the month of December, 2015 and out of 6 (Six) candidates selected, 5 (Five) candidates have already joined.

### **Employee Relations**

Your Company has pursued 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. The Company continued its efforts to maintain industrial harmony in all its units and there was no loss of mandays due to any industrial action at any of the units / establishments of the Company.

During the year, the Company closed down its SBU: IP, Sewree Unit for commercial considerations giving Voluntary Retirement to 102 workmen and executives. This was done in the most cordial atmosphere and was a swift closure.

### **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 with enthusiasm.

### **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 7.37% despite the fact that a large chunk of our workforce constitutes of shop floor workers. The Company has created an atmosphere conducive for women employees to join and build a career in this organization.

We would like to assure you that your Company

maintains the highest standard as regards addressing gender equity in the organization and they are offered equal opportunities of learning and growth. We also comply with guidelines/ statutes as applicable in these matters.

### **Internal Complaints Committee**

Your Company has constituted Internal Complaints Committee in all four regions of the Country under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. One case of alleged sexual harassment was reported during the year 2015-16 and the same has been disposed off.

### **Corporate Social Responsibility (CSR)**

Detailed information on Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to section 135 of the Companies Act, 2013 is given in the Annual Report on CSR activities.

### **Annual Report on Corporate Social Responsibility (CSR)**

#### **1. Brief outline of the Company's CSR policy**

Your Company has a well laid out CSR Policy in compliance with Section 135 of the Companies Act, 2013 read with allied rules and Schedule VII of the Companies Act, 2013. The detailed policy is discussed hereunder:

#### **CSR Policy**

##### **Vision**

"We are committed to serve the community by empowering it to achieve its aspirations and improving its overall quality of life."



## Mission

To undertake CSR activities in chosen areas through partnerships, particularly for the communities around us and weaker sections of the society by supporting need based initiatives.

## Objectives

- Improve the health and nutrition status of communities, particularly vulnerable groups such as women, children and elderly by improving health infrastructure and facilitating service provision.
- Focus on quality of education and encourage children from marginalized sections and girls to complete school education and opt for higher education.
- To focus on livelihoods and skill development in order to provide opportunities to women and youth and make them self-reliant.
- Initiate holistic development programs for differently abled children and orphans with a view to provide them opportunities to lead a meaningful life.
- To support the national efforts in rehabilitation and relief post unfortunate natural disasters.

## Guiding Principles

Balmer Lawrie is committed to continuously improve efforts towards social responsibility, focus on marginalized sections and encourage employees to contribute in CSR activities. Towards this commitment, the company shall be guided by the following guiding principles.

1. Affirmative action to provide opportunities to marginalized communities
2. Efforts towards gender inclusiveness
3. Encourage community participation and ownership in order to ensure sustainability of CSR activities.
4. Encourage voluntary participation of employees.
5. Enhancing visibility of our CSR so that others can benefit from our learnings.

6. CSR activities would be based on partnerships.
7. Wherever possible, we will align our activities with the business objectives.
8. Capacity building for the weaker sections of the society.

In Balmer Lawrie, Corporate Social Responsibility is practiced in various forms such as corporate conscience, responsible business, sustainable practices and corporate social performance. The aim is to meaningfully engage with stakeholders for socio-economic welfare and to provide development assistance preferably to those communities and their habitat which are directly or indirectly affected by our business activities. In pursuance of this belief, the Company is committed to conducting its business in a socially responsible manner and be responsive to the needs of the society at large. Accordingly, the Company has been pursuing various CSR initiatives since the last decade or so.

Balmer Lawrie's CSR initiatives are driven by two Flagship Programs - Balmer Lawrie Initiative for Self-Sustenance [BLISS] and Samaj Mein Balmer Lawrie [SAMBAL]. While the first Program is directed at providing & improving the long term economic sustenance of the underprivileged, the second Program aims at improving the living standards and quality of life of population in and around the Company's work-centers.

In advent of the various flagship programmes launched by the government, we as an organisation take pride in furthering the initiatives which comes under the purview of CSR by engaging specialized agencies, whilst taking into account, DPE guidelines on CSR, the Companies Act, 2013 on CSR and Schedule VII of the Companies Act, 2013. The Company has constantly endeavored to integrate the interest of the business with that of the communities with which it operates and ensures that CSR is embedded across various business units and their operations.

In pursuance of these Programs, the Company has

undertaken several community development projects for the year focusing on Swachh Bharat Abhiyaan, Sanitation, Education, health, Adoption of Tribal schools, Funding of Skill Development Institute, Adoption of village and installation of Solar plant by partnering with various NGOs/Specialized agencies with a focus on thematic areas as stated in our CSR policy and target groups like children, women, youth, elderly and differently abled people and in line with Schedule VII of the Companies Act, 2013.

**2. The Composition of the CSR Committee.**

As on 31<sup>st</sup> March, 2016 the CSR committee consisted of the following members:

- Ms. Manjusha Bhatnagar, Director (HR & CA)- Chairperson
- Shri Shyam Sundar Khuntia, Director (Finance)- Member

- Shri Alok Chandra, Government Nominee Director– Member

**3. Average net profit of the company for last three Financial years**

Rs.19700 Lakhs

**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)**

Rs.394 Lakhs

**5. Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year: Rs.394 Lakhs
- (b) Amount unspent, if any: NIL
- (c) Manner in which the amount spent during the financial year 2015-16 is detailed below.

CSR Expenditure 2015-2016							
1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs/Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs/Lakhs)	Cumulative expenditure upto the reporting period (Rs/Lakhs)	Amount spent: Direct or through implementing agency
1	Construction of 48 School Toilets	Swachh Bharat Abhiyan	Assam	70.00	68.00	68.00	Sarva Shiksha Abhiyan , Assam
2	Construction of 100 School Toilets	Swachh Bharat Abhiyan	Chhattisgarh	124.50	124.50	124.50	Sarva Shiksha Abhiyan , Chhattisgarh

CSR Expenditure 2015-2016							
1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs/Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs/Lakhs)	Cumulative expenditure upto the reporting period (Rs/Lakhs)	Amount spent: Direct or through implementing agency
3	Construction of 57 School Toilets	Swachh Bharat Abhiyan	West Bengal	42.75	40.21	40.21	Pragati Sangha of Dara
4	Construction of Water Tank at Padghe Village, Taloja	Swachh Bharat Abhiyan	Local area, Maharashtra	27.00	40.10	40.10	Rotary Club of Panvel
5	Installation of Composting Unit	Swachh Bharat Abhiyan	Local area, Kolkata	17.00	15.86	15.86	Balmer Lawrie/ Victoria Memorial
6	Distribution of Waste Bin to schools	Swachh Bharat Abhiyan	Local area, & South 24 Pargana(WB)	2.89	2.89	2.89	Balmer Lawrie/ Pragati Sangha of Dara
7	Maintenance of Toilets	Swachh Bharat Abhiyan	WB, AP,Haryana	27.00	12.00	12.00	Pragati Sangha of Dara/Contractor
8	Sponsoring 02 Classes of Children suffering from Cerebral palsy	Education	Local area, Kolkata	17.00	17.00	17.00	Indian Institute of Cerebral Palsy
9	Sponsoring 03 family homes at SOS Village	Education	Local area, Kolkata & Vishakapatnam	21.00	21.00	21.00	SoS Children Villages of India
10	Sponsoring of Hope Cup for Raising Funds	Education	Local area, Kolkata	2.00	2.00	2.00	Indian Institute of Cerebral Palsy

CSR Expenditure 2015-2016							
1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs/Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs/Lakhs)	Cumulative expenditure upto the reporting period (Rs/Lakhs)	Amount spent: Direct or through implementing agency
11	Health Check Up Camp	Health	Silvassa	3.64	3.64	3.64	Kasba Shed & Lions club silvassa
12	Skill Development Institute	Skill Development	Bhubaneswar, Odisha	0.00	45.00	45.00	Balmer Lawrie
13	Supply of Bedsheet to communities around the Manali Complex	Disaster management	Local area, Chennai	1.00	1.00	1.00	Balmer Lawrie/ Local Representative
14	Miscellaneous (Badges, Maps, Photography, SBA Awareness)				2.31	2.31	
					<b>Total</b>	<b>395.51</b>	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report: NA

#### 7. Responsibility statement of the CSR Committee

"We the members of the CSR Committee hereby certify that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company as well as the Companies Act, 2013, DPE Guidelines and other applicable provisions."

Manjusha Bhatnagar  
Director (HR&CA)

Shyam Sundar Khuntia  
Director (Finance)

Alok Chandra  
Government Nominee Director

## Occupational 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 Manual which would be used as reference book in plants and other establishments of the Company. The Company carries out HSE audit for all its Manufacturing and Container Freight Stations as per the HSE audit protocol of the manual. 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 The Factories Act, 1948. Major initiatives/ activities undertaken in this domain in 2015-16 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 installed in Manali complex and IP Silvassa.
- HSE Legal Training carried out for all Plant managers, Maintenance managers and Operational managers.
- Implementation of safety recommendations in Chlorine handling system done at LCD Manali.
- Conducted HSE awareness training for employees involving 700 man-hours.
- Project HSE plan implemented at the green field project sites of Temperature Controlled Warehouse at Hyderabad.
- Observed Safety Week from 4th to 11th March, 2016 across all plants and establishments of the Company.
- Detailed review of safety at Manali-Chennai Plants as also of IP Taloja and all the plants at Silvassa and Kolkata were carried out by Director [HR&CA] and Director [Manufacturing Businesses]
- Management of Change (MOC) procedure developed and rolled out for all the manufacturing and service establishments.
- G&L plants installed Gantry for fall protection and safe access of Tanker tops.

## 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 and Other Waste Rules, 2016. 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 2015-16 include:

- The Company has maintained zero liquid discharge effluent treatment plant at Leather Chemical division of Manali.
- Saplings planted at all units on the occasion of World Environment Day 2015.
- 160 KWp of solar plant of IP Asaoti and IP Navi Mumbai continue to offset 200 Tonnes of emission of Co<sub>2</sub> per year.

- Fume extraction & ventilation system revamped at IP-Silvassa.
- Workshops were conducted across the organization to sensitize employees and stakeholders on Sustainability.
- The Application Research Laboratory of the Company continue to make significant progress in developing a number of bio-degradable & environment friendly lubricants.
- Rain water harvesting has been set up at Leather Chemical Division in Manali.
- Organic waste composting unit installed and commissioned at Victoria Memorial Kolkata.

### **Communications & Branding Initiatives**

Balmer Lawrie (BL) stepped into its 150th year of Foundation in February 2016. The year has been significant in terms of branding and communication. Several initiatives in the area of internal communications centered on the sesquicentennial celebrations were undertaken. Other internal communication initiatives driven during the year 2015-16 to enhance the process of information sharing in the organisation, are as follows:

- Regular publication of Weekly Media Update, BL Online Monthly, BL Organizational Gazette, the quarterly house magazine. These publications are available on the Company's website.
- Town Hall Meetings: An open house providing a platform to employees to interact with the Whole time Directors.
- The Company Intranet was revamped. The new Intranet is more interactive, user-friendly and content rich.
- A comprehensive Corporate Branding Manual has

been developed post revamping of the products and services logos and restructuring of SBUs.

- An empanelment exercise was undertaken to empanel consulting agencies in the areas of Advertising & Branding, Digital Marketing & Branding, PR and Media Planning & Buying.

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

- Special BL Calendar designed for the 150th year of Foundation.
- Media Coverage: Corporate Reports in business magazines/papers and coverage of CSR initiatives etc.
- Branding of Swachh Bharat Abhiyaan and other similar initiatives.
- SBU specific Microsites: The microsites for IP and LC are ready to go live. The development of G&L and ROFS microsites are in progress.
- Branding in Corporate events highlighting the milestone of 150 years.
- Interaction with the Press by Shri Dharmendra Pradhan, the Hon'ble Minister of State for Petroleum & Natural Gas (Independent charge) where BL and its achievements were in the spot-light.

### **Information Technology**

Your company is committed to adapt competitive latest technology in the past year and coming years. SAP implementation has been completed in all the SBU's for which it is planned i.e. Greases & Lubricants, Industrial Packaging, Leather Chemicals, Refinery & Oil Field Services.

Your company has also implemented Next Generation

Firewalls at organization level. The firewalls will provide additional layer of security to the IT infrastructure as well as at end user level.

Your company has also launched its own Microsoft Exchange mail services which is hosted in company's own Data Center. A new application, Mid-Office has been implemented for SBU-T&V which provides better operations management for the ticketing vertical.

### Progress on principles under 'Global Compact'

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

The Communication of Progress report for the year 2015–16 is a synopsis of your Company's achievements in driving seamless integration of its sustainability objectives with its business goals. Sustainable development has always been a top priority with your Company. Your Company has pursued integration of CSR into its mainstream business activities and has significantly contributed to Hon'ble Prime Minister, Shri Narendra Modi's vision

to realize Gandhiji's dream of a 'Clean India'. Your Company implemented the "Swachh Vidyalaya" program in Government Schools covering states of Assam, Chhattisgarh, Haryana, Andhra Pradesh and West Bengal. Your Company has constructed/ refurbished a total of 306 toilets and was the first PSU under MOPNG to have completed the construction of toilets on target.

### Disclosure on implementation of Right to Information Act, 2005

The Right to Information (RTI) Act, 2005 was enacted by Government of India with effect from October 12, 2005 to promote openness, transparency and accountability in functioning of Government Department, PSUs etc. Balmer Lawrie has designated Senior Manager (Legal) as Central Public Information Officer and Company Secretary as First Appellate Authority along with Central Assistant Public Information Officers under the RTI Act, 2005. Detailed information as per the requirement of RTI Act, 2005 has been hosted in your Company's Website <http://balmerlawrie.com> and the same is updated from time to time.

Information sought under RTI Act, 2005 is being provided within the prescribed time-frame detail of which for the Financial Year 2015-16 is shown in the table below:-

	Opening Balance as on 01.04.2015	Received during the Year (including cases transferred to other Public Authority)	No. of cases transferred to other Public Authorities	Decisions where request/ appeals rejected	Decisions where requests/ appeals accepted	Closing balance as on 31.03.2016
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Requests	12	66	0	1	56	21
First Appeals	0	4	0	0	3	1

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

As required under Section 134(3)(m) of the Companies Act, 2013, (“the Act”) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo are mentioned herein below:

### **(A) Conservation of energy –**

*(i) The steps taken or impact on conservation of energy:*

Your Company is continuously monitoring energy consumption per unit of production at various manufacturing plants and taking action towards conservation of energy in view of rising cost of energy and keeping with your company’s commitment to be an energy efficient entity.

SBU: G&L has installed variable frequency drives to conserve energy, along with other energy saving methods.

SBU:IP has installed LED lighting systems at Silvassa, Chittoor and Navi Mumbai in order to reduce energy consumption. Other energy conservation initiatives include installation of AC 3 phase seam welding machine, automatic power controllers, voltage stabilizers, variable frequency drives and servo drives in various plants and offices.

SBU: LC has taken steps for energy conservation through installation of Vacuum circuit breaker and variable frequency drives, along with other energy saving measures.

*(ii) The steps taken by your Company for utilizing alternate sources of energy:*

Apart from adoption of energy efficient lightings and equipment, your Company is continuously taking steps towards use of alternate source of energy. In the past, your Company has commissioned Solar Power Plants at SBU:IP-Asaoti and Navi Mumbai. Solar powered

street lights have been installed by SBU: G&L. Total solar power generated from the Company’s solar installations amounts to 160 KW.

*(iii) The capital investment on energy conservation equipment:*

Investment of more than Rs.22 Lakhs towards installation of energy efficient systems/ equipment have been made in various plants.

### **(B) Technology absorption –**

*(i) The efforts made towards technology absorption;*

Indigenous Technology:

Your Company had been aggressively carrying out in-house R&D for development of products and processes in all its manufacturing businesses to meet the requirements of the market.

In SBU: G&L, R&D Laboratory has focused towards the development of high performance greases for steel and heavy duty open gear grease for sponge iron plants, automotive engine oil for new generation passenger cars, water soluble synthetic rust preventive oil for power sector, high performance neat metal working fluids for fine blanking (automotive sector), cold forging (automotive) and hobbling operations (gear manufacturing industry).

The Plant & Equipment imported from international machine manufacturers by SBU – Industrial Packaging are having fully automated drum manufacturing technology. All the equipments together are capable of manufacturing world class drums.

The Leather Chemical activity developed a process for sulphochlorination of transesterified vegetable fats from renewable resources. A Fat Liquor viz., Balmol JX20 had been developed based on this intermediate and got commercialized. Syntan varieties of bleaching and protein filler types are developed and launched against imported products. A degreasing agent based on ethoxylates have been launched under beam house Chemicals.



(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

Such developments have helped the SBUs to strengthen its position in the market, increase its product basket, counter competitors, gain market share, to demonstrate technology and cost leadership as well as consistent supplies.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

- The details of technology imported: NA
- The year of import: NA
- Whether the technology been fully absorbed: NA
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(iv) The expenditure incurred on Research and Development

	<b>2015-16</b> <b>(₹/Lakh)</b>	<b>2014-15</b> <b>(₹/Lakh)</b>
Capital -	56.31	398.32
Revenue-	535.39	603.57
Total -	591.70	1001.89

## (C) Foreign exchange earnings and Outgo –

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

	<b>2015-16</b> <b>(₹/Lakh)</b>	<b>2014-15</b> <b>(₹/Lakh)</b>
Total Foreign Exchange Earnings	10464.30	(12573.78)
Total Foreign Exchange Outgo -	17263.86	(17824.95)

## Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 as provided under Section 92

of the Companies Act, 2013, is annexed hereto as “Annexure 2”.

## Number of Meetings of the Board

The Board met ten times during the financial year 2015-16, the details of which are given in the Corporate Governance Report attached as Annexure 3. The intervening gap between any two Board meetings was within the period prescribed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

## Directors’ Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors to the knowledge and ability, state that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year as on 31st March, 2016 and of the profit and loss of your Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts for the financial year ended 31st March, 2016 on a going concern basis;

- (e) The Directors had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were generally operating effectively. Hence the areas of Internal Financial Control in respect of credit authorisation and cash accounting for SBU – Travel & Vacations needs some more strengthening for which necessary action has been initiated by the Company.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Particulars of Loans, Guarantees or Investments**

Detailed particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 are given in the note no. 10, 11 and 15 of Balance Sheet.

### **Related Party Transactions**

Majority of the Related Party Transactions of the Company were made with its Holding Company, Subsidiary Companies, Associate Companies and Joint Venture Companies. It may be pertinent to mention that Related Party Transactions made with Holding Company and wholly owned Subsidiary Companies and transactions between two Government Companies are exempted under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, omnibus approval was taken for Related Party Transactions for value upto Rs.One Crore whereas in other cases approval of Audit Committee was taken. Further, there were no

materially significant Related Party Transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which have a potential conflict with the interest of the Company at large.

The “Related Party Transactions Policy” as approved by the Board is uploaded on the Company’s website and may be accessed at the link:

[http://www.balmerlawrie.com/app/webroot/uploads/Related\\_Party\\_Transactions\\_Policy-BL.pdf](http://www.balmerlawrie.com/app/webroot/uploads/Related_Party_Transactions_Policy-BL.pdf).

The said policy lays down a procedure to ensure that transactions by and between a Related Party and the Company are properly identified and reviewed to ensure that the Related Party Transactions are properly approved and disclosed in accordance with the applicable law. The Policy also sets out materiality thresholds for Related Party Transactions.

The details of the Related Party Transactions entered into by your Company during the financial year 2015-16 has been enumerated in Note no. 26.20 of Balance Sheet.

### **Justification for entering into Related Party Transactions**

The Related Party Transactions are entered into based on considerations of various factors like business exigencies, synergy in operations, the policy of the Company, Capital Resources of Subsidiaries and Associates.

The particular of contracts and arrangements as required under Section 134(3)(h) of the Companies Act, 2013 in the prescribed Form AOC-2 is as under:

**FORM NO AOC 2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014**

**FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO**

<b>1</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>				
	NIL				
<b>2</b>	<b>Details of material contracts or arrangements or transactions at arm's length basis</b>				
	<b>Nature of contracts or arrangements</b>	<b>Name of Related Party</b>	<b>Nature of relationship</b>	<b>Duration of Contract</b>	<b>Value Rs. in Lakh</b>
NIL as per the Company's policy on material Related Party Transaction					

**Risk Management Policy**

Your Company has formulated a Risk Management Policy in the year 2008 with the objective of Adoption of a Risk Assessment / Identification Policy, Implementation of Risk Assessment, Evaluation & Minimization Procedures and for reviewing the procedures for controlling risks through a properly defined framework. The Risk Management Policy has been uploaded on the Company's website:

[http://www.balmerlawrie.com/app/webroot/uploads/Risk\\_Management\\_Policy\\_BL.pdf](http://www.balmerlawrie.com/app/webroot/uploads/Risk_Management_Policy_BL.pdf)

**Deposits**

Your Company has not accepted any deposit from the public during the financial year and no deposit remained unpaid or unclaimed at the end of Financial year and there was no instance of default in repayment of deposits or interests thereon during the year under Section 73 of the Companies Act, 2013 and therefore no disclosure is required in relation to details relating to deposits covered under Chapter V of the Companies Act, 2013.

**Details of significant and material orders passed by the Regulators, Courts and Tribunals**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the

going concern status and Company's operations in future.

**Adequacy of Internal Financial Controls**

Your Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Self-certification exercises are carried out at senior management level certifying effectiveness of the internal control system, adherence to the code of conduct and the company's policies in the areas of their responsibilities, including financial or commercial transactions, if any, where they have personal interest or potential conflict of interest.

As required under the Companies Act, 2013, your Company has an Internal Control System commensurate with the size, scale and complexity of the organisation. Your Company confirms having the following in place:

- An Internal Audit System whose reports are reviewed by the Audit Committee;
- Procedure and system for orderly and efficient conduct of the Company's Business, including adherence to the Company's policies;
- Procedures to safeguard the Company's assets;
- Procedures to prevent and detect frauds and errors;

- Procedures and systems including ERP for accuracy and completeness of the accounting records.

Your Company has in place adequate Internal Financial Control system with reference to Financial statements. It requires the Directors to review the adequacy of internal controls and compliance controls, financial and operational risks, risk assessment and management systems and related party transactions, which has been complied with.

However, a case of misappropriation of cash through wrong adjustments was noticed in one unit of your company during the course of review of debtors in the month of January 2016. The Company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of Rs.34.58 Lakhs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to investigating agency and necessary further legal action will be taken thereafter. Action has been taken by the unit to strengthen the internal control process to separate the cash and accounting functions.

Further the Statutory Auditors had qualified their report with the observation that the following material weakness have been identified as at March 31, 2016:

Internal Financial Control over credit authorization, in the areas where there are cash transaction (SBU-Travel & Vacations [T&V]), needs strengthening and that, preventive control, ensuring independence of cash and accounting function in implant office needs improvement.

### **Vigilance**

Till 31<sup>st</sup> May, 2016 Shri Anand Kumar was the Chief Vigilance Officer (CVO).

Your company believes in transparency, equity and fair play, which should be the guiding principles of any ethical business organization. Vigilance is about ensuring the practice of these cardinal principles of a successful organization. It is not a hindrance to

successful conduct of business rather it is cornerstone of a successful enterprise.

The Vigilance Department connotes an awareness in your Company – to prevent wrong doings and if detected, punishing the same. Vigilance prevents loss of resources due to unethical conduct of employees.

In its proactive mode, Vigilance concentrates on the establishment of Systems, Procedures and Practices aimed at preventing seepage and loss of resources. Vigilance in the punitive mode, keeps surveillance on wrong doers and ensures that they are caught and suitably punished.

Your Company has made substantial investment in implementing information technology solutions. Most businesses have been brought on e-Platform by re-engineering the procedures, which have facilitated us to have a better connect with stakeholders and offer superior services.

### **Vigil Mechanism / Whistle Blower Policy**

Your Company had established a Vigil Mechanism / Whistle Blower Policy in January 2010. Although at that particular point of time the same was a non-mandatory requirement under the listing agreement. The said policy concerns the Employees and covers the following categories:

- Managerial
- Executive
- Supervisory
- Unionized Employees
- Any other Employees (such as Outsourced, Contractual, Temporaries, Trainees, Retainers etc. as long as they are engaged in any job / activity connected with the Company's operation).

so as to enable them to report management instances of unethical behaviour, actual or suspected fraud or violation of your Company's code of conduct. The details of the Vigil Mechanism / Whistle Blower Policy are given in the Corporate Governance Report 2015-16 and can be downloaded from the following hyperlink of the Company's website:

[http://www.balmerlawrie.com/app/webroot/uploads/Whistle\\_Blower\\_Policy.pdf](http://www.balmerlawrie.com/app/webroot/uploads/Whistle_Blower_Policy.pdf)

## Report on Corporate Governance

Your Company has been consistently complying with the various Regulations and Guidelines of the Securities & Exchange Board of India (SEBI) as well as of Department of Public Enterprises (DPE).

Pursuant to the said SEBI Regulations and DPE Guidelines, a separate section titled 'Corporate Governance Report' is being furnished and marked as Annexure 3.

The provisions on Corporate Governance under DPE Guidelines which do not exist in the SEBI Guidelines and also do not contradict any of the provisions of the SEBI Guidelines are also complied with.

Further, your Company's Statutory Auditors have examined compliance of conditions of Corporate Governance and issued a certificate, which is annexed to this Report and marked as Annexure 4.

Details relating to Remuneration of Directors, Key Managerial Personnel and Employees

Your Company being a Government Company vide notification no. G.S.R. 463(E). dated 5<sup>th</sup> June 2015 has been exempted from applicability of Section 134(3)(e) and 197 of the Companies Act, 2013.

## Board Evaluation and Criteria for evaluation

Your Company being a Government Company vide notification no. G.S.R. 463(E). dated 5<sup>th</sup> June 2015, has been exempted from applicability of section 178(2), (3) and (4) of the Companies Act, 2013.

The Annual Performance Appraisal of Top Management Incumbents of Public Enterprises is done through the Administrative Ministry as per the DPE Guidelines in this regard. Your Company being a Central Public Sector Enterprise under the administrative jurisdiction of Ministry of Petroleum & Natural Gas also has to follow the similar procedure.

## Directors and Key Managerial Personnel

The Board currently consists of seven directors out of which five are Whole-time Directors and two are Government Nominee Directors. No Independent Director has been nominated by MoPNG on the Board of the Company since 29<sup>th</sup> 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. Your Company continues to pursue with the Administrative Ministry for expediting appointment of Independent Directors on the Board of your Company to bring the Board composition in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Guidelines on Corporate Governance for CPSEs.

## Declaration by Independent Director

Your Company does not have any Independent Director on its Board. Hence, the Declaration by Independent Director prescribed under Section 149(7) of the Companies Act, 2013 could not be obtained.

## Cessations

- Shri Partha Sarathi Das, Government Nominee Director ceased to be a Director of the Company effective at the close of the business hours on 27<sup>th</sup> May, 2015 consequent upon withdrawal of his nomination by the MoPNG.
- Shri Virendra Sinha, who was appointed on 1<sup>st</sup> January, 2012 as Chairman & Managing Director, retired from the services of the company on 1<sup>st</sup> August, 2015 upon attaining the age of superannuation.
- Shri Niraj Gupta, Director (Service Businesses) laid down his office upon attaining the age of superannuation on 1<sup>st</sup> August, 2015.
- Shri Manoj Lakhnupal, Chief Financial Officer

ceased to be a Key Managerial Personnel of your Company with effect from 27<sup>th</sup> March, 2016.

- Shri Prabal Basu, Chairman and Managing Director relinquished his additional charge of Director (Finance) in the Company upon nomination of Shri Shyam Sundar Khuntia as Director (Finance) by MOPNG with effect from 27<sup>th</sup> March, 2016.

The Board places on record its deep appreciation of the commendable performance and significant contribution made by Shri Virendra Sinha, Shri Niraj Gupta and Shri Partha Sarathi Das, during their tenure as Directors of your Company.

**Appointments:**

Shri Prashant Sitaram Lokhande has been appointed as a Government Nominee Director, with effect from 20<sup>th</sup> July, 2015 through Resolution passed by Circulation, in terms of Section 161(3) of the Companies Act, 2013 based upon the direction received from the MoPNG. He was further appointed as Government Nominee Director of the Company at the 98<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2015.

Shri Kalyan Swaminathan has been appointed as Additional Director with effect from 1<sup>st</sup> August, 2015 pursuant to directions from the Administrative Ministry. He was further appointed as Director (Service Businesses) of the Company at 98<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2015.

Shri Shyam Sundar Khuntia has been appointed by the Board of Directors as Director [Finance] of your Company upon receipt of nomination from the MoPNG effective from 28<sup>th</sup> March, 2016.

Shri Shyam Sundar Khuntia was further appointed by the Board of Directors as Chief Financial Officer of your Company effective from 31<sup>st</sup> March, 2016.

Shri Prabal Basu was appointed as the Chairman & Managing Director of your Company in place of Shri Virendra Sinha on 30<sup>th</sup> July, 2015 with effect from 1<sup>st</sup> August, 2015 upon directions received from the Administrative Ministry. This appointment was further confirmed by the members at the 98<sup>th</sup> Annual General

Meeting held on 22<sup>nd</sup> September, 2015.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with Article 12 of the Articles of Association, Ms. Manjusha Bhatnagar, Director (HR & CA) and Shri D. Sothi Selvam, Director (Manufacturing Businesses) 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 being appointed/reappointed is mentioned in the notice of 99<sup>th</sup> AGM and in the Corporate Governance Report.

**Audit Committee**

Your Company has a qualified and independent Audit Committee, the composition of which and other details are mentioned in the Corporate Governance Report 2015-16.

As on 31<sup>st</sup> July, 2016, the Audit Committee consists of five members out of which two are Non-Executive Directors including the Chairperson and three Whole-time Directors. All the members of the Audit committee are financially literate. The composition of the committee is as under:

<b>Names</b>	<b>Position Held</b>
Shri Alok Chandra	Chairperson
Shri Prashant Sitaram Lokhande	Member
Shri D. Sothi Selvam	Member
Shri Kalyan Swaminathan	Member
Shri Shyam Sundar Khuntia	Member

The Company Secretary acts as the Secretary of the Audit Committee.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

**Statutory Auditors & Auditors' Report**

**Statutory Auditor:**

Your Company being a Government Company, Statutory Auditors are appointed or reappointed by the

Comptroller and Auditor General of India in terms of Section 143(5) of the Companies Act, 2013.

In terms of the Companies Act, 2013, Comptroller & Auditor General of India (C&AG) has appointed M/s. Dutta Sarkar & Co., Chartered Accountants, having its office at 7A, Kiron Sankar Roy Road, 2nd Floor, Kolkata 700001 as Statutory Auditors of the Company for the Financial Year 2016-17 for both Standalone as well as the Consolidated Financial Statements of the Company.

Pursuant to Section 142 and other applicable provisions of the Companies Act, 2013, the remuneration of the Auditors for the year 2016-17 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.

### **Report of the Statutory Auditors**

Report of the Statutory Auditors is annexed with the Financial Statements.

### **Qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors and corresponding Management Response:**

#### **a. Auditors' Report on Standalone Financial Statements:**

Members may note that the Auditors' Report dated 26<sup>th</sup> May, 2016 for the financial year ended 31<sup>st</sup> March, 2016 contains the following qualification on the Accounts of the Company:

#### **“Annexure B” to the Auditors' Report Report on the Internal Financial Controls under Paragraph (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)**

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2016;

- a) Internal Financial Control over credit authorization, in the areas where there are cash transaction (SBU-Tours & Travels [T&T]), needs strengthening. While analyzing the gaps, it was observed that, preventive control, ensuring independence of cash and accounting function in implant office needs improvement.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. ”

#### **Emphasis of Matters**

We draw attention to the following Notes to the financial statements, which describe the uncertainty related to the outcome. Our opinion is not qualified in respect of this matter.

- a) Note No.26.7:- “Trade receivables, loans and advances and deposits for which confirmations are not received from the parties are subject to reconciliation and consequential adjustments on determination/receipt of such confirmation”.
- b) Note No. 26.29: “A case of misappropriation of cash through wrong adjustments was noticed in one units of the company during the course of review of debtors in the month of January 2016. The company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of Rs.34.58 Lakhs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to investigating agency and necessary further legal action will be taken thereafter.

#### **Explanatory comments of the Board:**

The Auditors have given qualified report on the Standalone and Consolidated financial statements regarding internal financial controls in respect of one of the SBU's of the Company.

A case of misappropriation of cash through wrong adjustments was noticed by the Company in one of the units of Balmer Lawrie & Co. Ltd. during the course of review of debtors in the month of January, 2016. The Company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of Rs.34.58 Lakhs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to investigating agency and necessary further legal action will be taken thereafter. Action has been initiated to separate the cash and accounting functions of the SBU.

**b. Auditors' Report on Consolidated Financial Statements:**

Members may note that the Auditors' Report on Consolidated Financial Statements dated 26<sup>th</sup> May, 2016 for the year ended 31<sup>st</sup> March, 2016 contains qualification. The Statutory Auditors have made the following observations in their report:

**Basis for Qualified Opinion****In respect of unaudited financial statement of Subsidiary/Jointly Controlled Entities**

We did not audit the financial statements of PT Balmer Lawrie Indonesia (PTBLI), a jointly controlled entity of the wholly owned subsidiary Balmer Lawrie (UK) Ltd. for the year ended 31<sup>st</sup> March, 2016 as prepared by the management of PTBLI, whose financial statement reflect total assets of ₹ 1201.64 lac as at 31<sup>st</sup> March 2016, total revenue of ₹ 1219.80 lac and net cash inflows amounting to ₹ 13.16 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited (refer Note No. 23.7) and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said jointly controlled entity (PTBLI),

and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the said jointly controlled entity (PTBLI), is based solely on such unaudited financial statements.

**“Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 consolidated state of affairs of the Group and jointly controlled entities as at March 31, 2016;
- (b) in the case of Statement of Profit and Loss, of the Profit of the Group and jointly controlled entities for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Group and jointly controlled entities for the year ended on that date.

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) One of the Joint Venture Company M/S Transafe Services Limited, where Company holds 50% stake, accumulated losses has exceeded its net worth by Rs.2572.73 lac as on the Balance sheet date and its application for revival under Sick Industrial Companies (Special Provisions) Act 1985 made to BIFR (Case No. 83/2013) is pending as stated in Note. No. 23.12 These conditions indicate existence of uncertainty that may cast



significant doubt about its ability to continue as going concern. However, the financial statements of the Company have been prepared on a going concern basis.

- b) Loan provided by Balmer Lawrie & Co. Ltd., Holding Company, to Balmer Lawrie - Van Leer Ltd., a jointly controlled entity, of Rs.1817.92 lac has been eliminated from intra group transactions and also the full provisions made for doubtful advances by Balmer Lawrie & Co. Ltd. in its books in this respect and this has already been adjusted with General Reserve in earlier years as stated in Note No. 23.15. In view of the above, the basis of qualified opinion in respect of above by the auditor of Balmer Lawrie - Van Leer Ltd., a jointly controlled entity, has not been considered.
- c) Note No.23.17:- Trade receivables, loans and advances and deposits of which confirmations are not received from the parties are subject to reconciliation and consequential adjustments on determination/receipt of such confirmation.

Our opinion is not modified in respect of above matters.

### Emphasis of Matters

We draw attention to the following Notes to the financial statements, which describe the uncertainty related to the outcome. Our opinion is not qualified in respect of this matter:

- a) Note No. 23.11: "A case of misappropriation of cash through wrong adjustments was noticed in one units of the company during the course of review of debtors in the month of January 2016. The company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of Rs.34.58 Lakhs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to

investigating agency and necessary further legal action will be taken thereafter."

### Explanatory management response as approved by the Board:

The auditors of PT Balmer Lawrie Indonesia (PTBLI), Indonesia, a joint venture of our wholly-owned subsidiary Balmer Lawrie (UK) Ltd., have released the draft accounts and the final audit report is in the process of review and will be released shortly. The Company's proportionate share of income of INR 1219.80 Lakhs (0.37% of the total income) and assets of INR 1201.64 Lakhs (0.59% of the total assets) was considered in the consolidated financial statement of the Company based on such draft accounts of PTBLI communicated by the joint venture auditors.

The Audited Financial Statement of PTBLI was subsequently received by Balmer Lawrie on 27<sup>th</sup> May, 2016 and the figures contained therein had no deviation from the same used for the purpose of consolidation of accounts of the Company.

### Comments of Comptroller & Auditor General of India

The office of the Comptroller & Auditor General of India ('CAG') had conducted a supplementary audit of the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2016. On the basis of the audit, CAG states that nothing significant has come to its knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report. Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013, is attached with the Financial Statement.

### Secretarial Auditor:

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, the Board had appointed M/s. N.K. Kothari & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit

Report in Form MR-3 for the Financial Year ended 31<sup>st</sup> March, 2016 is annexed herewith and marked as "Annexure 5".

**Secretarial Auditors' Report**

**Qualification, reservation, adverse remark or disclaimer made by the Secretarial Auditor in their Report and corresponding Management Response:**

The Secretarial Auditor has qualified their Report as mentioned below:

Sl. No.	Observation / Comment/ Qualification of the Secretarial Auditors	Clarification from the Management
1	As per the provisions of the Act, the Company is required to have 1/3rd of total number of directors as Independent Directors, as per Section 149(4) of the Companies Act, 2013. Further, in terms of Regulation 17 of LODR, the Board of Directors shall consist of at least half of its total number as Independent Directors, if the listed entity does not have a regular non-executive Chairman. Since the Chairman of the Board is an Executive Director in such case the Company was required to have at least half of the board of directors consisting of Independent Director.	We are a Government Company as is evident from our shareholding pattern. As per the Articles of Association of the Company so long as the Company remains a Government Company, the President of India shall be entitled to appoint one or more person(s) to hold office as Director(s) on the Board and also to appoint one or more such Director(s) as Managing or Whole-time Director(s) of the Company. Accordingly, Ministry of Petroleum & Natural Gas, being the administrative Ministry directs us regarding change or appointment of Directors. As also observed by the Secretarial Auditor, the Company has intimated the need for appointment of Independent Directors to the administrative ministry.
2	The company has not appointed any Independent Director on its Board.	As explained in serial 1 above.
3	No separate meeting of Independent Directors was held as the company has no Independent Director on its Board during the year under audit.	There was no Independent Director on the Board of the Company hence no separate meeting of Independent Director was held during the financial year 2015-16.
4	Audit Committee, Nomination and Remuneration Committee and CSR Committee are not constituted properly as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as there is no Independent Director on its Board.	The Composition of the Committee is a fall out of Serial (1) and (2) above explanation to which has already been given.
5	The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.	Further to our explanation in Serial 1 above it may be pertinent to mention that MCA vide GSR dated 5 June 2015 provides that : The provisions of sub-sections (1), (2), (3) and (4) of section 203 of the Companies Act, 2013 shall not apply to a Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time director of the Government Company.

Sl. No.	Observation / Comment/ Qualification of the Secretarial Auditors	Clarification from the Management
		As also observed by the Secretarial Auditor, the Company has intimated the need for appointment of Independent Directors to the administrative ministry.

**Cost Auditors:**

Pursuant to Section 148 of the Companies Act, 2013 the Board of Directors on the recommendation of the Audit Committee appointed M/s. Bandyopadhyaya Bhaumik & Co., Cost Accountants, as the Cost Auditor of your Company for the year under review relating to goods manufactured by Strategic Business Units : Industrial Packaging, Leather Chemicals and Greases & Lubricants of your Company. The remuneration proposed to be paid to the Cost Auditor requires ratification of the members of your Company. In view of this, your ratification for payment of remuneration to the Cost Auditor for the Financial year 2015-16 is being sought at the ensuing Annual General Meeting.

**Cost Auditor’s Report**

Cost Audit Reports for all the applicable products for the year ended 31<sup>st</sup> March, 2015 were filed on 18<sup>th</sup> September, 2015 with Cost Audit Cell of Ministry of Corporate Affairs department within specified due dates.

**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 your Company by its customers as well as the dealers who have contributed towards the customer-care efforts put in by your 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 your 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 its 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 your Company for their unstinted support towards fulfilment of its corporate vision.

With the support of all stakeholders, the Company has stepped into its 150<sup>th</sup> year.

On behalf of the Board of Directors

**Prabal Basu**  
**Chairman & Managing Director**

**D. Sothi Selvam**  
**Wholetime Director**

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

Date: 10<sup>th</sup> August, 2016

## FORM NO. MGT-9

## ANNEXURE - 2

## EXTRACT OF ANNUAL RETURN

as on the financial year ended 31<sup>st</sup> March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L15492WB1924GOI004835
ii)	Registration Date	18-02-1924
iii)	Name of the Company	Balmer Lawrie & Co. Limited
iv)	Category / Sub-Category of the Company	Union Government Company
v)	Address of the Registered office and contact details	21, Netaji Subhas Road, Kolkata-700001 Phone-(033)2222 5313/5329 E-mail:bhavsar.k@balmerlawrie.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 59-C, Chowringhee Road, 3rd Floor Kolkata – 700 020 Phone: (033) 2289 0540 Telefax: (033) 2289 0539 E-mail: kolkata@linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Greases & Lubricating Oils	19201	13.17 %
2	Industrial Packaging (Steel Drums)	25129	17.19 %
3	Logistics Infrastructure & Services	51201/52243/52109	20.89 %
4	Tours & Travel	79110/79120	45.83 %

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the company	CIN/GLN/ Company no.	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Balmer Lawrie Investments Ltd. 21, Netaji Subhas Road, Kolkata-700001	L65999WB2001 GOI093759	Holding	61.80	2(46)

Sl. No.	Name and address of the company	CIN/GLN/ Company no.	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
2	Balmer Lawrie (UK) Ltd. Beech Court, Summers Road, Burnham, Buckinghamshire, SL1 7EP	Registered in England & Wales No. 2764967	Wholly Owned Foreign Subsidiary	100	2(87)
3	Visakhapatnam Port Logistics Park Limited 21, Netaji Subhas Road, Kolkata-700001	U63090WB2014 GOI202678	Wholly Owned Subsidiary	100	2(87)
4	Balmer Lawrie (UAE) LLC. B 11b, Heavy Industrial Area, P.O. Box – 11818, Dubai, U.A.E.	Foreign Company	Associate	49	2(6)
5	Balmer Lawrie – Van Leer Ltd. D-195/2, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Maharashtra – 400705	U99999MH1962 PLC012424	Associate	48	2(6)
6	Transafe Services Ltd. 21, Netaji Subhas Road, Kolkata-700001	U28992WB1990 PLC050028	Associate	50	2(6)
7	Avi-Oil India Private Ltd. 608, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi–110001	U23201DL1993 PTC190652	Associate	25	2(6)
8	Balmer Lawrie Hind Terminals Pvt. Ltd. Balmer Lawrie House, 628 Anna Salai, Teynampet, Chennai, Tamil Nadu – 600018	U63000TN2011 PTC083412	Associate	50	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	0	0	0	0	0	0	0	0	0
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (A) (1):-</b>	0	0	0	0	0	0	0	0	0
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	0	0	0	0	0	0	0	0	0
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds / UTI	902824	1137	903961	3.1717	694551	1137	695688	2.4410	-0.7307
b) Banks / FI	11695	7454	19149	0.0672	15215	7454	22669	0.0795	0.0123
c) Central Govt	17613225	6063	17619288	61.8200	17613225	6063	17619288	61.8200	0.0000
d) State Govt(s)	0	7035	7035	0.0250	0	7035	7035	0.0250	0.0000
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	2263647	50	2263697	7.9426	2377242	50	2377292	8.3412	0.3986
g) FIs	999206	0	999206	3.5059	812955	0	812955	2.8524	-0.6535
h) Foreign Venture Capital Fund									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>21790597</b>	<b>21739</b>	<b>21812336</b>	<b>76.5328</b>	<b>21513188</b>	<b>21739</b>	<b>21534927</b>	<b>75.5594</b>	<b>-0.9733</b>
2. Non-Institutions									
a) Bodies Corporate	1009663	7927	1017590	3.5704	996673	7927	1004600	3.5248	-0.0456
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4149530	500613	4650143	16.3160	4050482	479183	4529665	15.8932	-0.4228
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	632224	45963	678187	2.3795	668154	32171	700325	2.4572	0.0777
c) Others (specify)									
Trust	28708	0	28708	0.1007	22654	0	22654	0.0795	-0.0212
HUF	0	0	0	0.0000	271864	0	271864	0.9539	0.9539
NRI-NON REPAT	72241	0	72241	0.2535	172018	0	172018	0.6036	0.3501
NRI-REPAT	180735	22	180757	0.6342	186706	22	186728	0.6552	0.0210
<b>Clearing Member</b>	60679	0	60679	0.2129	77860	0	77860	0.2732	0.0603
<b>Sub-total (B)(2):-</b>	<b>6133780</b>	<b>554525</b>	<b>6688305</b>	<b>23.4672</b>	<b>6446411</b>	<b>519303</b>	<b>6965714</b>	<b>24.4406</b>	<b>0.9734</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	27924377	576264	28500641	100.0000	27959599	541042	28500641	100.0000	—
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Grand Total (A+B+C)	27924377	576264	28500641	100.0000	27959599	541042	28500641	100.0000	

**ii) Shareholding of Promoters :**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**iii) Change in Promoters' Shareholding (please specify, if there is no change) :**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	N. A.	NIL	NIL	NIL	NIL
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Balmer Lawrie & Company Limited ISIN : INE164A01016								
MGT-9 IV. Shareholding Pattern of Top Ten Shareholders								
Sl. No.	Name & type of transaction	Shareholding at the beginning of the year - 2015		Transactions during the year			Cumulative shareholding at the end of the year - 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	% Of change	No of shares held	% Of total shares of the company
1.	<b>BALMER LAWRIE INVESTMENTS LTD.</b>	17613225	61.7994					
	AT THE END OF THE YEAR						17613225	61.7994
2.	<b>THE NEW INDIA ASSURANCE COMPANY LTD.</b>	870514	3.0544					
	Transfer			31 Dec 2015	-5000	-0.57		
	Transfer			01 Jan 2016	-1612	-0.19		
	Transfer			08 Jan 2016	-28709	-3.32		
	Transfer			15 Jan 2016	-16000	-1.92		
	AT THE END OF THE YEAR						819193	2.8743
3.	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>	723142	2.5373					
	AT THE END OF THE YEAR						723142	2.5373
4.	<b>UTI – CHILDRENS CAREER BALANCED FUND</b>	578953	2.0314					
	Transfer			17 Apr 2015	-4000	-0.69		
	Transfer			26 Jun 2015	-15000	-2.61		
	AT THE END OF THE YEAR						559953	1.9647
5.	<b>NATIONAL INSURANCE COMPANY LTD.</b>	316239	1.1096					
	Transfer			10 Apr 2015	538	0.17		
	Transfer			24 Apr 2015	50000	15.78		
	Transfer			08 May 2015	10000	2.73		
	Transfer			05 Jun 2015	20000	5.31		
	Transfer			12 Jun 2015	12142	3.06		
	Transfer			07 Aug 2015	-20000	-4.89		
	Transfer			28 Aug 2015	12858	3.31		
	Transfer			25 Sep 2015	-6572	-1.64		



Balmer Lawrie & Company Limited ISIN : INE164A01016								
MGT-9 IV. Shareholding Pattern of Top Ten Shareholders								
Sl. No.	Name & type of transaction	Shareholding at the beginning of the year - 2015		Transactions during the year			Cumulative shareholding at the end of the year - 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	% Of change	No of shares held	% Of total shares of the company
	Transfer			05 Feb 2016	7314	1.85		
	Transfer			19 Feb 2016	22686	5.64		
	Transfer			11 Mar 2016	20097	4.73		
	Transfer			25 Mar 2016	17400	3.91		
	Transfer			31 Mar 2016	18453	3.99		
	AT THE END OF THE YEAR						481155	1.6882
<b>6.</b>	<b>INDIAN SYNTANS INVESTMENTS (P) LTD.</b>	300000	1.0526					
	Transfer			11 Mar 2016	36163	12.05		
	Transfer			18 Mar 2016	20017	5.95		
	AT THE END OF THE YEAR						356180	1.2497
<b>7.</b>	<b>LIFE INSURANCE CORPORATION OF INDIAN</b>	353752	1.2412					
	AT THE END OF THE YEAR						353752	1.2412
<b>8.</b>	<b>DIMENSIONAL EMERGING MARKETS VALUE FUND</b>	185124	0.6495					
	Transfer			10 Apr 2015	4561	2.46		
	Transfer			17 Apr 2015	2876	1.52		
	Transfer			24 Apr 2015	1874	0.97		
	Transfer			01 May 2015	1339	0.69		
	Transfer			30 Jun 2015	1458	0.74		
	Transfer			03 Jul 2015	1397	0.71		
	Transfer			10 Jul 2015	1598	0.80		
	Transfer			17 Jul 2015	2650	1.32		
	Transfer			31 Jul 2015	2106	1.04		
	Transfer			28 Aug 2015	1399	0.68		
	Transfer			04 Sep 2015	2920	1.41		

Balmer Lawrie & Company Limited ISIN : INE164A01016								
MGT-9 IV. Shareholding Pattern of Top Ten Shareholders								
Sl. No.	Name & type of transaction	Shareholding at the beginning of the year - 2015		Transactions during the year			Cumulative shareholding at the end of the year - 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	% Of change	No of shares held	% Of total shares of the company
	Transfer			11 Sep 2015	4758	2.27		
	Transfer			18 Sep 2015	1987	0.93		
	Transfer			30 Oct 2015	1465	0.68		
	Transfer			13 Nov 2015	2337	1.07		
	Transfer			27 Nov 2015	1424	0.65		
	Transfer			25 Dec 2015	2763	1.25		
	Transfer			31 Dec 2015	1424	0.64		
	Transfer			08 Jan 2016	1324	0.59		
	Transfer			15 Jan 2016	2622	1.16		
	Transfer			05 Feb 2016	1407	0.61		
	Transfer			19 Feb 2016	1537	0.67		
	AT THE END OF THE YEAR						232350	0.8152
9.	<b>THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY</b>	100780	0.3536					
	Transfer			10 Apr 2015	3162	3.14		
	Transfer			17 Apr 2015	469	0.45		
	Transfer			24 Apr 2015	1653	1.58		
	Transfer			01 May 2015	2858	2.69		
	Transfer			08 May 2015	4509	4.14		
	Transfer			15 May 2015	1380	1.22		
	Transfer			22 May 2015	522	0.45		
	Transfer			30 Sep 2015	1717	1.49		
	Transfer			16 Oct 2015	825	0.70		
	AT THE END OF THE YEAR						117875	0.4136
10.	<b>VIKRAM SWARUP</b>	112500	0.3947					
	AT THE END OF THE YEAR						112500	0.3947

- Note:** 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 28500641 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the year.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>SHRI PRABAL BASU</b>				
	At the beginning of the year	110	0.000	110	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	NIL	NIL
	At the End of the year ( or on the date of separation, if separated during the year)	110	0.000	110	0.000
2.	<b>SHRI VIRENDRA SINHA</b>				
	At the beginning of the year	230	0.000	230	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	NIL	NIL
	At the End of the year ( or on the date of separation, if separated during the year)	230	0.000	230	0.000

**V. INDEBTEDNESS :****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b> - Addition - Reduction	Short term loans taken from banks to meet working capital requirements during the year have all been repaid within the year.	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

in ₹

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Shri Prabal Basu (01/04/15 - 31/03/16)	Ms. Manjusha Bhatnagar (01/04/15 - 31/03/16)	Shri D. Sothi Selvam (01/04/15 - 31/03/16)	Shri Kalyan Swaminathan (01/08/15 - 31/03/16)	Shri Shyam Sundar Khuntia (28/03/16 - 31/03/16)	
1.	Gross salary	36,46,268	27,04,653	29,34,682	23,50,805	25,608	1,16,62,016
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,85,905	4,81,267	2,88,742	1,58,041	370	15,14,325
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—	—
2.	Stock Option	—	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—	—
4.	Commission - as % of profit - others, specify...	—	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—	—
	<b>Total (A)</b>	<b>42,32,173</b>	<b>31,85,920</b>	<b>32,23,424</b>	<b>25,08,846</b>	<b>25,978</b>	<b>1,31,76,341</b>
	Ceiling as per the Act	5% of Net profits	5% of Net profits	5% of Net profits	5% of Net profits	5% of Net profits	11% of Net profits

**B. Remuneration to other directors: NIL**

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

in ₹

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Ms. Kavita Bhavsar (01/04/15 – 31/03/2016)	Shri Shyam Sundar Khuntia (31/03/16 – 31/03/2016)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	For the year 2015-16 Shri Prabal Basu was the CEO. However, he did not receive any remuneration for acting as a CEO.	20,88,079	*Shri Khuntia did not receive any remuneration for acting as CFO during the aforesaid period.  <b>Shri Manoj Lakhapal (01/04/15 – 27/03/2016)</b>	20,88,079
			1,13,150	*Shri Lakhapal did not receive any remuneration for acting as CFO during the financial year 2015-16.	1,13,150
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission - as % of profit - others, specify...	–	–	–	–
5.	Others, please specify	–	–	–	–
	<b>Total</b>		<b>22,01,229</b>	<b>--</b>	<b>22,01,229</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL		NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### (Forming Part of the Board's Report for 2015-16)

The Management Discussion & Analysis (MDA) 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 2015-16. Also covered in the analysis are issues governing future outlook.

An unusual volatility in the international economic environment markets have begun to swing fears that the global recovery may be faltering, while risks of extreme events are rising. India still stand out as much stable economy and continue to offer opportunities for growth in these turbulent times. Amidst this gloomy landscape, India's macro-economy is stable, founded on the government's commitment to fiscal consolidation and low inflation. Its economic growth is amongst the highest in the world, helped by a reorientation of government spending towards required public infrastructure.

On the government's "reform-to-transform" agenda, a series of measures, each incremental but collectively meaningful have been enacted. Fortifying the Indian economy against possible spillovers is consequently one obvious necessity. The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Inflation, the fiscal deficit, and the current account deficit have all declined. Economic growth appears to be recovering, albeit at varying speeds across sectors.

The growth rate of GDP at constant market prices was projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly,

the growth rate of Gross Value Added for 2015-16 was estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

Petroleum products and iron and steel are two major industries within the manufacturing sector that recorded contraction in the Fiscal year 2015-16. This decline reflected a sharp deterioration in the financial health of the metals—primarily steel companies.

The manufacturing sector has been a major contributor in sustaining this high growth rate. The contribution of the manufacturing sector to Gross Value Added (GVA) has been hovering around 17 per cent for the last four years. The industrial sector broadly comprising of mining, manufacturing and electricity attained 3.1 per cent growth during April-December 2015-16 as compared to 2.6 per cent during the same period of 2014-15 due to the higher growth in mining and manufacturing sectors.

While the overall Industrial Production (IP) has shown recovery, there is variation in the performance of some of the major industries during April-December 2015. While some sectors like electricity, coal, fertilizers, cement and passenger cars have shown positive growth, sectors like steel and aluminium have shown negative growth during April-December 2015. In terms of production, fertilizers and passenger cars have achieved higher levels during April-December 2015



as compared to the same period of the previous two years.

The service sector remains the key driver of India's economic growth, contributing almost 66.1 per cent of its Gross Value Added growth in 2015-16, important net foreign exchange earner and the most attractive sector for foreign direct investment inflows. However, the global slowdown has cast a shadow even on this promising sector. The services sector in India remained the most vibrant sector in terms of contribution to national and state incomes, trade flows, FDI inflows and employment. The services sector is like an uncharted sea with plenty of opportunities that have not been fully tapped.

Looking ahead, the government's focus on infrastructure development, favourable regulatory policies like liberalization of FDI norms, increasing number of multi-modal logistics service providers, growing trend of outsourcing logistics to third party service providers and entry of global players are expected to provide impetus to logistics services. Though shipping services are at a low key at present, with increased imports of POL (petroleum, oil and lubricants) for stocks build up to take advantage of low crude oil prices, containerization of export and import cargo and modernization of ports with private sector participation, recovery of the shipping and port services sector can be expected. Bharatmala programme is a proposed umbrella scheme for Development of State Roads along Coastal areas / Border areas, including connectivity of non-major ports, Backward Areas, Religious, Tourist Places Connectivity programme, construction of Bridges, development of National Highways.

Supply-side bottlenecks, infrastructural and structural constraints hindering the achievement of medium-term growth and job creation, are being addressed on priority basis. Programmes like Make in India, Ease of Doing Business, Skill India, Startup India and reforms in various industrial and infrastructure sectors

are some of the major initiatives in the direction of attracting more investment to ensure high industrial growth.

A vision document for Coastal Shipping, Tourism and Regional Development has been prepared with a view to increase the share of coastal / inland waterways transport mode from 7 per cent to 10 per cent by 2019-20. The Inland Waterways Transport (IWT) sector remained dormant for a long time and lost its relevance and importance in the overall transport sector.

The Civil Aviation Industry in India is experiencing a new era of expansion, driven by factors such as increasing private participation under Public Private Partnership (PPP), development of greenfield airports, restructuring and modernization of airports, FDI in domestic airlines, increase in number of Low Cost Carriers (LCCs) and emphasis on regional connectivity, coupled with cutting edge information technology interventions.

Growth in 2016-17 may not pick up dramatically from the levels achieved in 2015-16 as the possibility of slow global economic growth and financial sector uncertainties still loom large. Given the prevalent overall macro-economic scenario, and assuming normal level of rains in 2016-17, it would not be unreasonable to conclude that the Indian economy is all set to register growth in excess of 7 per cent for the third year in succession.

Despite many challenges, there remains considerable room for optimism. Reflecting the better economic performance and the commitment of the government to reforms, the global perception about India's competitiveness has improved as per the Global Competitiveness Index of the World Economic Forum. Significantly, at position 55, India went up 16 rungs in 2015-16, which is the largest gain among the major economies.

Against the aforesaid macro-economic backdrop it would be seen from this report read with the Board's

Report that the core competency of the Company lies in its ability to handle multiple diversified business in a manner to keep top and bottom line healthy, despite of adverse fluctuations in business segments.

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

### **Industry Structure and Developments**

SBU-Industrial Packaging is the largest manufacturer and market leader of 200 Litres capacity Steel Drums in India. SBU has its presence in meeting Steel Drum requirements also in neighbouring countries as well. The major clientele includes Global Transnational customers and also large Indian Companies.

Steel Drums are utilized for safe packaging and transportation of liquid/ semi-liquid/ pulp/ Greases/ powders etc.

The Company effects sale on pan India basis through six Steel Drum manufacturing facilities close to major consumption centres.

The main drivers of Rigid Industrial Packaging are:

- Underlying growth of customer industries : Rigid Industrial Packaging demand is closely correlated with underlying growth of customer industries (chemical industry with largest influence)
- Substitution across packaging segments shift between different materials due to changing customer needs.
- Standardization of products: Standardization increases comparability between packaging products.

## **OPPORTUNITIES & THREATS**

**The major Opportunities for the SBU lies in:**

- Increase in product range.
- Benefit from the “most preferred supplier”

status from most of the large Steel Drum Buyer's in India & neighbouring countries.

- Entry to new market such as PCPIR and also entry to the markets where SBU do not have substantial presence.

**The major threats being faced by the SBU are:**

- Excess manufacturing capacity.
- Tender based supplies with wafer thin margins.
- Public procurement policy of Government has restricted business to an extent of 2.0 million Drums per year for the SBU.
- Shift of packaging from Steel Drums to alternative rigid packaging.
- Since HSE norms are not strict, ample number of Drums are getting recycled without proper treatment before it goes to the cost conscious customer.
- Volatility in the Steel Industry leading to unstable pricing.

### **Segment-wise or Product-wise Performance**

Sales volume of the SBU during the year 2015-16 was marginally less than the previous year 2014-15. The sales volume was accomplished despite the shrinkage of available market in the wake of directives to Government companies to procure MS Drums only from Small & Medium Enterprises.

### **Outlook**

Indications of 2016-17 appears to be good in respect of the fruit segment business. Though there would be no business from any Public Sector Oil Companies or Government in 2016-17. However, SBU is geared up to meet this challenge by aggressively acquiring new customers from private sector and increasing its volume/revenue share from the existing customers.

Besides the SBU's ability to deliver just in time quality

products to its customers in all regions, the state of the art high throughput Navi Mumbai plant being located at the close proximity to one of the largest consumption centres for Steel Drums in Western Region is likely to provide substantial competitive advantage to the SBU.

### Risks & Concerns

1. Shrinkage of market size to an extent of 2.0 million Drums per year due to Government policy on procurement of Drums from MSME manufacturers.
2. Highly fragmented competitive landscape with large number of medium and small scale private players leading to over capacity in all regions.
3. Mushroom growth of new entrants in Gujarat, Talaja and at Chittoor (in and around of Fruit Market).
4. Escalation of inputs costs, not reimbursed by customers due to competitive pressures.
5. Other than MNC customers, very few customers providing enough weightage for HSE compliance in selection of their vendors for steel drums.

### Internal Control Systems and their Adequacy

The SBU is governed by performance budget system and internal control measures to monitor performance against targets/norms. BIS certificate is available for all plants of the SBU. All the six plants under the SBU are certified to ISO 9001:2008 and ISO 14001:2004. Five plants are certified for ISO 18001:2007. Additional checks are maintained through Internal Audit, Vigilance Inspection, etc.

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

During the year SBU's performance has improved considerably in terms of profitability and the SBU

recorded the highest ever profit. Navi Mumbai plant has also improved in terms of productivity and other operational parameters and has stabilised its operations.

### Material Developments in Human Resources / Industrial Relations

SBU IP has closed its operations for IP Sewree with effect from 1<sup>st</sup> July, 2015. The compensation for all the employees who have taken VRS as well as compensation for mathadi workmen have been paid. The closure of the IP Sewree was completed in a congenial environment. Overall the SBU continues to enjoy cordial relationship with employees at all its units.

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

### Industry Structure and Developments

India's growing economy and emerging middle class continue to contribute to a robust automotive market growth. As a result, India is now world's third largest lubricant market, behind only America and China, with a market size of 2.5 billion litres. Lubricants demand is projected to grow at 2.3% compounded at annual rate. Of that, the automotive lubricants market is 52%, and growing at 6 % annually.

The oil price decline since Mid-2014 has been a major shock to the global chemical industry. Many producers were underprepared for both the magnitude and speed of the impact on their businesses. In particular, crude oil supply has grown rapidly in recent years, with the addition of new production – including unconventional sources such as US Light Tight Oil (LTO), which is produced by horizontal drilling and hydraulic fraction of shale rock; new offshore sources in Angola, Brazil, Nigeria and other regions.

The lubricants industry in India is dominated by IOC (Servo brand), Bharat Petroleum Corporation (MAK) & Hindustan Petroleum Corporation (Turbo). These three companies together have 50% market share.

The rest is with private multinationals, including Shell, Gulf Oil, Castrol, Exxon Mobil, Total, IPOL and smaller companies.

### **Opportunities & Threats**

India & Africa are the only growing markets for lubricants, with India having a bigger growth potential. Boom in lubricants segment attracts foreign players. Repsol, largest petroleum company in Spain, entered India by announcing a partnership with UAE-based Gulf Petrochem. Last year, Gulf had acquired Sah Petroleum (now GP Petroleum) in India.

The launch of new Techtronic packaging symbolizes the technological advancement achieved with the use of the exclusive “DEKATROL” and “WOWtech” technology which act as a “tonic” for today’s high tech engines. The packaging, along with the revamped logo, looks contemporary and modern. The SBU’s R&D Centre, known as the Application Research Laboratory (ARL) located in Kolkata, developed the tribological solutions using the unique “DEKATROL technology” which has a ten-point advantage, is eco-friendly, and helps to reduce frictional energy losses and enhance fuel economy, as also the life of the product. The solutions developed using “WOWtech” technology provide extra protection and act as strong shield for the engine, clutch and gear for 2 wheeler applications.

SBU has implemented ISO/TS 16949:2009 at its Silvassa facility to bring in international practices in Quality Management System towards design & manufacture of lubricants.

### **Segment-wise or Product-wise Performance**

The business of SBU-G&L may be divided into:

- a) Processing / Contract / Manufacturing
- b) Direct Sales or what the SBU refers to “Balmerol” sales segment

The “Balmerol” sales Segment can, in turn, be classified into –

- i) Institutional / Industrial Sales – Primarily sales to Railways, Defence, Steel, Coal Sector, OEM, Sponge Iron, Power & Infrastructure.
- ii) Retail Sales
- iii) Export

In 2015-16, due to challenging business environment and volatility in lubricant market and also falling base oil prices, the SBU recorded a 7.94% negative growth in turnover 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.

### **Outlook**

The SBU is laying thrust on the retail sector through redesigning and expansion of its distribution network, participation in various promotional campaigns and incentive schemes which is expected to activate retail sales growth. The SBU has also been working for implementation of DMS (Distributor Management System) primarily for retail functions to track the secondary sales and to increase operational efficiency.

A detailed medium term strategy has already been worked out with view to achieve a significant growth in Retail Sector sales.

### **Risks & Concerns**

The major risks in the business is cut-throat competition, lack of OEM customers and time taken to penetrate new business segments.

### **Internal Control Systems & their Adequacy**

The SBU has adequate internal control systems suitable for its business needs. The SBU has implemented SAP this year to further improve its internal control systems.

The SBU has a detailed Management Information & Control system to monitor performance against budgets / targets.

The Quality and Environment Management System at all the three manufacturing plants are certified to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards. During the year, the Silvassa plant has also obtained the ISO/TS 16949 for Auto OE supplies quality system.

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

During 2015-16, the Sales turnover of the SBU experienced a de-growth of nearly 8%. This was mainly due to drop in market share in the retail segment where the SBU was in the process of re-organizing and revamping its entire retail distributor network in view of increased focus on this market segment.

During the year under review, despite the prevailing environment of adversity in major part of the year which includes severe price competition from PSU Oil Companies, major MNCs and other private players and sharp hike in the lithium hydroxide prices, the SBU has been able to maintain its overall performance level, though marginally lower, in terms of production and sales during the current year as compared to last year.

The bottom-line of the SBU during the year has seen a significant turn-around over last year mainly due to the favorable impact of lower base oil prices.

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

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

## **3. LEATHER CHEMICALS [SBU – LC]**

### **Industry Structure and Developments**

Leather is one of the most widely traded commodities

globally. The growth in demand for leather is driven by the fashion industry, especially footwear. Apart from this, furniture and interior design industries, as well as the automotive industry also demand leather. India is the fifth-largest exporter of leather goods and accessories in the world and the second largest footwear producer after China. Footwear export accounts for 45% share in India's total leather & leather products export.

The Leather Industry holds a prominent place in the Indian economy. This sector is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the country.

The Government of India had identified the Leather Sector as a Focus Sector in the Indian Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation. Accordingly, the Government is also implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programmes as well as export promotional activities and keeping in view the past performance and industry's inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhance export and resultantly create additional employment opportunities.

### **Opportunities**

Being major market share holder in Synthetic Fat Liquors (SFL), SBU is having good opportunities to grow.

While the top segment is being catered to mainly by MNCs like BASF, Stahl, TFL, our recently introduced top segment chemicals are also being sold at competitive pricing.

Presently, we have a good presence in SFL market and there is also a huge potential available for Syntan

market where the SBU can penetrate further.

Newly introduced Beam house chemical Balgresol SOC was well appreciated by our customers.

New dealers have been appointed to improve the distribution system across the country.

### **Threats**

Major threat is shrinking of the market due to various reasons i.e. increased use of non-leather products, environmental issues and devaluation of Euro, ban on cow slaughtering and non-availability of hides etc.

### **Segment-wise or product-wise performance**

In spite of lower sales volume achieved during the previous year 2015-16, the SBU turned around to earn profits by improving the process efficiency and undertaking operational excellence initiatives.

### **Future Outlook**

The path forward as envisaged for this SBU is as follows :

- Improve the sales volume of existing fatliquor through existing dealers
- Increase the sale by improving the distribution channel
- Launching new products to increase the product basket.
- Enhancing the sale of beam house chemicals
- Launching finishing chemicals for both the high and medium segments.
- Catering to overseas customers
- Increased focus on syntan sales with new products

### **Risks and concerns**

The applicability of REACH norms on products used in leather processing along with complying to pollution

control norms in relation to tannery/effluents is a major area of concern for the SBU.

### **Internal control systems and their adequacy**

The SBU has implemented SAP to improve internal control systems. The manufacturing units, Product Development, marketing functions are certified for Integrated Management System comprising of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 of TUV: SUD Standards.

### **Discussion on financial performance with respect to operational Performance**

Financial performance was comparatively better than last year as has been stated in the earlier paragraphs.

### **Material developments in Human Resources / Industrial Relations.**

SBU continues to upgrade the skill of each and every employee by providing necessary trainings. Industrial relationship continues to be satisfactory.

## **4. SBU: LOGISTICS**

Under this SBU, there are two verticals viz., Logistics Infrastructure and Logistics Services. Details are provided for each of these separately.

### **A. LOGISTICS INFRASTRUCTURE [LI]**

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

Logistics Infrastructure business comprises three main segments viz., Container Freight Station (CFS) typically set up in the vicinity of Ports, Warehousing & Distribution (W&D) and Temperature Controlled Warehouses (Cold Chains). CFS is a facility established for the handling and temporary storage of Exim Containers. It is an extension of Port with facility for custom clearance. These are set up primarily with a view to decongest ports. CFS provides an integrated platform for activities such as loading/unloading, transporting and stuffing/De stuffing of containers.

During 2015-16, container handling at top 12 Ports in India grew by 3 % which is lower than the last year's growth of 8 %. The total container throughput in India during 2015-16 was around 11.58 million TEUs while it was 10.83 million TEU's in 2014-15.

Your company has three state-of-the-art CFSs located at NhavaSheva (Navi Mumbai), Chennai and Kolkata. Incidentally, these three ports account for nearly 54% of the total container traffic handled in Indian Ports which has gone down by 1.9 % as compared to last year. The drop was mainly attributable to the frequent congestion at JNPT, better infrastructure facility and increase in vessel frequency at non major ports such as Mundra , Pipavav, Krishnaptnam . Import volume in the three ports of JNPT, Kolkata and Chennai improved by 0.5 % during 2015- 16 as compared to the earlier year.

Warehousing & Distribution facilities are presently available at Kolkata and Coimbatore. Indian Warehousing industry of late has transformed itself into an active one by providing Value Added Services (VAS). Today they are designed and strategically positioned to facilitate procurement, distribution, transportation and storage activities of the supply chain. Unorganized players continue to dominate the industry accounting for almost 85% of the market share. However, with 3 PL catching up, share of organized sector is likely to grow at a CAGR of 15% in the next 3 years.

According to a report by the ASSOCHAM, Temperature Controlled Industry (TCL) was worth INR 236 Billion in 2013 and the Industry is expected to grow at 28% per annum to reach INR 640 Billion by 2017.

### **Opportunities & Threats**

For the last 3 to 4 years, CFS /ICD industry was facing tough times which reflected in declining container volumes and Profit margins for most of the operators primarily due to difficult global environment as well as issues on the domestic front

like low technology utilization, cumbersome customs procedures, increasing port congestion, increasing demand for incentives from Shipping Lines/ CHAs/ Forwarders, reduction in logistic costs sought by Importer and Exporter, Shipping Lines wanting to have their own CFS and offer captive market to their CFS etc. Despite all this, there are opportunities for growth as India's containerisation level is still much lower than most of the developed countries which offers a glimmer of hope to this industry. Further, there are Ports where number of CFS operators are quite less. Increasing volume of reefer containers and increased scope of handling project cargo would be of great help for performance improvement in near future. Large import houses are showing keen interest to have direct negotiation with CFSs by removing dependence on mediators which is likely to be a good opportunity for CFS operators.

Factors such as BL having its CFS in three major locations, the strength of relationship with major shipping companies including through its other activity Logistics Services, its efficiency of operations and ability to offer integrated and customized services are continuously providing opportunities for growth for LI.

Emergence of new storage models such as MMLP (Multi Modal Logistics Park) are an evolved form of Modern warehousing offering various Value Added Services apart from traditional storage functions. These would improve quality of warehousing and storage space in the country. Balmer Lawrie is setting up its MMLH project at Vizag in collaboration with Joint Venture partner M/s Visakhapatnam Port Trust.

With the growth in India's industrial sector, the Industrial warehousing has also flourished. The size of the Industrial warehousing is estimated at Rs 330 billion. Growth in outsourcing of Logistics and Warehousing Services, greater technology adoption, concept of Warehouse sharing, impending implementation of GST etc. are all likely to add to the buoyancy of this vertical. Factors such as growth in external trade, growth

across major industry segments such as automobile, pharmaceuticals and FMCG and the emergence of organised retail have had favourable implications on the growth of the warehousing industry.

Land acquisition issues, high capital investment, low technology penetration, lack of supporting infrastructure and fragmented market are collectively impeding the growth of this business segment. On the positive side, however, several growth drivers are expected to spur growth of industrial warehouses. Support from Government in addressing long pending issues will quicken the growth momentum.

Growth in share of Minor ports, higher efficiency in operations in private ports etc may lead to volume getting diverted from the three major ports of JNPT, Kolkata and Chennai to nearby ports. This could affect the volumes for the Company. Growth in exports has been muted for the last few months. There is no perceptible improvement in Project activity in the country. These could affect the volumes. Excess capacity build up in the three locations where the Company has CFS is seen as negative growth driver for the business vertical.

### **Segmentwise or Productwise Performance**

Logistics Infrastructure and Logistics Services verticals continue to drive the bottomline of the Company. During the year, the CFS business grew in volume, revenues and earnings as compared to the previous year primarily due to company adding business from new customers even while retaining its present set of customers.

Warehousing activity performed exceedingly well during the year due to better utilization of space.

### **Future Outlook**

Considering the potential in Cold Chain Logistics, the Company ventured into setting up Temperature Controlled Warehouses (TCW). The first state of the art TCW was commissioned in Hyderabad in March,

2016. Two more TCWs are on the anvil viz., one at Delhi NCR and the other at outskirts of Mumbai. Both are expected to be in operation by early next fiscal. Through these facilities, the Company will not only be providing reliable temperature controlled solution but also act as a differentiator in the TCL domain.

Based on MOU signed with VPT (Visakhapatnam Port Trust), land of approx. 53 acres was allotted to the JV for putting up a Multi Modal Logistics Hub (JV between VPT and BL). In this Multi-Modal Logistics Hub, facilities will be created for handling exim and Domestic Cargo.

### **Risks & Concerns**

Shipping lines/ CHAs & Forwarders continue to exert pressure for payment of increased incentives for moving their boxes to a particular CFS coupled with demand for more storage free days. Opportunities for earnings are coming down year after year and per TEU profitability is continuously under pressure. In view of the stiff competition, CFS are not able to pass on the increase in costs to the trade. Over the last few years, service levels being offered by a good number of CFS operators are almost similar with the users being indifferent to doing business with any particular CFS. Overall there is a reduction in earning per TEU for most of the CFS operators.

Expansion of the existing CFS continue to be difficult as acquiring contiguous land with clear title in proximity is a time consuming and long drawn out process. Threat from substitutes is moderate as the volume moved to CFS can come down if there is increase in container yard capacity at the major ports.

CFS business depends on the exim trade of the country. Any fluctuation in trade directly impacts the container traffic volumes. Further there is a growing trend amongst large and well established importers to avail the green channel facility whereby direct delivery is taken of import laden boxes from the Port bypassing the CFSs as it is more cost effective.



An area of concern is the lack of infrastructure development in and around Ports which results in traffic congestion and delay in transit times.

All the aforesaid risks and concerns are faced by the entire CFS Industry. Through appropriate management intervention, employee involvement and improved processes these are being addressed.

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

LI through its Operation package “iComet” has built in high degree of control with checks and balances to conduct its operations effectively and efficiently. Finance and Accounts are in SAP. There is a periodic internal and external audit conducted for the SBU. LI has a very robust Performance Budget system whereby actual performance is weighed against the Business Plan developed before the commencement of the year. All the three units of LI are certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007.

### **Discussion on Financial Performance with respect to physical / operational performance of SBU**

Import arrivals to our CFS were up by 3% compared to the previous fiscal, however there was no growth in export front. The SBU could register a growth of 16% in Turnover and a growth of almost 7% in Profitability over last year.

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

Industrial relations in all the units of CFS and WD remained cordial right through the year.

## **B. LOGISTICS SERVICES [LS]**

### **Industry Structure and Developments**

India being one of the fastest growing economies of the world has great potential for growth in the logistics segment. The Indian logistics market is expected to grow at a CAGR of around 12% driven by the upswing

in the manufacturing, retail, FMCG and e-commerce sectors.

This growth is also backed by the boom in the e-commerce sector and expansionary policies of the FMCG firms. This has increased the service geography of the logistics firms but they also have to meet the demands of quick delivery and tight – service level agreements. The logistics firms are moving from a traditional set up to technology driven operations to reduce the costs as well as to meet service demands of customers. The industry as a whole is moving to provide end to end supply chain solutions to its customers. However International Freight Forwarding companies have been speaking about a de growth in general considering the drop in value of India’s exports as well as imports of 17% and 15% respectively, during the period April to February 2015-16 as prima facie, earnings of Freight Forwarders are a percentage of Import/Export value.

The industry is becoming more competitive with the entry of global giants and large Indian corporate houses. A plethora of companies are also planning to broaden their area of operations and are also planning to develop their own logistics parks across the country.

### **Opportunities and Threats**

Air freight services continue to be a dominant activity of LS and provides more than 50% of the SBU’s overall top line. The dismantling of Transchart has opened the floodgate of opportunities in Ocean freight activity which the LS is keen to capitalise on. Marketing set up has been strengthened through lateral recruitment of experienced logistics professionals coupled with re-organization of the marketing structure so as to provide more focus which shall enable LS to grow on a year on year basis. Some strategies are being pursued to ensure that the buying rate is competitive such that the costs to the customer are brought down. Improvement in service level is continuously ushered in through CRM and better utilisation of technology.

Industry continues to remain fragmented and entry barriers are minimum. Many players with very low establishment cost and overhead costs are offering “unworkable” prices which affects the average realisation for this industry. Margins are also coming down drastically and the answer to all these ills lie in increasing the customer base and volume.

### **Segment wise or Product wise Performance**

During the year LS achieved a growth of 8% in top line which is primarily on account of surge (20% growth YOY) in air freight services activity partly offset by dip in ocean freight earnings due to volatility in the Global Ocean Freight market. There were multiple merger & acquisition in Shipping Lines for optimum use of their services because of global slowdown. Your company, also suffered, like many in the industry due to reduction in profit margins.

### **Outlook**

Considering that the company is one of the very few players in the industry which operates CFS, works as a Freight Forwarder, does clearing of consignments as CHA, carries out first and last mile connectivity, handles project cargo etc., gives it the competitive advantage over its competitors. The Company is continuously focussing on this strength to tap into more and more new customers.

With a view to woo the private sector customers, a separate marketing set up has been created to specifically target this group.

Overall Freight forwarding activity has seen a negative growth in 2015-16 with freight levels dropping. Increase in Logistics business for the country looks optimistic primarily due to a huge increase in e-commerce segment.

### **Risks and Concerns**

The competition in the logistics market is getting more intense of late on account of mergers and acquisitions

by some big players with a view to grab incremental market share. The industry as a whole has moved from being a simple service provider to “one stop solution provider” with all key players investing heavily on CRM and technology to be one up over competitors.

LS is taking steps to engage more associates in different parts of the world to ensure that we are able to tap into the business across the world.

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

Your company during the year worked in upgrading the technology for its LS operation. Its operation software is undergoing major revamp and the benefits are likely to accrue in the coming years.

LS has in place an effective Internal Control mechanism and during the year under review, a good number of Internal Audits were carried out in all branches and the findings were found to be satisfactory. Random test of Internal Financial control on areas involving billing to customer etc. were carried out by Statutory Auditor in compliance with new requirements under the Companies Act, 2013 and results indicate conformity with the control system. All the branches of the SBU are ISO accredited and accreditations are renewed every year.

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

The SBU during 2015 -16 achieved the highest ever top line since inception of this SBU registering a growth of 8% on year to year basis .

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

Industrial relations continued to be cordial at all units of the SBU: Logistics.

## **5. TRAVEL & VACATIONS [SBU-T&V]**

### **Industry Structure & Development**

SBU: Travel and Vacations is one of the largest tours

& travel operator in the country which provides end to end domestic and international travel, ticketing, tourism and MICE related services to its clients. It is one of the oldest IATA accredited travel agencies of India. Operating from more than 88 locations across 19 cities in the country Balmer Lawrie works round the clock to provide reliable, innovative and cost effective travel solutions to its customers. Apart from the Central Government Ministries and Public Sector Undertakings/Enterprises, the SBU has started servicing a few private customers as well.

Travel business in general is passing through difficult times. Government officials have reduced their air travel as part of austerity measures. Corporate travel is not increasing with the advent of video conferencing, meeting through skype etc. Despite the fact that airlines have either reduced their losses or have started making profits primarily due to lower Aviation fuel prices, they have not increased the commission being offered to agents like the Copany.

As far as Vacations business is concerned, the global terror attacks, epidemics and internal disturbances in some countries have affected group tours. Further, many tourists are able to directly book rooms at Hotels (through internet) at competitive rates almost at par with the rates or even lower than the rates being quoted by us. This leaves us with little or no margin on such services.

### **Opportunities & Threats**

Travel & Tourism is one of the world's largest industries and the Indian Outbound Market is emerging as one of the fastest growing sector. In absolute numbers, overall spend by travellers in outbound travel segment from India is second only to China. Increase in disposable income has energized the sector to grow further. The acquisition of brand Vacations Exotica has opened up new avenues for the SBU. Known for its innovative products the SBU now has an access to various other streams of revenue like Hotels, Transportation , Holiday Packages and Forex.

The ticketing vertical continues to be topline driver for the company. The successful implementation of the SBT (Self Booking Tools) in some PSUs present an opportunity to the SBU to venture out and add private sector corporates to its list of clientele.

Possibilities of major customers of the company buying tickets through internet cannot be ruled out. Customers would be interested to have more and more value added services from service provider like us. Airlines are also encouraging sale of tickets through their website. Huge discounting and aggressive marketing by the Online Travel Agencies (OTAs) pose considerable threat to the SBU:Travel& Vacations.

### **Segment – wise & Product – wise performance :**

During the year, the topline almost remained flat. This is because of the average fares coming down sharply in 2015-16 compared to 2014-15 due to reduction in aviation fuel prices. Number of tickets booked however went up significantly for the SBU. The SBU's financial performance was also noteworthy as it improved compared to the previous year.

### **Future Outlook :**

Low cost carriers (LCC ) have started operating on both domestic and international sectors and adding new aircrafts. This will help the industry in posting higher volumes. With more than 1.2 billion inhabitants and GDP increasing by more than seven percent every year, India offers enormous potential for future growth in outbound travel. The UNWTO predicts that India will account for 50 million outbound tourists by 2020. While business travel and holiday dominates outbound volumes, people are also opting for niche products like sports tourism, luxury travels, MICE, honeymoon packages and cruises. With the present set up the SBU is set to take advantage of this growth.

In the last one year, the company has strengthened its position in the leisure travel segment of the retail market. SBU has added many retail clients which is a healthy trend as it is expected that this segment will

play a significant role in the growth of the SBU.

### **Risks & Concerns**

Despite “nil” commission offered by some airlines and negligible commission offered by others, the competition in the market is getting intense day by day as even small private sector operators with almost no operational overheads are offering / giving discounts on tickets. These players are offering a bouquet of services and meet Client’s expectations of offering many services from a single roof.

Delay in recovery of outstanding from some customers is a major concern for this SBU. The commissions offered by airlines being very negligible, there is no leeway for late realisation of debts for the SBU.

The year 2015-16 was one of the better years for the airline industry as even the National carrier could make some operational profit. However, there is an apprehension that the fuel prices may go up and the airlines due to stiff competition may not be able to fully pass on the same to customers. Corporate travel not growing is a matter of concern even though, the travel for personal reasons is on the rise. Passenger loads during some months of the year continues to be low affecting the earnings for the airlines and the SBU.

Keeping in view of the changing trend in travel industry, the SBU has embarked on a major plan to upgrade its technology which will help it to 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 under designing and implementation.

### **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 continue to be cordial at all units of SBU Travel&Vacations.

## **6. REFINERY & OIL FIELD SERVICES [SBU-ROFS]**

### **Industry Structure and Developments**

The SBU: Refinery & Oilfield Services is engaged in the activity of Mechanized Sludge/Sediment Cleaning & Hydrocarbon Recovery Services of the Crude oil storage tanks. This continues to be a niche industry with a very limited number of players and the Company is a pioneer and leader in this market.

### **Opportunities and Threats**

The SBU continues to enjoy sizable market share in the processing of oily sludge. Additional growth opportunity exists with the applicability of strict pollution norms in the Oil and other related industry.

The main threats visualized by the SBU relate to the emergence of new players in the niche market, though currently not many players are present in the segment.

### **Segment-wise and Product wise Performance**

In 2015-16, the SBU could manage growth in turnover due to robust demand from the Oil & Gas industry. However, the demand for such services in the power sector remained sluggish.

### **Outlook**

In the near term, the SBU aims to widen its service portfolio – involving processing of hazardous sludge in other industries. The SBU is traversing the possibility of providing end to end solution including bio-remediation of separated solid and tank maintenance services considering integration with the existing operation of the SBU and expected to offer significant growth opportunities.

## Risks & Concerns

The risk-profile of the SBU centers on 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 endeavoring to bring forth technological evolution in its services so as to reduce human interferences.

The major concern visualized by the SBU relate to the low crude oil prices decreasing the commercial viability of the oil recovery, especially in the power sector.

## 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.

## Discussion on Financial Performance with respect to Operational Performance

In 2015-16, the SBU has achieved growth above the last year's turnover and also substantial increase in segmental profit. This is owing to robust market demand for services along with implementation of operational efficiency and effective cost control by the SBU.

## Material Developments in Human Resources / Industrial Relation.

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

## 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 statutory 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.*

## REPORT ON CORPORATE GOVERNANCE

(Forming part of the Boards' Report for the year 2015-16)

### The Company's philosophy on code of Corporate Governance

The Company is committed to maintain 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 and 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 ("the Board")

#### Composition

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 one or more directors on the Board of the Company to hold office for such period and upon such terms and conditions as the President may from time to time decide.

The Board of the Company currently consists of seven (7) directors out of which five (5) are Functional / Executive / Whole-time Directors including one (1) Woman Director and two (2) are Non-Executive Government Nominee Directors.

The Board does not have any Independent Director as required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and Department of Public Enterprises (DPE) Guidelines. As per the applicable statute and regulations at least 50% of the Board should comprise of Independent Directors. For induction of adequate numbers of Independent Directors on the Board, the Company has written to its administrative ministry, viz., Ministry of Petroleum & Natural Gas, Government of India (MoPNG).

The composition of Board of Directors during the Financial year 2015-16 and 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 per Schedule V(C)(2) of SEBI (LODR) as on 31<sup>st</sup> July, 2016 are enumerated as follows:

<b>Name and designation of the Director</b>	<b>No. of companies / bodies corporate, other than the Company, in which the Director holds Directorship</b>	<b>Membership held by the Director in various Committees across all companies in which he/she is a Director</b>	<b>Chairmanship held by the Director in various Committees across all companies in which he/she is a Director</b>	<b>Chairmanship held by the Director in other Boards</b>
<b>Shri Prabal Basu</b> – Chairman & Managing Director, Executive Director	5	1	0	0
<b>Ms. Manjusha Bhatnagar</b> – Director (Human Resource & Corporate Affairs), Executive Director	1	0	0	0
<b>Shri D. Sothi Selvam</b> – Director (Manufacturing Businesses), Executive Director	4	2	0	0
<b>Shri Kalyan Swaminathan</b> – Director (Service Businesses) Executive Director	1	2	0	0
<b>Shri Shyam Sundar Khuntia</b> <sup>@</sup> – Director (Finance), Executive Director and Chief Financial Officer	3	5	0	0
<b>Shri Alok Chandra</b> – Government Nominee Director, Non Executive Director	0	2	2	0
<b>Shri Prashant Sitaram Lokhande</b> – Government Nominee Director, Non executive Director	1	1	0	0

Shri Shyam Sundar Khuntia was appointed as Director (Finance) on 28<sup>th</sup> March, 2016 and as Chief Financial Officer on 31<sup>st</sup> March, 2016.

As per Regulation 26(1)(b) of the SEBI (LODR), chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee have only been shown above.

**A brief profile of the Directors of the Company is set out under.**

### **Shri Prabal Basu**

Chairman & Managing Director

Shri Prabal Basu was appointed as a Whole-time Director and he assumed office as Director [Finance] on 1<sup>st</sup> December, 2012 based on direction by the MoPNG. He was further appointed by the members at the 96<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2013. Subsequently, upon direction of the MoPNG, Shri Prabal Basu was appointed as Chairman & Managing Director (C&MD) of the Company with effect from 1<sup>st</sup> August, 2015. His appointment was further confirmed by the members at the 98<sup>th</sup> AGM held on 22<sup>nd</sup> September, 2015.

Shri Basu is a Bachelor of Commerce, a qualified Chartered Accountant (ACA), a qualified Company Secretary (ACS) and a qualified Cost & Management Accountant (ACMA). During the year 2015-16, he has further completed one year Executive Program in General Management from Sloan School of Management, MIT, USA. He has a working experience of 30 years during which he has developed expertise in the functional areas of Accounts & Finance, Taxation, Information Technology, ERP implementation and in various aspects of General Management.

Shri Basu holds 110 equity shares of the Company.

### **Ms. Manjusha Bhatnagar**

Director (Human Resource & Corporate Affairs)

Ms. Manjusha Bhatnagar was appointed as an additional, Whole-time Director on 2<sup>nd</sup> January, 2015

based on the direction by the MoPNG and she was further appointed at the 98<sup>th</sup> AGM of the Company held on 22<sup>nd</sup> September, 2016.

Ms. Bhatnagar has a working experience of about 35 years during which she has developed expertise in functional areas of talent acquisition and retention, human capital management and compensation, policy making & IR, negotiations and finalization of long term settlements, audit of HR activities and long term planning, performance & rewards management, HR maintenance & employee welfare, day to day HR affairs including industrial relations & labour matters and Learning and Development.

Ms. Bhatnagar, retires by rotation and is eligible for reappointment at the ensuing 99<sup>th</sup> AGM of the Company. The particulars of Ms. Bhatnagar have been provided in detail in the Explanatory Statement to the Notice for 99<sup>th</sup> AGM.

### **Shri D. Sothi Selvam**

Director (Manufacturing Businesses)

Shri D. Sothi Selvam was appointed as a Whole-time Director and assumed office as Director (Manufacturing Businesses) on 2<sup>nd</sup> January, 2015 based on the direction of MoPNG. He was further appointed at the 98<sup>th</sup> AGM of the Company held on 22<sup>nd</sup> September, 2015.

Shri Sothi Selvam is a graduate in Chemical Engineering with MBA in Marketing besides holding a PG Diploma in Journalism & Mass Communication. He is spearheading the Manufacturing Businesses consisting of three Strategic Business Units (SBUs) – Greases & Lubricants, Industrial Packaging and Leather Chemicals and the Service SBU-Refinery & Oil Field Services and the Engineering & Projects division of the company.

A Core Petroleum Downstream Professional with 30+ years of National and International experience in Indian Oil Corporation Ltd. and its subsidiary Lanka IOC PLC in Strategic Leadership Roles such as Plant



Head, State Head, Regional Head and Country Head besides functioning as Director for three years in the Board of Ceylon Petroleum Storage Terminals Ltd., Sri Lanka.

He has proven expertise in Sales & Marketing (Retail, Industrial and Marine), Business Process Re-engineering, Business Development, Technical Services, Supply Chain & Distribution Management, Brand Management, Operation & Maintenance of Petroleum Storage Facilities & Pipe Lines, Project Management & Execution through Construction, Commissioning and Operation of Manufacturing Plants & Pipeline Infrastructure, HSE, Operations Excellence, Human Resource Management, Research & Development and Imports & Exports.

Shri Sothi Selvam retires by rotation and is eligible for reappointment at the ensuing 99<sup>th</sup> AGM of the Company. The particulars of Shri Sothi Selvam have been provided in detail in the Explanatory Statement to the Notice for 99<sup>th</sup> AGM.

### Shri Kalyan Swaminathan

Director (Service Businesses)

Shri Kalyan Swaminathan was appointed as a Whole-time Director on 1<sup>st</sup> August, 2015 based on the direction of the MoPNG. He was further appointed at the 98<sup>th</sup> AGM of the Company on 22<sup>nd</sup> September, 2015.

Shri Swaminathan is a Bachelor of Commerce, a qualified Cost & Management Accountant (ACMA) and a qualified Company Secretary (ACS). He has a working experience of 33 years during which he has developed expertise in the functional areas of accounts, finance, ERP Implementation, logistics infrastructure and general management.

### Shri Shyam Sundar Khuntia

Director (Finance) & Chief Financial Officer

Shri Shyam Sundar Khuntia was appointed as a Whole-time Director and assumed office as Director (Finance) according to the direction of the MoPNG and was accordingly appointed as an Additional Director

by the Board with effect from 28<sup>th</sup> March, 2016. Further he was appointed as Chief Financial Officer of the Company with effect from 31<sup>st</sup> March, 2016.

Shri Khuntia is a Chartered Accountant and Cost Accountant with over 30 years of experience mainly in upstream oil and gas industries. Prior to joining Balmer Lawrie, he was associated with ONGC Videsh Ltd. and OIL India Ltd. He was instrumental in successfully developing the Accounting system of ONGC Videsh and the Accounting & MIS processes for overseas joint ventures and have won several accolades for his contributions.

Shri Khuntia has hands on experience in Treasury operation with fund raising from international market & Taxation Operations and has rich experience in areas of Risk management, Sustainability and HSE Processes. Further, he has developed expertise in developing accounting, budgeting and MIS systems for organisations.

Shri Khuntia is being appointed as Director (Finance) at the ensuing 99<sup>th</sup> AGM of the Company. The particulars of Shri Khuntia have been provided in detail in the Explanatory Statement to the Notice for 99<sup>th</sup> AGM.

### Shri Alok Chandra

Government Nominee Director

Shri Alok Chandra was appointed as Government Nominee Director on the Board of the Company under Section 161 of the Companies Act, 2013, on 8<sup>th</sup> August, 2014 based on direction received from the MoPNG and was further appointed as Director at the 98<sup>th</sup> AGM held on 22<sup>nd</sup> September, 2015.

Shri Chandra 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 23 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.

Shri Chandra does not hold any share or convertible instrument in the Company as on 31<sup>st</sup> July, 2016.

**Shri Prashant Sitaram Lokhande**

Government Nominee Director

Shri Prashant Sitaram Lokhande was appointed as Government Nominee Director on the Board of the Company under Section 161(3) of the Companies Act, 2013, based on the directions received from the administrative ministry, MoPNG with effect from 20<sup>th</sup> July, 2015. He holds Bachelor of Engineering in Mechanical Engineering and Post-Graduate Diploma in Industrial Engineering. He joined the Indian Administrative Service (IAS) in the year 2001 and was allotted to AGMU Cadre.

As an IAS Officer, he served as Sub-divisional Magistrate and Deputy Commissioner in the state of Arunachal Pradesh. He also served as Secretary to the Governor and Secretary Planning in Arunachal Pradesh. Subsequently, in Delhi he served as Deputy Commissioner in Municipal Corporation of Delhi. He also served as Private Secretary to the Union Minister for Agriculture and Food Processing Industries. Currently, as Director, MoPNG, he is looking after the Exploration Division which includes the administration of ONGC/OIL and the DGH.

Shri Lokhande does not hold any share or convertible instrument in the Company as on 31<sup>st</sup> July, 2016.

**Attendance at the Board Meetings**

Attendance of the Directors at the Board meetings and last AGM held during the financial year 2015-16 is shown below:

Name of the Director	Board Meetings held during 2015-16										Attendance at last AGM held on 22.09.2015
	27 <sup>th</sup> May 2015	30 <sup>th</sup> July 2015	12 <sup>th</sup> August 2015	22 <sup>nd</sup> September 2015	6 <sup>th</sup> November 2015	11 <sup>th</sup> January 2016	10 <sup>th</sup> February 2016	22 <sup>nd</sup> March 2016	28 <sup>th</sup> March 2016	31 <sup>st</sup> March 2016	
Shri Prabal Basu	√	√	√	√	√	√	√	√	X	√	Yes
Ms. Manjusha Bhatnagar	√	√	√	√	√	√	√	√	X	√	Yes
Shri D Sothi Selvam	√	√	√	√	√	√	√	√	X	√	Yes
Shri Kalyan Swaminathan^	NA	NA	√	√	√	√	√	√	X	√	Yes
Shri Shyam Sundar Khuntia*	NA	NA	NA	NA	NA	NA	NA	NA	NA	√	NA
Shri Alok Chandra	√	X	√	√	X	X	X	X	√	X	Yes
Shri Prashant S Lokhande%	NA	X	X	√	X	X	X	X	√	X	Yes
Shri Partha S. Das#	√	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri Virendra Sinha@	√	√	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri Niraj Gupta@	√	√	NA	NA	NA	NA	NA	NA	NA	NA	NA

- ^ Shri Kalyan Swaminathan was appointed as Director (Service Businesses) on 1<sup>st</sup> August, 2015.
- \* Shri Shyam Sundar Khuntia has been appointed as Director (Finance) on 28<sup>th</sup> March, 2016 and as also Chief Financial Officer on 31<sup>st</sup> March, 2016.
- % Shri Prashant S. Lokhande has been appointed as the Government Nominee Director on 20<sup>th</sup> July, 2015.
- # Shri Partha S. Das ceased to hold office as a Government Nominee Director of the Company at the close of business hours on 27<sup>th</sup> May, 2015.
- @ Shri Virendra Sinha, Chairman & Managing Director and Shri Niraj Gupta, Director (Service Businesses) laid down their offices upon attaining the age of superannuation at the close of the business hours on 31<sup>st</sup> July, 2015.

## **Web link where details of familiarization programmes imparted to Independent Director is disclosed.**

Since the Company does not have any Independent Director, requirement of details of familiarization programmes for Independent Directors is not applicable.

**Disclosure of relationship between directors inter-se:**  
Directors do not have any relationship inter-se amongst them.

## **COMMITTEES OF THE BOARD**

### **Audit Committee**

#### **Terms of Reference**

The terms of reference of the Audit Committee are in line with the Companies Act, 2013 ("the Act"), the SEBI (LODR) and the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010. The terms of reference of the Committee are as follows:

- 1) 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.

- 2) 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 Act, so long as the provisions of Section 139(5) of the Act remain applicable to the Company and approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors within the meaning of Section 142(2) of the said Act.

- 3) 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.

- 4) Review all Related Party Transactions including subsequent modification of transactions of the Company with Related Parties.

- 5) 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.

- 6) Review with the management, the quarterly financial statements before submission to the Board for approval.
- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) 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.
- 16) Review the following:**
  - Management Discussion and Analysis of financial condition and results of operations
  - Statement of significant Related Party Transactions submitted by the 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.

17) Review Certification / Declaration of financial statements by the Chief Executive / Chief Financial Officer.

18) Provide an open avenue of communication between the Independent Auditor, Internal Auditor and the Board of Directors.

19) 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.

20) Review the Whistle Blower Mechanism and to protect Whistle Blowers.

The Audit Committee met Six times during the year 2015-16. The details regarding the attendance of the Members at the meetings are enumerated as follows:

Name of the Member	Audit Committee Meetings held during the Financial year 2015-16					
	27 <sup>th</sup> May, 2015	12 <sup>th</sup> August, 2015	6 <sup>th</sup> November, 2015	10 <sup>th</sup> February, 2016	22 <sup>nd</sup> March, 2016	28 <sup>th</sup> March, 2016
<b>Shri Alok Chandra</b>	√	X	X	X	√	√
<b>Shri Prashant S Lokhande<sup>%</sup></b>	NA	X	X	X	X	√
<b>Shri K Swaminathan<sup>&amp;</sup></b>	NA	√	√	√	√	X
<b>Shri Shyam Sundar Khuntia<sup>#</sup></b>	NA	NA	NA	NA	NA	X
<b>Shri D Sothi Selvam<sup>**</sup></b>	NA	NA	NA	NA	NA	NA
<b>Shri Prabal Basu<sup>&amp;</sup></b>	√	√	√	√	√	NA
<b>Shri V Sinha<sup>@</sup></b>	√	NA	NA	NA	NA	NA
<b>Shri Niraj Gupta<sup>@</sup></b>	√	NA	NA	NA	NA	NA
<b>Shri Partha S Das<sup>*</sup></b>	√	NA	NA	NA	NA	NA

<sup>%</sup> Shri Prashant S. Lokhande was appointed as Government Nominee Director on 20<sup>th</sup> July, 2015.

<sup>&</sup> Shri K. Swaminathan was appointed as Director (Service Businesses) of the Company on 1<sup>st</sup> August, 2015.

<sup>#</sup> Shri Shyam Sundar Khuntia was appointed as Director (Finance) of the Company on 28<sup>th</sup> March, 2016 and also as Chief Financial Officer on 31<sup>st</sup> March, 2016.

<sup>\*\*</sup> Shri D Sothi Selvam, Director (Manufacturing Businesses) became member of the Committee on 26<sup>th</sup> May, 2016.

<sup>§</sup> Shri Prabal Basu, Chairman & Managing

Director, ceased to be the member of the Audit committee with effect from 27<sup>th</sup> March, 2016.

<sup>\*</sup> Shri Partha S. Das ceased to hold office as a Government Nominee Director of the Company at the close of business hours on 27<sup>th</sup> May, 2015 and consequently ceased to be a Member of the Audit Committee from the said date.

<sup>@</sup> Shri V. Sinha and Shri Niraj Gupta ceased to be Directors of the Company at the close of business hours on 31<sup>st</sup> July, 2015 on attaining the age of superannuation and consequently ceased to be the members of the Audit Committee from the said date.

## COMPOSITION

The Audit Committee, as on 31<sup>st</sup> July, 2016, consists of five members, three Whole-time Directors and two Government Nominee Directors. Shri Alok Chandra, Government Nominee Director heads the Committee as its Chairperson and it has the following members: Shri Prashant Sitaram Lokhande, Government Nominee Director, Shri K. Swaminathan, Director (Service Businesses), Shri D. Sothi Selvam, Director (Manufacturing Businesses) and Shri Shyam Sundar Khuntia, Director (Finance). All the members of the Audit Committee are financially literate and majority members possess accounting/ financial management expertise. The Company Secretary acts as the Secretary to this Committee.

### Nomination & Remuneration Committee

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 30<sup>th</sup> January, 2009 to look into matters relating to managerial remuneration and such other issues relating to compensation that may be laid down or provided for under the law, the then Listing Agreement, now SEBI (LODR) and the applicable Government Guidelines. The Committee was renamed as "Nomination & Remuneration Committee" and was reconstituted on 6<sup>th</sup> February, 2015.

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel

and other employees. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

- The Nomination and Remuneration Committee shall, while formulating the policy shall ensure that -
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals and such policy shall be disclosed in the Board's Report.
- Devising a policy on Board diversity.

### Composition

As on 31<sup>st</sup> July, 2016, the Committee consists of two Government Nominee Directors, Shri Alok Chandra as the Chairperson and Shri Prashant S. Lokhande as a Member. During the Financial year 2015-16, the Committee held three meetings on 22<sup>nd</sup> September, 2015, 24<sup>th</sup> February, 2016 and 28<sup>th</sup> March, 2016 to approve disbursement of Performance Related Pay (PRP) to the Executives and Officers of the Company (including the Board level executives). The Meetings were attended by Shri Alok Chandra, Chairman of the Committee and Shri Prashant S. Lokhande, Member.

### Performance evaluation criteria of Independent Director on the Board.

Since the Company has no Independent Director on the Board, fixation of performance evaluation criteria for the same was not possible.

**Remuneration of Directors**

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. Non-Executive

Independent Director is entitled to sitting fee of ₹ 10,000 (Rupees Ten thousand only) per meeting of Board and Committee attended by them. No sitting fee is paid to the Whole-time Director /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 financial year 2015-16 are enumerated hereunder:**

(All figures in \*\*)

Name of Director	Salaries and allowance	Performance Related Payment	Contri bution to Provident Fund	Contri bution to Gratuity Fund	Other benefits and perquisites	Sitting fees	Total Remuneration	Terms of appointment
<b>Shri Prabal Basu</b>	23,38,772	8,54,755	3,78,025	74,716	5,85,905	-	<b>42,32,173</b>	C-31024/3/ 2013-CA(Part-I) FTS:39921 dt 23-10-2015 & C-31024/3/ 2013-CA/ FTS:26993 dt 18-05-2015
<b>Ms. Manjusha Bhatnagar</b>	19,34,086	2,10,725	5,48,088	11,754	4,81,267	-	<b>31,85,920</b>	C-31024/4/2012- CA(Part-iv):FTS: 40800 dt 29-04-2016 and C-31024/4/2012- CA/19569 dt 19-12-2014
<b>Shri D. Sothi Selvam</b>	21,61,317	2,11,391	5,50,721	11,253	2,88,742	-	<b>32,23,424</b>	C-31024/7/ 2012-CA(Part-1) FTS:36715 dt 4th August, 2016 & C-31024/7/ 2012-CA/ FTS:23176 dt 09-10-2014
<b>Shri K Swaminathan</b>	16,21,245	3,48,705	3,13,689	67,166	1,58,041	-	<b>25,08,846</b>	C-31024/2/ 2013-CA/ FTS:26994 dt 18-05-2015
<b>Shri Shyam Sundar Khuntia</b>	20,006	-	5,602	-	370	-	<b>25,978</b>	C-31024/04/ 2015-CA/ FTS:39711 dt 22-03-2016
<b>Shri Alok Chandra</b>	-	-	-	-	-	-	-	
<b>Shri P S Lokhande</b>	-	-	-	-	-	-	-	
<b>Shri Virendra Sinha</b>	22,02,965	12,18,196	1,44,941	-	1,23,787	-	<b>36,89,889</b>	
<b>Shri Niraj Gupta</b>	24,27,186	8,71,850	1,36,754	-	2,91,551	-	<b>37,27,341</b>	
<b>Shri Partha S Das</b>	-	-	-	-	-	-	-	

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

**Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee reviews and monitors the grievances of shareholders and investors. As on 31<sup>st</sup> July, 2016, the Committee consists of 3 members, namely, Shri Alok Chandra, Government Nominee Director as Chairman, Shri K. Swaminathan, Director (Service Businesses) and Shri Shyam Sundar Khuntia Director

(Finance) as members. The terms of reference of the Committee are as per the terms set out in SEBI (LODR).

**Compliance Officer:**

Name : Shri Kaustav Sen  
Designation: Compliance Officer

The investors may lodge their complaint /grievance, if any, at the e-mail address: sen.k@balmerlawrie.com

**STATUS OF INVESTOR COMPLAINTS:**

● Pending at the beginning of the year as on 1 <sup>st</sup> April, 2015	NIL
● Received during the year	38
● Disposed of during the year	38
● Remaining unresolved at the end of the year as on 31 <sup>st</sup> March, 2016	NIL
● Complaints not solved to the satisfaction of shareholder	NIL

**Special Resolutions passed in last year through Postal Ballot**

No resolution was passed through Postal Ballot last year.

**General Body Meetings**

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

DATE AND TIME	VENUE	MEETING NUMBER	SPECIAL RESOLUTION PASSED IN PREVIOUS 3 AGMS
22 <sup>nd</sup> September, 2015, at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata -700 019	98 <sup>th</sup> Annual General Meeting	NIL
25 <sup>th</sup> September, 2014, at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Chowdhury Avenue, Kolkata -700 019	97 <sup>th</sup> Annual General Meeting	Yes, Special Resolutions were passed at the AGM a) For acquisition of a land from Transafe Services Limited situated at Dharuhera under Section 188 of the Companies Act, 2013. b) For approval of Service Agreement between the Company and Balmer Lawrie Investments Ltd. for provision of various services rendered by the Company under Section 188 of the Companies Act, 2013.
24 <sup>th</sup> September, 2013 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Chowdhury Avenue, Kolkata -700 019	96 <sup>th</sup> 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



## Special Resolution proposed to be conducted through Postal Ballot.

It is proposed to pass Special Resolutions at the ensuing Annual General Meeting to increase the Authorised Capital of the Company and consequentially alter the capital clauses of Memorandum of Association and Articles of Association of the Company. However, none of the Business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through postal ballot.

## Means of Communication and Address for Correspondence

- The quarterly un-audited results were submitted to the Stock Exchanges within Forty Five days from the end of each quarter. Audited annual results alongwith the results for the fourth quarter were announced within sixty days from the financial year. Simultaneously, the said results were published in the news papers and also uploaded on the website of the Company.
- The quarterly results (un-audited) were submitted

to the Stock Exchanges within Forty Five days from the end of each quarter. Simultaneously, the said results were published in the newspapers and also uploaded on the website of the Company.

- Quarterly/half yearly/audited Financial results, notices, etc., for the financial year 2015-16 were published in Financial Express, Business Standard (English), Aajkal (Bengali) and Jansatta (Hindi).
- The financial results and other corporate announcements issued by the Company and other shareholder information is posted on the Company's website [www.balmerlawrie.com](http://www.balmerlawrie.com).
- The Company has an exclusive e-mail ID viz, **[blsharegrievance@balmerlawrie.com](mailto:blsharegrievance@balmerlawrie.com)** to enable the investors lodge their complaint/ grievance, if any.
- Official news releases are also available at the Company's website viz. **[www.balmerlawrie.com](http://www.balmerlawrie.com)**.
- All communications relating to share registry matters may be addressed to:

<p>Register &amp; Share Transfer Agent  <b>Link Intime India Pvt. Ltd.</b>                      59-C, Chowringhee Road, 3rd Floor                      Kolkata – 700 020                      Phone: (033) 2289 0540                      Telefax: (033) 2289 0539                      E-mail: <a href="mailto:kolkata@linkintime.co.in">kolkata@linkintime.co.in</a></p>	<p><b>Balmer Lawrie &amp; Co. Ltd.</b>                      Secretarial Department,                      21, Netaji Subhas Road,                      Kolkata-700001                      Phone-(033) 2222 5329                      E-mail: <a href="mailto:bhavsar.k@balmerlawrie.com">bhavsar.k@balmerlawrie.com</a> Or  <a href="mailto:sen.k@balmerlawrie.com">sen.k@balmerlawrie.com</a></p>
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## General Shareholders' Information

<b>Date &amp; Time</b>	Thursday, 22 <sup>nd</sup> September, 2016 at 10.30. a.m.
<b>Venue</b>	G D Birla Sabhagar, 29, Ashutosh Chowdhury Avenue, Kolkata – 700 019
<b>Financial year</b>	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016.
<b>Book Closure Dates</b>	From Friday, 16 <sup>th</sup> September, 2016 till Thursday, 22 <sup>nd</sup> September, 2016 (both days inclusive)

## Dividend Payment Date

Upon declaration at the ensuing 99<sup>th</sup> Annual General Meeting scheduled on 22<sup>nd</sup> September, 2016, dividend shall be paid to the shareholders (holding shares as on 15<sup>th</sup> September, 2016 End of Day) on or after 7<sup>th</sup> October, 2016.

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

Date on which, dividend declared / Financial year	Total amount of Dividend (in ₹)	Date of transfer to the unpaid dividend account	Amount of unclaimed dividend as on 31 <sup>st</sup> March 2016 (In ₹)	% Of unclaimed dividend to total dividend	Due date of transfer to* the “Investors’ Education and Protection Fund”	Type of Dividend
24 <sup>th</sup> September, 2009 2008-09	32,57,21,620.00	6 <sup>th</sup> November, 2009	23,56,780.00	0.72	30 <sup>th</sup> November, 2016	Final
24 <sup>th</sup> September, 2010, 2009- 10	37,45,79,863.00	8 <sup>th</sup> November, 2010	28,36,613.00	0.76	30 <sup>th</sup> November, 2017	Final
23 <sup>rd</sup> September, 2011, 2010-11	42,34,38,106.00	14 <sup>th</sup> November, 2011	32,37,520.00	0.76	29 <sup>th</sup> November, 2018	Final
26 <sup>th</sup> September, 2012, 2011-12	45,60,10,268.00	16 <sup>th</sup> November, 2012	16,55,500.00	0.36	2 <sup>nd</sup> December, 2019	Final
24 <sup>th</sup> September, 2013, 2012-13	50,16,11,281.60	14 <sup>th</sup> November, 2013	37,29,739.20	0.74	30 <sup>th</sup> November, 2020	Final
25 <sup>th</sup> September, 2014, 2013-14	51,30,11,538.00	17 <sup>th</sup> November 2014	34,22,844.00	0.67	1 <sup>st</sup> December, 2021	Final
22 <sup>nd</sup> September, 2015, 2014-15	51,30,11,538.00	14 <sup>th</sup> November, 2015	36,51,174.00	0.71	28 <sup>th</sup> November, 2022	Final

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

**Payment of Dividend through National Electronic Clearing Services (‘NECS’)**

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

Your Company accordingly encourages the use of ECS/NECS for payment of dividend wherever, available. To avail such NECS facility the shareholders, are requested to fill-in the NECS mandate form thereby providing the 9 digit MICR code number of their bank and branch along with 15 digit bank account number to the Registrar & Share Transfer Agent of the Company, i.e., namely Link Intime India Pvt. Ltd. (where the shares are being held in physical form) or to their Depository Participant (where the shares are being held in dematerialized mode).

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

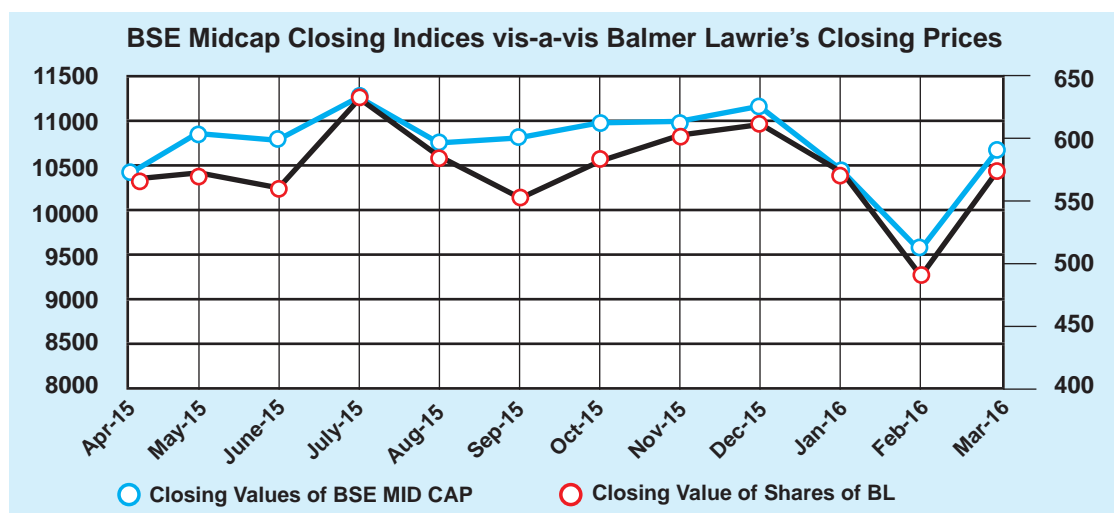
**Stock Exchanges where the equity shares of the Company are listed and other related information**

Name and address of the Stock Exchanges	Stock code	Confirmation about payment of Annual Listing Fee for 2015-16 to the Stock Exchanges
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	523319	Yes
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	BALMLAWRIE	Yes
ISIN Code of the Company	INE 164A01016	

**Market Price (High and Low) of the Company as per National Stock Exchange of India Limited and BSE Limited (for the period April 2015 to March 2016)**

Month	National Stock Exchange of India Limited		BSE Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-15	612.90	547.00	614.80	548.00
May-15	589.80	541.50	590.00	542.40
Jun-15	580.00	545.20	580.00	544.30
Jul-15	654.00	553.25	654.05	553.10
Aug-15	682.00	551.00	682.00	551.00
Sep-15	604.95	535.90	600.00	533.55
Oct-15	594.95	548.50	593.50	547.00
Nov-15	612.50	549.00	612.40	550.00
Dec-15	639.35	570.55	640.00	570.00
Jan-16	641.00	547.00	674.00	550.00
Feb-16	594.00	490.75	594.90	491.00
Mar-16	580.45	496.00	581.00	496.90

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



**Registrar & Share Transfer Agent**

The share registry functions, in both physical and demat segments are handled by a single common agency, namely, Link Intime India Pvt. Ltd. ('LI IPL'). LI IPL is registered with SEBI and having its corporate office at 59-C, Chowringhee Road, 3rd Floor, Kolkata – 700 020, Phone: (033) 2289 0540, Telefax: (033) 2289 0539, E-mail: kolkata@linkintime.co.in

**Share Transfer System**

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

of share certificate(s) upon re-materialization, etc., has been delegated by the Board to a separate Board Committee. 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. Shri Navin Kothari, Practicing Company Secretary audits the Share Transfer System on a monthly basis and also carries out the Reconciliation of Share Capital Audit on a periodic basis.

Shri Kaustav Sen, Senior Manager (Legal) being the Compliance Officer as per Regulation 6 of SEBI (LODR) is responsible for monitoring the share transfer process and reports to the Company's Board at their meeting.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2016 on the basis of category of Shareholders**

Category	No. of shares held	Percentage of Shareholding
<b>PROMOTERS' HOLDING</b>		
1. Indian Promoter	0	0.00
2. Foreign Promoter	0	0.00
<b>SUB TOTAL</b>	<b>0</b>	<b>0.00</b>
<b>NON PROMOTERS' HOLDING</b>		
Institutional Investors		
a) Mutual Funds & UTI	695688	2.44
b) Banks, Financial Institutions, Insurance Companies (including Central Govt. Institutions/ Non-Govt. Institutions)	2399961	8.42
Foreign Institutional Investors / Foreign Portfolio Investor	812955	2.85
<b>SUB TOTAL</b>	<b>3908604</b>	<b>13.71</b>
<b>OTHERS</b>		
a) Bodies Corporates*	18731437	65.73
b) Indian Public	5501854	19.30
c) Non-Resident Indians/Overseas Corporate Bodies	358746	1.26
<b>SUB TOTAL</b>	<b>24592037</b>	<b>86.29</b>
<b>GRAND TOTAL</b>	<b>28500641</b>	<b>100.00</b>

\*Includes Balmer Lawrie Investments Ltd., a Government Company, which holds 1,76,13,225 equity shares i.e. about 61.80% of the total paid-up equity share capital of the Company. Balmer Lawrie Investments Ltd. is the holding company of Balmer Lawrie & Co. Ltd.

**Distribution of Shareholding on the basis of number of Equity shares held as on 31<sup>st</sup> March, 2016:**

<b>Balmer Lawrie &amp; Co. Ltd.</b>					
<b>Distribution of Shareholding</b>					
SL. No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	23871	91.21	1929949	6.78
2	501 to 1000	1194	4.56	895907	3.14
3	1001 to 2000	550	2.10	809409	2.84
4	2001 to 3000	201	0.77	503509	1.77
5	3001 to 4000	104	0.40	360144	1.26
6	4001 to 5000	58	0.22	264490	0.93
7	5001 to 10000	110	0.42	773386	2.71
8	10001 & above	83	0.32	22963847	80.57
	<b>TOTAL</b>	<b>26171</b>	<b>100.00</b>	<b>28500641</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

The Equity shares of your Company are to be traded compulsorily in de-materialized mode and are available for trading, in both the Depositories in India, i.e., National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL').

As of 31<sup>st</sup> March, 2016, the distribution of Equity Shares held in physical and de-materialized mode, are produced below:

**Percentage of physical and dematerialized shares as on 31<sup>st</sup> March, 2016**

Type of shares	%
Physical	1.90
Dematerialized	98.10
<b>TOTAL :</b>	<b>100.00</b>

Your Company, for the current Financial year 2015-16, has paid the annual custody fee to both the Depositories, i.e., NSDL & CDSL.

**Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity.**

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

**Plant & Office Location:**

<b>NAME OF THE BUSINESS</b>	<b>LOCATION</b>	<b>LOCATION</b>
<b>Greases &amp; Lubricants</b>	<b>Manufacturing Units:</b>  Chennai Kolkata Silvassa  <b>Application Research Laboratory</b>  Kolkata	<b>Marketing Offices:</b>  Bengaluru Chandigarh Chennai Gurugram (Gurgaon) Kolkata Mumbai New Delhi Pune Raipur Secunderabad Vadodara
<b>Industrial Packaging</b>	<b>Manufacturing units:</b>  Chennai Chittoor Silvassa Kolkata Asaoti Navi Mumbai	<b>Sales Office:</b>  Gurugram (Gurgaon) Vadodara  <b>SBU Office:</b> Mumbai
<b>Leather Chemicals</b>	<b>Plant &amp; SBU Office:</b> Chennai  <b>Technical Service Centres:</b> Ambur Kanpur Kolkata Ranipet	<b>Marketing office:</b> Chennai  <b>Product Development Centre:</b> Chennai
<b>Logistics</b>	Ahmedabad Bengaluru Bhubaneswar Chennai Coimbatore Goa Guntur Hyderabad Indore Kanpur	Karur Kochi Kolkata Ludhiana Mumbai New Delhi Pune Thiruvananthapuram Tuticorin Visakhapatnam
<b>Refinery &amp; Oilfield Services</b>	Kolkata	
<b>Travel &amp; Vacations</b>	Ahmedabad Bengaluru Bhubaneswar Chandigarh Chennai Coimbatore Delhi Goa Gurugram (Gurgaon) Guwahati Hyderabad Indore	Kochi Kolkata Lucknow Mumbai Nagpur New Delhi Port Blair Pune Thiruvananthapuram Vadodara Visakhapatnam

## Disclosures

- a) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large.

There were no materially significant Related Party Transactions. None of the transactions had any conflict with interests of the Company.

All the Related Party Transactions have been detailed in Note No. 26.20 of the Financial Statements. The Company has formulated a policy on dealing with Related Party Transactions and the same has been uploaded on the website of the Company ([http://www.balmerlawrie.com/app/webroot/uploads/Related\\_Party\\_Transactions\\_Policy-BL.pdf](http://www.balmerlawrie.com/app/webroot/uploads/Related_Party_Transactions_Policy-BL.pdf)). None of the transactions had any conflict with the interest of the Company.

- b) Details of non-compliance by the listed entity, penalties and strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years. NIL.

- c) The Company introduced the 'Whistle Blower Policy' with effect from January, 2010 to promote and encourage transparency in the Company and protects employees against victimization. The Chairperson of the Audit Committee shall be the Ombudsperson under the Policy. The Policy is posted on the Company's website viz. [http://www.balmerlawrie.com/app/webroot/uploads/Whistle\\_Blower\\_Policy\\_BL.pdf](http://www.balmerlawrie.com/app/webroot/uploads/Whistle_Blower_Policy_BL.pdf).

No person has been denied access to the information related to the Audit Committee during the year.

- d) On and from January, 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.

- e) All Board Members and Senior Management have affirmed compliance to Code of Conduct as per Regulation 26(3) of the SEBI (LODR). 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, i.e., Chairman & Managing Director to this effect has been set out in the Annual Report.

- f) The Company has with effect from 27<sup>th</sup> May, 2015, introduced "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Code of Conduct to Regulate, Monitor and Report Trading by Insider" in accordance with SEBI (Insider Trading) Regulations, 2015.

- g) Pursuant to SEBI (LODR), the Company has obtained Certificate from the Statutory Auditors on compliance of the conditions of Corporate Governance a copy of such Certificate is attached to this report.

- h) The Company has prepared the Financial Statements to comply with all material aspects with prescribed Accounting Standards.

- i) The CEO, i.e. Chairman & Managing Director and the CFO have jointly certified to the Board, with regard to reviewing the Financial Statements, cash flow statement and effectiveness of internal control and other matters as required under SEBI (LODR) for the year ended 31<sup>st</sup> March, 2016.

- j) 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 Regulation 21 of the SEBI (LODR). The policy is posted on the Company's website viz. [http://www.balmerlawrie.com/app/webroot/uploads/Risk\\_Management\\_Policy\\_BL.pdf](http://www.balmerlawrie.com/app/webroot/uploads/Risk_Management_Policy_BL.pdf).

- k) Web link where policy for determining 'material subsidiaries' is disclosed: <http://www.balmerlawrie.com/app/webroot/>

uploads/Policy\_on\_Determining\_Material\_Subsiary-BL.pdf.

- l) Disclosure of commodity price risks and hedging activities as per Schedule V of SEBI (LODR) .

The Company does not have any commodity price risk.

However , as compared to BL's turnover, BL has relatively small Foreign exchange exposures on account of the following :

- a) Import of raw materials, spares and components & Capital goods;
- b) Import of services;
- c) Export of goods and services and
- d) Dividend earnings.

The transaction risks in all of the above cases including transaction gain/loss on settlement is on BL.

BL takes forward covers for major currencies where it has an exposure as per forex policy.

**Other Disclosures**

- Details of Presidential directives issued by the Central Government and their compliance during the year and the last three years: NIL
- Items of expenditure debited on the books of accounts, which are not for the purpose of the business: NIL.
- Expenses incurred which are personal in nature and incurred for the Board of Directors and top management: NIL.
- Details of administrative and office expenditure as a percentage of total expenses vis-à-vis financial expenses and reasons for increase:

- a) Admin expenses as % of Total expenses
 

2015-16	-	8.26%
2014-15	-	7.91%

Mainly on account of payment of ex-gratia amount for voluntary separation of erstwhile Sewree unit of SBU – Industrial Packaging.

- b) Finance expenses as % of Total expenses
 

2015-16	-	0.18%
2014-15	-	0.19%

**Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

All mandatory requirements of applicable provisions of the SEBI (LODR) have been complied except for appointment of Independent Directors and other allied matters. As far as non-mandatory requirements are concerned, the Company has not adopted any non-mandatory requirement except that Internal Auditor of the Company reports to the Audit Committee.

**Confirmation of compliance as per SEBI (LODR):**

It is hereby confirmed that except the non-compliances disclosed above, the Company has complied with the requirements under Regulations 17 to 27 and clauses (b) to (j) of sub-regulation (2) of Regulation 46 of the SEBI (LODR). Further, the Statutory Auditors' certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Board's Report as **Annexure - 4**.

**Status of adoption of the Non Mandatory Requirements**

The applicable Non Mandatory requirements will be implemented by the Company as and when required and/or deemed necessary by the Board.

For and on behalf of the Board  
Balmer Lawrie & Co.Ltd.

**Prabal Basu**  
**Chairman & Managing Director**

**D. Sothi Selvam**  
**Wholetime Director**



**Declaration by Chairman & Managing Director (CEO) as per Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Members  
Balmer Lawrie & Co. Ltd.

I, Prabal Basu, Chairman & Managing Director of Balmer Lawrie & Co. Ltd. hereby declare that all Board Members and the Senior Management of the Company have affirmed compliance with the applicable Code of Conduct for the year ended 31<sup>st</sup> March 2016.

Date: 10<sup>th</sup> August, 2016  
Place: Kolkata

**Prabal Basu**  
**Chairman & Managing Director**  
Balmer Lawrie & Co. Ltd.

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE****AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
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 31<sup>st</sup> March, 2016 as stipulated in SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 [SEBI(LODR)]. 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) Regulation 17(1)(b) of SEBI(LODR) Regulation, 2015 require that in case the Chairman is an Executive Director at least half of the Board should comprise of Independent Director. However during the entire Financial Year (from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016) there were no Independent Director on the Board of the Company.
- ii) Regulation 18(1)(b) of SEBI(LODR) Regulation, 2015 require that at least two third of Audit Committee should comprise of Independent Director. However during the entire Financial Year (from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016) there were no Independent Director on the Audit Committee of the Company.
- iii) Regulation 19(1)(c) of SEBI(LODR) Regulation, 2015 require that at least half of Nomination and Remuneration Committee should comprise of Independent Director. However during the entire Financial Year (from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016) there were no Independent Director on the Nomination and Remuneration Committee of the Company.

As against this, we have been informed that the Company has intimated the need for appointment of Independent Directors to the Ministry of Petroleum & Natural Gas (MoPNG), which is the appointing authority in the regard.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI(LODR) Regulation, 2015.

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.

For **Dutta Sarkar & Co.**  
Chartered Accountants  
FRN 303114E

**(B. K. Dutta)**

Partner

Membership No : 016175

Date: 15-07-2016

Place : Kolkata

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
BALMER LAWRIE AND COMPANY LIMITED  
21, Netaji Subhas Road,  
Kolkata-700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Balmer Lawrie Company Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
  - e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - h) SEBI (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (vi) Corporate Governance Guidelines issued by the Department of Public Enterprise vide their OM. No. 18(8)/2005- GM dated 14<sup>th</sup> May, 2010;
- (vii) Laws specifically applicable to the industry to which the Company belongs, as identified by the management that is to say :
- a) Legal Metrology Act, 2009;
  - b) Customs Act, 1962;
  - c) Explosive Act, 1884 and Explosive Rules, 2008
  - d) Foreign Trade Development and Regulation Act, 1992

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India which came into effect from 01.07.2015;
- (ii) The Listing Agreements entered into by the Company with The BSE Limited and The National Stock

Exchange of India Ltd. which were applicable upto 30.11.2015 and thereafter SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) from 01.12.2015 to 31.03.2016.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professional.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the observations as follows:

As per Section 149(4) of the Companies Act, 2013, the Company is required to have 1/3<sup>rd</sup> of total number of directors as Independent Directors. Further, in terms of Regulation 17 of LODR, the Board of Directors shall consist of at least half of its total number as Independent Directors, if the listed entity does not have a regular non-executive Chairman. Since the Chairman of the Board is an Executive Director in such case the Company was required to have at least half of the Board of Directors shall consist of Independent Director.

1. The company has not appointed any Independent Director on its Board.
2. No separate meeting of Independent Directors was held as the company has no Independent Director on its Board during the year under audit.
3. Audit Committee, Nomination and Remuneration Committee and CSR Committee are not constituted properly as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as there is no Independent Director on its Board.

As against this, I have been informed that the Company has intimated the need for appointment of Independent Directors to the Ministry of Petroleum & Natural Gas (MoPNG), which is the appointing authority in this regard.

I further report that,

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of the Board Meeting alongwith agenda and detailed notes on agenda are being sent to all the directors as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the Company has not incurred any specific event / action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard etc.

For N. K & Associates  
Company Secretaries

Navin Kothari  
Proprietor

Place: Kolkata

FCS No. 5935

Date: 27.07.2016

C P No. 3725

Note : This report is to be read with my letter of even date which is annexed as Annexure 1' and forms an integral part of this report.

To,  
The Members,  
BALMER LAWRIE & COMPANY LIMITED  
21 Netaji Subhas Road  
Kolkata – 700001

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. In view of financial records and books of accounts being subjected to audit by the Internal Auditor, Statutory Auditor, Cost Auditor and C&AG Auditor and relying on the reports submitted by the above agencies from time to time, I have not separately verified the financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For N. K & Associates  
Company Secretaries

Navin Kothari  
Proprietor  
FCS No. 5935  
C P No. 3725

Place: Kolkata  
Date: 27.07.2016



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BALMER LAWRIE & CO. LTD**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Balmer Lawrie & Co. Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 returns for the year ended on that date audited by the Branch Auditors of the Company's branches located under Northern region, Western region and Southern region.

**Managements Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditors Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016;
- (b) in the case of 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.

### **Emphasis of Matters**

We draw attention to the following Notes to the financial statements, which describe the uncertainty related to the outcome. Our opinion is not qualified in respect of this matter.

- a) Note No.26.7:- Trade receivables, loans and advances and deposits for which confirmations are not received from the parties are subject to reconciliation and consequential adjustments on determination/receipt of such confirmation”.
- b) Note No. 26.29: A case of misappropriation of cash through wrong adjustments was noticed in one units of the company during the course of review of debtors in the month of January 2016. The company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of ₹ 34.58 Lakhs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to investigating agency and necessary further legal action will be taken thereafter

### **Other Matter**

- a) Confirmation of outstanding balances of trade receivable, claims recoverable various advances, deposits, trade payables and other liabilities was not available for our verification
- b) We did not audit the financial statements of

three (3) Regions included in the standalone financial statements of the Company whose financial statement reflect total assets of ₹ 85746.89 lac as at 31<sup>st</sup> March 2016 and total revenue of ₹ 231998.27 lac for the year ended on that date, as considered in the standalone financial statements. The financial statements of these regions have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these Regions, is based solely on the report of such Branch auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in the “Annexure-A”, a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The reports on the account of the three (3) Regions of the Company audited under section 143(8) of the act by Branch auditors have been submitted to us and have been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in

- agreement with the books of accounts.
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial statements- Refer Note 26.2(a) and (b) to the financial statements;
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) As required by section 143(5) of the Act, a statement on the matters specified as per directions given by the Comptroller & Auditor General of India, is given in “Annexure- C”.

For **Dutta Sarkar & Co.**

**Chartered Accountants**

FRN: 303114E

Mainak Chakrabarti

**Partner**

Membership No : 063052

Place : Kolkata

Date : 26<sup>th</sup> May, 2016

ANNEXURE - 'A' TO THE INDEPENDENT AUDITORS REPORT  
AS REPORTED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i) In respect of its fixed assets:
  - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which plant and machinery are verified every year and other fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained to us, in accordance with its programme plant and machinery and certain other fixed assets were verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of Immovable properties are held in the Name of the Company except to the extent of the properties and values specified in Note No.26.1 (a) and (b).
- ii) The inventory of the Company except goods in transit 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 and no material discrepancies were noticed on such verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, clauses 3(iii) (a) to 3(iii) (c) of the Order are not applicable.
- iv) The Company has not given any loans, guarantees, securities or made Investments which is required to be complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits, according to the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
- vi) We have broadly reviewed the cost record maintained by the Company in respect of the products of Grease and Lubricants, Industrial Packaging & Leather Chemicals where, pursuant to the Companies (Cost records and Audit) Rules, 2014 read with companies (Cost records and Audit) Amendment Rules, 2014 prescribed by the Central Government under section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost record 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 has not prescribed the maintenance of cost records for any other product of the Company.
- vii) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities and there was no amount due for more than six months as at the last day of the financial year.
  - (b) The disputed statutory dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax aggregating to ₹ 10185.49 lac have not been deposited as mentioned in Note No.26.2(a) to the accounts showing the amounts involved and the forum where the dispute is pending.
- viii) The Company has not defaulted in repayment of dues to any financial institutions or Banks as at the Balance Sheet date and there is no debenture holder.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit. Hence this clause is not applicable.
- x) Attention is drawn to Note No. 26.29 where fraud has been detected on the Company during the year and according to the information and explanation given to us no fraud by the Company has been noticed or reported during the year.

- xi) 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. The inter alia includes determination of remuneration payable to the Whole- Time Directors. Hence this clause is not applicable.
- xii) The Company is not a Nidhi Company. Hence this clause is not applicable.
- xiii) According to the information and explanations provided to us and the records of the company examined by us, the Company has not been able to comply with the requirements of Section 177 in respect of composition of Audit Committee, since independent directors on the board are yet to be appointed by the Government of India.
- All transactions of the Company with related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statement in Note No. 26.20(i) and (ii) as required by the applicable accounting standard.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence this clause is not applicable
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, this clause is not applicable.
- xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, this clause is not applicable.

For **Dutta Sarkar & Co.**  
**Chartered Accountants**

FRN: 303114E

Mainak Chakrabarti  
**Partner**

Membership No : 063052

Place : Kolkata  
Date : 26<sup>th</sup> May, 2016

## ANNEXURE - 'B' TO THE INDEPENDENT AUDITORS REPORT

**Report on the Internal Financial Controls under Paragraph (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of BALMER LAWRIE & CO. LIMITED ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

**Managements Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk whether material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Region's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of record, that in reasonable detail, accurately and fairly reflect the transaction and disposition of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company; and (3) provide reasonable assurance regarding prevention and or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of internal financial controls over financial reporting may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2016;

- a) Internal Financial Control over credit authorization, in the areas where there are cash transaction (SBU- Tours & Travels [T&T]), needs strengthening. While analysing the gaps, it was observed that, preventive control, ensuring independence of cash and accounting function in implant office needs improvement.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness/as described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the "Institute of Chartered Accountants of India".

We have considered the material weakness/as identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and these material weakness/as does not/do not affect our opinion on the standalone financial statements of the Company.

**Other Matter**

During the year under audit, the company has initiated a process of having comprehensive model for the streamlining the internal control including internal control over financial reporting incorporating RCM and gap tracking with a description of the objective, process and risk thereof. On walkthrough of the model for testing and making review of adequacy and effectiveness of the system of control in place, some gaps have been identified both in adequacy of design and effectiveness. This is however under the active process of meeting the gaps with effectivity.

For **Dutta Sarkar & Co.**  
**Chartered Accountants**  
FRN: 303114E  
  
Mainak Chakrabarti  
**Partner**  
Membership No : 063052

Place : Kolkata  
Date : 26<sup>th</sup> May, 2016

**Directions under sections 143(5) of the Companies Act 2013**

<b>Sl. No</b>	<b>Direction</b>	<b>Auditors' Replies</b>
1	Whether the company has clear title/ lease Deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available?	Details are furnished in Annexure "C- 1"
2	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. if yes, the reason there for and amount involved	Details are furnished in Annexure "C- 2"
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.	Not applicable



**Direction under section 143(5) of the Companies Act 2013**

**Annexure - C - 1**

Details of freehold and leasehold land for which title/ lease deeds are not available as on 31.03.2016.

<b>Sl. No.</b>	<b>Location</b>	<b>Area</b>	<b>Remarks</b>
1.	Gopalpur Holiday home, Orissa	0.235 Acres	Photocopy of Title deed available.
2.	Balmer Lawrie & Co. 21, N. S. Road, Kolkata - 700 001	1 Bigha, 3 Katha, 3 Chatak	Lease deeds available
3.	Balmer Lawrie & Co. Faridabad	61005 Sq. yards	Original Title deeds not available
4.	9B, Queens Park, Kolkata - 700 019	2 Bigha, 6 Katha, and 7 Chatak	Lease deeds available
5.	Bishram Kutir, Puri Bungalow	1 Acre	Lease deeds available
6.	96, Tollygunge Circular Road, Kolkata - 700 053	896 Sq. ft	Lease deeds available
7.	Trivoli court IA Ballygunge Circular Road, Kolkata - 700 019	2257.55 Sq. ft	Lease deeds available
8.	39, Ballygunge Circular Road, Kolkata - 700 019	1 Bigha, 9 Katha, 7 Chatak	Lease deeds available
9.	Himadri Apartments, Flat no. 40, 22 Ballygunge Park Road, Kolkata - 700 019	1800 Sq. Ft	Lease deeds available
10.	Ajanta Appartments, 10 Gurusaday Road, Kolkata - 700 019	2000 Sq. Ft	Lease deeds available
11.	Golf Link Appartment, 50, Chanditala Lane, Block D, 1st Floor, Kolkata - 700 040	1000 Sq. Ft	Lease deeds available
12.	New Beerbhoom Coal Co. Ltd. Asansol, Burdawan	5353.16 Sq. Mtr	Lease not renewed after year 2000.
13.	SF, Annapurna Appartments 224 & 224/1, A.J.C Bose Road, Kolkata - 700 017	1485 sq. ft	Lease deeds available.
14.	Container & Cylinder Division	2921.05 Sq. Mtr	Lease Deed expired on 31.05.2005 and on 19.01.2002. Renewed Lease Deed not available.
15.	Barrel Division Sewree, Mumbai	2653.99 Sq. Mtr	Certified True Copy found.

<b>Sl. No.</b>	<b>Location</b>	<b>Area</b>	<b>Remarks</b>
16.	5 J.N. Heredia Marg, Ballard Estate, Mumbai - 400001	-	Original lease deeds not available.
17.	Industrial Packaging Division, Plot No. G-15, G-16, G-17, MIDC, Taloja, Industrial Area, Maharashtra - 410208	-	G15, G16 lease deed with MIDC pending for Registration. G17 registered lease deed is found.
18.	Survey No. 201/1, Sayli Village, Silvassa - 396230		Original Title deeds/ lease deeds not available. Copy of agreement found.
19.	Survey No. 23/1/1, Khadoli Village, Silvassa - 396230		Original Title deeds/ lease deeds not available. Copy of agreement found.
20.	BL Housing complex, Plot No. 1-1& 1-2, Sector 2, Phase II, Nerul, Navi Mumbai 400 706	2413 sq. Mts	Photocopy of MOU with CIDCO available.

**Direction under section 143(5) of the Companies Act 2013**

**Annexure - C - 2**

Details of write-off of debts, advances, deposits and fixed assets etc. as on 31.03.2016

<b>Sl. No.</b>	<b>Reasons for write-offs</b>	<b>31-03-2016</b>
1.	Debts	
	Liquidated Damage	33.80
	Difference in Excise Duty	3.85
	Closed Business/Party not traceable	46.38
	Adhoc Deduction by customers/Reconciliation Problem	10.81
	Quality related Problem I damaged goods	5.08
	Cancellation Charges, Service Tax not paid by customers	7.32
	Service Charges/ No Show tickets etc	
	Price differential not paid by customers	19.13
	Difference of VAT, CST	11.56
	Demurrage Charges/Port charges/Transit Penalty	3.36
	TDS receivable	28.85
		82.84
	<b>TOTAL</b>	<b>252.98</b>
2.	Loans & Advances	
	Claims short settled by Insurance Co.	10.32
	Detention charges/Tpt charges	0.38
	<b>TOTAL</b>	<b>10.70</b>
3.	Inventory	
	Rejected barrels not brought back from customers (Greases)	64.50
	<b>TOTAL</b>	<b>11.29</b>
4.	Deposits	
	Sundry Deposits written off	11.29
5.	Fixed Assets	
	Fixed Assets written off	2.39
	<b>TOTAL</b>	<b>2.39</b>
6.	Write off of debts/ deposits against provisions made in earlier years	140.48
	<b>GRAND TOTAL</b>	<b>482.34</b>

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF BALMER LAWRIE & CO. LIMITED, KOLKATA FOR THE  
YEAR ENDED 31 MARCH 2016.**

The preparation of financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26.05.2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2016. 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.

For and on the behalf of the

Comptroller & Auditor General of India

(Praveer Kumar)

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

Place : Kolkata

Date : 17.07.2016

**BALANCE SHEET AS AT 31ST MARCH 2016**

(₹ in lakhs)

	Note No.	As at 31 March 2016	As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	1	2,850.06	2,850.06
Reserves and Surplus	2	96,883.32	87,456.10
<b>Total Shareholders' Fund</b>		<b>99,733.38</b>	<b>90,306.16</b>
<b>Non-current Liabilities</b>			
Other Long Term Liabilities	4	4,308.65	4,190.94
Long Term Provisions	5	-	0.12
<b>Total Non-current Liabilities</b>		<b>4,308.65</b>	<b>4,191.06</b>
<b>Current Liabilities</b>			
Trade Payables	6		
Due to MSME		92.07	116.92
Due to Others		22,337.20	21,653.97
Other Current Liabilities	7	21,965.05	17,460.37
Short Term Provisions	8	10,954.09	11,227.10
<b>Total Current Liabilities</b>		<b>55,348.41</b>	<b>50,458.36</b>
<b>TOTAL</b>		<b>159,390.44</b>	<b>144,955.58</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	9		
Tangible Assets		41,175.69	39,317.15
Intangible Assets		1,226.28	1,367.33
Capital Work-in-Progress		725.55	429.81
Intangible Assets Under Development		-	17.25
Non-current Investments	10	5,740.26	5,740.26
Deferred tax assets (net)	3	816.45	171.45
Long Term Loans and Advances	11	1,240.29	1,509.38
<b>Total Non-current Assets</b>		<b>50,923.52</b>	<b>48,552.63</b>
<b>Current Assets</b>			
Inventories	12	11,976.49	13,010.37
Trade Receivables	13	42,107.04	36,513.24
Cash and Cash Equivalents	14	43,095.40	36,128.56
Short Term Loans and Advances	15	8,550.88	8,438.01
Other Current Assets	16	2,737.11	2,312.77
<b>Total Current Assets</b>		<b>108,466.92</b>	<b>96,402.95</b>
<b>TOTAL</b>		<b>159,390.44</b>	<b>144,955.58</b>
Additional Disclosure	26	-	

The Notes referred above and the Significant Accounting Policies form an integral part of the Financial Statement

As per our report attached

**For Dutta Sarkar & Co.**

Chartered Accountants

Firm Registration No. 303114E

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**

Chairman &  
Managing Director

**Shyam Sundar Khuntia**

Director (Finance) &  
Chief Financial Officer

**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Note No.	For the Year Ended 31 March 2016	(₹ in lakhs) For the Year Ended 31 March 2015
<b>Income:</b>			
Revenue from Operations		283,264.60	286,863.66
Less Excise Duty		(12,105.14)	(12,826.42)
Revenue from Operations (Net of Excise)	17	271,159.46	274,037.24
Other Income	18	6,230.51	7,540.29
<b>Total Revenue</b>		<b>277,389.97</b>	<b>281,577.53</b>
<b>Expenses:</b>			
Cost of Materials Consumed & Services Rendered	19	209,235.54	216,890.60
Purchases of Trading Goods	20	358.05	742.30
Changes in inventories of Finished Goods, Work-in-Progress and Trading Goods	21	(77.89)	1,243.37
Employee Benefits Expenses	22	20,275.87	17,895.31
Finance Costs	23	444.69	507.13
Depreciation and Amortisation Expenses	24	2,719.80	2,633.93
Other Expenses	25	20,979.87	20,620.45
<b>Total Expenses</b>		<b>253,935.93</b>	<b>260,533.09</b>
Profit before exceptional and extraordinary items and tax		23,454.04	21,044.44
Exceptional items		-	-
Profit before extraordinary items and tax		23,454.04	21,044.44
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>23,454.04</b>	<b>21,044.44</b>
<b>Tax Expenses:</b>			
Current Year		8,479.00	6,434.00
Earlier Years		(700.00)	(500.00)
Deferred Tax		(645.00)	366.00
<b>Profit after Tax</b>		<b>16,320.04</b>	<b>14,744.44</b>
Earnings per Equity Share: (₹) (Face Value ₹ 10)			
Basic		57.26	51.73
Diluted		57.26	51.73

Additional Disclosure 26

The Notes referred above and the Significant Accounting Policies form an integral part of the Financial Statement

As per our report attached  
**For Dutta Sarkar & Co.**  
 Chartered Accountants  
 Firm Registration No. 303114E

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

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**Shyam Sundar Khuntia**

Director (Finance) &  
Chief Financial Officer

**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

	Year Ended 31 March 2016	(₹ in lakhs) Year Ended 31 March 2015
<b>A. Cash flow from operating activities</b>		
Net profit before tax [ Note 1 ]	23450	21023
Adjustment for		
Depreciation and fixed assets written off	2722	2694
Foreign Exchange	45	23
Provision for doubtful loans advances	365	106
Interest / Dividend	(3930)	(4398)
Profit on sale of Investments		
<b>Operating Profit Before Working Capital Changes</b>	<b>22652</b>	<b>19448</b>
Trade and other receivables	(6108)	3795
Inventories	1034	1162
Trade and other Payables	4011	(6965)
<b>Cash generated from operations</b>	<b>21589</b>	<b>17440</b>
Direct Taxes paid	(8742)	(6713)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>12847</b>	<b>10727</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(3656)	(7726)
Sale of Fixed assets	25	73
Purchase of Investments		(1)
Interest received	2960	2882
Dividend received	1266	1873
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>595</b>	<b>(2899)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(296)	(357)
Dividend paid	(5107)	(5156)
Corporate Tax on Dividend	(1073)	(872)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(6476)</b>	<b>(6385)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS ( A+B+C )</b>	<b>6966</b>	<b>1443</b>
<b>CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	<b>36129</b>	<b>34686</b>
<b>CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>43095</b>	<b>36129</b>

As per our report attached  
**For Dutta Sarkar & Co.**  
 Chartered Accountants  
 Firm Registration No. 303114E

**CA Mainak Chakrabarti**  
 Partner  
 Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**  
 Chairman &  
 Managing Director

**Shyam Sundar Khuntia**  
 Director (Finance) &  
 Chief Financial Officer

**Manjusha Bhatnagar**  
**D Sothi Selvam**  
**K Swaminathan**  
**Alok Chandra**  
 Directors

**Kavita Bhavsar**  
 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.

	<b>2015-16</b> <b>(₹ in lakhs)</b>	2014-15 (₹ in lakhs)
<b>2. Net Profit after tax as per Profit &amp; Loss Statement</b>	<b>16320</b>	14744
Add : Tax Provision (Net)	<b>7134</b>	6300
	<b>23454</b>	21044
Less : Profit / (Loss) on disposal of fixed assets (net)	<b>4</b>	21
Net profit before tax	<b>23450</b>	21023
<b>3. Changes in Working Capital - computation (Excluding items shown separately)</b>		
<u>Current Assets</u>		
Trade and other Receivables	<b>42107</b>	36513
Loans & Advances	<b>14245</b>	13731
Inventories	<b>11976</b>	13010
	<b>68328</b>	63254
<u>Current Liabilities</u>		
Trade and other Payables	<b>46825</b>	42814
Net Current Assets	<b>21503</b>	20440
Changes	<b>1063</b>	2008
<b>4. Component of Cash and Cash equivalent</b>		
Cash and Bank Balances	<b>43095</b>	36129
Cash Credit / Demand Loan	<b>43095</b>	36129
Changes	<b>6966</b>	1443

As per our report attached  
**For Dutta Sarkar & Co.**  
Chartered Accountants  
Firm Registration No. 303114E

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**

Chairman &  
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**Shyam Sundar Khuntia**

Director (Finance) &  
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**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary



## **SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis complying in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

### **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 Statement of profit and loss.
- f) Depreciation on tangible assets is provided on pro-rata basis on the straight line method over the estimated useful lives of the asset or over the lives of the assets prescribed under Schedule II of the Companies Act 2013 whichever is lower. Based on review, the lower estimated useful lives of the following assets are found justifiable compared to the lives mentioned in Schedule II of the Companies Act 2013:

- i Mobile Phones and Portable Personal Computers over two years
- ii Items given to employees under furniture equipment scheme over five years
- iii Electrical items like air conditioners, fans, refrigerators, etc over 6.67 years
- iv Sofa set, Woollen Carpets, Photocopier, Fax machines, Motor Cars & Machine Spares whose use is irregular over five years

In case of Plant & Machinery, other than Continuous Process, based on technical review by a Chartered Engineer, useful life is estimated at 25 years.

### **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, stores & spare parts and materials for turnkey projects on the basis of weighted average cost.
  - b) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost upto the relative stage of completion.
  - c) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.
- (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 Statement of Profit and Loss.
- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards are charged to Statement of Profit & Loss on the basis of actuarial valuation made at the year end.
- c) Post retirement medical benefit is also recognised on the basis of actuarial valuation made at the year end.

## 7. Treatment of Prior Period and Extraordinary Items

- a) Prior period items which arise in the current

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

- b) Income / Expenditure upto ₹ 10000 in each case pertaining to prior years is charged to the current year.
- c) Extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.

## 8. Foreign Currency Translations

- a) All transactions in foreign currency other than those specified below are converted at the exchange rate prevailing on the respective dates of transactions.
- b) Monetary items denominated in a foreign currency (such as cash, balance in bank accounts, receivables, payables, etc ) are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
- c) Non-monetary assets denominated in foreign currency such as Long Term Investment, Inventories and Fixed Assets are carried at cost.
- d) In case of foreign branch, translation of the financial statement is made on the following basis.
  - i) Revenue items except opening and closing inventories are converted at average rate. Opening and closing inventories are translated at the rate prevailing at the commencement and close respectively.
  - ii) Fixed Assets and depreciation are converted at the exchange rate on the date of the transactions.
  - iii) Other Current Assets and Current

Liabilities are converted at the exchange rate as on the date of the Balance Sheet.

- e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit & Loss 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 Statement of Profit & Loss.

## 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 ₹ 100000 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 Dutta Sarkar & Co.**  
Chartered Accountants  
Firm Registration No. 303114E

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**

Chairman &  
Managing Director

**Shyam Sundar Khuntia**

Director (Finance) &  
Chief Financial Officer

**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary

## Note No.1

	As at 31 March 2016		As at 31 March 2015	
	NUMBER	(₹ in lakhs)	NUMBER	(₹ in lakhs)
<b>A Share Capital</b>				
<b><u>Authorised</u></b>				
Equity Shares of ₹ 10 each	60,000,000	6,000.00	60,000,000	6,000.00
<b><u>Issued</u></b>				
Equity Shares of ₹ 10 each	28,500,641	2,850.06	28,500,641	2,850.06
<b><u>Subscribed &amp; Paid up</u></b>				
Equity Shares of ₹ 10 each fully paid	28,500,641	2,850.06	28,500,641	2,850.06
<b>Total</b>		<b>2,850.06</b>		<b>2,850.06</b>

### 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 2016		As at 31 March 2015	
	No. of shares	%	No. of shares	%
Balmer Lawrie Investments Ltd.	17,613,225	61.80%	17,613,225	61.80%

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

### E. Reconciliation of Share Capital

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares		No. of Shares	
<b>Issued</b>				
Balance at the beginning of the year	28,500,641		28,500,641	
Add : Bonus Shares issued	-		-	
Balance at the end of the year	28,500,641		28,500,641	
<b>Subscribed &amp; Paid up</b>				
Balance at the beginning of the year	28,500,641		28,500,641	
Add : Bonus Shares subscribed	-		-	
Balance at the end of the year	28,500,641		28,500,641	

## Note No.2

(₹ in lakhs)

## RESERVES &amp; SURPLUS

	As at 31 March 2016	As at 31 March 2015
<b>Share Premium Account</b>		
Opening Balance	3,626.77	3,626.77
Closing Balance	3,626.77	3,626.77
<b>General Reserve</b>		
Opening Balance	38,154.01	35,154.01
(+) Current Year Transfer	3,000.00	3,000.00
Closing Balance	41,154.01	38,154.01
<b>Profit &amp; Loss Statement</b>		
Opening balance	45,675.32	40,333.59
(-) Adj for Depreciation	-	199.12
(+) Net Profit/(Net Loss) for the current year	16,320.04	14,744.44
(-) Proposed Dividends	5,700.13	5,130.12
(-) Corporate tax on Dividend	1,192.69	1,073.47
(-) Transfer to General Reserves	3,000.00	3,000.00
Closing Balance	52,102.54	45,675.32
<b>Total</b>	<b>96,883.32</b>	<b>87,456.10</b>

## Note No.3

### DEFERRED TAXATION

The major components of the net deferred tax asset are :

	As at 31 March 2016	As at 31 March 2015
<b>Net Opening Balance [A]</b>	<b>171.45</b>	434.92
<b>Provision for the Current Year</b>		
Liability for timing difference arising during the year on account of		
Add:		
a) Provision for loans, debts, deposits, advances & investment, written back	<b>(62.00)</b>	(91.00)
b) Adjustments for VRS expenditure	<b>398.00</b>	245.00
c) R & D Capital expenditure (200%)	<b>(19.00)</b>	(102.00)
	317.00	52.00
Less:		
i) Fixed Assets written-off in accounts	<b>1.00</b>	-
ii) Depreciation Allowance	<b>(228.00)</b>	(693.47)
iii) Provision for Leave /LTA / PRMBS, etc.	<b>101.00</b>	12.00
iv) Provision for loans, debts, deposits & advances	<b>454.00</b>	366.00
	<b>328.00</b>	(315.47)
<b>Net Deferred Tax Asset for the year [B]</b>	<b>645.00</b>	(263.47)
<b>Balance of Deferred Asset liability [A+B]</b>	<b>816.45</b>	171.45

## Note No.4

### OTHER LONG TERM LIABILITIES

	As at 31 March 2016	As at 31 March 2015
Others	<b>4,308.65</b>	4,190.94
<b>Total</b>	<b>4,308.65</b>	4,190.94

**Note No. 5**  
**LONG TERM PROVISIONS**

	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Provision for Employee Benefits	-	0.12
<b>Total</b>	<b>-</b>	<b>0.12</b>

**Note No. 6**  
**TRADE PAYABLES**

	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Trade Payables	22,337.20	21,653.97
Payable to MSME	92.07	116.92
<b>Total</b>	<b>22,429.27</b>	<b>21,770.89</b>

**Note No. 7**  
**OTHER CURRENT LIABILITIES**

	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Advance from Customers	956.47	847.76
Unclaimed Dividend (*)	208.90	185.55
Other Payables (Details are as per Note No. 26.28 )	20,799.68	16,427.06
<b>Total</b>	<b>21,965.05</b>	<b>17,460.37</b>

(\*)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 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Provision for Taxation (Net of Advance)	5,253.96	6,096.98
Proposed Final Dividend (₹ 20 per share)	5,700.13	5,130.12
<b>Total</b>	<b>10,954.09</b>	<b>11,227.104</b>



**Note No. 9**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2016**

**A) Assets held for active use**  
(in ₹ / Lakhs)

FIXED ASSETS PARTICULARS	GROSS BLOCK		DEPRECIATION			IMPAIRMENT OF ASSETS		NET BLOCK	
	As at 1st April, 2015 ₹	Additions during the year ₹	Total cost of items sold or scrapped ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹	For the Year ₹	As at 31st March, 2016 ₹	W.D.V. As at 31st March 2016 ₹	W.D.V. As at 31st March 2015 ₹
<b>Tangible Assets</b>									
Land - Freehold	1,533.56	865.11	-	2,398.67	-	-	-	2,398.67	1,587.90
Land - Leasehold	7,255.34	291.00	-	7,546.34	1,046.41	198.09	-	6,301.84	6,154.59
Buildings & Sidings	16,408.66	817.99	3.18	17,223.47	3,204.72	357.21	0.91	13,597.69	13,197.64
Plant & Machinery	22,844.97	975.72	24.31	23,796.38	8,948.32	727.55	23.26	14,102.34	14,521.29
Spares for Plant & Machinery	155.52	-	-	155.52	133.80	15.54	-	6.18	21.72
Electrical Installation and Equipment	3,457.94	422.72	28.10	3,852.56	1,949.53	96.41	25.39	1,630.92	1,470.60
Furniture and Fittings	1,012.25	172.93	10.82	1,174.36	535.35	79.93	10.14	569.22	476.73
Typewriters, Accounting Machine and Office Equipment	2,212.37	438.39	59.54	2,591.22	1,554.52	322.36	59.01	773.35	776.11
Tubewells, Tanks and Miscellaneous Equipment	1,866.81	200.72	0.80	2,066.73	1,027.07	131.86	0.48	905.90	758.01
Lab Equipment	734.15	35.99	-	770.14	262.63	74.07	-	433.44	-
Railway Siding	295.88	-	-	295.88	57.55	20.94	-	217.39	-
Vehicles	887.14	35.70	45.79	877.05	517.87	151.95	30.52	237.75	352.55
<b>Total Tangible Assets</b>	<b>58,664.59</b>	<b>4,256.27</b>	<b>172.54</b>	<b>62,748.32</b>	<b>19,237.77</b>	<b>2,375.91</b>	<b>149.71</b>	<b>41,174.69</b>	<b>39,317.15</b>
<b>Intangible Assets</b>									
Computer Software	666.25	202.84	-	869.09	320.87	122.23	-	425.99	345.38
Goodwill	918.25	-	-	918.25	228.93	183.66	-	505.66	689.32
Brand Value	380.00	-	-	380.00	47.37	38.00	-	294.63	332.63
<b>Total Intangible Assets</b>	<b>1,964.50</b>	<b>202.84</b>	<b>-</b>	<b>2,167.34</b>	<b>597.17</b>	<b>343.89</b>	<b>-</b>	<b>1,226.28</b>	<b>1,367.33</b>
<b>Grand Total</b>	<b>60,629.09</b>	<b>4,459.11</b>	<b>172.54</b>	<b>64,915.66</b>	<b>19,834.94</b>	<b>2,719.79</b>	<b>149.71</b>	<b>42,400.97</b>	<b>40,684.48</b>
<b>Previous Year</b>	46,922.82	14,701.92	995.71	60,629.03	17,781.11	2,993.30	939.52	109.66	-
							2.30	109.66	40,684.48

Note No.10

NON CURRENT INVESTMENTS

Unquoted, unless otherwise stated

Name of the Body Corporate

	As at 31 March 2016	(₹ in lakhs) As at 31 March 2015
<b>Trade Investments</b>		
<b>Investment in Equity Instruments (Fully paid stated at Cost) In Joint Venture Companies</b>		
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(8,601,277) Equity shares of ₹ 10 each	3,385.03	3,385.03
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 (25,000) equity shares of ₹10 each (Refer Note - 26.30)	2.50	2.50
<b>In Subsidiary Company</b>		
Balmer Lawrie (UK) Ltd. 1,797,032 (1,797,032) Ordinary Shares of GBP 1 each	996.28	996.28
Vishakapatnam Port Logistics Park Ltd. 10,000 Ordinary Shares of each ₹ 10 each acquired during the year	1.00	1.00
<b>Investments in Preference Shares (Fully paid stated at Cost)</b>		
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      -
<b>Total</b>	<b>5,725.80</b>	5,725.80
<b>Other Investments</b>		
<b>Investment in Equity Instruments</b>		
Bridge & Roof Co. (India) Ltd. 3,57,591 (3,57,591) equity shares of ₹10 each	14.01	14.01
Biecco Lawrie Ltd. 1,95,900 ( 1,95,900) Equity Shares of 10 each (Carried in books at a Value of ₹ 1 only )	-	-
Woodlands Multispeciality Hospitals Ltd. 8,850 (8,850) Equity Shares of ₹10 each	0.45	0.45
<b>Total</b>	<b>14.46</b>	14.46
<b>Total</b>	<b>5,740.26</b>	5,740.26
<b>Aggregate amount of quoted investments at Cost</b>	-	-
<b>Aggregate amount of unquoted investments at cost</b>	<b>5,740.26</b>	5,740.26
	<b>5,740.26</b>	5,740.26

## Note No.11 LONG TERM LOANS AND ADVANCES

	As at 31 March 2016	(₹ in lakhs) As at 31 March 2015
<b>Capital Advances</b>		
Unsecured, considered good	146.92	347.05
	<b>146.92</b>	347.05
<b>Security Deposits</b>		
Secured, considered good		
Unsecured, considered good	327.24	385.24
	<b>327.24</b>	385.24
<b>Loans and advances to related parties</b>		
Unsecured, considered good		
Transafe Services Ltd.	180.00	180.00
Doubtful		
Balmer Lawrie Van-leer Ltd.(*)	1,817.92	1,817.92
Less: Provision		
Balmer Lawrie Van-leer Ltd.	(1,817.92)	(1,817.92)
	<b>180.00</b>	180.00
<p>(* ) 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.</p>		
<b>Other loans and advances</b>		
Secured, considered good	446.24	458.69
Unsecured, considered good	139.89	138.40
Doubtful	1,170.22	1,011.09
Less: Provision	(1,170.22)	(1,011.09)
	<b>586.13</b>	597.09
<b>Total</b>	<b>1,240.29</b>	1,509.38

**Note No.12**  
**INVENTORIES**

	As at 31 March 2016	(₹ in lakhs) As at 31 March 2015
Raw Materials and components	5,813.18	6,922.72
Goods-in-transit	18.55	114.16
Slow Moving & Non moving	154.41	152.54
Less: Adjustment for Slow & Non moving	(97.91)	(97.54)
<b>Total - Raw Materials and components</b>	<b>5,888.23</b>	<b>7,091.88</b>
Work in Progress	1,075.82	974.36
<b>Total - Work in Progress</b>	<b>1,075.82</b>	<b>974.36</b>
Finished goods	4,083.71	3,972.71
Goods-in transit	258.45	400.01
Slow Moving & Non moving	317.75	296.78
Less: Adjustment for Slow & Non moving	(180.51)	(169.61)
<b>Total - Finished Goods</b>	<b>4,479.40</b>	<b>4,499.89</b>
Trading Goods	-	3.08
	-	3.08
Stores and Spares	505.87	423.41
Slow moving & Non moving	109.66	89.00
Less: Adjustment for Slow & Non moving	(82.49)	(71.25)
<b>Total - Stores &amp; Spares</b>	<b>533.04</b>	<b>441.15</b>
<b>Total</b>	<b>11,976.49</b>	<b>13,010.37</b>

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

## Note No.13 TRADE RECEIVABLES

	As at 31 March 2016	(₹ in lakhs) As at 31 March 2015
<b>Trade receivables outstanding for a period less than six months</b>		
Secured, considered good		
Unsecured, considered good	<b>34,116.42</b>	31,475.44
Unsecured, considered doubtful	<b>52.79</b>	64.62
Less: Provision for doubtful debts	<b>(52.79)</b>	(64.62)
	<b>34,116.42</b>	31,475.44
<b>Trade receivables outstanding for a period exceeding six months</b>		
Secured, considered good		
Unsecured, considered good	<b>7,990.62</b>	5,037.80
Unsecured, considered doubtful	<b>2,115.93</b>	1,336.59
Less: Provision for doubtful debts	<b>(2,115.93)</b>	(1,366.59)
	<b>7,990.62</b>	5,037.80
<b>Total</b>	<b>42,107.04</b>	36,513.24

## Note No.14 CASH AND CASH EQUIVALENTS

	As at 31 March 2016	(₹ in lakhs) As at 31 March 2015
Balances with banks	<b>3,942.77</b>	2,761.16
Cash in hand	<b>80.24</b>	21.21
Margin Money deposit with banks	<b>63.78</b>	58.87
Short Term Deposit with banks	<b>38,799.71</b>	33,101.77
Unclaimed Dividend Account	<b>208.90</b>	185.55
<b>Total</b>	<b>43,095.40</b>	36,128.56

**Note No.15**  
**SHORT-TERM LOANS AND ADVANCES**

	(₹ in lakhs)	
	As at 31 March 2016	As at 31 March 2015
<b>Deposits</b>		
Unsecured, considered good	3,696.86	3,363.65
	<u>3,696.86</u>	<u>3,363.65</u>
<b>Advances to related parties</b>		
Balmer Lawrie Investments Ltd.	0.97	3.50
Balmer Lawrie Hind Terminal Pvt. Ltd.	-	10.38
PT. Balmer Lawrie Indonesia	29.18	35.87
Balmer Lawrie Van Leer Ltd.	-	4.04
Transafe Services Ltd.	66.15	48.47
Visakhapatnam Port Logistics Park Ltd.	481.92	196.23
Balmer Lawrie (UAE) LLC	25.63	18.71
	<u>603.85</u>	<u>317.20</u>
<b>Other Loans &amp; Advances</b>		
Secured, considered good		
{Due from Directors ₹ Nil (₹ Nil ) lakhs}	157.71	136.68
Unsecured, considered good	4,092.46	4,620.48
Doubtful	457.42	303.46
Less:Provision	(457.42)	(303.46)
	<u>4,250.17</u>	<u>4,757.16</u>
<b>Total</b>	<u>8,550.88</u>	<u>8,438.01</u>

**Note No.16**  
**OTHER CURRENT ASSETS**

	(₹ in lakhs)	
	As at 31 March 2016	As at 31 March 2015
Other Accrued Income	2,737.11	2,312.77
<b>Total</b>	<u>2,737.11</u>	<u>2,312.77</u>

## Note No.17

### REVENUE FROM OPERATIONS

	(₹ in lakhs)	
	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Sale of products	99,190.11	107,880.12
Less : Excise Duty	(12,105.14)	(12,826.42)
<b>Sale of Products (Net of Excise)</b>	<b>87,084.97</b>	<b>95,053.70</b>
Sale of Services	180,871.61	175,020.08
Sale of Trading Goods	365.56	751.41
Other Operating Income	2,837.32	3,212.05
<b>Total</b>	<b>271,159.46</b>	<b>274,037.24</b>

## Note No.18

### OTHER INCOME

	(₹ in lakhs)	
	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Interest Income	3,325.40	2,729.92
Dividend Income	1,117.79	2,845.39
Other Non-operating Income	1,787.32	1,964.98
<b>Total</b>	<b>6,230.51</b>	<b>7,540.29</b>

## Note No.19

### COST OF MATERIALS CONSUMED & SERVICES RENDERED

	(₹ in lakhs)	
	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Cost of Materials Consumed	56,741.64	68,734.38
Cost of Services Rendered	152,493.90	148,156.22
<b>Total</b>	<b>209,235.54</b>	<b>216,890.60</b>

## Note No.20

### PURCHASE OF TRADING GOODS

	(₹ in lakhs)	
	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Trading Goods	358.05	742.30
<b>Total</b>	<b>358.05</b>	<b>742.30</b>

**Note No.21**  
**CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN-PROGRESS AND TRADING GOODS**

		(₹ in lakhs)	
		For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Change in Finished Goods	Opening	4,499.89	5,352.10
	Closing	4,479.40	4,499.89
	Change	20.49	852.21
Change in Work In Progress	Opening	974.36	1,364.44
	Closing	1,075.82	974.36
	Change	(101.46)	390.08
Change in Trading Goods	Opening	3.08	4.16
	Closing	-	3.08
	Change	3.08	1.08
		<b>(77.89)</b>	<b>1,243.37</b>

**Note No.22**  
**EMPLOYEE BENEFITS EXPENSES**

		(₹ in lakhs)	
		For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Salaries and Incentives		16,727.10	14,517.98
Contributions to Provident & Other Funds		2,059.93	1,979.77
Staff Welfare Expenses		1,488.84	1,397.55
<b>Total</b>		<b>20,275.87</b>	<b>17,895.31</b>

**Note No.23**  
**FINANCE COSTS**

		(₹ in lakhs)	
		For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Interest Cost		295.99	357.01
Bank Charges*		148.70	150.12
<b>Total</b>		<b>444.69</b>	<b>507.13</b>

\* 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**

		(₹ in lakhs)	
		For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Depreciation		2,375.92	2,290.91
Amortisation of Intangible Assets		343.88	343.02
<b>Total</b>		<b>2,719.80</b>	<b>2,633.93</b>



## Note No.25 OTHER EXPENSES

	(₹ in lakhs)	
	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Manufacturing Expenses	1,412.43	1,217.03
Consumption of Stores and Spares	794.62	626.33
Excise duty on Closing Stock (Refer Note no. 26.17)	43.22	132.96
Repairs & Maintenance - Buildings	726.00	396.24
Repairs & Maintenance - Plant & Machinery	308.83	331.10
Repairs & Maintenance - Others	571.63	476.07
Power & Fuel	2,181.55	2,656.50
Electricity & Gas	373.18	347.87
Rent	848.48	706.42
Insurance	227.37	215.85
Packing, Despatching, Freight and Shipping Charges	3,450.49	3,538.40
Rates & Taxes	110.76	120.95
Auditors Remuneration and Expenses	22.17	17.52
Write Off of Debtors, Deposits, Loans & Advances	479.95	261.24
Provision for Doubtful Debts & Advances	1,311.12	1,036.50
Fixed Assets Written Off	2.39	1.57
Loss on Disposal of Fixed Assets	3.46	8.05
Selling Commission	560.26	593.55
Cash Discount	336.98	443.32
Travelling Expenses	963.74	890.37
Printing and Stationery	495.65	228.12
Motor Car Expenses	148.44	145.85
Communication Charges	351.87	363.88
Corporate Social Responsibility Expenses	395.51	388.40
Miscellaneous Expenses	5,026.02	5,671.80
Prior Period - Income	(2.10)	-
Prior Period - Expenses	15.10	73.57
	<b>21,159.12</b>	<b>20,888.46</b>
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	<b>(179.25)</b>	<b>(269.01)</b>
<b>Total</b>	<b>20,979.87</b>	<b>20,620.45</b>

**Note No.26  
ADDITIONAL DISCLOSURES**

- 26.1 (a) Conveyance deeds of certain Leasehold land costing ₹ 5,789.78 lakhs (₹ 5,867.94 lakhs) and buildings, with written down value of ₹ 2,998.16 lakhs (₹ 2,933.76 lakhs) are pending registration / mutation.
- (b) Certain buildings & sidings with written down value of ₹ 6,908.04 lakhs (₹ 4,991.72 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, 2016 not provided for in the accounts are:
- (a) Disputed demand for Excise Duty, Income Tax, Sales Tax, Provident Fund and Service Tax amounting to ₹ 10,185.49 lakhs (₹ 9,418.35 lakhs) against which the Company has lodged appeal/petition before appropriate authorities. Details of such disputed demands as on 31st March, 2016 are given in Annexure – A.
- (b) Claims against the company not acknowledged as debts amounts to ₹ 1,181.03 lakhs (₹ 1,102.53 lakhs) in respect of which the Company has lodged appeals/petitions before appropriate authorities. In respect of employees/ex-employees related disputes, financial effect is ascertainable on settlement.
- 26.3 Counter guarantees given to Standard Chartered Bank, Bank of Baroda, Canara Bank, Yes Bank and Indusind Bank in respect of guarantees given by them amounts to ₹ 10,274.64 lakhs (₹ 10,726.36 lakhs).
- 26.4 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for [net of advances paid ₹ NIL lakhs (₹ 24.29 lakhs)] amounted to ₹ 132.66 lakhs (₹ 208.91 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.
- 26.6 The net amount of exchange difference debited to Statement of Profit & Loss is ₹ 7.89 lakhs [ Credited ₹ 235.79 lakhs].
- 26.7 Trade receivables, loans and advances and deposits of which confirmations are not received from the parties are subject to reconciliation and consequential adjustments on determination / receipt of such confirmation.
- 26.8 Remuneration of Chairman & Managing Director, Wholetime Directors and Company Secretary:

	<b>2015-16</b>	2014-15
	<b>₹/ Lakhs</b>	₹/ Lakhs
Salaries	<b>182.15</b>	234.29
Contribution to Provident and Gratuity Fund	<b>25.37</b>	20.94
Perquisites	<b>20.43</b>	19.57
	<b>227.95</b>	274.80

26.9 Auditors' remuneration and expenses:	<u>2015-16</u>	<u>2014-15</u>
<b>Statutory Auditors</b>		
- Audit Fees	5.00	3.85
- Tax Audit Fees	0.70	0.70
- Other Capacity for Limited Review and Other certification jobs	2.10	1.90
<b>Branch Auditors</b>		
- Audit Fees	11.26	8.59
- Other Capacity	-	-
- Expenses relating to audit of Accounts	3.11	2.48
	<u>22.17</u>	<u>17.52</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	3,586.97 (4,793.14)	3,715.88 (3,586.97)	40,069.01 (41,163.74)
Barrels and Drums	530.56 (457.16)	514.83 (530.56)	49,583.55 (53,419.77)
Leather Auxiliaries	382.36 (101.80)	248.69 (382.36)	6,142.59 (7,191.41)
Others including Manufacturing Scrap	- (-)	- (-)	1,499.22 (2,141.27)
	<u>4,499.89</u> <u>(5,352.10)</u>	<u>4,479.40</u> <u>(4,499.89)</u>	<u>97,294.37</u> <u>(103,916.19)</u>

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	-	-	1,895.74
	(-)	(-)	(3,963.93)
	<u>-</u>	<u>-</u>	<u>1,895.74</u>
	<u>(-)</u>	<u>(-)</u>	<u>(3,963.93)</u>

**26.10 (c) Work in Progress**

	<b>Value ₹/Lakhs</b>
Greases and Lubricating Oils	346.33 (164.76)
Barrels and Drums	627.43 (700.26)
Leather Auxiliaries	102.06 (109.34)
	<u>1075.82</u> <u>(974.36)</u>

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

	<b>Value ₹/Lakhs</b>
Steel	27,778.98 (34,500.66)
Lubricating Base Oils	12,501.34 (16,299.50)
Additives and other Chemicals	6,351.81 (5,852.80)
Vegetable and Other Fats	2,431.70 (2,864.12)
Drum Closures	1,781.15 (1,825.44)
Paints	1,286.76 (1,280.41)
Paraffin Wax	667.15 (890.45)
Others	3,942.75 (5,221.00)
	<u>56,741.64</u> <u>(68,734.38)</u>

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

<b>Raw Materials</b>	<b>2015-16</b>		<b>2014-15</b>	
	<b>₹/Lakhs</b>	<b>(%)</b>	<b>₹/Lakhs</b>	<b>(%)</b>
Imported	4,944.98	8.71	6,576.63	9.57
Indigenous	51,796.66	91.29	62,157.75	90.43
	<u>56,741.64</u>	<u>100.00</u>	<u>68,734.38</u>	<u>100.00</u>
<b>Spare &amp; Components</b>	<b>₹/Lakhs</b>	<b>(%)</b>	<b>₹/Lakhs</b>	<b>(%)</b>
Imported	115.73	14.56	25.07	4.00
Indigenous	678.89	85.44	601.26	96.00
	<u>794.62</u>	<u>100.00</u>	<u>626.33</u>	<u>100.00</u>

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

<b>Class of Goods</b>	<b>Purchase Value ₹/Lakhs</b>	<b>Sale Value ₹/Lakhs</b>
Valves	358.05 (742.30)	365.56 (749.15)
Coolants	- (-)	- (2.26)
	<u>358.05</u> <u>(742.30)</u>	<u>365.56</u> <u>(751.41)</u>

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

<b>Class of Goods</b>	<b>Opening Value ₹/Lakhs</b>	<b>Closing Value ₹/Lakhs</b>
Coolants	3.08 (4.16)	- (3.08)
<b>Total</b>	<u>3.08</u> <u>(4.16)</u>	<u>-</u> <u>(3.08)</u>

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

	<b>2015-16 ₹/Lakhs</b>	<b>2014-15 ₹/Lakhs</b>
Raw Materials	3,681.79	8,463.90
Components and Spare Parts	152.10	24.99
Capital Goods	12.29	11.08
	<u>3,846.18</u>	<u>8,499.97</u>

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

	<b>2015-16 ₹/Lakhs</b>	<b>2014-15 ₹/Lakhs</b>
Services	17,161.96	17,747.87
Others	101.90	77.08
	<u>17,263.86</u>	<u>17,824.95</u>

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

	<b>2015-16</b> <b>₹/Lakhs</b>	<b>2014-15</b> <b>₹/Lakhs</b>
Export of Goods and Components calculated on F.O.B basis as invoiced	1,006.94	1,349.77
Interest and Dividend	1,032.75	2,504.24
Services	8,358.89	8,712.27
Freight, Insurance, Exchange Gain and Miscellaneous items	65.72	7.50
	<u>10,464.30</u>	<u>12,573.78</u>

Earnings from services exclude deemed exports of ₹ 23.28 Lakhs (₹ 13.95 lakhs).

26.15 Research and Development expenditure charged to Statement of Profit & Loss during the year amounts to ₹ 535.39 lakhs (₹ 603.57 lakhs).

26.16 Excess Income Tax provision in respect of earlier years amounting to ₹ 700 lakhs (₹ 500 Lakhs ) has been reversed in the current year.

26.17 The amount of Excise duty deducted from the amount of “Sale of Products” in Note 17 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 Statement of Profit & Loss 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 Note 26.20 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
Visakhapatnam Port Logistics Park 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.

**i) Name of Related Party**

**Nature of Relationship**

PT Balmer Lawrie Indonesia	Joint Venture of Balmer Lawrie (UK) Ltd.
Shri V Sinha, Chairman and Managing Director	Key Management Personnel (till 31-07-2015)
Shri P.P. Sahoo, Director (HR & CA)	Key Management Personnel (till 31.05.2014)
Shri A. Dayal, Director (Manufacturing Businesses)	Key Management Personnel (till 31.12.2014)
Shri N. Gupta, Director (Services Businesses)	Key Management Personnel (till 31-07-2015)
Shri Prabal Basu, Chairman and Managing Director	Key Management Personnel
Ms Manjusha Bhatnagar, Director (HR & CA)	Key Management Personnel (w.e.f. 30.12.2014)
Shri D. Sothi Selvam, Director (Manufacturing Businesses)	Key Management Personnel (w.e.f. 02.01.2015)
Shri K Swaminathan, Director (Service Businesses)	Key Management Personnel (till 01.08.2015)
Shri S S Khuntia, Director (Finance)	Key Management Personnel (w.e.f. 28.03.2016)
Shri Amit Ghosh, Company Secretary	Key Management Personnel (till 31.10.2014)
Ms Kavita Bhavsar, Company Secretary	Key Management Personnel (w.e.f. 08.12.2014)

**ii) Transactions with Related Parties**

₹/Lakhs

	Type of Transaction	Year Ending	Holding Company	Subsidiary	Joint Ventures	Key Management Personnel	TOTAL
a)	Sale of Goods	31/03/16 31/03/15	- -	- -	20.30 32.53	- -	20.30 32.53
b)	Purchase of Goods	31/03/16 31/03/15	- -	- -	2,079.63 2,167.19	- -	2,079.63 2,167.19
c)	Value of Services Rendered	31/03/16 31/03/15	35.40 21.75	- -	851.25 1,102.18	- -	886.65 1,123.93
d)	Value of Services Received	31/03/16 31/03/15	- -	- -	1,037.49 986.46	- -	1,037.49 986.46
e)	Remuneration to Key Managerial Personnel	31/03/16 31/03/15	- -	- -	- -	227.95 279.51	227.95 279.51
f)	Income from leasing or hire purchase agreement	31/03/16 31/03/15	- -	- -	1.08 1.08	- -	1.08 1.08
g)	Purchase of Fixed Assets	31/03/16 31/03/15	- -	- -	7.55 14.72	- -	7.55 14.72
h)	Investment in shares as on	31/03/16 31/03/15	- -	997.28 997.28	4,728.52 4,728.52	- -	5,725.80 5,725.80
i)	Loans given as on	31/03/16 31/03/15	- -	- -	180.00 180.00	- -	180.00 180.00
j)	Dividend Income	31/03/16 31/03/15	- -	- -	1,116.89 2,845.39	- -	1,116.89 2,845.39
k)	Dividend Paid	31/03/16 31/03/15	3,170.38 3,170.38	- -	- -	- -	3,170.38 3,170.38

	Type of Transaction	Year Ending	Holding Company	Subsidiary	Joint Ventures	Key Management Personnel	TOTAL
l)	Interest Income	31/03/16	-	-	178.95	-	178.95
		31/03/15	-	-	201.54	-	201.54
m)	Amount received on a/c. of salaries, etc. of Employees deputed or otherwise	31/03/16	7.62	-	73.09	-	80.71
		31/03/15	12.15	-	26.20	-	38.35
n)	Net outstanding recoverable as on	31/03/16	1.25	482.06	1,365.03	-	1,848.34
		31/03/15	3.50	196.24	1,372.14	-	1,571.88
o)	Net outstanding payable as on	31/03/16	-	-	395.08	-	395.08
		31/03/15	-	-	443.91	-	443.91
p)	Provision for advances/ investments	31/03/16	-	-	5,294.72	-	5,294.72
		31/03/15	-	-	5,131.10	-	5,131.10

### 26.21 Segment Reporting

Information about business segment for the year ended 31<sup>st</sup> March, 2016 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

- Earnings per share of the company has been calculated considering the Profit after Taxation of ₹ 16,320.04 lakhs (₹ 14,744.44 lakhs) as the numerator.
- 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.
- 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 ₹ 57.26 (₹ 51.73).

### 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 ₹ 1,695.58 lakhs (₹ 1,017.54 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	- ₹ 41,328.57 lakhs (₹ 43,051.60 lakhs)
Liabilities	- ₹ 24,869.54 lakhs (₹ 29,682.12 lakhs)
Income	- ₹ 50,688.96 lakhs (₹ 49,688.20 lakhs)
Expenses	- ₹ 48,693.42 lakhs (₹ 48,652.24 lakhs)



26.24 **Cost of Services is comprised of :**

	<b>2015-16</b> <b>₹/Lakhs</b>	<b>2014-15</b> <b>₹/Lakhs</b>
Air / Rail travel costs	1,07,431.88	1,07,995.92
Air / Ocean freight	26,302.04	23,687.29
Transportation / Handling	8,339.04	6,051.23
Other Service charges	10,420.94	10,421.78
	<u>1,52,493.90</u>	<u>1,48,156.22</u>

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

<b>Asset Classification (*)</b>	<b>31.03.2016</b> <b>₹/Lakhs</b>	<b>31.03.15</b> <b>₹/Lakhs</b>
Leasehold Land	3.79	3.79
Building	7.04	170.45
Plant & Machinery	378.63	204.98
Electrical Installation & Equipment	16.18	30.18
Furniture & Fittings	5.51	20.41
Typewriters, Accounting Machine & Off. Equipment	290.55	-
Intangible Assets under development	18.45	17.25
	<u>725.55</u>	<u>447.06</u>

(\*)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 with a bank amounting to ₹ 4,600 lakhs (₹ 3,200 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 31.3.2016.

(b) Certain fixed deposits amounting to ₹ 63.78 lakhs (₹ 58.87 lakhs) are pledged with a bank against guarantees availed from the said bank.

(c) Fixed Deposit with banks amounting to ₹ 1.37 lakhs (₹ 1.37 lakhs) are lodged with certain authorities as security.

26.28 **Details of Other Payables (Note no. 7)**

	<b>2015-16</b> <b>₹/Lakhs</b>	<b>2014-15</b> <b>₹/Lakhs</b>
Creditors for Expenses	8,607.39	7,115.67
Creditors for Capital Expenses	1,309.72	406.81
Employee Payables	2,449.96	2,274.78
Statutory Payables	1,995.92	1,482.00
Others	6,436.69	5,147.30
	<u>20,799.68</u>	<u>16,426.56</u>

- 26.29 A case of misappropriation of cash through wrong adjustments was noticed in one of the units of the company during the course of review of debtors in the month of January, 2016. The company is presently undertaking a thorough reconciliation of the relevant outstandings. Based on preliminary in-house enquiry, an amount of ₹ 34.58 lacs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to an investigating agency and necessary further legal action will be taken thereafter.
- 26.30 Balmer Lawrie Hind Terminals Pvt. Ltd. [BLHTPL], a joint venture company has gone for voluntary winding-up by its members. Last final accounts of BLHTPL was drawn for a period of 9 months from 1st April' 2015 to 31st Dec' 2015, which has been audited by their Statutory Auditors. Based on the audited accounts, the Directors of BLHTPL have given Declaration of Solvency and recommended for winding-up, which was thereafter approved by BLHTPL's shareholders on 11th Feb' 2016. Consequently, BLHTPL is treated as a Company in liquidation.
- 26.31 (a) The financial statements have been prepared as per the requirement of Schedule III to the Companies Act, 2013.
- (b) Previous year's figures have been re-grouped or re-arranged wherever so required to make them comparable with current year figures.
- (c) Figures in brackets relate to previous year.

As per our report attached  
**For Dutta Sarkar & Co.**  
Chartered Accountants  
Firm Registration No. 303114E

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**

Chairman &  
Managing Director

**Shyam Sundar Khuntia**

Director (Finance) &  
Chief Financial Officer

**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary

**Statement of Disputed Dues as on 31st March, 2016  
(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
		2015-16	2014-15		
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
		0.80	0.80	Asst. yr 2009/10	Dy. Commissioner, Mumbai
		52.25	-	Asst. yr 2007/08	Jt. Commissioner, Mumbai
		61.55	-	Asst. yr 2010-11	Jt. Commissioner, Mumbai
		177.96	-	Asst. yr 2007/08	Jt. Commissioner, Mumbai
		133.42	-	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	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	5.48	Asst. yr 2008-09	Jt. Commissioner, Mumbai
		1.37	1.37	Asst. yr 2001/02	Dy. Commissioner, Mumbai
		2.72	2.72	Asst. yr 2009/10	Jt. 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. Year 2005/06	Appeal pending with Sales Tax Appellate & Revision Board
		37.04	37.04	VAT Asst. 2006-07	- do -

Name of the Statute	Nature of the Dues	Amount (₹/ Lakhs)		Period to which the amount relates	Forum where dispute is pending
		2015-16	2014-15		
		116.64	116.64	CST Asst. 2006/07	- 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	Asst. yr 2008-09	Appellate & Revision Board (VAT)
		137.55	137.55	Asst. yr 2008/09	- do -
		-	18.67	Vat Asst. 2011-12	Addl. Commissioner, Commercial Tax West Bengal
		80.37	-	Vat Asst. 2012/13	- do -
		513.19	-	CST Asst. 2012/13	- do -
		272.08	963.39	CST Asst. 2011/12	- do -
		10.34	-	Asst. yr 2007/08	Jt. Commissioner Sales Tax APPL, Mumbai
		42.81	42.81	Asst. yr 2009/10	- do -
		526.76	526.76	Asst. yr 2010/11	Jt. Commissioner, Commercial Tax
		798.81	798.81	Asst. yr 2009/10	Appeal against Dy commissioner order, Orissa
	<b>SUB TOTAL</b>	<b>3,364.33</b>	<b>3,062.36</b>		
<b>Central Excise Act</b>	<b>Excise Duty</b>	91.16	91.16	October, 2000	High Court, Mathura
		1,213.68	1,166.47	July'97	Appellate Tribunal, Kolkata
		16.31	16.31	Feb.'2004	Appellate Tribunal, Kolkata
		47.00	47.00	04/10/2002	- do -
		1.92	1.57	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	4.87	March, 2011	Comm (Appeals), Mumbai
		2.46	2.46	March'2010	- do -
		15.01	12.42	March, 2002	Asstt Commissioner, Mumbai
		81.59	81.59	2008-09	Commissioner (Appeal), Mumbai

Name of the Statute	Nature of the Dues	Amount (₹/ Lakhs)		Period to which the amount relates	Forum where dispute is pending
		2015-16	2014-15		
		3.13	3.13	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 -
		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	1.62	03/06/2011	Comm. ( Appeal)
		1.09	1.09	08-09-1995	Asst. Commissioner
	<b>SUB TOTAL</b>	<b>1,846.48</b>	<b>1,796.32</b>		
	<b>Cess</b>	105.23	100.29	Asst yr 1999/00	High Court, Mumbai
		87.19	83.05	Asst yr 2000/01	High Court, Mumbai
	<b>SUB TOTAL</b>	<b>192.42</b>	<b>183.34</b>		
<b>Service Tax Act</b>	<b>Service Tax</b>	1.14	1.01	Oct 13 to Dec 13	Asst. Commissioner Central Excise (Adjn), Mumbai
		0.38	0.34	Apr-14 to June14	- Do -
		0.37	0.33	July 14 to Sept 14	- Do -
		1.09	0.96	Oct 14 to Dec 14	- Do -
		6.14	5.59	Oct 13 to Dec 13	- Do -
		6.49	5.73	Oct 14 to Dec 14	- Do -
		-	232.51	14-05-2009 to 29-12-2020	Commissioner of Registered Commissionerate, Mumbai
		-	51.30	14-05-2009 to 29-12-2020	- Do -
		19.01	17.88	19-03-2010	Commissioner (Appeal) Service Tax
		3,054.72	3,054.72	Oct.,2002 - March,2007	CESTAT, West Bengal
		9.66	9.04	April'08-Dec.'10	Dy. Commissionr (Service Tax) Mumbai
		0.92	0.86	Jan.'12-Oct.'11	Suppdt.
		2.25	2.11	April'06-Dec.'10	- Do -
		3.48	3.24	Nov 11 to Jun 12	Superintendent
		3.50	3.27	Nov 11 to Jun 12	Asstt. Commissioner

Name of the Statute	Nature of the Dues	Amount (₹/ Lakhs)		Period to which the amount relates	Forum where dispute is pending
		2015-16	2014-15		
		9.98	9.98	28, November, 2007	CESTAT, Ahmedabad
		9.78	-	Sep.' 2015	Asstt. Commissioner, Mumbai
		0.98	-	26 Oct.' 2015	Asstt. Commissioner, Mumbai
		25.19	25.19	Asstt. yr 2005/06	Addl. Commissioner (Service Tax), West Bengal
		145.79	-	21 April' 2015	Commissioner - Service Tax Audit Commissionerate Kolkata
		12.83	12.13	Apr 06 to Feb 10	Asstt. Commissioner, Mumbai
		2.86	2.69	March' 10 to Dec' 10	Superintendent, Mumbai
		4.66	4.40	Apr 06 to Dec 10	Asstt. Commissioner, Mumbai
		347.77	347.77	Oct.' 09 to March' 14	Service Tax Commissionerate Kolkata (by Superintendent-Audit)
		17.38	17.38	Mar' 09	Commissioner of Central Excise Coimba
		8.34	8.34	06-01-2012	- Do -
		46.39	46.39	01-05-2011	Appellate Tribunal
		27.97	27.97	23-07-2012	1st Appellate Authority, Delhi
		525.21	-	2013-14	Central Excise Service Tax Appellate Tribunal, Delhi
		4.28	3.98	July 12 to Mar 13	Asstt. Commissioner, Mumbai
		5.04	4.68	Jul 12 to Mar 13	Asstt. Commissioner, Mumbai
		3.70	3.43	Apr 13 to Sep 13	Asstt. Commissioner, Mumbai
		26.16	24.31	Oct 07 to Mar 13	Commissioner, Mumbai
		<b>4333.46</b>	<b>3927.52</b>		
<b>Income Tax Act</b>	<b>Income Tax</b>	<b>447.23</b>	<b>447.23</b>	2011-12	CIT (Appeals), Kolkata
		<b>447.23</b>	<b>447.23</b>		
<b>Provident Fund Act.</b>	<b>Provident Fund</b>	1.57	1.57	31/08/2004	EPF Appellate Tribunal, Delhi
		<b>1.57</b>	<b>1.57</b>		
	<b>GRAND TOTAL</b>	<b>10185.49</b>	<b>9418.34</b>		

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

₹/Lakhs

Particulars	Gratuity (Funded)		Post-retirement Medical (Non-Funded)		Leave Encashment (Non-Funded)		Long Service Award (Non-Funded)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>I Net Asset / (Liability) recognised in the Balance Sheet as at March 31, 2016</b>								
1. Present value of funded obligations- A	4,373.01	4,328.14	328.98	317.88	2,876.58	2,547.46	467.77	516.86
2. Fair Value of Plan Assets - B	3,588.06	3,623.59	-	-	-	-	-	-
3. (Deficit) / Surplus - (A - B)	(784.95)	(704.55)	(328.98)	(317.88)	(2,876.58)	(2,547.46)	(467.77)	(516.86)
4. Net Asset / Liabilities								
- Assets	-	-	-	-	-	-	-	-
- Liabilities	(784.95)	(704.55)	(328.98)	(317.88)	(2,876.58)	(2,547.46)	(467.77)	(516.86)
<b>II Expense Recognised in the Profit &amp; Loss Account for the year ended March 31, 2016</b>								
1. Current Service Cost	302.96	292.50	-	-	620.45	584.00	-	-
2. Interest on Defined Benefit Obligation	310.21	316.04	22.20	21.80	186.84	210.19	38.91	37.09
3. Expected Return on Plan Assets	330.65	322.97	-	-	-	-	-	-
4. Net Actuarial Losses / (Gains) recognised during the year	307.45	265.15	69.71	47.33	(54.17)	(892.97)	(26.97)	83.26
5. Past Service Cost	-	-	-	-	-	-	-	-
6. Excess Contribution made in earlier years to be adjusted in future years	-	-	-	-	-	-	-	-
Total (1+2-3+4+5)	589.96	550.72	91.91	69.13	753.12	(98.78)	11.94	120.35
Actuarial return on Plan Assets								
<b>III Change in present value of obligation during the year ended March 31, 2016</b>								
1. Opening Defined Benefit Obligation	4,328.14	4,190.94	317.88	296.34	2,547.46	3,658.11	516.86	502.69
2. Past Service Cost	-	-	-	-	-	-	-	-
3. Current Service Cost	302.96	292.50	-	-	620.45	584.00	-	-
4. Interest Cost	310.21	316.04	22.20	21.80	186.84	210.19	38.91	37.09
5. Actuarial Losses / (Gains)	332.79	248.88	69.71	47.33	(54.17)	(892.97)	(26.97)	83.26
6. Benefits Paid	901.08	720.22	80.81	47.59	423.99	1,011.86	61.03	106.18
7. Closing Defined Benefit Obligation (1+2+3+4-5-6)	4,373.01	4,328.14	328.98	317.88	2,876.59	2,547.46	467.77	516.86
<b>IV Change in fair value of Plan Assets during the year ended March 31, 2016</b>								
1. Opening Fair Value of Plan Assets	3,623.59	3,667.27	-	-	-	-	-	-
2. Expected Return	330.65	322.97	-	-	-	-	-	-
3. Actuarial (Losses) / Gains on Plan Assets	25.34	(16.27)	-	-	-	-	-	-
4. Assets Distributed on settlements	-	-	-	-	-	-	-	-
5. Contribution by employer	509.55	369.84	-	-	-	-	-	-
6. Benefits Paid	901.07	720.22	-	-	-	-	-	-
7. Closing Fair Value of Plan Assets (1+2+3-4+5-6)	3,588.06	3,623.59	-	-	-	-	-	-
<b>V The Major categories of Plan Assets as a percentage of total Plan Assets</b>								
1. Government of India Securities / State Govt (s) Securities	38.25%	38.97%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2. Corporate Bonds	54.89%	53.61%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3. Others	6.86%	7.42%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>VI Principal Actuarial Assumptions as at March 31, 2016</b>								
1. Discount Rate (p.a.)	8.00	8.25	8.00	8.25	8.00	8.25	8.00	8.25
2. Expected Rate of Return on Plan Assets (p.a.)	8.00	8.00	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>VII The employees are assumed to retire at the age of 60 (sixty) years.</b>								
<b>VIII The mortality rates considered are as per the published rates in the LIC (1994-96) ULTIMATE TABLE.</b>								
<b>IX The valuations have been done using the Projected Unit Credit Method.</b>								

ANNEXURE - C (Note 26.21)  
₹/Lakhs

Information About Business Segments for the Year Ended 31st March 2016

	Industrial Packaging		Logistics		Travel and Vacations		Greases and Lubricants		Others		Consolidated Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>SEGMENT REVENUE</b>												
External Revenue	46,537.69	50,535.54	56,576.54	51,458.89	1,24,090.42	1,24,129.50	35,658.21	38,734.06	7,905.80	8,789.39	2,70,768.66	2,73,647.38
Inter-Segment Revenue	1,553.83	1,563.68	802.96	81.95	406.51	86.96	82.22	95.38	77.66	96.87	2,923.18	1,924.84
Total Segment Revenue	48,091.52	52,099.22	57,379.49	51,540.84	1,24,496.93	1,24,216.47	35,740.43	38,829.44	7,983.46	8,886.26	2,73,691.84	2,75,572.22
Less :												
Inter-Segment Revenue											390.79	1,924.84
Add :											390.79	389.86
Other Unallocable Revenue											2,71,159.46	2,74,037.24
<b>TOTAL REVENUE</b>												
<b>SEGMENT RESULT</b>												
Profit / (Loss) before Interest & Tax	6,111.04	3,270.18	14,134.67	14,564.52	2,421.59	1,764.65	3,806.15	1,203.20	944.45	222.59	27,417.90	21,025.14
Less :											444.69	507.12
Interest Expense											13.00	73.57
Prior Period Adjustment											3,506.17	(599.99)
Other Unallocable Expenditure (net of Unallocable Revenue)												
<b>TOTAL PROFIT BEFORE TAX</b>											23,454.04	21,044.43
<b>OTHER INFORMATION</b>												
Segment Assets	26,403.45	28,872.33	27,838.78	23,269.81	23,493.56	18,594.61	21,155.42	19,960.87	5,062.80	6,265.13	1,03,954.01	96,962.74
Other Unallocable Assets											55,436.42	47,992.84
Total Assets	6,115.77	6,909.95	12,858.73	10,573.43	7,832.52	7,250.08	5,801.42	4,999.17	1,537.09	2,163.28	1,59,390.44	1,44,955.60
Segment Liabilities	121.37	1,745.35	2,942.59	1,665.10	99.09	146.44	550.29	2,529.22	824.12	1,875.19	34,136.52	31,904.58
Other Unallocable Liabilities	690.87	605.37	686.97	715.72	316.87	320.55	362.55	341.63	662.54	650.67	25,520.54	22,744.84
Total Liabilities	46.38	(76.73)	215.61	37.43	794.42	(169.12)	284.20	48.62	144.83	265.83	59,657.06	54,649.42
Capital Expenditure											4,537.46	7,961.31
Depreciation											2,719.80	2,633.95
Non-Cash Expenditure other than Depreciation											1,485.44	106.03

Notes :

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

Industrial Packaging -	Barrels & Drums
Logistics -	Logistics Services & Logistics Infrastructure
Travel & Vacations -	Travel (Ticketing), Vacations & Money Changing Activities
Greases & Lubricants -	Greases & Lubricating Oils
Others -	Refinery and Oil Field Services, 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.



**INFORMATION IN RESPECT OF SUBSIDIARIES, ASSOCIATES & JOINT VENTURES**

(Pursuant to Section 129(3) of Companies Act 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

**Part - A - Subsidiaries**

Sl. No.	Particulars	1	2
1	Name of the subsidiary	Balmer Lawrie UK Ltd.	Visakhapatnam Port Logistics Park Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD @ ₹ 65.92/USD	INR
4	Share Capital	187,046,550	100,000
5	Reserves & surplus	157,746,296	(14,751,033)
6	Total assets	345,866,024	39,603,806
7	Total Liabilities	1,073,178	54,254,839
8	Investments	123,588,464	-
9	Turnover	2,963,763	-
10	Profit before taxation/ (Loss)	2,328,822	(5,095,412)
11	Provision for taxation	461,440	-
12	Profit after taxation/ (Loss)	1,867,382	(5,095,412)
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

**Note:**

1. Visakhapatnam Port Logistics Park Ltd. is yet to commence operations.
2. None of the subsidiaries have been liquidated or sold during the year.

**Part - B - Associates and Joint Ventures**

**I.**

Sl No.	Name of Associates / Joint Ventures	Latest Audited Balance Sheet Date	Extent of Holding %
1	Balmer Lawrie (UAE) LLC	31-12-2015	49%
2	Balmer Lawrie Van Leer Ltd.	31-03-2016	48%
3	Transafe Services Ltd.	31-03-2016	50%
4	Avi-Oil India (P) Ltd.	31-03-2016	25%
5	Balmer Lawrie Hind Terminals Pvt. Ltd.	31-12-2015	50%

As per our report attached

**For Dutta Sarkar & Co.**

Chartered Accountants

Firm Registration No. 303114E

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**

Chairman &  
Managing Director

**Shyam Sundar Khuntia**

Director (Finance) &  
Chief Financial Officer

**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary

**Part - B - Associates and Joint Ventures**

SI No.	Name of Associates / Joint Ventures	Shares of Associates / JV held by the Company at the year end	Amount of Investment in Associates/ JV ₹ / Lacs
1	Balmer Lawrie (UAE) LLC	9800	890.99
2	Balmer Lawrie Van Leer Ltd.	8601277	3385.03
3	Transafe Services Ltd.	11361999	1165.12
4	Avi-Oil India (P) Ltd.	4500000	450.00
5	Balmer Lawrie Hind Terminals Pvt. Ltd.	25000	2.50
II	Description of How there is significant influence	Controlling more than 20% shareholding	
III	Reason why the associate /JV is not consolidated	Not Applicable	

	Net worth attributable to shareholding as per latest audited Balance Sheet ₹ / Lakhs	Profit / Loss for the year ₹ / Lakhs		
		Considered in consolidation	Not considered in consolidation	
1	Balmer Lawrie (UAE) LLC	17,251.05	1,587.40	1,653.16
2	Balmer Lawrie Van Leer Ltd.	4,681.39	527.46	573.48
3	Transafe Services Ltd.	(1,902.66)	(362.75)	(127.75)
4	Avi-Oil India (P) Ltd.	1,013.02	197.29	591.87
5	Balmer Lawrie Hind Terminals Pvt. Ltd.	12.08	(1.46)	(1.45)

As per our report attached  
**For Dutta Sarkar & Co.**  
 Chartered Accountants  
 Firm Registration No. 303114E

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**

Chairman &  
 Managing Director

**Shyam Sundar Khuntia**

Director (Finance) &  
 Chief Financial Officer

**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary

**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. Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiaries together as "the Group") and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in the Companies Act 2013 ("the Act") with respect to 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 including jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entities and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

#### In respect of unaudited financial statement of Subsidiary/Jointly Controlled Entities

We did not audit the financial statements of PT Balmer Lawrie Indonesia (PTBLI), a jointly controlled entity of the wholly owned subsidiary Balmer Lawrie (UK) Ltd. for the year ended 31<sup>st</sup> March, 2016 as prepared by the management of PTBLI, whose financial statement reflect total assets of ₹ 1201.64 lac as at 31<sup>st</sup> March 2016, total revenue of ₹ 1219.80 lac and net cash inflows amounting to ₹ 13.16 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited (refer Note No. 23.7) and have been furnished to us by the management and our opinion

on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said jointly controlled entity (PTBLI), and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the said jointly controlled entity (PTBLI), is based solely on such unaudited financial statements.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 consolidated state of affairs of the Group and jointly controlled entities as at 31<sup>st</sup> March, 2016;
- (b) in the case of Statement of Profit and Loss, of the Profit of the Group and jointly controlled entities for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Group and jointly controlled entities for the year ended on that date.

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) One of the Joint Venture Company M/s Transafe Services Limited, where Company holds 50% stake, accumulated losses has exceeded its net worth by ₹ 2572.73 lac as on the Balance sheet date and its application for revival under Sick Industrial Companies (Special Provisions) Act 1985 made to BIFR (Case No. 83/2013) is pending as stated in Note. No. 23.12 These conditions indicate existence of uncertainty that may cast significant doubt about its ability to continue as going concern. However, the financial statements of the Company have been prepared on a going concern basis.
- b) Loan provided by Balmer Lawrie & Co. Ltd., Holding Company, to Balmer Lawrie Van Leer Ltd., a jointly controlled entity, of ₹ 1817.92 lac has been eliminated from intra group transactions and also the full provisions made for doubtful advances by Balmer Lawrie & Co. Ltd. in its books in this respect and this has already been adjusted with General Reserve in earlier years as stated in Note No. 23.15 In view of the above, the basis of qualified opinion in respect of above by the auditor of Balmer Lawrie-Van Leer Ltd., a jointly controlled entity, has not been considered.

- c) Note No.23.17:- Trade receivables, loans and advances and deposits of which confirmations are not received from the parties are subject to reconciliation and consequential adjustments on determination/ receipt of such confirmation.

Our opinion is not modified in respect of above matters.

**Emphasis of Matters**

We draw attention to the following Notes to the financial statements, which describe the uncertainty related to the outcome. Our opinion is not qualified in respect of this matter:

- a) Note No. 23.11: “A case of misappropriation of cash through wrong adjustments was noticed in one unit of the company during the course of review of debtors in the month of January 2016. The company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of ₹ 34.58 Lakhs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to an investigating agency and necessary further legal action will be taken thereafter.

**Other Matters**

We did not audit the consolidated financial statements of two (2) subsidiaries, and six(6) jointly controlled entities, whose financial statements reflect total assets of ₹43591.15 lac as at 31<sup>st</sup> March, 2016 and total revenue of ₹51937.18 lac and net cash inflows amounting to ₹6.00 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of above subsidiaries and jointly controlled entities, and our report in terms of sub sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management..

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company and jointly controlled companies incorporated in India, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The reports on the account of the jointly controlled entities audited under section 143(8) of the act by other auditors have been submitted to us and have been properly dealt with by us in preparing this report.
  - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) On the basis of the written representations received from the directors of Holding company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiary company and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and jointly controlled entities incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and jointly controlled entities - Refer Note No.23.4 (a) to (c) of the consolidated financial statements;
    - ii) The Group and jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding company and jointly controlled entities incorporated in India.

For **DUTTA SARKAR & CO.**  
Chartered Accountants  
(Mainak Chakrabarti)  
Partner

Dated: 26.05.2016                      Membership No. - 063052  
Place : Kolkata                      Firm Registration No.- 303114E

**ANNEXURE- 'A' TO AUDITORS' REPORT  
AS REPORTED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

“Our reporting on the Order includes 5 (five) jointly controlled entities in India to which the Order is applicable, which has been audited by other auditors and our report in respect of these entities is based solely on auditors’ report, to the extent considered applicable for reporting under the order in the case of consolidated financial statements”.

- i) In respect of the fixed assets of the Holding Company and jointly controlled entities incorporated in India:
  - a) The respective entities have generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The respective entities have regular programmes 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 respective entities and nature of its assets. As explained to us, in accordance with its programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the respective entities, title deeds of Immovable properties are held in the name of the respective entities except to the extent of the properties and values specified in Note No 23.3(b).
- ii) The inventories of the Holding company and jointly controlled entities incorporated in India have been physically verified during the year by the management of respective entities except goods in transit. In our opinion, having regard to the nature and location of inventory the frequency of verification is reasonable and no material discrepancies were noticed on such verification.
- iii) The Holding company and jointly controlled entities incorporated in India, have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly clause 3(iii)(a) to 3(iii)(c) of the Order are not applicable.
- iv) The Holding company and jointly controlled entities incorporated in India, have not given any loans, guarantees, securities or made Investments which is required to be complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v) The Holding company and jointly controlled entities incorporated in India, have not accepted any deposits, according to the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi) We have broadly reviewed the cost record maintained by the Holding company and jointly controlled entities incorporated in India, pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost record with a view to determine whether they are accurate or complete. However, the above requirements are not applicable in case of Balmer Lawrie Hind Terminals Pvt. Ltd. and Transafe Services Ltd, jointly controlled entities.
- vii) In respect of undisputed statutory dues of the

Holding company and jointly controlled entities incorporated in India:

- a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the respective entities with appropriate authorities.
  - b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax, Cess and other statutory dues in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
  - c) The particulars of dues of Income Tax, Sales Tax, Service tax, Excise Duty, Value Added Tax and Cess as at 31<sup>st</sup> March, 2016 aggregating to ₹ 13821.81 lac which have not been deposited on account of dispute, as mentioned in Note No. 23.4(a) to the Accounts showing the amounts involved and the Forum where dispute is pending.
- viii) One of the Joint Venture Company M/s Transafe Services Limited has defaulted in repayment of dues to certain Banks amounting to ₹ 2229.34 lac as at the Balance Sheet date as stated in Note No. 23.13. The Holding company and other jointly controlled entities incorporated in India has not defaulted in repayment of dues to any financial institutions or Banks as at the Balance Sheet date and there is no debenture holder.
- ix) The Holding company and jointly controlled entities incorporated in India have not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit. Hence this clause is not applicable.
- x) Attention is drawn to Note No. 23.11 where fraud has been detected on the Holding Company during the year and according to the information and explanation given to us no fraud by the

Holding company has been noticed or reported during the year. Also in accordance with the information and explanation given to us, no fraud on or by the jointly controlled entities incorporated in India, has been noticed or reported during the year.

- xi) By virtue of Article 7A of the Articles of Association of the Holding 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. Hence this clause is not applicable to Holding Company.

By virtue of Section 197 read with schedule V, are applicable only to Public Companies. Hence, this clause is not applicable to Jointly controlled entities incorporated in India.

- xii) The Holding company and jointly controlled entities incorporated in India, is not a Nidhi Company. Hence this clause is not applicable.

- xiii) According to the information and explanations provided to us and the records of the Holding Company examined by us, the Holding Company has not been able to comply with the requirements of Section 177 in respect of composition of Audit Committee, since independent directors on the board are yet to be appointed by the Government of India.

According to the information and explanations provided to us, a jointly controlled entity incorporated in India namely, Transafe Services Limited has not complied with the requirements of section 177 as there is no independent director in the Audit Committee.

According to the information and explanations given to us by the management, all transactions of the Holding company and jointly controlled entities incorporated in India with related parties are in compliance with section 188 of Companies Act, 2013 where applicable.

Disclosures have been made in the financial statement in Note No. 23.1 as required by the applicable accounting standard to the extent applicable for consolidated financial statements.

- xiv) The Holding Company and jointly controlled

entities incorporated in India has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence this clause is not applicable.

xv) The Holding company and jointly controlled entities incorporated in India has not entered into any non cash transactions with directors or persons connected with him. Hence this clause is not applicable.

xvi) The Holding company and jointly controlled entities incorporated in India is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence this clause is not applicable.

Dated: 26.05.2016  
Place : Kolkata

For **DUTTA SARKAR & CO.**  
Chartered Accountants  
(Mainak Chakrabarti)  
Partner  
Membership No. - 063052  
Firm Registration No.- 303114E



**“Annexure- B” to the Auditors’ Report  
Report on the Internal Financial Controls under Paragraph (i) of Sub -section 3 of  
section 143 of the Companies Act, 2013 (“the Act”)**

“Our reporting includes 5 (five) jointly controlled entities in India to which the Act is applicable, which has been audited by other auditors and our report in respect of these entities is based solely on other auditors’ report, to the extent considered applicable for reporting under the Act in the case of consolidated financial statements”.

We have audited the internal financial controls over financial reporting of BALMER LAWRIE & CO. LIMITED (“the Holding Company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statement of the Company for the year ended on that date and other auditors have audited the internal financial controls over financial reporting of Jointly Controlled Entities incorporated in India as of 31<sup>st</sup> March, 2016 in conjunction with their audit of the financial statement of the respective jointly controlled entities for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The management of the Holding Company and jointly controlled entities incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and jointly controlled entities incorporated in India considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of Holding Company and jointly controlled entities incorporated in India, the safeguarding of their assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Holding Company’s and jointly controlled entities’ internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk whether material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s and jointly controlled entities’ internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial

statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of record, that in reasonable detail, accurately and fairly reflect the transaction and disposition of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company; and (3) provide reasonable assurance regarding prevention and or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of internal financial controls over financial reporting may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2016:

- a) Internal Financial Control over credit authorization, in the areas where there are cash transaction (SBU- Tours & Travels [T&T]), needs strengthening. While analysing the gaps, it was observed that, preventive control, ensuring independence of cash and accounting function in implant office needs improvement.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Other Matter**

During the year under audit, the company has initiated a process of having comprehensive model for streamlining the internal control including internal control over financial reporting incorporating RCM and gap tracking with a description of the objective, process and risk thereof. On walkthrough of the model for testing and making review of adequacy and effectiveness of the system of control in place, some gaps have been identified both in adequacy of design and effectiveness. This is however under the active process of meeting the gaps with effectivity.

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the "Institute of Chartered Accountants of India".

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31<sup>st</sup> March, 2016, standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For **DUTTA SARKAR & CO.**  
Chartered Accountants  
(Mainak Chakrabarti)  
Partner

Dated: 26.05.2016  
Place : Kolkata

Membership No. - 063052  
Firm Registration No.- 303114E

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & COMPANY LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of consolidated financial statements of Balmer Lawrie & Company Limited, Kolkata for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion of the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26.05.2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Balmer Lawrie & Company Limited, Kolkata for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of Balmer Lawrie & Company Limited and its subsidiary viz., Visakhapatnam Port Logistics Park Limited but did not conduct supplementary audit of the financial statements of the subsidiaries and associate companies as detailed in Annexure for the year ended on that date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to the entities as detailed in

Annexure being private entities / entities incorporated in foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. 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.

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

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

Place: Kolkata.

Date : 11-07-2016

Annexure

Name of Subsidiary and Associate companies, whose supplementary audit of the financial statements was not conducted by the Comptroller & Auditor General of India for the year ended 31/03/2016.

Sl. No.	Name of the Subsidiary / Associate Companies	Name of relationship	Type of Entity
1.	Balmer Lawrie (UK) Limited	Subsidiary	Foreign Company
2.	Balmer Lawrie (UAE) LLC	Associate	Foreign Company
3.	Balmer Lawrie – Van Leer Limited	Associate	Private Company
4.	Transafe Services Limited	Associate	Private Company
5.	Avi-Oil India Private Limited	Associate	Private Company
6.	Balmer Lawrie Hind Terminals Private Limited	Associate	Private Company

## CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE &amp; CO. LIMITED

Balance Sheet as at 31<sup>st</sup> March, 2016

	Note No.	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
		Consolidated with Subsidiary (₹ Lakhs)	Consolidated Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	2,850.06	2,850.06	2,850.06	2,850.06
Reserves and Surplus	2	97,458.84	1,13,917.86	88,109.24	1,01,478.72
<b>Total Shareholders' Funds</b>		<b>1,00,308.90</b>	<b>1,16,767.92</b>	<b>90,959.30</b>	<b>1,04,328.78</b>
<b>Non-current Liabilities</b>					
Long Term Borrowings	3	877.87	6,438.40	834.27	8,941.15
Deferred Tax Liabilities (Net)		-	-	-	12.09
Other Long Term Liabilities	4	4,308.67	4,313.12	4,190.93	4,316.68
Long Term Provisions	5	-	1,291.16	0.12	1,228.78
<b>Total Non-current Liabilities</b>		<b>5,186.54</b>	<b>12,042.68</b>	<b>5,025.32</b>	<b>14,498.70</b>
<b>Current Liabilities</b>					
Short Term Borrowings	6	411.13	6,686.02	405.64	8,643.42
Trade Payables					
Due to MSME		92.07	172.25	116.92	197.63
Others		22,602.14	29,268.82	21,944.99	30,156.48
Other Current Liabilities	7	22,084.25	26,301.17	17,478.06	20,318.65
Short Term Provisions	8	10,967.99	11,742.73	11,238.82	12,076.99
<b>Total Current Liabilities</b>		<b>56,157.58</b>	<b>74,170.99</b>	<b>51,184.43</b>	<b>71,393.17</b>
<b>TOTAL</b>		<b>1,61,653.02</b>	<b>2,02,981.59</b>	<b>1,47,169.05</b>	<b>1,90,220.65</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Fixed Assets	9				
Tangible Assets		41,896.45	58,583.64	40,029.40	56,339.30
Intangible Assets		1,226.30	1,231.45	1,367.33	1,373.49
Capital Work-in-Progress		1,098.86	1,492.97	529.65	1,144.84
Intangible Assets under Development		-	-	17.25	17.25
Non-current Investments	10	4,742.98	14.46	4,742.98	14.46
Deferred Tax Assets (net)		816.62	870.04	171.29	-
Long Term Loans and Advances	11	1,240.29	1,654.32	1,509.38	1,665.94
Other Non-current Assets	12	-	38.36	-	10.33
<b>Total Non-Current Assets</b>		<b>51,021.50</b>	<b>63,885.24</b>	<b>48,367.28</b>	<b>60,565.61</b>
<b>Current Assets</b>					
Inventories	13	12,220.20	27,723.05	13,290.19	31,653.33
Trade Receivables	14	42,343.41	53,162.25	36,712.54	46,902.50
Cash and Cash Equivalents	15	45,226.57	45,751.45	38,189.59	38,778.90
Short Term Loans and Advances	16	8,104.22	9,248.47	8,296.67	9,551.00
Other Current Assets	17	2,737.12	3,211.13	2,312.78	2,769.31
<b>Total Current Assets</b>		<b>1,10,631.52</b>	<b>1,39,096.35</b>	<b>98,801.77</b>	<b>1,29,655.04</b>
<b>TOTAL</b>		<b>1,61,653.02</b>	<b>2,02,981.59</b>	<b>1,47,169.05</b>	<b>1,90,220.65</b>
Additional Disclosure	23				

As per our report attached  
**For Dutta Sarkar & Co.**  
Chartered Accountants  
Firm Registration No. 303114E

The Notes referred above and the Significant Accounting  
Policies form an integral part of the Financial Statement

**CA Mainak Chakrabarti**  
Partner  
Membership No. 063052  
Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**  
Chairman &  
Managing Director

**Shyam Sundar Khuntia**  
Director (Finance) &  
Chief Financial Officer

**Manjusha Bhatnagar**  
**D Sothi Selvam**  
**K Swaminathan**  
**Alok Chandra**  
Directors

**Kavita Bhavsar**  
Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED

Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016

	Note No.	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
		Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Income:</b>					
Revenue from operations		2,84,468.90	3,36,849.76	2,87,837.29	3,40,347.21
Less Excise Duty		(12,105.15)	(13,933.41)	(12,826.41)	(14,522.00)
Revenue From operations (Net of Excise )	18	2,72,363.75	3,22,916.35	2,75,010.88	3,25,825.21
Other Income	19	6,274.44	6,410.80	7,583.34	6,457.22
<b>Total Revenue</b>		<b>2,78,638.19</b>	<b>3,29,327.15</b>	<b>2,82,594.22</b>	<b>3,32,282.42</b>
<b>Expenses:</b>					
Cost of Materials Consumed/Services Rendered		2,10,043.56	2,38,571.03	2,17,639.95	2,48,791.72
Purchase of Trading Goods		358.05	360.46	742.30	768.69
Changes In inventories of Finished Goods, Work-in-progress, Trading goods		(39.85)	1,458.27	1,171.51	273.36
Employee Benefits Expenses	20	20,443.77	26,536.07	18,021.71	23,848.01
Finance Costs	21	632.51	2,206.18	708.92	2,269.54
Depreciation and Amortization Expenses		2,773.07	4,659.63	2,688.15	4,620.52
Other expenses	22	21,166.49	30,279.38	20,843.51	29,896.46
<b>Total Expenses</b>		<b>2,55,377.60</b>	<b>3,04,071.02</b>	<b>2,61,816.05</b>	<b>3,10,468.29</b>
Profit Before tax		23,260.59	25,256.13	20,778.17	21,814.13
Tax Expense:					
Current Tax		7,783.43	8,249.92	5,943.63	6,408.07
Deferred Tax		(645.00)	(881.80)	366.00	192.73
<b>Profit (Loss) for the period</b>		<b>16,122.16</b>	<b>17,888.01</b>	<b>14,468.54</b>	<b>15,213.34</b>
Minority Interest		-	-	-	-
Earnings per equity share {Basic}		56.57	62.76	50.77	53.38
Earnings per equity share {Diluted}		56.57	62.76	50.77	53.38
Additional Disclosure	23				

The Notes referred above and the Significant Accounting Policies form an integral part of the Financial Statement

As per our report attached  
**For Dutta Sarkar & Co.**  
 Chartered Accountants  
 Firm Registration No. 303114E

**CA Mainak Chakrabarti**  
 Partner  
 Membership No. 063052  
 Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**  
 Chairman &  
 Managing Director

**Shyam Sundar Khuntia**  
 Director (Finance) &  
 Chief Financial Officer

**Manjusha Bhatnagar**  
**D Sothi Selvam**  
**K Swaminathan**  
**Alok Chandra**  
 Directors

**Kavita Bhavsar**  
 Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	Year ended March 31, 2016	(₹ in Lakhs) Year ended March 31, 2015
<b>A. Cash Flow from Operating Activities</b>		
<b>Net profit before Tax [Note]</b>	<b>25239</b>	21769
Adjustment for		
Depreciation and fixed assets written off	4663	4623
Foreign Exchange	(3)	77
Interest / Dividend	(2867)	(1405)
Investments written off / Provision for diminution in value	325	618
Provision of write down of inventories to net realisable value	172	319
<b>Operating Profit Before Working Capital Changes</b>	<b>27529</b>	<b>26001</b>
Trade and other receivables	(6557)	6520
Inventories	5017	(918)
Trade Payables	3471	(5702)
<b>Cash generated from operations</b>	<b>29460</b>	<b>25901</b>
Direct Taxes paid	(9210)	(7259)
Interest paid	1533	1453
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>21783</b>	<b>20095</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed assets	(5776)	(9153)
Sale of Fixed assets	53	104
Purchase of Investments	(232)	3
Sale of Investments	(4)	3
Interest received	3025	2937
Dividend received	1450	1873
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1484)</b>	<b>(4233)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings & Equities	(1552)	(1279)
Proceeds from other Borrowings	(1067)	848
Proceeds from issue of shares	200	14
Interest paid	(2020)	(2020)
Dividend Paid	(7757)	(10920)
Corporate Tax on Dividend	(1131)	(936)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(13327)</b>	<b>(14293)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS ( A+B+C )</b>	<b>6972</b>	<b>1569</b>
<b>CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	<b>38779</b>	<b>37210</b>
<b>CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>45751</b>	<b>38779</b>

**NOTE ON CASH FLOW STATEMENT**

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

	2015-16	(₹ in Lakhs) 2014-15
2 Net Profit after Tax as per Statement of Profit & Loss	17888	15213
Add : Tax Provision (Net)	7368	6601
	25256	21814
Less : Profit / (Loss) on Disposal of Fixed Assets (Net)	17	45
Net Profit before Tax	25239	21769

As per our report attached

**For Dutta Sarkar & Co.**

Chartered Accountants

Firm Registration No. 303114E

For and on behalf of the Board of Directors

**CA Mainak Chakrabarti**

Partner

Membership No. 063052

Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**

Chairman &  
Managing Director

**Shyam Sundar Khuntia**

Director (Finance) &  
Chief Financial Officer

**Manjusha Bhatnagar**

**D Sothi Selvam**

**K Swaminathan**

**Alok Chandra**

Directors

**Kavita Bhavsar**

Secretary

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis complying in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Consolidated Financial Statements (CFS) relates to parent company, Balmer Lawrie & Co Limited (the company), its subsidiary companies and its interest in Joint Ventures, in the form of jointly controlled entities (collectively referred to as the Group).

All income and expenditure having material bearing are recognised on accrual basis, except where otherwise stated. Necessary estimates and assumptions of income and expenditure are made during the reporting period and difference between the actual and the estimates, if any, are recognised in the period in which the results materialise.

In particular these CFS are prepared in accordance with Accounting Standard on “Consolidated Financial Statements” (AS-21), and “Financial Reporting of Interests in Joint Ventures” (AS-27) notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**Principles of Consolidation**

(a) The CFS have been prepared, using uniform significant accounting policies for the similar transactions and other events in similar circumstances and are presented

to the extent possible, in the same manner as the parent company’s separate financial statements.

- (b) The Financial Statements of the company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of similar items of assets, liabilities, income and expenses, after eliminating the intra group balances, intra group transactions in accordance with Accounting Standard 21 on “Consolidated Financial Statements”
- (c) The financial statements of Joint Ventures have been consolidated by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of intra group balance and intra group transactions in accordance with Accounting Standard 27 on “ Financial Reporting of Interests in Joint Ventures”.
- (d) Figures pertaining to the Subsidiary Companies/Joint Ventures have been reclassified, wherever necessary, to conform to the parent company’s Financial Statements.

**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 statement of profit and loss.
- f) Depreciation on tangible assets is provided on pro-rata basis on the straight line method over the estimated useful lives of the asset or over the lives of the assets prescribed under Schedule II of the Companies Act, 2013, whichever is lower. Based on review, the lower estimated useful lives of the following assets are found justifiable compared to the lives mentioned in Schedule II of the Companies Act 2013:
- i) Mobile Phones and Portable Personal Computers over two years
  - ii) Assets given to employees under furniture equipment scheme over five years
  - iii) Electrical items like air conditioners, fans, refrigerators, etc over 6.67 years
  - iv) Sofa set, Woollen Carpets, Photocopier, Fax machines, Motor Cars & Machine Spares whose use is irregular over five years

In case of Plant & Machinery other than Continuous Process, based on technical review by a Chartered Engineer, useful life is estimated at 25 years.

### 3. Valuation of Investments

The long term investments made by the company are accounted 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, 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.
- (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 Statement of Profit and Loss.
- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards and Leave Travel Assistance are charged to Statement of Profit & Loss 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 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 Statement of Profit & Loss 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 Statement of Profit & Loss.
- 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.

### 9. Accounting for Research & Development

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

### 10. Treatment of Grant/Subsidy

- a) Revenue grant/subsidy in respect of Research & Development expenditure is set off against respective expenditure.
- b) Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.
- c) When grant/ subsidy is received as

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

### 11. Accounting for Borrowing Cost

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

### 12. Impairment of Assets

An assessment is made at each Balance Sheet date to determine whether there is 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 costing ₹ 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 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 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 ₹ 100000 in each case.
- (d) Contingent liabilities pertaining to various Government authorities are considered only on conversion of show cause notices issued by them into demand.

As per our report attached  
**For Dutta Sarkar & Co.**  
 Chartered Accountants  
 Firm Registration No. 303114E

For and on behalf of the Board of Directors

**CA Mainak Chakrabarti**  
 Partner  
 Membership No. 063052  
 Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**  
 Chairman &  
 Managing Director

**Shyam Sundar Khuntia**  
 Director (Finance) &  
 Chief Financial Officer

**Manjusha Bhatnagar**  
**D Sothi Selvam**  
**K Swaminathan**  
**Alok Chandra**  
 Directors

**Kavita Bhavsar**  
 Secretary

**Note No. 1**  
**Share Capital**

**Share Capital**

**Authorised**

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

	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
60,000,000 (60,000,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00	6,000.00	6,000.00
<b>Issued</b>				
28,500,641 (28,500,641) Equity Shares of ₹ 10 each	2,850.06	2,850.06	2,850.06	2,850.06
<b>Subscribed &amp; Paid up</b>				
Equity Share Fully Paid in cash	2,850.06	2,850.06	2,850.06	2,850.06
28,500,641(28,500,641) of ₹ 10 each				
<b>Total Subscribed &amp; Fully Paid</b>	<b>2,850.06</b>	<b>2,850.06</b>	<b>2,850.06</b>	<b>2,850.06</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.

Details of Equity Shares held by the Holding Company	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of shares	%	No. of shares	%
Balmer Lawrie Investments Ltd.	17,613,225	61.80%	17,613,225	61.80%

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

**Reconciliation of Share Capital**

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Issued</b>	No of Shares	No of Shares
Balance at the beginning of the year	28,500,641	28,500,641
Add : Bonus Shares issued	-	-
Balance at the end of the year	<b>28,500,641</b>	<b>28,500,641</b>
<b>Subscribed &amp; Paid up</b>		
Balance at the beginning of the year	28,500,641	28,500,641
Add : Bonus Shares subscribed	-	-
Balance at the end of the year	<b>28,500,641</b>	<b>28,500,641</b>

	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Note No. 2</b>				
<b>Reserves &amp; Surplus</b>				
<b>Capital Reserves On Consolidation</b>				
Opening Balance	-	688.63	-	674.26
(+) Current Year Transfer	-	126.42	-	14.37
(-) Written Back in Current Year	-	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>815.05</b>	<b>-</b>	<b>688.63</b>
<b>Securities Premium Account</b>				
Opening Balance	3,626.77	3,626.77	3,626.77	3,626.77
(-) Adjustments	-	-	-	-
<b>Closing Balance</b>	<b>3,626.77</b>	<b>3,626.77</b>	<b>3,626.77</b>	<b>3,626.77</b>
<b>Contingency Reserve</b>				
Opening Balance	-	67.08	-	67.08
(+) Current Year Transfer	-	12.64	-	-
<b>Closing Balance</b>	<b>-</b>	<b>79.72</b>	<b>-</b>	<b>67.08</b>
<b>General Reserve</b>				
Opening Balance	38,154.01	47,210.93	35,154.01	45,963.30
(+) Current Year Transfer	3,000.00	3,833.47	3,000.00	2,367.28
(-) Written Back in Current Year	-	-	-	1,119.65
<b>Closing Balance</b>	<b>41,154.01</b>	<b>51,044.40</b>	<b>38,154.01</b>	<b>47,210.93</b>
<b>Investment Allowance Reserve</b>				
Opening Balance	-	4.73	-	4.73
(+) Current Year Transfer	-	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>4.73</b>	<b>-</b>	<b>4.73</b>
<b>Foreign Exchange Translation Reserve</b>				
Opening Balance	542.68	5,251.04	409.68	(1,543.75)
(+) Current Year Transfer	120.26	2,674.67	133.00	375.20
(-) Written Back in Current Year	-	-	-	6,419.59
<b>Closing Balance</b>	<b>662.94</b>	<b>7,925.71</b>	<b>542.68</b>	<b>5,251.04</b>
<b>Surplus</b>				
Opening balance	45,785.79	44,629.52	40,719.42	46,490.04
(+) Net Profit / (Net Loss) For the current year	16,122.16	17,888.01	14,468.54	15,213.34
(+) Movement in Liabilities and: Provisions	-	-	(198.59)	(5,302.66)
(-) Proposed Dividends	5,700.13	7,037.77	5,130.12	6,385.75
(-) Corporate tax on dividend	1,192.69	1,224.82	1,073.47	1,194.11
(-) Interim Dividends	-	-	-	207.50
(-) Transfer to General Reserves	3,000.00	3,833.47	3,000.00	3,983.83
<b>Closing Balance</b>	<b>52,015.13</b>	<b>50,421.47</b>	<b>45,785.79</b>	<b>44,629.52</b>
<b>Total</b>	<b>97,458.84</b>	<b>1,13,917.86</b>	<b>88,109.24</b>	<b>1,01,478.72</b>

	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Note No. 3</b>				
<b>Long Term Borrowings</b>				
<b>Secured</b>				
Term loans				
from banks	877.87	6,438.40	834.27	7,944.42
from other parties	-	-	-	-
Loans and advances from related parties	-	-	-	737.85
	<u>877.87</u>	<u>6,438.40</u>	<u>834.27</u>	<u>8,682.27</u>
Unsecured				
Other loans and advances				258.88
<b>Total</b>	<u>877.87</u>	<u>6,438.40</u>	<u>834.27</u>	<u>8,941.15</u>

Note : Long Term Borrowings from Banks have been secured charge over movable plant and equipments of the various plants of the associate companies including equitable mortgage of land and general tenure is between 3 to 5 years. Vehicles purchased by Proseal are hypothecated to the Banks

**Note No. 4**  
**Other Long Term Liabilities**

Trade Payables	-	0.51		58.60
Others	4,308.67	4,312.61	4,190.93	4,258.08
<b>Total</b>	<u>4,308.67</u>	<u>4,313.12</u>	<u>4,190.93</u>	<u>4,316.68</u>

**Note No. 5**  
**Long Term Provisions**

Provision for employee benefits	-	1,196.38	0.12	1,138.87
Others	-	94.78	-	89.91
<b>Total</b>		<u>1,291.16</u>	<u>0.12</u>	<u>1,228.78</u>

	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Note No. 6</b>				
<b>Short Term Borrowings</b>				
<b>Secured</b>				
Other Loans & advances				
From banks	411.13	6,068.09	405.64	8,078.38
	<u>411.13</u>	<u>6,068.09</u>	<u>405.64</u>	<u>8,078.38</u>
<b>Unsecured</b>				
Other loans and advances				
Term Loan -Bank	-	-	-	-
Other Loan Bank	-	450.24	-	565.03
From others	-	167.69	-	-
	<u>-</u>	<u>617.93</u>	<u>-</u>	<u>565.03</u>
<b>Total</b>	<u>411.13</u>	<u>6,686.02</u>	<u>405.64</u>	<u>8,643.42</u>

**Note :** Secured Loans from Banks include :

1. BLVL -Cash Credit from banks are generally secured by first pari passu charge on book debts and inventories and second pari passu charge on movable plant and equipments. Overdraft of BLVL is supported by Corporate guarantee issued by Greif Inc. Loans from banks are secured by extension of charge on assets of plants financed by them.
2. BL(UAE) - Bank overdrafts short term loans at negotiated rates are secured by letter of undertaking from the promoters regarding not pledging and non disposal of their shareholding in the company without prior approval of the bankers. Additionally the Company has undertaken not to (a) distribute more than 50% of the profits in any financial year, (b) create charges on the company's assets and (c) dispose off certain financed machinery, without prior approval of the creditor bank. Import Loan is secured against inventory of the Company and maintaining a gearing ratio at a level not exceeding 1:1.
3. Proseal Closures Ltd. Cash credits and Bills discounting are secured by hypothecation of stock and book debts and Packing credit loan by hypothecation of entire stock meant for export and export receivables. Unsecured loan is guaranteed by Grief Inc.

**Note No. 7**

**Other Current Liabilities**

Current maturities of long-term debt	-	2,923.36	-	2,156.35
Interest accrued but not due on borrowings	-	6.24	-	6.57
Interest accrued and due on borrowings	4.30	636.22	-	345.30
Income received in advance/Advance From Customers	956.47	1,087.27	847.76	956.52
Unpaid dividends	208.90	216.90	185.55	191.94
Other payables	20,914.58	21,431.18	16,444.74	16,661.97
<b>Total</b>	<u>22,084.25</u>	<u>26,301.17</u>	<u>17,478.06</u>	<u>20,318.65</u>

**Note No. 8**

**Short Term Provisions**

Provision for employee benefits	-	-	-	11.82
Provision for Taxation (Net of Advance)	5,253.95	5,514.86	6,097.07	6,178.71
Proposed Final Dividend	5,700.13	6,093.77	5,130.12	5,704.71
Others (Provision for Employee Benefits)	13.91	134.11	11.63	181.75
<b>Total</b>	<u>10,967.99</u>	<u>11,742.73</u>	<u>11,238.82</u>	<u>12,076.99</u>



**Note No. 9**  
**Fixed Assets**

	Gross Block				Depreciation				Net Block		
	Balance as at 1 April 2015	Additions	(Disposals)	Revaluations/ (Impairments) FCTR	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2015
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
<b>Tangible Assets</b>											
Land Freehold	1,628.16	865.11	-	4.61	2,497.88	-	-	-	-	2,497.88	1,628.16
	2,020.74	865.11	-	4.61	2,890.46	-	-	-	-	2,890.46	2,020.74
Land Leasehold	7,255.34	291.00	-	-	7,546.34	1,046.41	198.09	-	-	6,301.83	6,208.93
	8,019.58	291.00	-	-	8,310.58	1,159.19	207.74	-	-	6,943.65	6,860.39
Buildings & Sidings	16,595.60	819.61	3.18	9.15	17,421.18	3,304.03	366.83	1.91	0.91	13,749.31	13,291.57
	24,647.15	970.35	3.18	456.10	26,070.42	7,447.07	716.00	300.39	0.91	17,607.87	17,200.08
Plant and Equipment	28,904.94	1,612.91	53.21	28.31	30,492.95	12,233.50	1,209.42	7.21	49.13	17,091.94	16,671.44
	62,725.42	3,326.48	204.46	906.00	66,753.44	35,285.43	2,568.10	740.19	189.64	28,349.31	27,440.00
Furniture and Fixtures	1,021.20	179.13	10.82	0.47	1,189.98	542.12	81.27	0.35	10.14	576.38	479.08
	1,629.86	213.81	16.13	29.28	1,856.82	1,049.46	118.57	27.07	14.96	676.68	580.40
Vehicles	920.43	45.89	59.49	1.54	908.36	538.08	155.67	0.86	39.39	253.14	382.35
	2,515.48	101.18	93.68	27.76	2,550.74	1,690.22	263.39	22.18	71.10	646.05	825.26
Office equipment	2,218.42	440.30	59.54	0.31	2,599.49	1,560.40	322.87	0.08	59.01	775.14	658.02
	2,524.32	459.42	61.53	0.31	2,922.52	1,821.73	342.92	0.08	61.00	818.79	702.60

	Gross Block				Depreciation				Net Block		
	Balance as at 1 April 2015	Additions	(Disposals)	Revaluations/ (Impairments) FCTR	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2015
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Lab Equipments	734.15	35.99	-	-	770.14	262.63	74.07	-	-	336.70	471.52
	Consolidated with Subsidiary										
	734.15	35.99	-	-	770.14	262.63	74.07	-	-	336.70	471.52
	Consolidated with Subsidiary & Joint Venture Companies										
Railway Sidings	295.88	-	-	-	295.88	57.55	20.94	-	-	78.49	238.33
	Consolidated with Subsidiary										
	295.88	-	-	-	295.88	57.55	20.94	-	-	78.49	238.33
	Consolidated with Subsidiary & Joint Venture Companies										
<b>Total</b>	<b>59,574.12</b>	<b>4,289.94</b>	<b>186.24</b>	<b>44.39</b>	<b>63,722.19</b>	<b>19,544.72</b>	<b>2,429.16</b>	<b>10.41</b>	<b>158.58</b>	<b>21,825.71</b>	<b>40,029.40</b>
	<b>Consolidated with Subsidiary</b>										
	<b>105,112.58</b>	<b>6,263.34</b>	<b>378.98</b>	<b>1,424.06</b>	<b>112,420.99</b>	<b>48,773.28</b>	<b>4,311.73</b>	<b>1,089.91</b>	<b>337.61</b>	<b>53,837.32</b>	<b>56,339.30</b>
	<b>Consolidated with Subsidiary &amp; Joint Venture Companies</b>										
<p>Note : BL(UAE) buildings in Al Quoz Industrial Area, Dubai are constructed on leasehold land renewable on annual basis. However, the Directors' of BL(UAE) are of the opinion that the lease will continue to be renewed in the favour of the Company in the foreseeable future. Warehouse building in Dubai Investment Park, Dubai has been constructed on land leased for a period of 30 years.</p>											
<b>Intangible Assets</b>											
Goodwill	918.25	-	-	-	918.25	228.93	183.66	-	-	412.59	689.32
	Consolidated with Subsidiary										
	918.25	-	-	-	918.25	228.93	183.66	-	-	412.59	689.32
	Consolidated with Subsidiary & Joint Venture Companies										
Computer software	666.25	202.84	-	-	869.09	320.85	122.23	-	-	443.08	345.40
	Consolidated with Subsidiary										
	712.69	205.83	-	-	918.52	361.13	126.23	-	-	487.36	351.56
	Consolidated with Subsidiary & Joint Venture Companies										
Copyrights, and patents and other intellectual property rights, services and operating rights	380.00	-	-	-	380.00	47.37	38.00	-	-	85.37	332.63
	Consolidated with Subsidiary										
	380.00	-	-	-	380.00	47.37	38.00	-	-	85.37	332.63
	Consolidated with Subsidiary & Joint Venture Companies										

	Gross Block						Depreciation				Net Block	
	Balance as at 1 April 2015	Additions	(Disposals)	Revaluations/ (Impairments) FCTR	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2015	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	
Licenses and franchise	-	-	-	-	-	-	-	-	-	-	-	-
	128.38	-	-	-	128.38	128.38	-	-	-	128.38	-	-
<b>Total</b>	<b>1,964.50</b>	<b>202.84</b>	-	-	<b>2,167.34</b>	<b>597.15</b>	<b>343.90</b>	-	-	<b>941.04</b>	<b>1,226.30</b>	<b>1,367.35</b>
	<b>2,139.32</b>	<b>205.83</b>	-	-	<b>2,345.15</b>	<b>765.81</b>	<b>347.89</b>	-	-	<b>1,113.70</b>	<b>1,231.45</b>	<b>1,373.51</b>
Capital Work In Progress	529.64	707.33	138.11	-	1,098.86	-	-	-	-	1,098.86	529.64	-
	1,144.84	1,363.40	1,029.31	14.04	1,492.97	-	-	-	-	1,492.97	1,144.84	-
<b>Total</b>	<b>529.64</b>	<b>707.33</b>	<b>138.11</b>	-	<b>1,098.86</b>	-	-	-	-	<b>1,098.86</b>	<b>529.64</b>	-
	<b>1,144.84</b>	<b>1,363.40</b>	<b>1,029.31</b>	<b>14.04</b>	<b>1,492.97</b>	-	-	-	-	<b>1,492.97</b>	<b>1,144.84</b>	-
Intangible assets under Development	17.25	-	17.25	-	-	-	-	-	-	-	-	17.25
	17.25	-	17.25	-	-	-	-	-	-	-	-	17.25
<b>Total</b>	<b>17.25</b>	<b>-</b>	<b>17.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.25</b>
	<b>17.25</b>	<b>-</b>	<b>17.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.25</b>
<b>Grand Total</b>	<b>62,085.51</b>	<b>5,200.12</b>	<b>341.60</b>	<b>44.39</b>	<b>66,988.40</b>	<b>20,141.86</b>	<b>2,773.06</b>	<b>10.41</b>	<b>158.58</b>	<b>22,766.75</b>	<b>44,221.62</b>	<b>41,943.65</b>
	<b>108,413.98</b>	<b>7,832.57</b>	<b>1,425.54</b>	<b>1,438.10</b>	<b>116,259.10</b>	<b>49,539.09</b>	<b>4,659.62</b>	<b>1,089.91</b>	<b>337.61</b>	<b>54,951.02</b>	<b>61,308.05</b>	<b>58,874.90</b>

**Note No. 10**  
**INVESTMENTS**

**Trade Investments**

Investment in Equity Instruments

(Fully paid stated at Cost)

In Joint Venture Companies

Transafe Services Ltd.

11,361,999 (11,361,999) equity shares of ₹ 10 each  
(Carried in books at a value of ₹ 1 only )

0.00

0.00

AVI-OIL India (P) Ltd.

4,500,000(4,500,000) ordinary shares of ₹ 10 each

450.00

450.00

Balmer Lawrie -Van Leer Ltd.

8,601,277 (8,601,277) equity shares of ₹ 10 each

3,385.03

3,385.03

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 ( 25,000) equity shares of ₹ 10 each

2.50

2.50

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

0.00

0.00

**Total**

**4,728.52**

-

**4,728.52**

-

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

14.01

14.01

Biecco Lawrie Ltd.

1,95,900 (1,95,900) equity shares of ₹ 10 each  
(Carried in books at a value of ₹ 1 only)

0.00

0.00

0.00

0.00

Woodlands Multispeciality Hospitals Ltd.

8,850 (8,850)Equity Shares of ₹ 10 each

0.45

0.45

0.45

0.45

**Total**

**14.46**

**14.46**

**14.46**

**14.46**

**Total**

**4,742.98**

**14.46**

**4,742.98**

**14.46**

**Note No. 11****Long Term Loans and Advances****Capital Advances**

Unsecured , considered good

As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
146.92	250.20	347.05	465.91
<u>146.92</u>	<u>250.20</u>	<u>347.05</u>	<u>465.91</u>

**Security Deposits**

Unsecured, considered good

327.24	445.90	385.24	490.45
--------	--------	--------	--------

Doubtful

-	3.27	-	3.27
---	------	---	------

Less: Provision for doubtful deposits

-	(3.27)	-	(3.27)
---	--------	---	--------

<u>327.24</u>	<u>445.90</u>	<u>385.24</u>	<u>490.45</u>
---------------	---------------	---------------	---------------

**Other loans and advances**

Secured, considered good

446.24	446.24	458.69	515.22
--------	--------	--------	--------

Unsecured, considered good

139.89	465.10	138.40	147.48
--------	--------	--------	--------

Doubtful

1,170.22	1,176.78	1,011.09	1,694.73
----------	----------	----------	----------

Less: Provision

(1,170.22)	(1,176.78)	(1,011.09)	(1,694.73)
------------	------------	------------	------------

<u>586.13</u>	<u>911.34</u>	<u>597.08</u>	<u>662.71</u>
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**Loans and advances to related parties**

Unsecured , considered good

180.00	46.88	180.00	46.88
--------	-------	--------	-------

Doubtful

1,817.92	1,817.92	1,817.92	1,817.92
----------	----------	----------	----------

Less: Provision for doubtful loans and advances

(1,817.92)	(1,817.92)	(1,817.92)	(1,817.92)
------------	------------	------------	------------

<u>180.00</u>	<u>46.88</u>	<u>180.00</u>	<u>46.88</u>
---------------	--------------	---------------	--------------

Movement in Liabilities and Provisions trfd to P&amp;LAccount

-	-	-	-
---	---	---	---

**Total**

<u>1,240.29</u>	<u>1,654.32</u>	<u>1,509.38</u>	<u>1,665.94</u>
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**Note No.12****Other Non Current Assets**

Long term trade receivables /Others

Secured, considered good

-	38.36	-	10.33
---	-------	---	-------

Unsecured, considered good

-	38.36	-	10.33
---	-------	---	-------

**Total**

<u>-</u>	<u>38.36</u>	<u>-</u>	<u>10.33</u>
----------	--------------	----------	--------------

	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Note No. 13</b>				
<b>Inventories</b>				
Raw Materials and components	5,957.54	18,007.71	7,067.97	21,568.73
Goods-in transit	18.55	83.12	114.16	155.91
Slow Moving & Non moving	154.41	154.41	152.54	152.54
Less; Provision for Slow & Non moving	(97.91)	(97.91)	(97.54)	(97.54)
<b>Total</b>	<b>6,032.59</b>	<b>18,147.34</b>	<b>7,237.13</b>	<b>21,779.64</b>
Work-in-progress	1,094.47	1,783.70	995.78	1,759.65
<b>Total</b>	<b>1,094.47</b>	<b>1,783.70</b>	<b>995.78</b>	<b>1,759.65</b>
Finished goods	4,150.37	5,306.17	4,074.61	5,281.70
Goods-in transit	258.45	874.86	400.01	1,112.21
Slow Moving & Non moving	317.75	317.75	296.78	296.78
Less; Provision for Slow & Non moving	(180.51)	(956.67)	(169.61)	(727.67)
<b>Total</b>	<b>4,546.07</b>	<b>5,542.11</b>	<b>4,601.79</b>	<b>5,963.01</b>
Trading Goods	-	-	3.08	3.08
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.08</b>	<b>3.08</b>
Stores and spares	505.87	2,179.72	423.42	2,087.82
Slow Moving & Non moving	109.66	109.66	89.00	89.00
Provision for Slow & Non moving	(82.49)	(82.49)	(71.25)	(71.25)
<b>Total</b>	<b>533.03</b>	<b>2,206.88</b>	<b>441.17</b>	<b>2,105.57</b>
Others	14.04	43.00	11.23	42.37
<b>Total</b>	<b>14.04</b>	<b>43.00</b>	<b>11.23</b>	<b>42.37</b>
<b>Total</b>	<b>12,220.20</b>	<b>27,723.05</b>	<b>13,290.19</b>	<b>31,653.33</b>

**Note No.14**  
**Trade Receivables**

<b>Trade receivables outstanding for a period less than six months</b>				
Unsecured, considered good	34,352.79	45,709.12	31,490.90	41,422.07
Unsecured, considered doubtful	52.79	52.79	64.62	64.62
Less: Provision for doubtful debts	(52.79)	(52.79)	(64.62)	(64.62)
	<b>34,352.79</b>	<b>45,709.12</b>	<b>31,490.90</b>	<b>41,422.07</b>
<b>Trade receivables outstanding for a period exceeding six months</b>				
Unsecured, considered good	7,990.62	7,453.13	5,221.64	5,480.42
Unsecured, considered doubtful	2,115.93	2,311.10	1,366.59	1,720.91
Less: Provision for doubtful debts	(2,115.93)	(2,311.10)	(1,366.59)	(1,720.91)
	<b>7,990.62</b>	<b>7,453.13</b>	<b>5,221.64</b>	<b>5,480.42</b>
<b>Total</b>	<b>42,343.41</b>	<b>53,162.25</b>	<b>36,712.54</b>	<b>46,902.50</b>

	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Note No. 15</b>				
<b>Cash and cash equivalents</b>				
Balances with banks	6,073.51	6,144.27	4,822.00	5,024.00
Cheques, drafts on hand	-	40.28	-	45.74
Cash in hand	80.68	107.24	21.40	48.63
Margin money deposit with banks	63.78	280.02	58.87	258.61
Short term deposit account with banks	38,799.71	38,962.58	33,101.77	33,207.86
Unclaimed Dividend account	208.90	216.91	185.55	191.94
Balance with EEFC A/c	-	0.16	-	2.12
<b>Total</b>	<b>45,226.58</b>	<b>45,751.45</b>	<b>38,189.59</b>	<b>38,778.90</b>

Note : Margin deposits of BL (UAE) LLC represent amounts given against guarantees for labour visas.

#### Note No.16

##### Short-term Loans and advances

#### Deposits

Unsecured, considered good	3,715.70	4,492.21	3,408.14	3,467.47
	<u>3,715.70</u>	<u>4,492.21</u>	<u>3,408.14</u>	<u>3,467.47</u>
<b>Other Loans &amp; Advances</b>				
Secured, considered good	157.71	157.71	136.69	136.69
Unsecured, considered good	4,109.02	4,237.53	4,630.88	5,779.96
Doubtful	457.42	457.42	303.46	305.56
Less:Provision	(457.42)	(457.42)	(303.46)	(305.56)
	<u>4,266.73</u>	<u>4,395.25</u>	<u>4,767.57</u>	<u>5,916.64</u>
<b>Loans and advances to related parties</b>				
Unsecured, considered good	121.79	361.01	120.96	166.88
	<u>121.79</u>	<u>361.01</u>	<u>120.96</u>	<u>166.88</u>
<b>Total</b>	<b>8,104.22</b>	<b>9,248.47</b>	<b>8,296.67</b>	<b>9,551.00</b>

#### Note No.17

##### Other current assets

Other Accrued Income	2,737.12	2,783.83	2,312.78	2,321.69
Others	-	427.30	-	447.62
<b>Total</b>	<b>2,737.12</b>	<b>3,211.13</b>	<b>2,312.78</b>	<b>2,769.31</b>

	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Note No. 18</b>				
<b>Revenue From Operations</b>				
Sale of products	1,00,394.42	1,50,043.62	1,08,853.77	1,58,649.52
Sale of services	1,80,871.62	1,81,446.44	1,75,020.07	1,75,174.31
Sale of Trading goods	365.56	365.56	751.41	774.14
Other operating revenues	2,837.31	4,994.14	3,212.04	5,749.24
Less: Excise duty	(12,105.15)	(13,933.41)	(12,826.41)	(14,522.00)
<b>Total</b>	<b>2,72,363.75</b>	<b>3,22,916.35</b>	<b>2,75,010.88</b>	<b>3,25,825.21</b>

**Note No. 19**  
**Other Income**

Interest Income	3,353.91	3,313.63	2,763.49	2,694.90
Dividend Income	1,117.79	761.26	2,845.39	1,450.92
Other non-operating income	1,802.74	2,335.91	1,974.45	2,311.40
<b>Total</b>	<b>6,274.44</b>	<b>6,410.80</b>	<b>7,583.34</b>	<b>6,457.22</b>

**Note No. 20**  
**Employee Benefits Expenses**

Salaries and incentives	16,881.84	21,902.70	14,644.38	19,393.72
Contributions to Provident Fund & Other Fund	2,061.47	2,259.44	1,979.75	2,145.80
Staff welfare expenses	1,500.46	2,373.93	1,397.57	2,308.49
<b>Total</b>	<b>20,443.77</b>	<b>26,536.07</b>	<b>18,021.71</b>	<b>23,848.01</b>

**Note No. 21**  
**Finance Cost**

Interest expense	463.30	1,730.09	529.43	1,757.43
Other borrowing costs	153.26	460.14	153.97	486.58
Net loss on foreign currency transactions	15.95	15.95	25.53	25.53
<b>Total</b>	<b>632.51</b>	<b>2,206.18</b>	<b>708.92</b>	<b>2,269.54</b>



	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)	Consolidated with Subsidiary (₹ Lakhs)	Consolidated with Subsidiary & Joint Venture Companies (₹ Lakhs)
<b>Note No. 22</b>				
<b>Other Expenses</b>				
Manufacturing Expenses	1,413.68	1,638.22	1,248.41	1,484.17
Consumption of Stores and Spares	793.98	2,696.99	626.34	2,466.96
Excise duty on Closing Stock	43.22	43.23	132.97	152.33
Repairs Maintenance - Buildings	727.46	809.76	398.50	477.63
Repairs Maintenance - Plant & Machinery	309.72	644.87	333.68	606.95
Repairs Maintenance - Others	575.36	803.42	477.36	641.12
Power & Fuel	2,181.62	3,139.63	2,663.50	3,603.40
Electricity & Gas	382.56	1,230.05	349.05	1,204.60
Rent	874.83	1,809.72	716.47	1,510.87
Insurance	232.75	324.11	219.86	310.43
Packing, Despatching, Freight and Shipping Charges	3,467.06	3,976.00	3,549.08	4,157.71
Rates & Taxes	110.88	190.89	120.95	170.69
Auditors Remuneration and Expenses	26.88	73.40	23.18	48.94
Write Off of Debtors, Deposits, Loan & Advances	479.96	1,510.39	269.64	833.09
Provision for Doubtful Debts & Advances	1,311.12	1,335.51	1,036.50	1,472.67
Fixed Assets Written Off	2.39	2.98	1.57	2.62
Loss on Disposal of Fixed Assets	3.46	3.46	8.05	8.05
Selling Commission	560.26	681.34	593.54	717.62
Cash Discount	338.50	350.30	443.32	454.66
Travelling Expenses	984.84	1,400.22	897.11	1,245.60
Printing and Stationery	498.66	521.93	229.11	253.14
Motor Car Expenses	155.82	213.34	151.46	220.47
Communication Charges	357.17	427.92	367.37	431.45
Corporate Social Responsibility Expenses	395.51	395.51	388.40	388.40
Miscellaneous Expenses	5,105.04	7,087.50	5,793.54	7,433.04
Prior Period - Income	(2.10)	(2.10)	-	-
Prior Period - Expenses	15.10	16.70	73.57	74.20
	<b>21345.74</b>	<b>31325.26</b>	<b>21112.52</b>	<b>30370.82</b>
Provision for Debts, Deposits, Loans & Advances and Inventories considered doubtful, written back	(179.25)	(1,045.89)	(269.01)	(474.36)
<b>Total</b>	<b>21166.49</b>	<b>30279.38</b>	<b>20843.51</b>	<b>29896.46</b>

Note - 23 Additional Disclosures

23.1 Disclosure of Interests in Subsidiary and Joint Venture Companies

Name of Subsidiary / Joint Venture Company	Nature of Relationship	Proportion of Shareholding	Country of Incorporation
Balmer Lawrie (UK) Ltd.	Subsidiary	100%	United Kingdom
Visakhapatnam Port Logistics Park Ltd.	Subsidiary	100%	India
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 (1,76,13,225) Equity Shares are held by Balmer Lawrie Investments Ltd. (Holding Company).

- 23.3 (a) Fixed Deposit with bank amounting to ₹ 1.37 Lakhs (₹ 1.37 Lakhs) are lodged with certain authorities as security.
- (b) Conveyance deeds of certain land costing ₹ 5,789.78 Lakhs (₹ 5,867.94 Lakhs) and buildings, with written down value of ₹ 2,998.16 Lakhs (₹ 2,933.76 Lakhs) are pending registration mutation.
- (c) Certain buildings & sidings with written down value of ₹ 6,908.04 Lakhs (₹ 4,991.72 Lakhs) are situated on leasehold/rented land.

23.4 Contingent Liabilities as at 31st March, 2016 not provided for in the accounts are:

- (a) Disputed demand for Excise Duty, Customs Duty, Income Tax, Service Tax and Sales Tax amounting to ₹ 13,821.81 Lakhs (12,315.13 Lakhs) against which the Company has lodged appeal/petition before appropriate authorities.
- (b) Claims against the company not acknowledged as debts amount to ₹ 1,309.36 Lakhs (₹ 1,184.13 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 ₹ 364.47 Lakhs (₹ 383.73 Lakhs).

- 23.5 (a) Counter guarantees given to various banks in respect of guarantees/loans given by them amount to ₹ 11,604.38 Lakhs (₹ 12,279.99 Lakhs)
- (b) Estimated amount of contract remaining to be executed on Capital Accounts and not provided for amounted to ₹ 1,695.58 Lakhs (₹ 1,017.54 Lakhs).

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

	₹/Lakhs	
	2015-16	2014-15
Raw Materials	10,142.96	15,113.53
Components and Spare Parts	175.51	56.22
Capital Goods	250.25	84.96
Trading Goods	-	22.73
	<b>10,568.72</b>	<b>15,277.44</b>

(b) Expenditure in Foreign Currency:

	₹/Lakhs	
	2015-16	2014-15
Services	17,170.55	17,778.57
Travelling	24.18	7.21
Others	274.51	180.16
	<b>17,469.24</b>	<b>17,965.94</b>

(c) Earnings in Foreign Currency:

	₹/Lakhs	
	2015-16	2014-15
Export of Goods and Components calculated on F.O.B basis as invoiced	3,463.85	5,881.51
Interest and Dividend	1,032.75	2,504.24
Services	8,486.87	8,864.70
Freight, Insurance, Exchange Gain and Miscellaneous Items	65.72	(6.09)
	<b>13,049.19</b>	<b>17,244.36</b>

23.7 Financial statements of PT Balmer Lawrie Indonesia (PTBLI) a joint venture company of the wholly owned subsidiary Balmer Lawrie (UK) Ltd for the year ended March 31, 2016, as prepared by the management of PTBLI, has been considered for preparing the consolidated financial statements of the company.

23.8 In case of one joint venture, Balmer Lawrie UAE LLC work in progress comprises raw materials at cost.

Work in progress of BLUAE as on 31<sup>st</sup> March 2016 is ₹ 121.83 Lakhs representing approximately 7% of the total WIP figure ₹ 1783.70 Lakhs in the consolidated statements.

23.9 Segment Reporting

Information about business and geographical segment for the year ended 31<sup>st</sup> March, 2016 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.

23.10 Earnings per Share

- (i) Earnings per share of the company has been calculated considering the Profit after Taxation of ₹17,888.01 Lakhs (₹15,213.34 Lakhs) as the numerator.
- (ii) The weighted average number of equity shares used as denominator is 28,500,641 (28,500,641).
- (iii) The nominal value of shares is ₹ 2,850.06 Lakhs (₹ 2,850.06 Lakhs) and the earnings per share (Basic and Diluted) for the year on the above mentioned basis comes to ₹ 62.76 (₹ 53.38) Refer Note 1 A.

- 23.11 A case of misappropriation of cash through wrong adjustments was noticed in one of the units of Balmer Lawrie & Co Ltd during the course of review of debtors in the month of January,2016. The company is presently undertaking a thorough reconciliation of the relevant outstandings. Based on preliminary in-house enquiry, an amount of ₹ 34.58 lacs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to investigating agency and necessary further legal action will be taken thereafter .
- 23.12 Continuous losses incurred by a joint venture, Transafe Services Ltd. over the last few years have resulted in negative net worth of 2572.73 lakhs as on 31st March 2016. Based on negative net worth of 732.54 lakhs as on 31st March 2013 a reference application was made to BIFR under Sec. 15 of the Sick Industrial Companies Act 1985 on 22 July 2013 which was registered by BIFR under case no. 83/2013 and confirmed by their letter dated 25th November 2013. The same is pending as on date.
- 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 ₹ 2,229.34 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 ₹ 338.15 lacs and negative cash flow of ₹ 13.16 lakhs during the year ended March 31,2016. Considering impact of procurement of Fixed assets during the year for ₹ 15.59 lakhs, the cash flow is positive.
- 23.15 Loan provided by Balmer Lawrie & Co. Ltd., holding company to Balmer Lawrie Van -Leer Ltd, a jointly controlled entity of ₹ 18.18 Crs has been eliminated from intra group transaction and also the 100% provision made by Balmer Lawrie & Co. Ltd. in its books in this respect have already been adjusted with general reserve in earlier years
- 23.16 Balmer Lawrie Hind Terminals Pvt. Ltd. [BLHTPL], a joint venture company has gone for voluntary winding up by its members. Last final accounts of BLHTPL was drawn for a period of 9 months from 1st April 2015 to 31st Dec'2015, which has been audited by their Statutory Auditors. Based on the audited accounts, the Directors of BLHTPL have given Declaration of Solvency and recommended for winding-up, which was thereafter approved by BLHTPL's shareholders on 11th Feb' 2016. Consequently, BLHTPL is treated as a Company in liquidation.
- 23.17 Trade receivables, loans and advances and deposits of which confirmations are not received from the parties are subject to reconciliation and consequential adjustments on determination receipt of such confirmation.
- 23.18 (a) The financial statements have been prepared as per Schedule III to the Companies Act, 2013.  
 (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 figures have been regrouped/ reclassified wherever necessary.

As per our report attached  
**For Dutta Sarkar & Co.**  
 Chartered Accountants  
 Firm Registration No. 303114E

For and on behalf of the Board of Directors

**CA Mainak Chakrabarti**  
 Partner  
 Membership No. 063052  
 Kolkata, the 26<sup>th</sup> May, 2016

**Prabal Basu**  
 Chairman &  
 Managing Director

**Shyam Sundar Khuntia**  
 Director (Finance) &  
 Chief Financial Officer

**Manjusha Bhatnagar**  
**D Sothi Selvam**  
**K Swaminathan**  
**Alok Chandra**  
 Directors

**Kavita Bhavsar**  
 Secretary

ANNEXURE - C (Note 23:9)  
₹ / Lakhs

Consolidated  
Information About Business Segments for the Year Ended 31st. March 2016

	Industrial Packaging		Logistics Infrastructure		Travel and Vacations		Greases and Lubricants		Others		Consolidated Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>SEGMENT REVENUE</b>												
External Revenue	93,269.24	98,596.37	56,576.54	55,582.90	1,24,090.42	1,24,129.50	38,321.17	40,682.77	12,461.77	6,443.78	3,24,719.14	3,25,435.34
Inter-Segment Revenue	1,563.83	1,563.68	802.96	81.95	406.51	86.96	82.22	95.38	77.66	96.87	2,923.18	1,924.84
Total Segment Revenue	94,823.07	1,00,160.05	57,379.49	55,664.85	1,24,496.93	1,24,216.47	38,403.39	40,778.15	12,539.43	6,540.65	3,27,642.32	3,27,360.18
Less :												
Inter-Segment Revenue											2,923.18	1,924.84
Add :											(1,802.80)	389.86
Other Unallocable Revenue											3,22,916.35	3,25,825.40
<b>TOTAL REVENUE</b>												
<b>SEGMENT RESULT</b>												
Profit / (Loss) before Interest & Tax	8,953.48	6,673.31	14,082.25	15,093.28	2,421.59	1,764.65	3,945.84	1,270.46	357.80	250.95	29,760.96	25,052.65
Less :												
Interest Expense											444.69	2,269.54
Prior Period Adjustment											13.00	73.57
Other Unallocable Expenditure (net of Unallocable Revenue)											4,047.15	895.41
<b>TOTAL PROFIT BEFORE TAX</b>												
<b>OTHER INFORMATION</b>												
Segment Assets	64,787.57	68,435.47	28,248.47	33,565.61	23,493.56	18,594.61	23,699.66	22,583.96	18,326.92	6,265.13	1,58,556.18	1,49,444.78
Other Unallocable Assets											44,425.41	40,775.87
Total Assets	21,177.14	25,616.98	13,402.85	22,642.51	7,823.52	7,250.08	7,744.71	7,215.93	13,255.93	2,183.69	2,02,981.59	1,90,220.66
Segment Liabilities	1,314.59	1,745.35	3,233.06	1,665.10	99.09	146.44	585.45	2,499.97	908.76	1,875.19	63,404.14	64,909.21
Other Unallocable Liabilities	1,813.84	1,707.31	688.61	1,470.28	316.87	320.55	462.95	471.71	1,377.36	650.67	22,809.53	20,982.68
Total Liabilities	3,732.38	276.85	339.51	398.69	794.42	(169.12)	546.95	58.05	167.54	265.83	86,213.67	85,891.87
Capital Expenditure											6,140.95	7,932.06
Depreciation											4,659.83	4,620.52
Non-Cash Expenditure other than Depreciation											5,580.80	830.30

Information About Geographical Segments for the Year Ended 31st. March 2016

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

- Industrial Packaging - Barrels, Drums & Closures
- Logistics - Logistics Services & Logistics Infrastructure
- Travel & Vacations - Travel (Ticketing), Tours & Money Changing activities
- Greases & Lubricants - Greases, Lubricating Oils & Aviation Lubricants
- Others - Refinery & Oil Field Services, Leather Chemicals, Operating Lease of Freight Containers, etc.

2. 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.

3. Overseas operations under Geographical Segments represent Industrial Packaging activity in UAE and Greases & Lubricating Oils activity in Indonesia.

	Indian Operations		Overseas Operations		Consolidated - Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
₹/ Lakhs	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
₹/ Lakhs	291446.24	293910.46	31470.11	31914.75	322916.35	325825.21
<b>SEGMENT EXTERNAL REVENUE</b>	177373.22	161929.57	25608.37	28291.08	202981.59	190220.65
<b>SEGMENT ASSETS</b>	5429.69	7690.81	711.26	241.25	6140.95	7932.06
<b>CAPITAL EXPENDITURE</b>						

## OFFICE & PLANT LOCATIONS

### REGISTERED OFFICE

21, Netaji Subhas Road, Kolkata - 700 001

Phone: 033 22225218 / 230

Fax: 033 22225292

Website: www.balmerlawrie.com

### INDUSTRIAL PACKAGING

**Asaoti Plant** Village Piyala, Post Asaoti, Faridabad, Haryana - 121 102  
Phone: 0091 0129 2215090 / 2205322  
Fax: 0091 0129 2215090  
E-Mail: mukhija.mm@balmerlawrie.com

**Chennai Plant** 32, Sattangadu Village, Thiruvottiyur, Manali Road, Chennai - 600 068  
Phone: 0091 044 25941438 / 3653  
Fax: 0091 044 25941157 / 3653  
E-Mail: sarkar.a@balmerlawrie.com

**Chittoor Plant** 62, Patnam (Village & Post), Thavanan Palli, Nandal, Chittoor - 517 131, Andhra Pradesh  
Phone: 0091 08573 281077 / 088  
Fax: NIL  
E-Mail: sarkar.a@balmerlawrie.com

**Gurugram Sales Office (formerly Gurgaon)** 401-402, Welldone Techpark, Sector - 48, Tower - D, Sohna Road, Gurugram (formerly Gurgaon) - 122 002  
Phone: 0091 124 4798161 / 62 / 63 / 64  
Fax: NIL  
E-Mail: mukhija.mm@balmerlawrie.com

**Kolkata Plant** Container Division, P-4/1, Oil Installation Road, Kolkata - 700 088, West Bengal  
Phone: 0091 033 24393795 / 2137  
Fax: 0091 033 24393793  
E-Mail: prasad.tn@balmerlawrie.com

**Mumbai SBU Office** 5, J N Heredia Marg, Ballard Estate, Mumbai - 400 001  
Phone: 0091 22 66258181 / 187  
Fax: 0091 22 66258200  
E-Mail: sherigar.s@balmerlawrie.com

**Navi Mumbai Plant** Plot No. G-15, G-16, G-17, M.I.D.C. Industrial Area, Village: Padge, Taluka: Panvel Dist.: Raigad, Maharashtra - 410 208  
Phone: 0091 22 27412660 / 66258196  
Fax: NIL  
E-Mail: rajesh.i@balmerlawrie.com

**Silvassa Plant** 23/1/1, Khadoli, Silvassa - 396 230, Dadra and Nagar Haveli  
Phone: 0091 260 6539810  
Fax: 0091 22 66258200  
E-Mail: bhavap@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: bhavap@balmerlawrie.com

### GREASES & LUBRICANTS

**Bengaluru Marketing Office** No. 35-06, Block No. 3, M. S. Industrial Complex, Peenya Industrial Area, 14th Cross, 4th Phase, Bengaluru - 560 058  
State : Karnataka  
Phone: 080 28363173  
Fax: NIL  
E-Mail: NIL

**Chandigarh Marketing Office** House No. 31, Saraswati Vihar, Dhakoli, Zirakpur - 160 104  
Phone: 8146132396  
Fax: NIL  
E-Mail: chopra.n@balmerlawrie.com

**Chennai Plant** 32, Sattangadu Village, Thiruvottiyur Manali Road, Manali, Chennai - 600 068, State : Tamilnadu  
Phone: 044 25941551 / 6620  
Fax: NIL  
E-Mail: NIL

**Chennai Marketing Office** 628, Anna Salai, Tenyampet, Chennai - 600 018, State : Tamilnadu  
Phone: 044 24302503 / 2504  
Fax: 044 24302503  
E-Mail: srinivasan.s@balmerlawrie.com

**Gurugram Marketing Office (formerly Gurgaon)** "401 Welldone Tech Park, Tower D, Sector 48, 4th Floor, Sohna Road, Gurgaon - 122 018"  
Phone: 0124 4798143  
Fax: NIL  
E-Mail: NIL

**Kolkata Plant** P-43, Hide Road Extension, Kolkata - 700 088, State - West Bengal  
Phone: 033 2439 2277  
Fax: NIL  
E-Mail: NIL

**Kolkata Marketing Office** P-43, Hide Road Extension, Kolkata - 700 088, State - West Bengal  
Phone: 033 2439 5769 / 3448  
Fax: 033 24392277  
E-Mail: NIL

**Kolkata ARL** P-43, Hide Road Extension, Kolkata - 700 088, State - West Bengal  
Phone: 033 24395405 / 5406  
Fax: 033 24395764  
E-Mail: NIL

<b>Mumbai</b>	<b>Marketing Office</b>	5 J N Heredia Marg, Ballard Estate, Mumbai - 400 001, State - Maharashtra Phone: 022 6636 1136 / 1137 Fax: 022 66361110 E-Mail: mumbaimktg@balmerlawrie.com	<b>Bengaluru</b>	<b>Branch Office</b>	Cosmopolitan Club, Cosmo Travel House, 22nd Cross, 3rd Block, Jayanagar, Bengaluru - 560 011 Phone: 0091 080 40815322 Fax: 0091 080 26637999 E-Mail: NIL
<b>New Delhi</b>	<b>Marketing Office</b>	Ground Floor, Core - 8, Scope Complex, 7, Lodhi Road, New Delhi - 110 003 Phone: NIL Fax: 0091 11 46412235 / 24361526 E-Mail: NIL	<b>Bhubaneswar</b>	<b>Branch Office</b>	2nd Floor, SCR - 59, Janpath, Unit - III, Kharvel Nagar, Bhubaneswar - 751 001 Phone: 0091 674 2536225 / 178 / 154 Fax: 0091 674 2536186 E-Mail: NIL
<b>Pune</b>	<b>Marketing Office</b>	Sector 27A, Plot No.: 1, Above HDFC Bank, Room No.: 7, Bhel Chowk, Nigdi, Pune - 411 044, State - Maharashtra Phone: 078 75141813 Fax: NIL E-Mail: NIL	<b>Chandigarh</b>	<b>Branch Office</b>	SCO-53, First Floor, Sector-47C, Chandigarh - 160 047 Phone: 0091 0172 2630752 / 2631164 Fax: 0091 0172 2632368 E-Mail: NIL
<b>Raipur</b>	<b>Marketing Office</b>	C/o. Shree Mahavir Secure Logistics (P) Ltd., Opp.: Akashwani Bhawan, Rawa Bhatta, Bilaspur Road, Raipur - 493 221 State - Chattisgarh Phone: 094 79003396 Fax: NIL E-Mail: NIL	<b>Chennai</b>	<b>Branch Office</b>	Old No. 39B / New No. 46B, 1st Floor, Krishnan Complex, South Boag Road, T. Nagar, Chennai - 600 017 Phone: 0091 44 42111900 Fax: NIL E-Mail: NIL
<b>Silvassa</b>	<b>Plant</b>	201/1, Sayli Rakholi Road, Silvassa - 396 230, Dadra & Nagar Haveli (D&NH) (Ut) Phone: 0260 6993940 Fax: NIL E-Mail: NIL	<b>Chennai</b>	<b>Branch Office</b>	Balmer Lawrie House, 628, Anna Salai, Teynampet, Chennai - 600 018 Phone: 0091 044 2434 9593 / 2434 9343 / 2434 9038 Fax: 0091 44 24342579 E-Mail: prabhakar.m@balmerlawrie.com
<b>Secunderabad</b>	<b>Marketing Office</b>	141/2, Rashtrapati Road, Durga Bhawan, Secunderabad - 500 003, State - Telengana Phone: 040 27533926 / 7365 Fax: 040 27537365 E-Mail: blglsec@vsnl.net	<b>Coimbatore</b>	<b>SBU Office</b>	Krishna Kamalam Pride (KK Pride), Flat A-Block, III Floor, 391/392 Bharathiar Road, New Sidhapudur Coimbatore - 641 044 Phone: 0091 0422 4271116 Fax: NIL E-Mail: ramanathna.n@vacationsexotica.com
<b>Vadodara</b>	<b>Marketing Office</b>	G-5-9 Stop-N-Shop Plaza, R C Dutt Road, Alkapuri, Vadodara - 390 007 Phone: 0265 2337608, 232 7473 Fax: 0265 232 7473 E-Mail: blglbaroda@vsnl.net	<b>Delhi</b>	<b>Branch Office</b>	1st Floor, Core No. 4, Scope Minar Building, Laxmi Nagar Dt. Centre, Delhi - 110 092 Phone: (011) 22054429-31 Fax: (011) 22054434 E-Mail: Nil
<b>TRAVEL &amp; VACATIONS</b>					
<b>Ahmedabad</b>	<b>Branch Office</b>	204, 3rd Eye, Building, Panchvati Cricle, C. G. Road, Ahmedabad - 380 009 Phone: (079) 2646 4771-73 Fax: (079) 2646 4774 E-Mail: chandiwala.mv@balmerlawrie.com	<b>Goa</b>	<b>Branch Office</b>	Dr. Ozler Forum, Shop No. 5, Near Roy Petrol Pump, Vasco da Gama, Goa - 403 802 Phone: 0832 2500381 / 82 Fax: 0832 2500284 E-Mail : blgoa2011@gmail.com
<b>Bengaluru</b>	<b>Branch Office</b>	01, Ground Floor, Batra Centre, 27 & 27/1 Ulsoor Road, Bengaluru - 560 042 Phone: 0091 080 2558 1004-08 / 2532 8380 / 2532 8382 Fax: (080) 25580090 E-Mail: gupta.sangeeta@ balmerlawrie.com	<b>Guwahati</b>	<b>Branch Office</b>	2nd Floor, F-Fort Building Kachari Basti Road, Ulubari, Guwahati - 781 007 Phone: 0091 0361 2469866 / 871 Fax: 0091 0361 2469871 E-Mail: saikia.r@balmerlawrie.com

<b>Gurugram Branch (formerly Gurgaon) Office</b>	Unit No. 401A, B, C & 402, 4th Floor, Welldone Techpark, Sector - 48, Sohna Road, Gurugram - 122 002 Phone: 0091 0124 4798137 Fax: NIL E-Mail: NIL	<b>New Delhi Branch Office</b>	Upper Ground Floor, Kunchanjunga Building, Barakhamba Road, Connaught Place New Delhi - 110 001 Phone: 0091 11 49518800 Fax: 0091 11 49518816 E-Mail: NIL
<b>Hyderabad Branch Office</b>	302, Regency House, 680, Somajiguda, Hyderabad - 500 082 Phone: Vacations: 0091 040 40126565 / 6564 / 6563 Travel: 0091 040 23414553, 23400642 Fax: 0091 040 23406399 E-Mail: NIL	<b>New Delhi Branch Office</b>	Ground Floor, Core - 8, Scope Complex, 7, Lodhi Road, New Delhi - 110 003 Phone: 011-46412201-09 Fax: 0091 11 46412235 / 24361526 E-Mail: NIL
<b>Indore Branch Office</b>	101, Blue Diamond, Diamond Colony, Opp. Bansi Trade Centre, Zanjeerwala Square, Indore-452 001 Phone: 07312542455 Fax: NIL E-Mail: idr.balmerlawrie@gamil.com	<b>Port Blair Branch Office</b>	97, M G Road, Middle Point, 1st Floor, Port Blair - 744 101 Phone: 03192 240045 / 048, 9474273464, 9474208178 Fax: NIL E-Mail: tvl.portblair@balmerlawrie.com
<b>Kolkata Branch Office</b>	21, Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 033 22225555 Fax: NIL E-Mail: NIL	<b>Pune Branch Office</b>	1161/4, Chinar Apartment, Behind Hardikar Hospital, Opp. The Pride Hotel, University Road, Pune - 411 005 Phone: 0091 020 25514330 / 1 / 2 / 3 Fax: 0091 020 25514334 E-Mail: balmerlawrie.pune@gmail.com
<b>Kochi Branch Office</b>	Ground Floor, Door No. 40/8147 Anarakathara Road, Shenoys Theatre, M G Road, Kochi - 682 035 Phone: 0484 2350122 / 2351023 Fax: NIL E-Mail: jobalmer01@gmail.com	<b>Thiruvananthapuram Branch Office</b>	TC 09/1816 (1), Ground Floor, Anugraha, Sankar Road, Sasthamangalam, Thiruvananthapuram - 695 010 Phone: 0091 0471 2314980/2314981 Fax: 0091 0471 2315201 E-Mail: mishra.v@balmerlawrie.com
<b>Lucknow Branch Office</b>	GF-8, Ratan Square, 20A, Vidhansabha Marg, Lucknow - 226 001 Phone: 0091 0522 4931700 Fax: NIL E-Mail: NIL	<b>Vadodara Branch Office</b>	Ground Floor, Stop-'N'-Shop Plaza, 5-9, R C Dutt Road, Alkapuri, Vadodara - 391 007 Phone: 0091 0265 2353775 / 2340196 / 2340514 / 2364267 Fax: Travel : 0091 0265 2314835 E-Mail: chandiwala.mv@balmerlawrie.com
<b>Mumbai SBU Office</b>	4th Floor, Balmer Lawrie Building 5, J N Heredia Marg, Ballard Estate, Mumbai - 400 001 Phone: 022 66361111-14 Fax: 022 66361110 E-Mail: karangutkar.t@balmerlawrie.com	<b>Visakhapatnam Branch Office</b>	30-15-154/4F2, 5th Floor, Patnam office, GKP Heavenue, Dabagardens Main Road, Visakhapatnam - 530 020 Phone: 0891 2564922 / 2564 933 Fax: 0891 2569305 E-Mail: NIL
<b>Mumbai Branch Office</b>	Shop No.: 2, Neminath Co-Op. Hsg. Soc. Ltd., Kambli Wadi, Opp. Railway Station Vile Parle [E], Mumbai - 400 057 Phone: 0091 22 42143333 (Board line) Fax: 0091 22 26121287 E-Mail: NIL		
<b>Nagpur Branch Office</b>	Plot No. 4, 1st Floor, Ramkrishna Nagar, Opposite Bank of Maharashtra, Ajni Square, Wardha Road, Nagpur - 440 015 Phone: +91 0712 2244150 Fax: +91 0712 2244151 E-Mail: balmerlawrienagpur@gmail.com		

## LOGISTICS

### Eastern Region

<b>Shri Manas SBU Kumar Ganguly</b> Chief Operating Officer	Corporate Head Office, 21, Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 33 2222 5636, +91 9831034014 [M] Fax: 0091 33 2222 5282 E-Mail: ganguly.mk@balmerlawrie.com
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**Shri K. SBU**  
**Jambunathan Office**  
 Vice President  
 (Freight Forwarding)

Corporate Head Office,  
 21, Netaji Subhas Road,  
 Kolkata-700 001  
 Phone : 0091 33 2222 5290  
 Fax: 0091 33 2222 5282  
 E-Mail: jambunathan.k@balmerlawrie.com

**Bhubaneswar Branch Office**

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

**Kolkata Branch & SBU Office**

Shri M. Pavithran, Branch Head,  
 21, Netaji Subhas Road,  
 Kolkata - 700 001  
 Phone: 0091 33 22134658, 22225456  
 Fax: 0091 33 22225282  
 E-Mail: pavithran.m@balmerlawrie.com

**Kolkata SBU Office**

"21, Netaji Subhas Road,  
 Kolkata - 700 001"  
 Phone: 033 22225556  
 Fax: 033 22225728  
 E-Mail: NIL

**Kolkata CFS**

"Mr. Prasant Basu,  
 Container Freight Station,  
 P - 3/1, Transport Depot Road,  
 Kolkata - 700 088"  
 Phone: 24506821 / 6835 / 6813  
 Fax: 24498355  
 E-Mail: kolkata.cfs@balmerlawrie.com

**Kolkata WD (Hide Road)**

"Warehousing & Distribution, P-43,  
 Hide Road Extension,  
 Kolkata - 700 088"  
 Phone: 24491346  
 Fax: 24498355  
 E-Mail: blwd.kol.extrn@balmerlawrie.com

**Kolkata WD (Sonapur)**

"Warehousing & Distribution,  
 1, Sonapur Road, Kolkata - 700 088"  
 Phone: 24506824 / 6825 / 6840  
 Fax: 24498355  
 E-Mail: kolkata.wd@balmerlawrie.com

*Western Region*

**Shri P. P. Rathnakar Head - Key Account**

E-Mail: rathnakar.pp@balmerlawrie.com

**Ahmedabad Branch Office**

Shri S.R. Ghosh, Branch in-charge,  
 204, 3rd Eye, Panchvati Circle,  
 CG Road, Ahmedabad - 380 009  
 Phone: +91 79 26464745 / 4746  
 Fax: +91 79 26464774  
 E-Mail: ghosh.sr@balmerlawrie.com

**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  
 Fax: NIL  
 E-Mail: ls.goa@balmerlawrie.net

**Indore Branch Office**

Shri S. Jain, Branch in-charge,  
 Office No. 101, Blue Diamond,  
 17-18, Diamond Colony,  
 Dr. R S Bhandari Marg,  
 Indore - 452001  
 Phone: 0982772716  
 Fax: NIL  
 E-Mail: jain.s@balmerlawrie.com

**Mumbai Branch Office**

"Shri Ketan Pote, Branch Head,  
 101,102,103 ASCOT Centre,  
 Next to Hilton Hotel, D P Road,  
 Andheri(E), Mumbai - 400 099"  
 Phone: 0091 22 28266707 / 8249  
 Fax: 0091 22 28364311  
 E-Mail: pote.k@balmerlawrie.com

**Mumbai CFS**

"Mr. Rajesh Raghavan,  
 Container Freight Station, Plot No.1,  
 Sector 7, Dronagiri Node,  
 Navi Mumbai - 400 707"  
 Phone: 0091 22 27240216  
 Fax: 0091 22 27242943  
 E-Mail: blcfsmumbai@balmerlawrie.com

**Pune Branch Office**

"Shri Vinayak Padwale, Branch  
 in-charge, 10, Aditya Shagun Mall,  
 Bavadhan Khurd, NDA-Pashan Road,  
 Pune - 411 021"  
 Phone: 0091 20 54731573  
 Fax: 0091 20 54731573  
 E-Mail: padwale.vm@balmerlawrie.com

*Northern Region*

**Shri R. Srivastava Head - Key Account**

E-Mail: srivastava.r@balmerlawrie.com

**Kanpur Branch Office**

"Branch in-charge, Adjacent HAL Post Office,  
 HAL Township, Near Ramadevi  
 Chauraha, Kanpur,  
 Uttar Pradesh - 208 007"  
 Phone: 0512 2400629  
 Fax: 0512 240063  
 E-Mail: NIL

**Ludhiana Branch Office**

"Shri Akshay Kumar,  
 Branch in-charge, C-148, CFS Road,  
 Phase - 5, Focal Point,  
 Ludhiana - 141 010, Punjab"  
 Phone: 08283840706 / 0161 2672 672  
 Fax: NIL  
 E-Mail: ludhiana.bl@balmerlawrie.com

**New Delhi Branch Office**

"Shri Satish Vashisth, Branch Head,  
 32-33 Kushal Bazar, Ground Floor,  
 Nehru Place, New Delhi - 110 019"  
 Phone: "0091 11 26467565, 26441390"  
 Fax: 0091 11 26467383  
 E-Mail: vashisth.s@balmerlawrie.com



## Southern Region

<b>Bengaluru Branch Office</b>	“Shri K. Vaidyanathan, Branch Head, No. 342 Konena Agrahara, Airport Exit Road, HAL Post, Bengaluru - 560 017” Phone: 0091 80 25227221 / 8769 Fax: 0091 80 25227231 E-Mail: vaidyanathan.k@balmerlawrie.com	<b>Kochi Branch Office</b>	“Shri K. S. Saritha, Branch in-charge, 40/8147 D, Ground Floor, Narakathara Road, Kochi - 682 035” Phone: 0484 235 1025 Fax: 0484 235 0126 E-Mail: saritha.ks@balmerlawrie.com
<b>Chennai Branch Office</b>	“Shri S. Krishnan, Branch Head, Balmer Lawrie House, 628, Anna Salai, Teynampet, Chennai - 600 018” Phone: 0091 44 24302450 Fax: 0091 44 24348066 E-Mail: krishnan.s@balmerlawrie.com	<b>Thiruvananthapuram Branch Office</b>	“Shri Muraleedharan K., Branch in-charge, Sivada Tower, 1st Floor, Snnra 17, Pettah, Thiruvananthapuram - 695 024” Phone: 0471 2463713 / 2463477 / 2464476 Fax: 0091 471 2465483 E-Mail: murali.k@balmerlawrie.com
<b>Chennai CFS</b>	“Mr. R. Raghupati, Container Freight Station, 32, Thiruvottiyur High Road, 32, Sathangadu Village, Manali, Chennai - 600 068” Phone: “044 25941813, 25940641” Fax: 044 25941863 E-Mail: chennai.cfs@balmerlawrie.com	<b>Tuticorin Branch Office</b>	“Shri Thanga Solomon, Branch in-charge, 4B/A-28, 1st Floor, Mangal Mall, Mani Nagar, Palayamkotai Road, Tuticorin - 628 003” Phone: 0091 461 2320803 Fax: 0091 461 2322887 E-Mail: cargo.tuty@balmerlawrie.com
<b>Coimbatore Branch Office</b>	“Shri R. Swaminathan, Branch in-charge, 5/245, Thadagam Main Road, Kanuvai, Coimbatore - 641 108” Phone: 0091 422 2405527 Fax: 0091 422 2405510 E-Mail: swaminathan.r@balmerlawrie.com	<b>Visakhapatnam Branch Office</b>	“Shri C. Kanduri, Branch in-charge, 30-15-154/4F2, 4th Floor, GKP HEAVENUE, Dabagardens Main Road, Visakhapatnam - 530 020” Phone: +91 891 2564922 / 2564933 Fax: +91 891 256 9305 E-Mail: “vizag.ls@balmerlawrie.com, kanduri.c@balmerlawrie.com”
<b>Coimbatore WD</b>	“Warehousing & Distribution, 5/245, Thadagam Main Road, Kanuvai, Coimbatore - 641 108” Phone: 0422 2400342 Fax: NIL E-Mail: coimbatore-wd@balmerlawrie.com	<b>LEATHER CHEMICALS</b>	
<b>Guntur Branch Office</b>	“Shri Ravi Teja, Branch in-charge, 103, Sreenivasa Towers, Opp: ITC, G T Road, Guntur - 522 004, Andhra Pradesh” Phone: “+91 8015001599 [M], 0863 2225111” Fax: NIL E-Mail: NIL	<b>Ambur Technical Service Centre</b>	“4/172, Gudiyatham Road, Thuthipet, Ambur - 635 802, Vellore District, Tamil Nadu” Phone: 04174 244468 Fax: 04174 244468 E-Mail: saravanakumar.v@balmerlawrie.com
<b>Hyderabad Branch Office</b>	“Shri Usha Srinivasan, Branch Head, 301, Regency House, 680, Samajiguda, Hyderabad - 500 082” Phone: 0091 40 23415272 Fax: 0091 40 23400958 E-Mail: srinivasan.u@balmerlawrie.com	<b>Chennai Plant &amp; SBU Office</b>	“32, Sattangadu Village, Manali, Chennai - 600 068” Phone: 044 25946500 Fax: 044 25945006 E-Mail: uthayaraja.rm@balmerlawrie.com
<b>Karur Branch Office</b>	“Branch in-charge, No. 42, 1st Floor, Periyar Nagar, CG Apartment Road, Karur - 639 002” Phone: 0091 4324 232025 Fax: NIL E-Mail: swaminathan.r@balmerlawrie.net	<b>Chennai Product Development Centre</b>	“32, Sattangadu Village, Manali, Chennai - 600 068” Phone: 044 25946604 Fax: NIL E-Mail: vijayabaskar.v@balmerlawrie.com
		<b>Chennai Marketing Office</b>	“Balmer Lawrie House”, 628, Anna Salai, Teynampet, Chennai - 600 018” Phone: 044 24302401 / 9444848749 Fax: NIL E-Mail: choudhury.t@balmerlawrie.com

**Kolkata Technical Service Centre** "Kolkata Leather Complex,  
Zone Number 1, Plot No. 63A,  
24 Paraganas (South)"  
Pin Code: 743 502  
Mobile: "09831498126, 09836814336"  
Fax: NIL  
E-Mail: [chaudhuri.j@balmerlawrie.com](mailto:chaudhuri.j@balmerlawrie.com)

**Kanpur Technical Service Centre** "2A/1(A) Jajmau,  
Near Supreme Petroleum,  
Kanpur - 208 010, Uttarpradesh"  
Mobile: 09935061087  
Fax: NIL  
E-Mail: [sinha.k@balmerlawrie.com](mailto:sinha.k@balmerlawrie.com)

**Ranipet Technical Service Centre** "135 & 136, 1st Floor,  
SIDCO Industrial Estate,  
SIPCOT, Ranipet - 632 403,  
Vellore District, Tamil Nadu"  
Phone: 04172 245019  
Fax: 04172 245018  
E-Mail: [saravanan.ks@balmerlawrie.com](mailto:saravanan.ks@balmerlawrie.com)

**REFINERY & OIL FIELD SERVICES**

**Kolkata SBU Office** "21, Netaji Subhas Road,  
Kolkata - 700 001"  
Phone: "0091 33 22225610, 22134674"  
Fax: 0091 33 2222 5444 / 5333  
E-Mail: NIL









Balmer Lawrie signed the MoU for 2016-17 with MOPNG on 12<sup>th</sup> July, 2016



As a part of the Swachh Bharat Abhiyan initiatives, Balmer Lawrie set up a Composting Unit at Victoria Memorial, Kolkata in March 2016



A new state-of-the-art Technical Service Centre for SBU: Leather Chemicals at Ranipet was inaugurated in March 2016



SBU: Greases & Lubricants received the prestigious ISO/TS 16949:2009 certificate for the Silvassa Plant in March 2016



SBU: Greases & Lubricants, Industrial Packaging, Travel & Vacations and Logistics participated in DefExpo 2016 held in Goa from 28<sup>th</sup> to 31<sup>st</sup> March 2016



Balmer Lawrie sponsored a Water Storage Tank at Padghe Village, Taloja, Navi Mumbai in association with Rotary Club



SBU: Logistics executed a major project movement in January 2016



Balmer Lawrie's first Temperature Controlled Warehouse at Hyderabad (Medchal) commenced operations in March 2016



## BALMER LAWRIE JOINT VENTURES



Balmer Lawrie  
- Van Leer Ltd.



Balmer Lawrie  
(UAE) LLC



PT Balmer Lawrie  
Indonesia



AVI-Oil  
India (P) Ltd.



Transafe  
Services Ltd.

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



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

A Miniratna I PSE  
(Under Ministry of Petroleum & Natural Gas)

**Registered Office:** Balmer Lawrie & Co. Ltd., 21, N. S. Road, Kolkata 700 001

**CIN:** L15492WB1924GOI004835

**Tel:** 033-2222 5329

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